



Legal Profession
Admission Board
of New South Wales

Legal Profession Admission Board

Annual Report
2016-17

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Letter to the Attorney General

The Hon Mark Speakman, SC MP
Attorney General
GPO Box 5341
SYDNEY NSW 2001

Dear Attorney General

We are pleased to present you with the Annual Report of the Legal Profession Admission Board for the year ended 30 June 2017, in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984*.

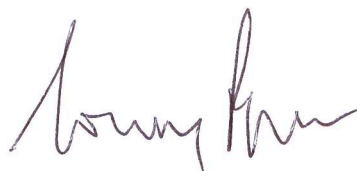
The Annual Report includes the audited financial report prepared in accordance with the *Public Finance and Audit Act 1983*.

We thank the members of the Legal Profession Admission Board, its Committees and Sub-Committees, as well as the staff of the Office of the Board, for their support and advice during the year.

Yours faithfully



The Hon Acting Justice A R Emmett AO
Presiding Member
Legal Profession Admission Board



The Hon Justice A Payne
Member
Legal Profession Admission Board

17 October 2017

Charter

The Legal Profession Admission Board (LPAB) is a self-funding statutory corporation constituted by the *Legal Profession Uniform Law Application Act 2014*.

The LPAB's functions are also governed by the Legal Profession Uniform Admission Rules 2015, the NSW Admission Board Rules 2015, the *Public Notaries Act 1997*, and the Public Notaries Appointment Rules.

Aims and Objectives

The LPAB is responsible for:

- determining the eligibility and suitability of people seeking to be admitted as a lawyer in NSW
- accrediting academic law courses and practical legal training courses in NSW
- registering, enrolling and examining students in the Board's Diploma in Law course
- appointing public notaries in NSW, and
- maintaining the Roll of Lawyers and the Roll of Public Notaries in NSW.

Structure

There are 11 members of the LPAB, including Supreme Court judges, deans of law schools, barristers and solicitors. A list of members during 2016-17 is at Appendix A.

The LPAB is supported in the exercise of its functions by a number of Committees and Sub-Committees. The Legal Qualifications Committee superintends the qualification of candidates for admission as a lawyer, and advises the LPAB in relation to the accreditation of academic and practical legal training courses.

The Examinations Committee is responsible for overseeing the content and conduct of the LPAB's examinations and the candidatures of students-at-law in the Diploma course.

Members of the Committees are listed at Appendix B and C. Sub-Committee membership is shown at Appendix D.

Secretariat support to the LPAB and its Committees and Sub-Committees is provided by staff who are employees of the NSW Department of Justice.



Review of Operations

Admission of lawyers

The Supreme Court of NSW may admit a person to the Australian legal profession as an Australian lawyer. The role of the LPAB is to determine whether or not to issue a compliance certificate to the Supreme Court in respect of each applicant for admission.

The prerequisites for the issue of a compliance certificate are that the applicant:

- a) has attained the specified academic qualifications prerequisite; and
- b) has satisfactorily completed the specified practical legal training prerequisite; and
- c) is a fit and proper person to be admitted to the Australian legal profession.

During the period under review, 2,386 people were admitted as lawyers in NSW. This represents a decrease of 0.6 per cent compared with the number of admissions in the previous financial year. Other statistics about admission as a lawyer are set out in Table 1.

Most people admitted in NSW held qualifications in law which were obtained wholly or partly in Australia. Around five per cent had previously been admitted as a lawyer in another country.

Assessment of academic qualifications

People who obtained a law qualification overseas (or who hold an Australian law qualification which is more than five years old) must apply for an assessment of what, if any, additional study is necessary in order to be eligible for admission.

The LPAB received 557 such applications during 2016-17, an increase of 4.3% compared with the previous year.

Applicants who sought an assessment of their foreign qualification had studied law in many different countries. The top ten were:

- United Kingdom (140)
- South Africa (49)
- India (38)
- United States of America (19)
- Hong Kong (14)
- China (14)
- Brazil (14)
- Canada (9)
- Ireland (9)
- Pakistan (8)

Assessment of Practical Legal Training (PLT)

People who completed practical legal training (PLT) overseas and have been admitted in a foreign jurisdiction (or who completed PLT in Australia more than five years ago) must apply for an assessment of what, if any, additional PLT is necessary in order to be eligible for admission.

The LPAB received 141 applications during 2016-17, an increase of 25% compared with the previous year.

Assessment of stale learning

The LPAB determined 67 applications for assessment of stale academic qualifications. Around 40% of those applicants were required to undertake further academic study. Two applications for assessment of stale PLT were received during 2016-17.

Early commencement of PLT

Law students must not commence their PLT until after completing their academic qualification in law, unless the PLT course is integrated with that qualification, or the prior permission of the LPAB has been obtained.

During 2016-17, the LPAB received 181 applications for permission to commence PLT early, and granted all except 2 of them. The applications which were refused did not comply with the rules in relation to early commencement of PLT.

Assessment of fitness and propriety

Applicants for admission must disclose to the LPAB any matter which could influence the assessment of their fitness and propriety to be admitted.

Around 28 per cent of applicants in 2016-17 made one or more disclosures. Around 7.5 per cent of applicants made a disclosure which was categorised as potentially significant to the assessment of their fitness and propriety.

The LPAB carefully reviews all disclosures and gives particular focus to those considered significant, often requiring the applicant to provide further information, and/or the Office of the LPAB to obtain independent verification of the facts.

During the year under review, 38 admission applicants disclosed a mental health issue. The LPAB issued a compliance certificate in respect of all those applicants.

In each case, the LPAB was satisfied that the conditions disclosed would not affect the capacity of the applicants to satisfactorily carry out the inherent requirements of practice as an Australian legal practitioner. The LPAB relied on recent medical evidence that the applicant's condition is appropriately

monitored, treated and managed, or that the applicant had not been symptomatic for an extended period of time.

Objections to issue of compliance certificates

The LPAB is required to give notice of admission applications on its website, and does so by publishing the full name of applicants and their proposed dates of admission. The LPAB is not to issue a compliance certificate in respect of an applicant until it has afforded a reasonable opportunity for persons to object to the issue of a certificate. Five objections were received during the year under review. One applicant has since been admitted. Two have been refused admission and two have yet to apply for admission.

Refusals of compliance certificates

In 2016-17, the LPAB refused to issue a compliance certificate in respect of 16 applicants for admission. The reasons for refusal were that the applicant:

- provided false documents to the LPAB
- was bankrupt
- was subject to good behaviour bond
- did not meet the academic prerequisite, or
- had an outstanding Centrelink debt

Table 1: Statistics regarding admission as a lawyer

	2014-15	2015-16	2016-17
Applicants for admission as a lawyer	2,272	2,422	2,358
Applicants previously admitted overseas	110	123	119
Applicants disclosing a fitness and propriety matter	463	616	668
Applicants with significant disclosures	N/A ¹	173	178
Applicants with minor disclosures	N/A ¹	434	524
Applications refused a compliance certificate	11	11	16
People admitted as a lawyer ²	2,229	2,402	2,386
Admittees who were previously admitted overseas	110	117	116
People admitted under mutual recognition ³	48	59	38
Assessments of academic qualifications	399	534	557
Assessments of practical legal training	103	105	141

Fifteen of the refused admission applicants were notified that they may consider re-applying after a specified period of time had elapsed. Those were applicants who were bankrupt, subject to a good behaviour bond, or did not meet the specified academic prerequisite.

Appeals against refusals

During 2016-17 there was 1 appeal lodged in the Court of Appeal against the LPAB's refusal to issue a compliance certificate and the Supreme Court's upholding of the LPAB's refusal.

Accreditation of law courses

The LPAB determines applications from law schools in NSW for accreditation or reaccreditation of law courses that provide the academic qualifications prerequisite. Accreditation or reaccreditation recognises that the course requires:

- the completion of at least three years' full-time study of law; and
- the acquisition and demonstration of appropriate understanding and competence in each element of the academic areas of knowledge set out in Schedule 1 of the Legal Profession Uniform Admission Rules 2015.⁴

Prior to the commencement of the Uniform Admission Rules, the LPAB required law schools in NSW to apply for reaccreditation each calendar year. The Uniform Admission Rules instead provide that the LPAB 'must monitor and may periodically review' accredited law courses.

The LPAB is reviewing the current accreditation framework and at the end of the financial year the review was in the consultation stage.

During 2016-17 the LPAB received 1 application for the accreditation of new law courses. Charles Sturt University applied for accreditation of a Bachelor of Criminal Justice on 28 June 2017. The application will be considered during the 2017-18 financial year

As at 30 June 2017, apart from the LPAB's Diploma in Law course, there were 19

accredited law courses being offered in NSW by 13 institutions:

- Australian Catholic University (LLB)
- Charles Sturt University (LLB)
- Macquarie University (LLB and JD)
- Southern Cross University (LLB)
- Top Education Institute (LLB)
- University of New England (LLB and JD)
- University of Newcastle (LLB and JD)
- University of Notre Dame (LLB)
- University of NSW (LLB and JD)
- University of Sydney (LLB and JD)
- University of Technology Sydney (LLB and JD)
- University of Wollongong (LLB)
- Western Sydney University (LLB).

Accreditation of PLT providers

The LPAB also determines applications from institutions which offer courses of practical legal training (PLT). Accreditation or reaccreditation recognises that successful completion of the course provides the required competencies for entry-level lawyers set out in Schedule 2 of the Legal Profession Uniform Admission Rules 2015.

The LPAB also proposes to review the accreditation framework for PLT courses.

As at 30 June 2017, there were 5 providers of PLT courses accredited in NSW:

- The College of Law
- University of Newcastle
- University of Technology Sydney
- University of Wollongong*
- Western Sydney University*.

*No longer offered.

No applications for approval of any new PLT courses in NSW were received during the year under review.

Diploma in Law course

The LPAB's Diploma in Law course provides an affordable and accessible means of entry to the Australian legal profession.

The LPAB registers, enrolls and examines students in the course, while the Law Extension Committee (LEC) of the University of Sydney provides the legal education for those students. Applicants for registration must meet one of the specified entry criteria.

The course consists of 26 subjects, of which 17 are compulsory and another 3 must be taken as electives. Examinations are held in the first week of March and September each year, with enrolments for the subsequent term taking place during the last week of October and April.

Table 2: Statistics regarding the Diploma in Law course

	2014-15	2015-16	2016-17
Applications for registration as a student-at-law	520	491	472
Students enrolled in Term 1	1,167	1,091	1,050
Students enrolled in Term 2	1,143	1,060	1,022
Number of enrolments in all subjects	4,496	4,092	3,995
Examinations sat	3,846	3,628	3,338
Students graduated	158	166	113
Applications for accelerated progression	137	124	117
% of above applications approved	92.7%	95.9%	100%
Applications to take subjects out of order	75	84	79
% of above applications approved	89.3%	91.6%	98.7%
Applications for relaxation of exclusion rules	241	239	215
% of above applications approved	94.6%	91.6%	93.9%

Orientation Days

Orientation for new students was held on 4 November 2016 and again on 5 May 2017 at the University of Sydney. The LPAB's Presiding Member, the Hon Acting Justice Emmett AO, gave the welcome addresses to new students. Mr Frank Astill, Director of the LEC and LPAB staff delivered presentations about the tuition arrangements and the course rules.

Graduation Ceremony

Chief Judge John Pascoe AC, of the federal Circuit Court of Australia, gave the occasional address at the 2016 Graduation Ceremony on Friday 29 June 2016. The ceremony was held at the University of Sydney's Great Hall.

Public Notaries

Public notaries are appointed by the Supreme Court, pursuant to the *Public Notaries Act*

1997 and the Public Notaries Appointment Rules. Applicants must have completed the Notarial Practice Course offered by The College of Law, and be lawyers of at least five years standing.

The LPAB administers the appointment process and maintains the Roll of Public Notaries, including an annual update of the particulars on record for all notaries.

Common functions of notaries include authenticating official and personal documents for use overseas, witnessing the signatures of individuals on documents and authenticating identity.

During 2016-17, the LPAB administered the appointment of 50 new public notaries, bringing the total number registered in NSW to 1,076.

Table 3: Statistics regarding Public Notaries

	2014-15	2015-16	2016-17
New public notaries appointed	69	50	50
Total number of public notaries on Roll	1,019	1,026	1,076

Highlights in 2016-17

Online admission system

On 4 October 2016 the LPAB launched its online admission services, which is the first phase in the Board's digitisation program. The project was funded from the LPAB's own funds. The new services enabled:

- faster application processing (down to an average of 12 working days)
- more frequent admission ceremonies (every 4 weeks instead of 7 weeks)
- applicant choice of admission ceremony, and online booking
- reduced requirements for documentary evidence from applicants
- a personalised checklist for each applicant listing evidence required
- delegation of over 90% of Board admission decisions
- automated web publishing of applicant names, to comply with legislation
- electronic exchange of criminal history data with federal/state authorities, and
- identity verification of applicants online via the Document Verification Service.

Admission applicants have rated their experience of the Board's new online services an average score of 9 out of 10.

In addition, 98% of admission applicants with a routine application received a determination within 3 weeks of lodgement (reduced from up to 9 weeks).

Conditional admission

Section 20 of the *Legal Profession Uniform Law (NSW)* provides for the LPAB to recommend in a compliance certificate in respect of a foreign lawyer that the foreign lawyer be admitted subject to conditions.

A 'foreign lawyer' means an individual who is properly registered or authorised to engage in

legal practice in a foreign country by the foreign registration authority for the country.

During 2016-17, the LPAB determined 12 applications by foreign lawyers for conditional admission in accordance with section 20 of the Uniform Law. One application was approved and two were withdrawn. Nine applications were refused, although the applicants were advised they may consider re-applying after meeting the academic and/or practical legal training prerequisites.

Review of Diploma course rules

A review of the rules which govern the Board's Diploma in Law course was completed in early 2017, and the Board's gave in-principle approval to an amended version of the NSW Admission Board Rules 2015.

The aim was to modernise the rules, to ensure they provide an effective framework for the entry and progression of students, which is easy to understand and efficient to administer.

The amendments are proposed to commence at a later stage, to coincide with the launch of online services for students-at-law in the Board's Diploma course.

Review of accreditation framework

Following the commencement of the Uniform Admission Rules, the LPAB determined as an interim measure that law degrees and PLT courses will be accredited for two years, to allow for the development of a new accreditation framework to operate from 2017.

The new framework will be largely dependent on the finalisation of Accreditation Standards for Australian Law Courses, which are currently being piloted by Victoria and NSW.

The Year Ahead

Review of the Public Notary Appointment Rules

A review of the rules which governs the appointments of Public Notaries in NSW will

commence in 2018. The aim is to modernise the rules and ensure they provide an effective framework to appoint Public Notaries.

Public Notary Database

Following the review of the Public Notary Appointment Rules, the LPAB will implement

a Public Notary Database that will streamline the appointment of Public Notaries and notify the office of any required correspondence from Public Notaries to assist them to comply with the Rules. The database will transform the administrative procedures in appointing and corresponding with all Public Notaries in NSW.

Notes

- ¹ This figure was not reported in previous years.
- ² The difference between applications received and people admitted is attributable to: applications being withdrawn by the applicant, deferred (adjourned) by the LPAB, or refused by the LPAB.
- ³ This figure relates to New Zealand legal practitioners who were admitted as lawyers by the Supreme Court of NSW under the *Trans Tasman Mutual Recognition (NSW) Act 1996*. The LPAB does not determine such applications but records the admissions on the Supreme Court Roll. The figure is therefore in addition to the number of people admitted as a lawyer following an application to the LPAB.
- ⁴ These subjects are often referred to as the 'Priestley 11'.

Acronym Glossary

JD	Juris Doctor degree
LACC	Law Admissions Consultative Committee
LEC	Law Extension Committee (of the University of Sydney)
LLB	Bachelor of Laws degree
LPAB	Legal Profession Admission Board
NSW	New South Wales
PLT	Practical Legal Training

Contact Details

Legal Profession Admission Board of NSW

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Sydney NSW 2001

Australia

Street: Level 4

37 Bligh Street (cnr of Hunter Street)

Sydney NSW 2000

Australia

Hours: 9:00am to 5:00pm

Monday to Friday

(excluding public holidays)

Appendix A: Legal Profession Admission Board

Member	Qualification and method of appointment	Term	Attendance
The Hon T F Bathurst AC	Chief Justice of the Supreme Court of NSW, pursuant to Schedule 3 of the <i>Legal Profession Uniform Law Application Act 2014</i>	1 July 2016 to 30 June 2017	N/A
The Hon Acting Justice A R Emmett AO (Presiding Member)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	7
The Hon Justice D L Davies (Deputy Presiding Member)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 16 December 2017	3
The Hon Justice G Lindsay	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	7
The Hon Justice A Payne	Judge of the Supreme Court of NSW, nominated by the Chief Justice	17 December 2016 to 30 June 2017	3
Professor Michael Adams	Dean of Law School, nominated by Council of Australian Law Deans	1 July 2016 to 30 June 2017	5
Ms Margaret Allars SC	Barrister, nominated by the Bar Council	1 July 2016 to 30 June 2017	7
Mr Charles Cawley	Solicitor, nominated by the Law Society Council	1 July 2016 to 30 June 2017	6
Mr John Dobson	Solicitor, nominated by the Law Society Council	1 July 2016 to 30 June 2017	7
Professor Lesley Hitchens	Dean of Law School, nominated by Council of Australian Law Deans	1 July 2016 to 30 June 2017	5
Mr Garry McGrath SC	Barrister, nominated by the Bar Council	1 July 2016 to 30 June 2017	6
Mr Marcel Savary	Department of Justice officer, nominated by the Attorney General	1 July 2016 to 7 August 2016	0
Dr Jacob Campbell	Department of Justice officer, nominated by the Attorney General	30 August 2016 to 30 June 2017	3

During 2016-17, the LPAB held six scheduled meetings and one unscheduled, electronic meeting.

The Chief Justice is represented at meetings of the LPAB by the Presiding Member.

Appendix B: Legal Qualifications Committee

Member	Qualification and method of appointment	Term	Attendance
The Hon Justice C Adamson (Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	4
The Hon Justice S Robb	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	5
The Hon Justice Natalie Adams	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	
Mr John Fernon SC	Barrister, nominated by the Bar Council	1 July 2016 to 30 June 2017	6
Ms Elizabeth Picker	Barrister, nominated by the Bar Council	1 July 2016 to 30 June 2017	6
Mr Thomas Spohr	Solicitor, nominated by the Law Society Council	1 July 2016 to 30 June 2017	7
Ms Blanka Moss	Solicitor, nominated by the Law Society Council	1 July 2016 to 30 June 2017	6
Ms Carolyn Penfold	Head of School and Law lecturer, nominated by Council of Australian Law Deans	1 July 2016 to 2 February 2017	3
Professor Andrew Lynch	Head of School, nominated by the Council of Australian Law Deans	3 February 2017 to 30 June 2017	3
Professor Peter Radan	Law lecturer, nominated by Council of Australian Law Deans	1 July 2016 to 30 June 2017	1
Ms Maxine Evers	Law lecturer, nominated by Council of Australian Law Deans	1 July 2016 to 30 June 2017	5
Dr Gordon Elkington	Barrister, appointed by co-option	1 July 2016 to 30 June 2017	7
Mr Greg Ross	Solicitor, appointed by co-option	1 July 2016 to 30 June 2017	6
Mr Peter Underwood	Lawyer, appointed by co-option	1 July 2016 to 30 June 2017	7

During 2016-17, the Legal Qualifications Committee held seven scheduled meetings.

Appendix C: Examinations Committee

Member	Qualification and method of appointment	Term	Attendance
The Hon Justice C Simpson (Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	5
The Hon Justice P Hamill (Deputy Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	6
The Hon Justice R Darke	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2016 to 30 June 2017	5
Mr Ross Anderson	Examiner, appointed by the Chairperson of the Committee	1 July 2016 to 30 June 2017	7
Mr Frank Astill	Director of the Law Extension Committee	1 July 2016 to January 2017	3
Mr Andrew Boog	Solicitor, nominated by the Law Society Council	1 July 2016 to 30 June 2017	6
Ms Susan Carter	Examiner, appointed by the Chairperson of the Committee	1 July 2016 to 30 June 2017	7
Mr Michael Christie SC	Barrister, nominated by the Bar Council	1 July 2016 to 30 June 2017	6
Mr John Dobson	Appointed by co-option by the Committee	30 August 2016 to 30 June 2017	5
Ms Maureen Noonan	Examiner, appointed by the Chairperson of the Committee	14 February 2017 to 30 June 2017	

During 2016-17, the Examinations Committee held seven scheduled meetings.

Appendix D: Sub-Committees

Academic Exemptions Sub-Committee

The Academic Exemptions Sub-Committee, determines applications in relation to overseas and local academic qualifications. During 2016-17, members of the Sub-Committee were:

- The Hon Justice S Robb
- Dr Gordon Elkington
- Mr Peter Underwood.

Curriculum Sub-Committee

The Curriculum Sub-Committee oversees the planning and review of the curriculum and syllabi for the LPAB's examinations. During 2016-17, members of the Sub-Committee were:

- Mr Ross Anderson
- Mr Frank Astill (to January 2017)
- Ms Susan Carter
- Ms Maureen Noonan (from February 2017)

Performance Review Sub-Committee

The Performance Review Sub-Committee determines applications under Rule 67 in relation to exclusion from the LPAB's Diploma in law course. During 2016-17, members of the Sub-Committee were:

- Mr Frank Astill (to January 2017)
- Mr John Dobson (from February 2017)
- Ms Susan Carter
- Mr Andrew Boog

Practical Training Exemptions Sub-Committee

The Practical Training Exemptions Sub-Committee determines applications in relation to overseas and local practical training experience and qualifications. During 2016-17, members of the Sub-Committee were:

- Ms Maxine Evers
- Mr Greg Ross
- Mr Richard Harvey.

Quality Sub-Committee

The Quality Sub-Committee oversees the quality of the LPAB's examinations and the marking of examination papers. During 2016-17, members of the Sub-Committee were:

- Mr Ross Anderson
- Mr Frank Astill (to January 2017)
- Ms Susan Carter (from February 2017)
- Mr Michael Christie SC.

Appendix E: Additional Reporting Matters

Annual report costs

The LPAB did not incur any external costs in producing the Annual Report for 2016-17.

The Annual Report may be accessed at the LPAB's website, www.lpab.justice.nsw.gov.au.

Consultants

No consultants were engaged by or on behalf of the LPAB during 2016-17.

Consumer response

During 2016-17, the LPAB received 17 complaints, 14 of which related to the content of exam papers in the Diploma in Law course.

Feedback from applicants was used to inform the design of online admission services, including introduction of choice in ceremony time and date, more frequent ceremony days, fewer documents to lodge, and faster processing times.

The LPAB amended its special exam arrangements application form and is reviewing other disability support, following feedback from a student.

Other complaints alleged that the topics of certain examination questions had not been covered in lectures. In response the LPAB sought confirmation from lecturers and explained to students where the question topics had been covered.

Controlled entities

The LPAB does not have any controlled entities of the kind referred to in section 39(1A) of the *Public Finance and Audit Act 1983*.

Disability inclusion

The LPAB continued to participate in the Transition to Work program conducted by the Cerebral Palsy Alliance which provides work experience for young people with a disability.

Economic factors

No economic factors affected the achievement of operational objectives during 2016-17.

Funds granted to non-government community organisations

The LPAB did not grant any funds to non-government community organisations during 2016-17.

Human resources

	2013-14		2014-15		2015-16		2016-17	
	M	F	M	F	M	F	M	F
Senior Executive Band 1	0	0	1	0	1	0	1	0
Clerk 11/12	0	1	0	0	0	0	0	0
Legal Officer I-III	0	1.6	0	1.6	0	1.8	0	1.8
Clerk 7/8	0	1	0	1	0	1	0	1
Clerk 5/6	1	1	1	1	1	1	1	1
Clerk 3/4	1	2.8	2	1.8	2	1.8	2	1.8
Clerk 1/2	1	1	1	1	1	1	1	1
Total males and females	3	8.4	5	6.4	5	6.6	5	6.6
Total employees	11.4		11.4		11.6		11.6	

The Office of the LPAB is staffed by 11.6 full time equivalent employees of the Department of Justice. The LPAB also engages casual examiners, casual revising examiners and casual examination invigilators. As at 30 June 2017, the Office of the LPAB was managed by the Executive Officer/Change and Client Relationship Manager, Mr Christopher Banks.

Land disposal

The LPAB did not dispose of any land or properties during 2016-17.

Legal change

In 2016-17 the functions of the LPAB and users of its services were affected by the following changes to legislation and significant judicial decisions:

Legislation	Section	Purpose	Date
Legal Profession Uniform Law Application Act 2014 <u>No 16</u>	165	<p>Section 165 Omit the section. Insert instead:</p> <p>165 Penalty notices (1) An authorised officer may issue a penalty notice to a person if it appears to the officer that the person has committed a penalty notice offence. (2) A penalty notice offence is an offence against this Act, the local regulations or the <i>Legal Profession Uniform Law (NSW)</i> that is prescribed by the regulations as a penalty notice offence. (3) The <i>Fines Act 1996</i> applies to a penalty notice issued under this section. Note. The <i>Fines Act 1996</i> provides that, if a person issued with a penalty notice does not wish to have the matter determined by a court, the person</p>	Assented to on 1 June 2017

		<p>may pay the amount specified in the notice and is not liable to any further proceedings for the alleged offence.</p> <p>(4) The amount payable under a penalty notice issued under this section is the amount prescribed for the alleged offence by the regulations (not exceeding the maximum amount of penalty that could be imposed for the offence by a court).</p> <p>(5) This section does not limit the operation of any other provision of, or made under, this or any other Act relating to proceedings that may be taken in respect of offences.</p> <p>(6) In this section, <i>authorised officer</i> means a person who is designated by the local regulations as an authorised officer for the purposes of this section.</p>	
<u>Legal Profession Uniform Law Application Act 2014 No 16</u>	18B	<p>Section 18B Non-compellability of certain witnesses</p> <p>Omit section 18B (d). Insert instead:</p> <p>(d) the <i>Law Enforcement Conduct Commission Act 2016</i>, or</p>	<p>Assented to on 14 November 2016</p> <p>Commenced 1 July 2017</p>
<u>Legal Profession Uniform Law Application Act 2014 No 16</u>	70	<p>Section 70 Certificate as to determination of costs to parties</p> <p>Insert after section 70 (5):</p> <p>(5A) The regulations may make provision for or with respect to the forwarding of a certificate issued under this section (or a copy of the certificate):</p> <p>(a) by the costs assessor to the parties to the costs assessment or the Manager, Costs Assessment or both, and</p> <p>(b) by the Manager, Costs Assessment to the parties to the costs assessment.</p>	<p>Assented to on 25 October 2016</p>
<u>Legal Profession Uniform Law Application Act 2014 No 16</u>	83	<p>Section 83 Application by party for review</p> <p>Omit “within 30 days after the issue of a certificate of determination by a costs assessor” from section 83 (1). Insert instead “within 30 days after the certificate of determination by the costs assessor has been forwarded to the parties in accordance with the regulations or the costs assessment</p>	<p>Assented to and commenced on 25 October 2016</p>

		rules”.	
<u>Legal Profession Uniform Law Application Act 2014 No 16</u>	84	Section 84 Application by Manager, Costs Assessment for review Omit “within 30 days after the issue of a certificate of determination by a costs assessor” from section 84 (1). Insert instead “within 30 days after the certificate of determination by the costs assessor has been forwarded to the parties in accordance with the regulations or the costs assessment rules”.	Assented to and commenced on 25 October 2016
<u>Legal Profession Uniform Law Application Act 2014 No 16</u>	93	Section 93 Costs assessment rules Omit section 93 (1) (b) (vi). Insert instead: (vi) the issue of certificates of determinations and the forwarding of such certificates (or copies of such certificates): (A) by the costs assessor to the parties to the costs assessment or the Manager, Costs Assessment or both, and (B) by the Manager, Costs Assessment to the parties to the costs assessment, and	Assented to and commenced on 25 October 2016
<u>Legal Profession Uniform Law Application Act 2014 No 16</u>	167	Section 167 Insert after section 166: 167 Tabling of certain annual reports in Parliament when it is not sitting (1) This section applies with respect to a report that the Attorney General is required by the following provisions to lay (or cause to be laid) before a House of Parliament: (a) section 26 or 34 of this Act, (b) clause 26 (5) of Schedule 1 or clause 10 (7) of Schedule 2 to the <i>Legal Profession Uniform Law (NSW)</i> . (2) If a House of Parliament is not sitting when the Attorney General seeks to lay the report before it, the Attorney General is to cause a copy of the report to be presented to the Clerk of that House of Parliament. (3) A report presented under subsection (2): (a) is, on presentation and for all purposes, taken to have been laid	Assented to on 25 October 2016

		<p>before the House, and</p> <p>(b) may be printed by authority of the Clerk of the House, and</p> <p>(c) if so printed, is taken to be a document published by or under the authority of the House, and</p> <p>(d) is to be recorded:</p> <p>(i) in the case of the Legislative Council—in the Minutes of the Proceedings of the Legislative Council, and</p> <p>(ii) in the case of the Legislative Assembly—in the Votes and Proceedings of the Legislative Assembly,</p> <p>on the first sitting day of the House after receipt of the copy of the report by the Clerk.</p> <p>(4) In this section, <i>lay</i> includes table.</p>	
<i>Legal Profession Uniform Law (NSW)</i>	70	<p>7 Form of practice After section 70(1)(b) of the Uniform Law insert—</p> <p>"(ba) in a partnership with one or more Australian registered foreign lawyers in circumstances where, if the Australian-registered foreign lawyer were an Australian legal practitioner, the partnership would be permitted under a law of this jurisdiction; or".</p>	Assented to on 2 November 2016
<i>Legal Profession Uniform Law (NSW)</i>	82	<p>8 Grounds for action under this Division</p> <p>In section 82(1)(c) of the Uniform Law, after "278" insert ", 299(1)(g)".</p>	Assented to on 2 November 2016
<i>Legal Profession Uniform Law (NSW)</i>	465	<p>9 Duty to report suspected offences In section 465(4) of the Uniform Law—</p> <p>(a) in paragraph (d), for "authority; or" substitute "authority."; (b) paragraph (e) is repealed.</p>	Assented to on 2 November 2016
<i>Legal Profession Uniform Law (NSW)</i>	Schedule 1	<p>10 Annual reports—Council After clause 26(4) of Schedule 1 to the Uniform Law insert—</p> <p>"(4A) The financial statement may be combined with the financial statement required by clause 10 of Schedule 2."</p>	Assented to on 2 November 2016
<i>Legal Profession Uniform Law (NSW)</i>	Schedule 2	<p>11 Annual reports—Commissioner</p> <p>After clause 10(4) of Schedule 2 to the Uniform Law insert— "(4A) The financial statement may be combined</p>	Assented to on 2 November 2016

		with the financial statement required by clause 26 of Schedule 1."	
<i>Hilton v Legal Profession Admission Board</i> [2016] NSWSC 1617	N/A	Beech-Jones J confirmed the LPAB's decision to not issue Mr Hilton with a compliance certificate under s 19(1) of the <i>Legal Profession Uniform Law (NSW)</i> and that he was not presently a fit and proper person to be readmitted to the Australian legal profession.	17 November 2016
NSW Admission Board Rules 2017	N/A	The Board approved the NSW Admission Board Rules 2017, in principle only, subject to various necessary amendments and feedback.	6 February 2017

Public Notaries Appointment Rules	Second Schedule	To amend the fee schedule with effect from 1 July 2017.	26 May 2017
NSW Board Admission Rules 2015	Third Schedule	To amend the fee schedule with effect from 1 July 2017.	26 May 2017

Multicultural policies and services

Information about multicultural policies and services is reported in the Annual Report of the NSW Department of Justice.

Promotion

No overseas visits were undertaken by members, officers or employees of the LPAB with the use of LPAB funds during the reporting year.

Research and development

The LPAB did not undertake any research and development activities during 2016-17.

Risk management and insurance

The LPAB shares the Audit and Risk Committee of the NSW Department of Justice. All identified risks were assessed as having either an overall risk rating of 'Moderate' or could be reduced to a 'Low' rating with appropriate strategies and controls. Information about the management of financial risk is contained in the notes to the financial statements.

The LPAB's insurance cover is arranged by the NSW Department of Justice and provided by the Treasury Managed Fund (TMF), a government-wide self-insurance scheme. The insurance program covers workers' compensation, public liability, motor vehicle accident, property, and

miscellaneous liability. During 2016-17, the LPAB did not make any claims under this insurance cover.

Workforce diversity

As staff of the LPAB are employees of the NSW Department of Justice, workforce diversity information is reported in the Annual Report of the Department.

Work health and safety

The LPAB did not have any work-related injuries, illnesses or prosecutions under the *Work Health and Safety Act 2011* during 2016-17.

Appendix F: Internal Audit and Risk Management

Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for the Legal Profession Admission Board

I, Christopher Banks, am of the opinion that the Legal Profession Admission Board has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Exceptions or Transitional Arrangements

Nil.

Membership

The chair and members of the Audit and Risk Committee are:

- Chair, Carolyn Burlew, October 2015 – October 2020
- Independent Member 1, David Antaw, November 2015 – November 2018
- Independent Member 2, Leah Fricke, November 2015 – November 2018
- Independent Member 3, Ralph Kelly, November 2015 – November 2018
- Independent Member 4, John Pearson, March 2016 – March 2019



Christopher Banks
Executive Officer, Legal Profession Admission Board

Appendix G: Digital Information Security

Digital Information Security Annual Attestation Statement for the 2016-17 Financial Year for the Legal Profession Admission Board

I, Christopher Banks, Executive Officer on behalf of the Legal Profession Admission Board, am of the opinion that:

1. the Legal Profession Admission Board had an Information Security Management System in place during the 2016-17 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy
2. the controls in place to mitigate identified risks to the digital information and digital information systems of the Legal Profession Admission Board are adequate
3. there is no agency under the control of the Legal Profession Admission Board which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy
4. where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, the Legal Profession Admission Board has maintained certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements by an accredited third party during the 2016-17 financial year.

they had an Information Security Management System (ISMS) during the reported financial year, that is consistent with the Core Requirements of the Policy • taking into account business requirements of the agency, adequate security controls are in place to mitigate identified risks to digital information and systems for the foreseeable future • all public sector agencies under the control of the agency, with a risk profile sufficient to warrant an independent ISMS, have developed an ISMS in accordance with the Policy, and • where applicable, certified compliance with ISO/IEC 27001 by an accredited third party has been obtained and maintained.



Christopher Banks, Executive Officer, Legal Profession Admission Board

Appendix H: Financial Statements



INDEPENDENT AUDITOR'S REPORT

Legal Profession Admission Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Legal Profession Admission Board (the Board), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

The Board Members' Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board must assess the Legal Profession Admission Board's ability to continue as a going concern except where the agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



David Daniels
Director, Financial Audit Services

19 October 2017
SYDNEY

LEGAL PROFESSION ADMISSION BOARD

Financial Statements

for the year ended 30 June 2017

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**LEGAL PROFESSION ADMISSION BOARD
STATEMENT BY MEMBERS OF THE BOARD**

for the year ended 30 June 2017

Pursuant to Section 41C of the *Public Finance and Audit Act, 1983* and in accordance with a resolution of the members of the Legal Profession Admission Board, we declare on behalf of the Board that in our opinion:

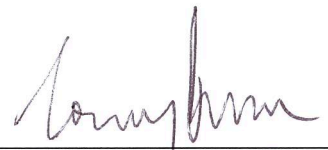
1. The accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2017 and financial performance of the Legal Profession Admission Board for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act, 1983*, the *Public Finance and Audit Regulation 2015*, applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the Financial Reporting Directions mandated by Treasurer.

Further we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Dated: 17 October 2017



Board Member



Board Member

LEGAL PROFESSION ADMISSION BOARD

Statement of comprehensive income

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Expenses excluding losses			
Personnel services expenses	2(a)	1,530,806	1,679,628
Operating expenses	2(b)	719,611	615,913
Depreciation and amortisation	2(c)	224,330	139,464
Total expenses excluding losses		2,474,747	2,435,005
Revenue			
Sale of goods and services	3(a)	2,662,569	2,619,063
Investment revenue	3(b)	89,010	77,653
Rental income	3(c)	23,657	30,301
Total revenue		2,775,236	2,727,017
Net result		300,489	292,012
Other comprehensive income			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Net change in revaluation surplus of property, plant and equipment		238,728	224,930
Total other comprehensive income		238,728	224,930
TOTAL COMPREHENSIVE INCOME		539,217	516,942

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD
Statement of financial position
as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	5,687,952	5,011,404
Receivables	5	560,174	624,264
Total current assets		6,248,126	5,635,668
Non-current assets			
Receivables	6	41,657	60,453
Property, plant and equipment			
Land and buildings	7	2,677,165	2,587,736
Plant and equipment	7	12,264	16,000
Total property, plant and equipment	7&9	2,689,429	2,603,736
Intangible assets	8	412,051	131,908
Total non-current assets		3,143,137	2,796,097
Total assets		9,391,263	8,431,765
LIABILITIES			
Current liabilities			
Payables	10	2,450,846	2,123,021
Provisions	11	689,392	736,162
Total current liabilities		3,140,238	2,859,183
Non-current liabilities			
Provisions	12	1,300,452	1,161,226
Total non-current liabilities		1,300,452	1,161,226
Total liabilities		4,440,690	4,020,409
Net assets		4,950,573	4,411,356
EQUITY			
Reserves		793,359	554,631
Accumulated funds		4,157,214	3,856,725
Total equity		4,950,573	4,411,356

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD

Statement of changes in equity

for the year ended 30 June 2017

Notes	Accumulated funds \$	Asset revaluation surplus \$	Total equity \$
Balance at 1 July 2016	3,856,725	554,631	4,411,356
Net result for the year	300,489	-	300,489
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	238,728	238,728
Total other comprehensive income	-	238,728	238,728
Total comprehensive income for the year	300,489	238,728	539,217
Balance at 30 June 2017	4,157,214	793,359	4,950,573
Balance at 1 July 2015	3,564,713	329,701	3,894,414
Net result for the year	292,012	-	292,012
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	224,930	224,930
Total other comprehensive income	-	224,930	224,930
Total comprehensive income for the year	292,012	224,930	516,942
Balance at 30 June 2016	3,856,725	554,631	4,411,356

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD

Statement of cash flows

for the year ended 30 June 2017

		2017	2016
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(1,470,907)	(1,305,846)
Other		(1,917,900)	(374,806)
Total payments		<u>(3,388,807)</u>	<u>(1,680,652)</u>
Receipts			
Admission		1,313,757	1,210,500
Diploma Course		1,034,464	991,241
Public Notary		104,830	118,520
Interest received		80,010	41,653
Advanced fees/tuition fees		1,193,435	1,176,435
Other		346,899	464,398
Total receipts		<u>4,073,395</u>	<u>4,002,747</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	<u>684,588</u>	<u>2,322,095</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant, equipment and intangibles		(8,040)	(123,688)
Proceeds from Investments		-	599,995
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(8,040)</u>	<u>476,307</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		676,548	2,798,402
Opening cash and cash equivalents		5,011,404	2,213,002
CLOSING CASH AND CASH EQUIVALENTS	4	<u>5,687,952</u>	<u>5,011,404</u>

The accompanying notes form part of these financial statements.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Legal Profession Admission Board (the Board) is constituted under Division 1 of Part 3 of the *Legal Profession Uniform Law Application Act 2014*. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The financial statements for the year ended 30 June 2017 have been authorised for issue by the Board on the recommendation of the Audit and Risk Committee on 17 October 2017.

(b) Basis of preparation

The Board's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial statement line items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations that management has made, are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

(e) Property, plant and equipment

(i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Board, and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to the asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Capitalisation threshold

Property, plant and equipment and intangible assets costing \$3,000 and above individually (or forming part of a network costing more than \$3,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer note 9 for further information regarding fair value.

The Board revalues its building property at least every three years where the market or income approach is the most appropriate valuation technique. The last comprehensive revaluation was completed on 30 June 2015 and was based on an independent assessment. No other class of property, plant and equipment is subject to valuation.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The Board used an external professional to perform an interim revaluation at 31 March 2017 that suggested 5% increment on the property the Board owned and occupied at Sydney CBD.

Non specialised assets with short useful lives are measured at depreciated historical cost as an approximation for fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balance of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. This is because AASB 136 "Impairment of assets" modifies the recoverable amount test for non-cash generating units of not-for-profit entities to the higher of fair value less costs to sell and depreciated replacement cost. As property, plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

The board assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(f) Depreciation/Amortisation of Property, Plant and Equipment & Intangible Assets

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board. All material separately identifiable components of assets are depreciated over their useful lives. Land is not a depreciable asset.

The depreciation/amortisation rates used for each class of assets are as follows:

Building at valuation	2.5%
Computer Equipment, Voice & data Communications	25%
Computer Equipment, Voice & data Communications acquired after 1 July 2012	20%
Desktop PC	20%
Office Equipment	20%
Furniture & Fittings	10%
Intangible assets	
Software	25%
Software acquired after 1 July 2012	20%
Software - Major Projects	10%

(g) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

(h) Intangible Assets

The Board recognises intangible assets only if it is probable that future economic benefits will flow to the Board and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Board's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible Assets (cont'd)

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. The Board's intangible assets are amortised using the straight-line method over a period from four to ten years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(i) Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principle market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Board's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Board categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 - quoted prices in active markets for identical assets/liabilities that the Board can access at the measurement date

Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly

Level 3 - inputs that are not based on observable market data (unobservable inputs)

The Board recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 9 and Note 14 for further disclosures regarding fair value measurements of financial and non-financial assets.

(j) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Board determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

- Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

- Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the Board first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the Net Result for the year, where there is objective evidence. Reversal of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

ii. Financial liabilities at amortised cost

Payables represent liabilities for goods and services provided to the Board. Payables are initially measured at fair value, net of transaction costs. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

As per clause 63 of the Legal Profession Uniform Law Application Regulation 2015, the admission fee to the Australian legal profession in New South Wales is \$920.25. The Board is responsible for collecting the fees of which \$400 is payable to the Department of Justice to fund the operation of the Legal Services Council in regulating the Legal Profession Uniform Framework (re Note 10).

iii. Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Board transfers the financial asset:

- Where substantially all the risks and rewards have been transferred; or
- Where the Board has not transferred substantially all the risks and rewards, if the Board has not retained control.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial Instruments (cont'd)

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Board's continuing involvement in the asset. In that case, the Board also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Board has retained.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

iv. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) Accounting for Goods and Services Tax (GST)

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

- The amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

Cash flows are recognised on a gross basis in the Statement of Cash Flows. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(l) Personnel services

The Department of Justice (the Department) provides employees to the Board to enable it to carry out its functions. The expense and liabilities due to the Department are classified as "Personnel Services" in the Statement of Comprehensive Income and the Statement of Financial Position respectively, and are calculated by the Department using the following recognition and measurement criteria:

- i. Salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at undiscounted amounts of the benefits.
- ii. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Board has assessed the actuarial advice based on the Board's circumstances and has determined that the effect of discounting is immaterial to annual leave.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Personnel services (cont'd)

- iii. Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.
- iv. On-costs, such as payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.
- v. Long Service Leave Liability comprises the Legal Admission Profession Board's liability to the Department of Justice for costs arising from personnel services rendered by the Department of Justice to balance date. Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.
- vi. Superannuation – The expense for certain superannuation schemes (Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. Defined benefit superannuation obligations are as determined by Pillar Administration.
- vii. Personnel services receivable comprises the Board's receivable from the Department of Justice for long service leave reimbursements from the Crown Entity. The personnel at the Department who render services to the Board are members of the Agency Funded Crown Long Service Leave (LSL) Pool. The amount expected to be reimbursed by the Crown Entity is recognised as personnel services receivable.

(m) Other provisions

Other provisions exist when: the Board has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle an obligation; and a reliable estimate can be made of the amount of the obligation. When the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when the Board has a detailed formal plan and the Board has raised a valid expectation in those affected by restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

(n) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

Sales revenue

Sales Revenue comprises revenue earned from the provision of services to clients and other entities. Sales revenue from clients is generally recognised upon receipt of applications for admission as a lawyer, registration of students at law and other services.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Recognition (cont'd)

Investment revenue

Variable interest earned on cash balances is recognized when it is probable that the economic benefits will flow to the Board and the amount of interest income can be measured reliably. The interest income is accrued on a time basis, based on the applicable interest rate.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

Other revenue

Other revenue comprises income received from non-core activities is received and is recognised when the fee in respect of these activities is receivable.

(p) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Board's policy on the revaluation of property, plant and equipment as discussed in note 1(e)(iii).

(ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(q) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(r) Change in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year. In 2016-17, AASB 2015-6 Amendments to Australia Accounting Standards – Extending Related Party Disclosure to Not for Profit Public Sector Entities was applied for the first time. From 1 July 2016, the Board have disclosed information about related parties in the financial statements including key management personnel compensation, the nature of related party relationships, the amount and nature of transactions, outstanding balances and commitments. The disclosures are included in Note 17.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards have not been applied and are not yet effective as per NSW Treasury Circular NSW TC 17/04:

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Change in accounting policy, including new or revised Australian Accounting Standards (cont'd)

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferred of AASB 15 for Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-16 Cycle

The Board has assessed the impact of the new standards and interpretations on issue but not effective and considers the impact to be insignificant.

Other recently issued or amended standards are not expected to have a material impact on the Board. The Board expects the adoption of these standards in future periods to not materially impact the financial statements.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

2. EXPENSES EXCLUDING LOSSES

(a) Personnel service expenses

	2017	2016
	\$	\$
Salaries and salaries related (a)	1,146,748	1,076,454
Recreation leave and other	96,845	90,620
Payroll tax and fringe benefits tax	66,204	75,918
Worker's compensation insurance	(129)	5,988
Superannuation - defined benefit plans	156,006	363,449
Superannuation - defined contribution plan	65,132	67,199
Total	1,530,806	1,679,628

(a) Salaries and salaries related expenses includes the Board's office staff salaries as well as salaries for examiners, examination supervisors and Academic Exemptions Sub-Committee members

(b) Operating expenses

	2017	2016
	\$	\$
Graduation related expenses	6,600	8,141
Department of Justice - administration fees	81,000	79,026
Legal services	1,518	11,164
Miscellaneous fees	80,887	48,906
Auditor's remuneration - audit of the financial statements	25,000	18,900
Computer equipment - software	104,158	104,159
Exam related - Rental for venue and computer	66,988	64,748
Rates	57,641	64,714
Printing	42,768	29,167
Postage and freight	19,905	23,127
Telephone	-	4,425
Computer related expenses - network charges	12,000	9,000
Stores and stationary cost	6,400	6,613
Maintenance contracts	35,791	1,147
Repairs and maintenance	408	1,464
Minor equipment	16,263	31
Miscellaneous	53,985	53,382
Insurance	6,339	6,931
Agency staff fees	63,134	80,868
System design	38,826	-
Total	719,611	615,913

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

2. EXPENSES EXCLUDING LOSSES (cont'd)

(c) Depreciation and amortisation

	2017	2016
	\$	\$
Depreciation		
- Building	149,299	136,416
- Furniture and Fittings	339	1,026
- Computer Equipment	3,396	2,022
	<u>153,034</u>	<u>139,464</u>
Amortisation		
- intangible (software)	71,296	-
	<u>71,296</u>	<u>-</u>
Total Depreciation and Amortisation expenses	<u>224,330</u>	<u>139,464</u>

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

3. REVENUE

(a) Sale of goods and services

	2017	2016
	\$	\$
Admission	1,313,757	1,210,500
Diploma Course	1,022,890	1,019,795
Public Notary	104,830	118,520
Other service	221,092	270,248
Total	2,662,569	2,619,063

In the 2016-17 financial year the Board reclassified all revenues into four streams which better reflect the Board's operations. The comparative information for the 2015-16 financial year has been restated to align with this revenue reclassification.

(b) Investment revenue

	2017	2016
	\$	\$
Tcorp Hour-Glass investment facilities - designated as fair value through profit or loss	-	4,287
Interest from Westpac business account	89,010	73,366
Total	89,010	77,653

(c) Rental income

	2017	2016
	\$	\$
Rent	23,657	30,301
Total	23,657	30,301

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank	5,687,452	5,010,904
Cash on hand	500	500
Total	5,687,952	5,011,404

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are the closing cash and cash equivalents in the statement of cash flows.

Refer note 14 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2017	2016
	\$	\$
Current receivables		
Debtors	73,000	63,224
Personnel services (a)	481,076	548,320
GST receivable	6,098	12,720
Total	560,174	624,264

(a) The Board is a member of the Agency Funded Crown Long Service Leave (LSL) Pool. The Department of Justice contributes to the LSL Pool on behalf of the Board. The amount expected to be reimbursed by the Crown Entity is recognised as personnel services receivable (Refer to Note 11 (vii) and Note 11 (b)).

Refer Note 14 for details regarding credit risk of trade debtors that are neither past due nor impaired.

6. NON-CURRENT ASSETS - RECEIVABLES

	2017	2016
	\$	\$
Personnel services		
Personnel services - prepaid superannuation	-	12,773
Long service leave provision	41,657	47,680
Total	41,657	60,453

Refer Note 14 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

7. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
At 1 July 2016 - fair value						
Gross carrying amount	62,424	-	177,489	239,913	2,624,183	2,864,096
Accumulated depreciation and impairment	(46,764)	-	(177,149)	(223,913)	(36,447)	(260,360)
Net carrying amount	15,660	-	340	16,000	2,587,736	2,603,736

At 30 June 2017 - fair value						
Gross carrying amount	46,520	-	177,489	224,009	2,717,123	2,941,132
Accumulated depreciation and impairment	(34,256)	-	(177,489)	(211,745)	(39,958)	(251,703)
Net carrying amount	12,264	-	-	12,264	2,677,165	2,689,429

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
Year ended 30 June 2017						
Net carrying amount at start of year	15,660	-	340	16,000	2,587,736	2,603,736
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	-	238,728	238,728
Depreciation expense (note 2 (c))	(3,396)	-	(339)	(3,735)	(149,299)	(153,034)
Writeback on accumulated depreciation on disposals			(1)	(1)		(1)
Net carrying amount at end of year	12,264	-	-	12,264	2,677,165	2,689,429

	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
At 1 July 2015 - fair value						
Gross carrying amount	57,358	27,575	177,489	262,422	2,532,545	2,794,967
Accumulated depreciation and impairment	(54,972)	(27,575)	(176,124)	(258,671)	(33,323)	(291,994)
Net carrying amount	2,386	-	1,365	3,751	2,499,222	2,502,973

At 30 June 2016 - fair value						
Gross carrying amount	62,424	-	177,489	239,913	2,624,183	2,864,096
Accumulated depreciation and impairment	(46,764)	-	(177,149)	(223,913)	(36,447)	(260,360)
Net carrying amount	15,660	-	340	16,000	2,587,736	2,603,736

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
Year ended 30 June 2016						
Net carrying amount at start of year	2,386	-	1,365	3,751	2,499,222	2,502,973
Additions	15,295	-	-	15,295	-	15,295
Disposals	-	-	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	-	224,930	224,930
Depreciation expense (note 2 (c))	(2,022)	-	(1,026)	(3,048)	(136,416)	(139,464)
Writeback on accumulated depreciation on disposals	1	-	1	2	-	2
Net carrying amount at end of year	15,660	-	340	16,000	2,587,736	2,603,736

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

8. INTANGIBLE ASSETS

	2017
	\$
At 1 July 2016	
Cost (gross carrying amount)	492,470
Accumulated amortisation and impairment	<u>(360,562)</u>
Net carrying amount	<u>131,908</u>
At 30 June 2017	
Cost (gross carrying amount)	843,909
Accumulated amortisation and impairment	<u>(431,858)</u>
Net carrying amount	<u>412,051</u>
	\$
Year ended 30 June 2017	
Net carrying amount at beginning of year	131,908
Additions	351,439
Impairment losses	
Amortisation	(71,296)
Other movements	
Net carrying amount at end of year	<u>412,051</u>
	2016
	\$
At 1 July 2015	
Cost (gross carrying amount)	360,562
Accumulated amortisation and impairment	<u>(360,562)</u>
Net carrying amount	<u>-</u>
At 30 June 2016	
Cost (gross carrying amount)	492,470
Accumulated amortisation and impairment	<u>(360,562)</u>
Net carrying amount	<u>131,908</u>
	\$
Year ended 30 June 2016	
Net carrying amount at start of year	-
Additions	131,908
Impairment losses	-
Amortisation	-
Other movements	-
Net carrying amount at end of year	<u>131,908</u>

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair value hierarchy

2017	Level 1	Level 2	Level 3	Total fair value
	\$	\$	\$	\$
Property, plant and equipment (Note 7)				
Land and buildings		2,677,165		2,677,165
	-	2,677,165	-	2,677,165

2016	Level 1	Level 2	Level 3	Total fair value
	\$	\$	\$	\$
Property, plant and equipment (Note 7)				
Land and buildings	-	2,587,736	-	2,587,736
	-	2,587,736	-	2,587,736

(b) Valuation techniques, inputs and processes

The Board's property is valued using market evidence with adjustment for condition, location, comparability, etc. Level 2 inputs have been used in determining the fair value of property, plant and equipment since observable market data is readily available. There were no transfers between level 1 and 2 during the period.

The Board owns the office space at level 4, 37 Bligh Street, Sydney. It is a commercial strata plan that was purchased in 2004 through a loan from NSW Treasury. The loan was fully repaid in 2014.

The building and improvements are non-specialised assets, for which current market buying price can be observed. The property is valued to the direct comparison of valuation and rental income approach having reference to current market transactions of comparable properties in the surrounding locality.

The property was last revalued as at 30 June 2015 by an independent registered valuer from Valuation Service, Land & Property Information (LPI). In 2017 a property movement index of 5% was provided by the valuer.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 7.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

10. CURRENT LIABILITIES – PAYABLES

	2017	2016
	\$	\$
Current payables		
Academic exemption assessment fee	8,967	2,010
Department of Justice (a)	769,935	482,533
Examination fees received in advance (b)	410,974	399,400
Prizes	14,796	10,356
Rent received in advance	-	1,991
Sundry accruals	52,739	50,296
Tuition fees (c)	1,193,435	1,176,435
Total	2,450,846	2,123,021

(a) Intercompany balance with Department of Justice to be settled as at 30 June 2017.

(b) The Board charges examination fees at the beginning of each semester. The Board recognises revenue from examination fees once it is probable that the economic benefits associated with the fees will flow to the Board. Revenue is recognised five months in arrears when examinations are held.

(c) The Board collects the tuition fees on behalf of University of Sydney, and remits the full amount of fee collections to the University at least twice a year. The tuition fees are not recognised as revenue by the Board.

11. CURRENT LIABILITIES – PERSONNEL SERVICES PROVISIONS

	2017	2016
	\$	\$
Recreation leave and related oncosts (a)	127,636	100,726
Long service leave and related oncosts (b)	561,756	635,436
Total	689,392	736,162

(a) The Board expect that of the total recreation leave and related oncosts, \$102,109 will be settled within 12 months after the reporting date and the rest \$25,527 will be settled after 12 months.

(b) The Board's personnel service related long service leave liability is offset by a corresponding asset which is included in Receivables (Note 5).

12. NON-CURRENT LIABILITIES – PERSONNEL SERVICES PROVISIONS

	2017	2016
	\$	\$
Long service leave and oncosts	48,848	55,255
Provision for superannuation	1,251,604	1,105,971
Total	1,300,452	1,161,226

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

13. RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
	\$	\$
Net result for the year	300,489	292,012
Depreciation	224,330	139,464
(Increase)/decrease in receivables and prepayments	82,886	30,168
Increase/(decrease) in provisions	92,456	440,904
Increase/(decrease) in payables	(15,573)	1,419,547
Net Cash Flows from Operating Activities	684,588	2,322,095

14. FINANCIAL INSTRUMENTS

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

(a) Financial instrument categories

			Carrying Amount 2017	Carrying Amount 2016
Financial Assets	Note	Category		
Class:			\$	\$
Cash and cash equivalents	4	N/A	5,687,952	5,011,404
Receivables (1)	5	Receivables at amortised cost	406,014	659,224
Financial Liabilities		Category	2017	2016
Class:			\$	\$
Payables (2)	10	Financial liabilities measured at amortised cost	2,039,872	1,721,630

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Board, including cash and receivables. No collateral is held by the Board. The Board has not granted any financial guarantees.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

14. FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Board will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors that are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current year and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The Board has financial liability of \$2,039,872 at 30 June 2017 (\$1,721,630 at 30 June 2016), all of which are non-interest bearing, with maturity dates of less than 1 year.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board's exposures to market risk are primarily through interest rate risk on the Board's cash at bank. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2016. The analysis assumes that all other variables remain constant.

(e) Interest rate risk

The Board does not have exposure to interest rate risk through interest bearing liabilities. The Board does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest rate risk is set out below.

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

14. FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount \$	-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2017					
Financial assets					
Cash and cash equivalents	5,687,952	(56,880)	(56,880)	56,880	56,880
2016					
Financial assets					
Cash and cash equivalents	5,011,404	(50,114)	(50,114)	50,114	50,114

(f) Fair Value Measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

15. CONTINGENT ASSETS AND LIABILITIES

The Board is unaware of any matters that may lead to a contingent asset or liability (2016: \$nil).

16. COMMITMENT FOR EXPENDITURE

The Board does not have any commitment for expenditure as at 30 June 2017 (2016:nil).

17. RELATED PARTY DISCLOSURES

The Board's key management personnel compensation are as follows:

	30 June 2017 \$
Short-term employee benefits:	
Salaries	212,312
Other monetary allowances	
Non-monetary benefits	
Other long-term employee benefits	
Post-employment benefits	
Termination benefits	
Total remuneration:	212,312

During the year, the Board entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the Board's activities.

These transactions include:

LEGAL PROFESSION ADMISSION BOARD

Notes to the financial statements

for the year ended 30 June 2017

17. FINANCIAL INSTRUMENTS (CONT'D)

- Long Service Leave assumed by the Crown
- Transactions relating to the Treasury Banking System
- Employer contributions paid to Defined Benefit Superannuation funds
- Payments for the provision of personnel and related services to the Department of Justice
- Payments into the Treasury Managed Fund for worker's compensation insurance and other insurances
- Admission fees collected by the Board on behalf of the Department of Justice for the NSW contribution to the legal profession uniform law scheme.

There were no transactions entered into during the year with key management personnel, their close family members and controlled or jointly controlled entities thereof.

18. EVENTS AFTER THE REPORTING PERIOD

The Board is unaware of any events occurring after 30 June 2017 which would impact upon these financial statements.

End of audited financial statements.