

EXPLANATORY STATEMENT

AUSTRALIAN CAPITAL TERRITORY

LEGAL PRACTITIONERS (AMENDMENT) ORDINANCE (NO. 2) 1983

No. 62 of 1983

The purpose of this Ordinance is to amend the Legal Practitioners Ordinance 1970 ('the Principal Ordinance') to:

- a) authorise the Law Society of the A.C.T. ('the Law Society') to enter into an arrangement with banks in the A.C.T. for the payment of interest on trust bank accounts maintained by solicitors with those banks; and
- b) provide that the moneys so received be paid into the Statutory Interest Account maintained by the Society pursuant to the Principal Ordinance.

The Law Society has entered into an arrangement with banks in the A.C.T. for the payment of interest on moneys held in trust bank accounts maintained by solicitors at those banks. Similar arrangements have been entered into by the Law Institute of Victoria and the Law Society of N.S.W. with banks in those States.

This arrangement will cover trust moneys not now dealt with under the provisions of the Principal Ordinance which requires a solicitor to deposit one-half (the Legal Practitioners (Amendment) Ordinance 1983 increases

this to two-thirds) of the notional amount of trust moneys in his trust account with the Law Society to form the Statutory Deposits Account.

The Ordinance provides that moneys received under the arrangement be paid into the Statutory Interest Account, as is the case at present with interest from the Statutory Deposits Account. The arrangement will increase, significantly, moneys available in the Statutory Interest Account for distribution amongst the various statutory purposes for which these moneys may be used.

Amendments contained in the Legal Practitioners (Amendment) Ordinance 1983 result in moneys in the Statutory Interest Account being available to:

- . supplement from time to time the Fidelity Fund;
 - . assist in the conduct of a scheme for the provision of legal aid and provide funds to the Legal Aid Commission (A.C.T.);
 - . assist and promote post graduate legal education and legal research and meet the costs of maintaining any scheme of continuing legal education conducted by the Law Society;
 - . pay the costs and disbursements incurred by the Law Society in relation to disciplinary proceedings;
 - . assist in the conduct and maintenance of a scheme of practical legal education conducted and maintained in the Territory (currently the A.N.U. Legal Workshop);
- and

meet the costs of administering the Account.

Section 1 provides that the Ordinance may be cited as the Legal Practitioners (Amendment) Ordinance (No. 2) 1983.

Clause 2 provides that the Ordinance is deemed to have come into operation on 1 August 1983. This provision is necessary in order to bring within the scope of proposed new section 74B arrangements already entered into by the Law Society with the banks.

Section 3 defines the Principal Ordinance to mean the Legal Practitioners Ordinance 1970.

Section 4 amends the Principal Ordinance by omitting sub-sections 74A(5) and (6). See note below on new section 74C.

Section 5 inserts new sections 74B and 74C in Part VII of the Principal Ordinance.

New sub-section 74B(1) authorises the Law Society to enter into an arrangement with a bank in the Territory for the payment of interest on trust bank accounts maintained by solicitors at that bank.

Moneys received by the Law Society under the arrangements are to be paid into the Statutory Interest Account maintained by the Society pursuant to the Principal Ordinance (new sub-section 74B(2)).

Moneys received under the arrangement must be audited annually (new section 74C). This new section also includes the provisions of sub-sections 74A(5) and (6) of the Principal Ordinance relating to the audit of the Statutory Deposits and Statutory Interest Accounts omitted by Section 4.

Authorised by Attorney-General

ORD No. 75/83

Red
11/4/84