



Legal Profession  
Admission Board  
of New South Wales

# Legal Profession Admission Board

Annual Report  
2015-16

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# Letter to the Attorney General

The Hon Gabrielle Upton 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 2016, 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 a period of significant change in the law relating to admissions.

Yours faithfully



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



The Hon Justice D L Davies  
Deputy Presiding Member  
Legal Profession Admission Board

17 October 2016

## 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 2015-16 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, 2,402 people were admitted as lawyers in NSW. This represents an increase of 7.7 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 534 such applications during 2015-16, an increase of 34% compared with the previous year. Almost half of the increase related to applicants with older qualifications from Australia, which were subject to the new 'stale learning' rule introduced from 1 January 2015.

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

- United Kingdom (147)
- South Africa (38)
- India (35)
- United States of America (23)
- Ireland (19)
- Hong Kong (14)
- China (9)
- Brazil (7)
- Canada (6)
- Philippines (5).

### *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 105 applications during 2015-16, an increase of just 2% compared with the previous year.

### *Assessment of stale learning*

The LPAB determined 56 applications for assessment of stale academic qualifications. Around 21% of those applicants were required to undertake further academic study. No applications for assessment of stale PLT were received during 2015-16.

### *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 2015-16, the LPAB received 103 applications for permission to commence PLT early, and granted all except 6 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 25 per cent of applicants in 2015-16 made one or more disclosures. Around 7 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, 15 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. No objections were received during the year under review.

#### *Refusals of compliance certificates*

In 2015-16, the LPAB refused to issue a compliance certificate in respect of 11 applicants for admission and 1 applicant for re-admission. The reasons for refusal were that the applicant:

- had a serious criminal conviction
- provided false documents to the LPAB
- had been subject to a finding of dishonesty
- had been subject to a finding of corrupt conduct
- was bankrupt
- was subject to good behaviour bond, or
- did not meet the academic prerequisite.

*Table 1: Statistics regarding admission as a lawyer*

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Applicants for admission as a lawyer	2,210	2,272	2,422
Applicants previously admitted overseas	92	110	123
Applicants disclosing a fitness and propriety matter	N/A <sup>1</sup>	463	616
Applicants with significant disclosures	N/A <sup>1</sup>	N/A <sup>1</sup>	173
Applicants with minor disclosures	N/A <sup>1</sup>	N/A <sup>1</sup>	434
Applications refused a compliance certificate	N/A <sup>1</sup>	11	11
People admitted as a lawyer <sup>2</sup>	2,185	2,229	2,402
Admittees who were previously admitted overseas	92	110	117
People admitted under mutual recognition <sup>3</sup>	65	48	59
Assessments of academic qualifications	365	399	534
Assessments of practical legal training	97	103	105

Six 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 2015-16 there were no appeals lodged in the Supreme Court against the LPAB's refusal to issue a compliance certificate. However the Court upheld the appeal of an admission applicant who had lodged an appeal in 2014-15. The applicant was subsequently admitted.

The applicant for re-admission lodged an appeal in the Supreme Court against the LPAB's refusal to issue a compliance certificate. At the end of the financial year under review, those proceedings remained on foot.

### **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.<sup>4</sup>

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.

Accordingly, in September 2015 the LPAB determined that it would reaccredit existing law degrees in NSW for a period of 2 years, and would review the current accreditation framework in 2016.

During 2015-16 the LPAB received 2 applications for the accreditation of new law courses. The application by Charles Sturt University was approved and the course accredited with effect from 1 January 2016. The other application was withdrawn by the educational institution.

As at 30 June 2016, 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.

Similar to its decision in relation to the reaccreditation of law courses, the LPAB determined that it would reaccredit existing PLT providers in NSW for a period of 2 years, pending review of the accreditation framework.



As at 30 June 2016, there were 4 providers of PLT courses accredited in NSW:

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

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.

## Closed book exam policy

On 18 April 2016 the LPAB advised all students that from September 2016 examinations will generally be 'closed book' (meaning that the only materials available to candidates will be those selected by the examiner and attached to the exam paper).

The LPAB also decided to cease publication of past exam papers. The March 2016 papers were the last to be published on the LPAB's website. Given that past exam papers will no longer be published, each Subject Guide will in future contain one or more sample exam questions.

The introduction of the closed book exam policy reflected the need for increased attention to maintaining the integrity of the LPAB's exams process, particularly as a result of media reporting of widespread cheating in tertiary assessment tasks, and the University of Sydney's subsequent report into the prevention and detection of academic misconduct.

## Online enrolments

The LPAB implemented an online enrolment form for the Term 2 enrolment period in 2016. The online form enables students to choose their subjects and pay the enrolment fees (using a Visa or Mastercard credit/debit card) in one simple step.

Table 2: Statistics regarding the Diploma in Law course

	2013-14	2014-15	2015-16
Applications for registration as a student-at-law	504	520	491
Students enrolled in Term 1	1,226	1,167	1,091
Students enrolled in Term 2	1,175	1,143	1,060
Number of enrolments in all subjects	4,644	4,496	4,092
Examinations sat	4,001	3,846	3,628
Students graduated	149	158	166
Applications for accelerated progression	152	137	124
% of above applications approved	93.4%	92.7%	95.9%
Applications to take subjects out of order	77	75	84
% of above applications approved	87.0%	89.3%	91.6%
Applications for relaxation of exclusion rules	279	241	239
% of above applications approved	90.32%	94.6%	91.6%

Online enrolments are then confirmed by the LPAB in writing within 10 days. This new process is an interim step towards the planned online student services system, mentioned later in this report.

#### *Orientation Days*

Orientation for new students was held on 6 November 2015 and again on 6 May 2016 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*

The Hon Justice Robertson Wright, President of the NSW Civil & Administrative Tribunal, gave the occasional address at the 2015 Graduation Ceremony on Friday 17 July 2015. 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 2015-16, the LPAB administered the appointment of 50 new public notaries, bringing the total number registered in NSW to 1,026.

*Table 3: Statistics regarding Public Notaries*

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
New public notaries appointed	60	69	50
Total number of public notaries on Roll	927	1,019	1,026

# Highlights in 2015-16

## Uniform Law

On 1 July 2015 the *Legal Profession Uniform Law (NSW)* commenced, creating a uniform system for regulating the legal profession across NSW and Victoria.

The Legal Profession Uniform Admission Rules 2015 (Uniform Admission Rules) took effect on the same date, altering key aspects of the regulatory framework for the admission of lawyers and the accreditation of law courses and PLT providers.

Consistent application of the Uniform Law across NSW and Victoria has been supported by several initiatives driven by the Admissions Committee of the Legal Services Council, including the reaching of agreement on:

- Interim Procedures For Admitting Applicants Relying On Qualifications, Skills Or Experience Obtained Outside Australia
- a policy on Dealing with Stale Qualifications, and
- a Health Assessment Policy.

The LPAB also participated in the Foreign Lawyers Working Group established by the Admissions Committee, for the purpose of promoting consistency of determinations under sections 18 and 20 of the Uniform Law. Section 18 provides for exemptions from prerequisites on the basis of sufficient legal skills or relevant experience, and section 20 provides for the conditional admission of foreign lawyers.

## 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 2015-16, the LPAB received and determined only one application from a foreign lawyer for admission subject to conditions. The application was approved.

## Online admission system

In April 2016 the LPAB approved a business case for capital expenditure on the proposed online admission system, which is the first phase in the Board's digitisation program. The project is being funded from the LPAB's own funds.

By 30 June 2016, development of the system was well advanced, with a launch being planned for later in 2016. When implemented, the system will enable the LPAB to introduce significant benefits for applicants, including:

- faster processing times and no deadlines for most applicants
- fewer documents to lodge
- more frequent admission ceremonies
- choice of admission ceremony, and online booking
- option to pay online with a credit card
- a personalised checklist of all required documentary evidence, and
- progress updates via email.

## Corporate and government lawyers

Due to the commencement of the Uniform Law, all corporate lawyers and some government lawyers in NSW are no longer exempt from the requirement to be admitted or to hold a practising certificate in order to engage in legal practice.

The NSW Government introduced transitional arrangements to help manage the impact of this change. The LPAB assisted the promotion of the transitional arrangements with various initiatives including:

- publishing fact sheets explaining the actions which affected persons need to take, by when and why
- advertising in print and digital media
- writing to various business and industry associations which are likely to have member firms in NSW that employ in-house corporate counsel
- arranging a Department of Premier and Cabinet Circular to be issued to all NSW public sector entities, and
- providing articles to key stakeholders, for inclusion in newsletters and websites.

Any corporate or government lawyer practising pursuant to a transitional exemption is required to give notice of relying on the exemption. If not already admitted when the exemption first commenced to apply, affected persons need to give notice to LPAB within 12 months of engaging in practice pursuant to the exemption.

An online form was available for that purpose on the LPAB website from October 2015. By 30 June 2016, a total of 71 affected persons had used the form to notify the LPAB.

## Guide for Applicants for Admission

The LPAB publishes a comprehensive 'Guide for Applicants for Admission as a Lawyer in NSW', to assist applicants to understand and comply with the requirements of the Uniform Admission Rules. The Guide was updated 4 times during 2015-16. The revised editions included explanation of:

- the possible outcomes of an admission application, including the difference between 'refusal outright' and 'refusal but the applicant may consider re-applying'
- the procedure which the LPAB follows when it is considering refusing to issue a compliance certificate in respect of application, and the appeal rights of affected applicants, and

- the requirements of an application for conditional admission from a foreign lawyer.

## Delegations

Under section 20A of the *Legal Profession Uniform Law Application Act 2014* (and various provisions of the NSW Admission Board Rules 2015), the LPAB may delegate any of its functions to its committees or to an officer of the Board its power.

The LPAB delegated a number of its functions to the Executive Officer, notably:

- dispensing with the requirements for a foreign police report and/or foreign character reference
- extending the periods of validity of academic and PLT directions and exemptions (up to a specified limit, after which the delegation is to a sub-committee), and
- approving minor amendments to the LPAB's forms.

In April 2016 the LPAB approved a Delegations of Authority policy. Instruments of Delegation are required to be published on its website.

## Dispensation of and variations to Admission Rules

During 2015-16 the LPAB did not exercise its power, under Rule 27 of the Uniform Admission Rules, to dispense with or vary a requirement of the Rules applicable to all admission applicants.

However, the LPAB did exercise its dispensing power in relation to a number of individual admission applications. In those cases the applicants were unable to supply particular documentation, and the requirements were dispensed with on the basis that the LPAB was otherwise satisfied that the applicants were eligible and suitable for admission.

## Annual review of fees

The LPAB reviews its fees annually, and in the past any changes have taken effect from 1 October each year. To simplify budgeting processes, the LPAB decided that changes will in future take effect from 1 July each year.

Most fees are determined by the LPAB pursuant to the NSW Admission Board Rules 2015. However, the admission fee is not set by the LPAB, but is prescribed in clause 63 of the Legal Profession Uniform Law Application Regulation 2015. The admission fee increased from \$900 to \$920.25 with effect from 1 July 2016.

## The Year Ahead

### Review of Diploma course rules

A review of the rules which govern the Board's Diploma in Law course commenced in late 2015, and is expected to be completed in early 2017. The aim is 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.

### Online admission system

The LPAB's online admission system is expected to be launched in late 2016. At the same time as introducing significant benefits for applicants, the system will fundamentally

transform the administrative procedures of the Office of the Board, increasing the efficiency of assessment processes.

### Online student services system

During the year ahead the LPAB also plans to develop requirements for the replacement of its student administration system, with the aim of launching the system in late 2017. The commencement of the build of the system will be dependent on the finalisation of the review of the Diploma in Law course rules.

### 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 developed for possible adoption by the Law Admissions Consultative Committee.

The LPAB aims to have a new framework for its accreditation processes in place, using the new Standards, before the end of 2016-17.

## Notes

<sup>1</sup> This figure was not reported in previous years.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 2015 to 30 June 2016	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 2015 to 30 June 2016	6
The Hon Justice D L Davies (Deputy Presiding Member)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2015 to 30 June 2016	5
The Hon Justice G Lindsay	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2015 to 30 June 2016	6
Professor Michael Adams	Dean of Law School, nominated by Council of Australian Law Deans	1 July 2015 to 30 June 2016	5
Ms Margaret Allars SC	Barrister, nominated by the Bar Council	1 July 2015 to 30 June 2016	7
Mr Charles Cawley	Solicitor, nominated by the Law Society Council	1 July 2015 to 30 June 2016	7
Mr John Dobson	Solicitor, nominated by the Law Society Council	1 July 2015 to 30 June 2016	7
Professor Lesley Hitchens	Dean of Law School, nominated by Council of Australian Law Deans	1 July 2015 to 30 June 2016	6
Mr Garry McGrath SC	Barrister, nominated by the Bar Council	1 July 2015 to 30 June 2016	7
Mr Marcel Savary	Department of Justice officer, nominated by the Attorney General	1 July 2015 to 12 May 2016	2

During 2015-16, 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 2015 to 30 June 2016	6
The Hon Justice R T Beech-Jones (Deputy Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2015 to 30 June 2016	5
The Hon Justice S Robb	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2015 to 30 June 2016	5
Mr John Fernon SC	Barrister, nominated by the Bar Council	1 July 2015 to 30 June 2016	2
Ms Susan Leis	Barrister, nominated by the Bar Council	1 July 2015 to 30 June 2016	7
Ms Elizabeth Picker	Barrister, nominated by the Bar Council	1 July 2015 to 30 June 2016	5
Mr Thomas Spohr	Solicitor, nominated by the Law Society Council	1 July 2015 to 30 June 2016	7
Ms Pam Suttor	Solicitor, nominated by the Law Society Council	1 July 2015 to 30 June 2016	6
Mr Mark Warton	Solicitor, nominated by the Law Society Council	1 July 2015 to 30 June 2016	6
Ms Carolyn Penfold*	Head of School and Law lecturer, nominated by Council of Australian Law Deans	1 July 2015 to 30 June 2016	3
Professor Peter Radan	Law lecturer, nominated by Council of Australian Law Deans	1 July 2015 to 30 June 2016	6
Ms Maxine Evers	Law lecturer, nominated by Council of Australian Law Deans	1 July 2015 to 30 June 2016	5
Dr Gordon Elkington	Barrister, appointed by co-option	1 July 2015 to 30 June 2016	7
Mr Greg Ross	Solicitor, appointed by co-option	1 July 2015 to 30 June 2016	7
Mr Peter Underwood	Lawyer, appointed by co-option	1 July 2015 to 30 June 2016	7

During 2015-16, the Legal Qualifications Committee held seven scheduled meetings.

\* Between 20 July and 21 December 2015, Ms Penfold was temporarily replaced by Associate Professor Justine Nolan, Acting Head of School, Faculty of Law, University of NSW.



## Appendix C: Examinations Committee

<b>Member</b>	<b>Qualification and method of appointment</b>	<b>Term</b>	<b>Attendance</b>
The Hon Justice C C Simpson (Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2015 to 30 June 2016	7
The Hon Justice P M Hall (Deputy Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2015 to 30 June 2016	6
Mr Ross Anderson	Examiner, appointed by the Chairperson of the Committee	1 July 2015 to 30 June 2016	7
Mr Frank Astill	Director of the Law Extension Committee	1 July 2015 to 30 June 2016	6
Ms Susan Carter	Examiner, appointed by the Chairperson of the Committee	1 July 2015 to 30 June 2016	5
Mr Michael Christie SC	Barrister, nominated by the Bar Council	1 July 2015 to 30 June 2016	5
Mr John Dobson	Solicitor, nominated by the Law Society Council	1 July 2015 to 30 June 2016	6

During 2015-16, 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 2015-16, members of the Sub-Committee were:

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

### Accreditation Sub-Committee

The Accreditation Sub-Committee makes recommendations relating to the recognition and accreditation of law and PLT courses. During 2015-16, members of the Sub-Committee were:

- Ms Maxine Evers
- Ms Carolyn Penfold
- Ms Elizabeth Picker.

### Curriculum Sub-Committee

The Curriculum Sub-Committee oversees the planning and review of the curriculum and syllabi for the LPAB's examinations. During 2015-16, members of the Sub-Committee were:

- Mr Ross Anderson
- Mr Frank Astill
- Ms Susan Carter.

### 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 2015-16, members of the Sub-Committee were:

- The Hon Justice P M Hall
- Mr Frank Astill
- Mr John Dobson.

### 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 2015-16, members of the Sub-Committee were:

- Ms Maxine Evers
- Ms Elizabeth Picker
- Mr Greg Ross.

### Quality Sub-Committee

The Quality Sub-Committee oversees the quality of the LPAB's examinations and the marking of examination papers. During 2015-16, members of the Sub-Committee were:

- Mr Ross Anderson
- Mr Frank Astill
- 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 2015-16.

The Annual Report may be accessed at the LPAB's website, [www.lpab.justice.nsw.gov.au](http://www.lpab.justice.nsw.gov.au).

## Consultants

No consultants were engaged by or on behalf of the LPAB during 2015-16.

## Consumer response

During 2015-16, the LPAB received 25 complaints, 21 of which related to the content of exam papers in the Diploma in Law course. A further 2 complaints were about costs, 1 was about service and 1 was about policy/procedure.

In response to feedback from clients, the LPAB has:

- incorporated new features for applicants in its plans for the online admission system, including online applications, choice of admission ceremony, and online payments
- improved and updated the 'Guide for Applicants for Admission as a Lawyer in NSW', and
- introduced an online enrolment process for students in the Diploma in Law course.

## 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 2015-16.

## Funds granted to non-government community organisations

The LPAB did not grant any funds to non-government community organisations during 2015-16.

## Human resources

	2012-13		2013-14		2014-15		2015-16	
	M	F	M	F	M	F	M	F
Senior Executive Band 1	0	0	0	0	1	0	1	0
Clerk 11/12	0	1	0	1	0	0	0	0
Legal Officer I-III	0	1.6	0	1.6	0	1.6	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	2	1.8	1	2.8	2	1.8	2	1.8
Clerk 1/2	1	1	1	1	1	1	1	1
<b>Total males and females</b>	<b>4</b>	<b>7.4</b>	<b>3</b>	<b>8.4</b>	<b>5</b>	<b>6.4</b>	<b>5</b>	<b>6.6</b>
<b>Total employees</b>	<b>11.4</b>		<b>11.4</b>		<b>11.4</b>		<b>11.6</b>	

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. The Office of the LPAB is 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 2015-16.

## Legal change

In 2015-16 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
<i>Legal Profession Uniform Law (NSW)</i>	Parts 2.2, 8.5, 8.6 and 9.4	To protect the administration of justice and the clients of law practices by providing a system under which persons are eligible for admission to the Australian legal profession only if they meet certain prerequisites.  To provide for the independence of the LPAB in exercising its functions, and cooperative arrangements with other authorities.	1 July 2015
<i>Legal Profession Uniform Law Application Act 2014 (NSW)</i>	Part 3 (Division 1), Schedule 3	To constitute the LPAB, confer its functions, enable the delegation of its functions and enable the making of administrative rules.	1 July 2015

Legal Profession Uniform Law Application Regulation 2015	Part 4 and Section 63	To provide transitional arrangements for corporate and government lawyers.  To set the amount of the admission fee and its allocation.	1 July 2015
Legal Profession Uniform Admission Rules 2015	All	To provide the procedural requirements for admission to the legal profession, to specify the academic qualifications and practical legal training prerequisites, and to provide for the assessment of: i) academic qualifications completed in a foreign jurisdiction and ii) practical legal training completed by a person admitted in a foreign jurisdiction.	1 July 2015
NSW Board Admission Rules 2015	All	To provide for the operation of the Board and for the assessment of: i) stale Australian academic qualifications or practical legal training and ii) incomplete academic study undertaken in Australia and/or a foreign jurisdiction.	1 July 2015
Public Notaries Appointment Rules	Second Schedule	To amend the fee schedule with effect from 1 October 2015.	11 August 2015
NSW Board Admission Rules 2015	Third Schedule	To amend the fee schedule with effect from 1 October 2015.	11 August 2015
<i>McKean v Attorney-General &amp; Justice</i> [2015] NSWCATAD 176	N/A	The NSW Civil and Administrative Tribunal affirmed the decision of the Department of Justice not to release certain examination answer scripts and marking guides which had been the subject of an application under the <i>Government Information (Public Access) Act 2009</i> by a student in the LPAB's Diploma in Law course.	24 August 2015

## Multicultural policies and services

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

## Payment of accounts

	Paid within due date	Paid 1 – 30 days overdue	Paid 31 – 60 days overdue	Paid 61 – 90 days overdue	Paid after 91 days or more
Number	307	44	7	2	0
Percentage	85%	12%	2%	1%	0%

During 2015-16, the Office of the LPAB paid over 85 per cent of invoices on time, which was an improvement in the payment performance in 2014-15. The Office of the LPAB was not required to pay any mandatory interest in relation to small business supplier during 2015-16.

## 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 2015-16.

## 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 2015-16, 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 2015-16.

# Appendix F: Internal Audit and Risk Management

## Internal Audit and Risk Management Attestation Statement for the 2015-2016 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
<b>Risk Management Framework</b>		
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
<b>Internal Audit Function</b>		
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
<b>Audit and Risk Committee</b>		
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 were:

- Chair, Brian Suttor, May 2013, September 2015
- Independent Member 1, Ian Neale, May 2013, September 2015
- Independent Member 2, Paul Crombie, May 2013, September 2015
- Independent Member 3, Joan Wilcox, May 2013, September 2015
- Independent Member 4, Arthur Butler, May 2013, September 2015

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

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



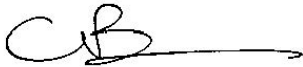
Christopher Banks, Executive Officer, Legal Profession Admission Board

# Appendix G: Digital Information Security

## Digital Information Security Annual Attestation Statement for the 2015-16 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 2015-16 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 2015-16 financial year.



Christopher Banks, Executive Officer, Legal Profession Admission Board



# Appendix H: Financial Statements

## **LEGAL PROFESSION ADMISSION BOARD**

Financial Statements

*for the year ended 30 June 2016*



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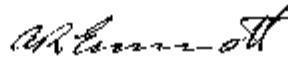
**LEGAL PROFESSION ADMISSION BOARD**  
**STATEMENT BY MEMBERS OF THE BOARD**  
for the year ended 30 June 2016


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 2016 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 Treasurer's Directions.

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 2016

  
Board Member

  
Board Member

**LEGAL PROFESSION ADMISSION BOARD**  
**Statement of comprehensive income**  
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>Expenses excluding losses</b>			
Operating expenses			
Personnel services expenses	2(a)	1,679,628	1,439,102
Other operating expenses	2(b)	615,913	576,521
Depreciation and amortisation	2(c)	139,464	143,581
<b>Total expenses excluding losses</b>		<b>2,435,005</b>	<b>2,159,184</b>
<b>Revenue</b>			
Sale of goods and services			
Investment revenue	3(a)	2,619,063	2,460,525
Rental income	3(b)	77,653	97,985
	3(c)	30,301	29,361
<b>Total revenue</b>		<b>2,727,017</b>	<b>2,587,871</b>
<b>Net result</b>		<b>292,012</b>	<b>428,687</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Increase in property, plant and equipment revaluation surplus		224,930	103,183
<b>Total other comprehensive income</b>		<b>224,930</b>	<b>103,183</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>516,942</b>	<b>531,870</b>

The accompanying notes form part of these financial statements.

**LEGAL PROFESSION ADMISSION BOARD**  
**Statement of financial position**  
as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	5,011,404	2,213,002
Receivables	5	624,264	645,194
Financial assets at fair value	6	-	599,995
<b>Total current assets</b>		<b>5,635,668</b>	<b>3,458,191</b>
<b>Non-current assets</b>			
Receivables	7	60,453	69,891
Property, plant and equipment			
Land and buildings	8	2,587,738	2,499,222
Plant and equipment	8	16,000	3,751
<b>Total property, plant and equipment</b>	8&10	<b>2,603,738</b>	<b>2,502,973</b>
Intangible assets	9	131,908	-
<b>Total non-current assets</b>		<b>2,796,097</b>	<b>2,572,664</b>
<b>Total assets</b>		<b>8,431,765</b>	<b>6,030,855</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	2,123,021	679,957
Provisions	12	736,162	650,621
<b>Total current liabilities</b>		<b>2,859,183</b>	<b>1,330,578</b>
<b>Non-current liabilities</b>			
Provisions	13	1,161,226	805,863
<b>Total non-current liabilities</b>		<b>1,161,226</b>	<b>805,863</b>
<b>Total liabilities</b>		<b>4,020,409</b>	<b>2,136,441</b>
<b>Net assets</b>		<b>4,411,356</b>	<b>3,894,414</b>
<b>EQUITY</b>			
Reserves		554,631	329,701
Accumulated funds		3,856,725	3,564,713
<b>Total equity</b>		<b>4,411,356</b>	<b>3,894,414</b>

The accompanying notes form part of these financial statements.

**LEGAL PROFESSION ADMISSION BOARD**  
**Statement of changes in equity**  
for the year ended 30 June 2016

Notes	Accumulated	Asset	Total equity
	funds	revaluation surplus	
	\$	\$	\$
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 increase in 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
<b>Balance at 30 June 2016</b>	<b>3,856,725</b>	<b>554,631</b>	<b>4,411,356</b>
Balance at 1 July 2014	3,136,026	226,518	3,362,544
Net result for the year	428,687	-	428,687
Other comprehensive income			
Net increase in property, plant and equipment	-	103,183	103,183
Total other comprehensive income	-	103,183	103,183
Total comprehensive income for the year	428,687	103,183	531,870
<b>Balance at 30 June 2015</b>	<b>3,564,713</b>	<b>329,701</b>	<b>3,894,414</b>

The accompanying notes form part of these financial statements.

**LEGAL PROFESSION ADMISSION BOARD**  
**Statement of cash flows**  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Personnel services	(1,305,846)	(1,343,847)
Other	(374,806)	(564,116)
<b>Total payments</b>	<b>(1,680,652)</b>	<b>(1,907,963)</b>
<b>Receipts</b>		
Registration	120,280	123,780
Admission	1,195,900	1,141,850
Academic exemption	139,520	102,750
Interest received	41,653	97,984
Examination	814,426	854,259
Advanced fees/tuition fees	1,178,435	4,785
Other	514,533	279,937
<b>Total receipts</b>	<b>4,002,747</b>	<b>2,605,125</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>14 2,322,095</b>	<b>697,162</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of intangible assets	(123,888)	-
Proceeds from Investments	599,995	-
Purchases of investments	-	(15,996)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>476,307</b>	<b>(15,996)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>2,798,402</b>	<b>681,166</b>
Opening cash and cash equivalents	2,213,002	1,531,836
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>4 5,011,404</b>	<b>2,213,002</b>

The accompanying notes form part of these financial statements.

## LEGAL PROFESSION ADMISSION BOARD

### Notes to the financial statements

for the year ended 30 June 2016

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#### 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*. It 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 2016 have been authorised for issue by the Board on the recommendation of the Audit and Risk Committee on 17 October 2016.

##### (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 Treasurer's Directions.

Property, plant and equipment and TCorp Hour Glass Facilities 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) Other financial assets

Other financial assets are measured at fair value and TCorp Hour-Glass Facilities are designated at fair value through profit or loss.

##### (f) 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. 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.

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**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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**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 uses.

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 10 for further information regarding fair value.

The Board revalues its land and building at least every three years and other class of property, plant and equipment at least every five years to ensure that the carrying amount of each asset class does not differ materially from its fair value at reporting date. Last comprehensive revaluation was completed on 30 June 2015 and was based on an independent assessment.

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 2016 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.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. 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 credited directly to the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Net Result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are 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.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

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## LEGAL PROFESSION ADMISSION BOARD

### Notes to the financial statements

for the year ended 30 June 2016

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#### 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. 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.

##### (g) 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's	20%
Office Equipment	20%
Furniture & Fittings	10%
Intangible assets	
Software	25%
Software acquired after 1 July 2012	20%
Software - Major Projects	10%

##### (h) 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.

##### (i) 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.

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

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.

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.

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**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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

**(j) Payables**

These amounts represent liabilities for goods and services provided to the Board and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. 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 \$900. 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 11 (a)).

**(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. Long term annual leave that is not expected to be taken within 12 months 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.
- 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.

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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

- 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. Costs payable within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.
- 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.

Any provisions for restructuring are recognized 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 to clients is generally recognised upon receipt of applications for admission as a lawyer, registration of students at law and other services.

**Rental revenue from operating leases**

Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term.

**Investment revenue**

Interest income is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

**Other revenue**

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

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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

**(o) Investments**

The Hour-Glass Investment Facilities are designated at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Board's key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

**(p) 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. An allowance for impairment is established when there is objective evidence that the Board will not be able to collect all amounts due.

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.

**(q) 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 assets:

- 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

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

**(r) Fair value hierarchy**

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 10 and Note 15 for further disclosures regarding fair value measurements of financial and non-financial assets.

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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

**(s) Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any 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 where the effect of discounting is immaterial.

**(t) 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.

**(u) 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.

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

**(i) Effective for the first time in 2015-16**

The accounting policies applied in 2015-16 are consistent with those of the previous financial year. There were no new or revised Australian Accounting Standards that were applied by the Board for the first time in 2015-16.

**(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 relevant Accounting Standards have not been applied and are not yet effective as per NSW Treasury Circular NSW TC 16/02:

- AASB 9 and AASB 2014-7 regarding financial instruments
- AASB 14 and AASB 2014-1(Part D) regarding Regulatory Deferral Accounts
- AASB 15, AASB 2014-5 and AASB 2015-8 regarding Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1056 Superannuation Entities
- AASB 1057 and AASB 2015-9 Application of Australian Accounting Standards
- AASB 2014-3 regarding accounting for acquisitions of interests in joint operations
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2014-6 regarding bearer plants
- AASB 2014-9 regarding equity method in separate financial statements
- AASB 2014-10 and AASB 2015-10 regarding sale or contribution of assets between and investor and its associate or joint venture

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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

- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 (disclosure initiative)
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

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 2016

**2. EXPENSES EXCLUDING LOSSES**

**(a) Personnel service expenses**

	2016	2015
	\$	\$
Salaries and salaries related (a)	1,076,454	1,000,638
Recreation leave and other	90,620	140,944
Voluntary Redundancy	-	128,256
Payroll tax and fringe benefits tax	75,918	77,937
Worker's compensation insurance	5,988	6,804
Superannuation - defined benefit plans	363,449	23,637
Superannuation - defined contribution plan	67,199	61,086
<b>Total</b>	<b>1,679,628</b>	<b>1,439,102</b>

(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) Other operating expenses**

	2016	2015
	\$	\$
Graduation related expenses	8,141	7,000
Department of Justice - administration fees	79,026	77,099
Legal services	11,164	14,830
Miscellaneous fees	48,906	29,016
Auditor's remuneration - audit of the financial statements	18,900	19,200
Computer equipment - software	104,159	101,205
Exam related - Rental for venue and computer	64,748	60,211
Rates	64,714	57,474
Printing	29,167	35,488
Postage and freight	23,127	21,153
Telephone	4,425	4,811
Computer related expenses - network charges	9,000	12,000
Stores and stationary cost	6,613	8,488
Maintenance contracts	1,147	941
Repairs and maintenance	1,464	1,008
Minor equipment	31	5,864
Miscellaneous	53,382	58,615
Insurance	6,931	3,473
Agency staff fees	80,868	25,479
System design	-	33,166
<b>Total</b>	<b>615,913</b>	<b>576,521</b>



**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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**2. EXPENSES EXCLUDING LOSSES (cont'd)**

(c) Depreciation and amortisation

	2016	2015
	\$	\$
Depreciation		
Depreciation - Building	136,416	79,203
Depreciation - Plant and Equipment	-	82
Depreciation - Furnitures and Fittings	1,026	14,858
Depreciation - Computer Equipment	2,022	4,733
	<u>139,464</u>	<u>98,876</u>
Amortisation		
Amortisation - intangible (software)	-	44,685
	<u>-</u>	<u>44,685</u>
<b>Total Depreciation and Amortisation expenses</b>	<u>139,464</u>	<u>143,561</u>

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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**3. REVENUE**

**(a) Sale of goods and services**

	2016	2015
	\$	\$
Registration	120,280	123,780
Examination	842,980	841,768
Admission	1,195,900	1,141,850
Academic exemption	139,520	102,750
Other service revenue	320,383	250,577
<b>Total</b>	<b><u>2,619,063</u></b>	<b><u>2,460,525</u></b>

**(b) Investment revenue**

	2016	2015
	\$	\$
TCorp Hour-Glass investment facilities - designated as fair value through profit or loss	4,287	15,998
Interest from Westpac business account	73,366	81,989
<b>Total</b>	<b><u>77,653</u></b>	<b><u>97,985</u></b>

**(c) Rental income**

	2016	2015
	\$	\$
Rent	30,301	29,361
<b>Total</b>	<b><u>30,301</u></b>	<b><u>29,361</u></b>

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

**4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	2016	2015
	\$	\$
Cash at bank	5,010,904	2,212,502
Cash on hand	500	500
<b>Total</b>	<b>5,011,404</b>	<b>2,213,002</b>

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 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**5. CURRENT ASSETS - RECEIVABLES**

	2016	2015
	\$	\$
<b>Current receivables</b>		
Prepayments (a)	-	11,512
Debtors	63,224	31,582
Personnel services (b)	548,320	471,060
GST receivable	12,720	130,140
<b>Total</b>	<b>624,264</b>	<b>645,194</b>

(a) Insurance premium and quarterly strata levy payments.

(b) 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 12 (b)).

Refer Note 15 for details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired.

**6. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE**

	2016	2015
	\$	\$
TCorp Hour Glass-Cash Facility Investment	-	599,995
<b>Total</b>	<b>-</b>	<b>599,995</b>

The Board's TCorp Hour Glass cash facility was closed in October 2015. The balance was transferred to Westpac bank operating account under the new Treasury Banking System arrangement.

Refer note 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**7. NON-CURRENT ASSETS - RECEIVABLES**

	2016	2015
	\$	\$
<b>Personnel services</b>		
Personnel services - prepaid superannuation	12,773	28,651
Long service leave provision	47,680	41,040
<b>Total</b>	<b>60,453</b>	<b>69,691</b>

Refer note 15 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 2016

**8. PROPERTY, PLANT AND EQUIPMENT**

	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land & Buildings \$	Total \$
<b>At 1 July 2015 - fair value</b>						
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)
<b>Net carrying amount</b>	<b>2,386</b>	<b>-</b>	<b>1,365</b>	<b>3,751</b>	<b>2,499,222</b>	<b>2,502,973</b>
<b>At 30 June 2016 - fair value</b>						
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)	(280,360)
<b>Net carrying amount</b>	<b>15,660</b>	<b>-</b>	<b>340</b>	<b>16,000</b>	<b>2,587,736</b>	<b>2,603,736</b>

**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 & Buildings \$	Total \$
<b>Year ended 30 June 2016</b>						
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
<b>Net carrying amount at end of year</b>	<b>15,660</b>	<b>-</b>	<b>340</b>	<b>16,000</b>	<b>2,587,736</b>	<b>2,603,736</b>

	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land & Buildings \$	Total \$
<b>At 1 July 2014 - fair value</b>						
Gross carrying amount	57,358	27,575	177,489	262,422	2,475,242	2,737,864
Accumulated depreciation and impairment	(50,239)	(27,493)	(161,266)	(238,998)	-	(238,998)
<b>Net carrying amount</b>	<b>7,119</b>	<b>82</b>	<b>16,223</b>	<b>23,424</b>	<b>2,475,242</b>	<b>2,498,666</b>
<b>At 30 June 2015 - fair value</b>						
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)
<b>Net carrying amount</b>	<b>2,386</b>	<b>-</b>	<b>1,365</b>	<b>3,751</b>	<b>2,499,222</b>	<b>2,502,973</b>

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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**8. 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 \$
<b>Year ended 30 June 2015</b>						
Net carrying amount at start of year	7,119	82	16,223	23,424	2,475,242	2,498,666
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	-	103,183	103,183
Depreciation expense (note 2 (c))	(4,733)	(82)	(14,858)	(19,673)	(79,203)	(98,876)
Writeback on accumulated depreciation on disposals	-	-	-	-	-	-
<b>Net carrying amount at end of year</b>	<b>2,386</b>	<b>-</b>	<b>1,365</b>	<b>3,751</b>	<b>2,499,222</b>	<b>2,502,973</b>

**Revaluation of property, plant and equipment**

Each class of physical non-current assets is revalued at least every 5 years. 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 2016 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 10.

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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**9. INTANGIBLE ASSETS**

	<b>2016</b>
	<b>\$</b>
<b>At 1 July 2015</b>	
Cost (gross carrying amount)	380,562
Accumulated amortisation and impairment	<u>(380,562)</u>
<b>Net carrying amount</b>	<u>-</u>
<b>At 30 June 2016</b>	
Cost (gross carrying amount)	492,470
Accumulated amortisation and impairment	<u>(380,562)</u>
<b>Net carrying amount</b>	<u>131,908</u>
	<b>\$</b>
<b>Year ended 30 June 2016</b>	
Net carrying amount at beginning of year	-
Additions	131,908
Impairment losses	-
Amortisation	-
Other movements	-
<b>Net carrying amount at end of year</b>	<u>131,908</u>
	<b>2015</b>
	<b>\$</b>
<b>At 1 July 2014</b>	
Cost (gross carrying amount)	380,562
Accumulated amortisation and impairment	<u>(315,877)</u>
<b>Net carrying amount</b>	<u>44,685</u>
<b>At 30 June 2015</b>	
Cost (gross carrying amount)	380,562
Accumulated amortisation and impairment	<u>(380,562)</u>
<b>Net carrying amount</b>	<u>-</u>
	<b>\$</b>
<b>Year ended 30 June 2015</b>	
Net carrying amount at start of year	44,685
Additions	-
Impairment losses	-
Amortisation	(44,685)
Other movements	-
<b>Net carrying amount at end of year</b>	<u>-</u>

**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

**10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

(a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total fair value
	\$	\$	\$	\$
<b>2016</b>				
Property, plant and equipment (Note 8)				
Land and buildings	-	2,587,736	-	2,587,736
	-	2,587,736	-	2,587,736
<b>2015</b>				
Property, plant and equipment (Note 8)				
Land and buildings	-	2,499,222	-	2,499,222
	-	2,499,222	-	2,499,222

(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.

**11. CURRENT LIABILITIES – PAYABLES**

	2016	2015
	\$	\$
<b>Current payables</b>		
Academic exemption assessment fee	2,010	1,912
Department of Justice (a)	482,533	190,718
Examination fees received in advance (b)	399,400	422,940
GST payable	-	3,595
Prizes	10,356	11,156
Rent received in advance	1,991	4,764
Sundry accruals	50,296	33,219
Tuition fees (c)	1,176,435	11,855
<b>Total</b>	<b>2,123,021</b>	<b>679,957</b>

(a) Intercompany balance with Department of Justice to be settled as at 30 June 2016.

(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 month 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.

## LEGAL PROFESSION ADMISSION BOARD

### Notes to the financial statements

for the year ended 30 June 2016

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#### 12. CURRENT LIABILITIES – PERSONNEL SERVICES PROVISIONS

	2016	2015
	\$	\$
Recreation leave and related oncosts (a)	100,728	104,799
Long service leave and related oncosts (b)	635,438	545,822
<b>Total</b>	<b>736,162</b>	<b>650,621</b>

(a) The Board expect that of the total recreation leave and related oncosts, \$80,581 will be settled within 12 months after the reporting date and the rest \$20,145 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 (b)).

#### 13. NON-CURRENT LIABILITIES – PERSONNEL SERVICES PROVISIONS

	2016	2015
	\$	\$
Long service leave and oncosts	55,255	47,463
Provision for superannuation	1,105,971	758,400
<b>Total</b>	<b>1,161,226</b>	<b>805,863</b>

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

	2016	2015
	\$	\$
Net result for the year	292,012	428,687
Depreciation	139,464	143,581
(Increase)/decrease in receivables and prepayments	30,168	(165,728)
Increase/(decrease) in provisions	440,904	268,978
Increase/(decrease) in payables	1,419,547	21,664
<b>Net Cash Flows from Operating Activities</b>	<b>2,322,095</b>	<b>697,162</b>



**LEGAL PROFESSION ADMISSION BOARD**  
**Notes to the financial statements**  
for the year ended 30 June 2016

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**15. 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**

Financial Assets	Note	Category	Carrying Amount 2016	Carrying Amount 2015
Class:				
Cash and cash equivalents	4	N/A	\$ 5,011,404	\$ 2,213,002
Financial assets at fair value				
Receivables (1)	6	At fair value through profit or loss	-	599,995
	5	Receivables at amortised cost	659,224	544,582
Financial Liabilities				
Class:			2016	2015
Payables (2)			\$	\$
	11	Financial liabilities measured at amortised cost	1,721,630	248,858

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

<sup>2</sup> 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.

*Cash*

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.

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**15. FINANCIAL INSTRUMENTS (CONT'D)**

**(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 table below summarises the maturity profile of the Board's financial liabilities, together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

	Weighted average effective interest rate	Nominal Amount \$	Interest Rate Exposure		Maturity Dates		
			Fixed Interest Rate	Non- interest bearing \$	< 1 year \$	1-5 years \$	> 5 years \$
<b>2016</b>							
Financial liabilities							
Payables	-	1,721,630	-	1,721,630	1,721,630	-	-
		<u>1,721,630</u>		<u>1,721,630</u>	<u>1,721,630</u>	<u>-</u>	<u>-</u>

**Maturity Analysis and interest rate exposure of financial liabilities**

	Weighted average effective interest rate	Nominal Amount \$	Interest Rate Exposure		Maturity Dates		
			Fixed Interest Rate	Non- interest bearing \$	< 1 year \$	1-5 years \$	> 5 years \$
<b>2015</b>							
Financial liabilities							
Payables	-	248,658	-	248,658	248,658	-	-
		<u>248,658</u>		<u>248,658</u>	<u>248,658</u>	<u>-</u>	<u>-</u>

**LEGAL PROFESSION ADMISSION BOARD**  
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**15. FINANCIAL INSTRUMENTS (CONT'D)**

**(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 were primarily through interest rate risk on the Board's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on operating performance and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price 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.

	Carrying amount \$	-1% Profit \$	Equity \$	+1% Profit \$	Equity \$'000
<b>2016</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,011,404	(50,114)	(50,114)	50,114	50,114
Financial assets at fair value	-	-	-	-	-
<b>2015</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,213,002	(22,130)	(22,130)	22,130	22,130
Financial assets at fair value	599,995	(6,000)	(6,000)	6,000	6,000

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**15. FINANCIAL INSTRUMENTS (CONT'D)**

**Other price risk – TCorp Hour-Glass facilities**

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Board has no direct equity investments. The Board holds units in the following Hour-Glass Investment trusts:

Facility	Investment Sectors	Investment Horizon	2016 \$	2015 \$
Cash facility	Cash and money market instruments	Up to 1.5 years	-	599,995

The unit price of facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for the facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for the above facility is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of the facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Board's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for the investment facility, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass investment facility is designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June 2016 for the facility (balance from Hour-Glass statement).

Given the TCorp investment is in the Cash Facility, there is no material exposure to other price risk.

**(f) Fair Value Measurement**

**(i) Fair value compared to carrying amount**

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value.

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.

The Board uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 - Derived from quoted prices in active markets for identical assets/liabilities

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs)

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**15 FINANCIAL INSTRUMENTS (CONT'D)**

(ii) Fair value recognised in the statement of financial position

	Level 1	Level 2	Level 3	2016 Total
	\$	\$	\$	\$
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Investment Facility	-	-	-	-
	<hr/>			
	Level 1	Level 2	Level 3	2015 Total
	\$	\$	\$	\$
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Investment Facility	-	500,005	-	500,005
	<hr/>			

There were no transfers between level 1 and 2 during the period ended 30 June 2016.

The value of the Hour-Glass Investments is based on the Board's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

Prices for the TCorp Hour Glass Investment Facility are observable; however no active market exists for these facilities as they are only accessible to government agencies. The Board's TCorp Hour Glass cash facility was closed in October 2015.

**16. CONTINGENT ASSETS AND LIABILITIES**

The Board is unaware of any matters that may lead to a contingent asset or liability (2015: \$nil).

**17. COMMITMENT FOR EXPENDITURE**

The Board does not have any commitment for expenditure as at 30 June 2016 (2015:nil).

**18. EVENTS AFTER THE REPORTING PERIOD**

The Board is unaware of any events occurring after 30 June 2016 which would impact upon these financial statements.

End of audited financial statements.