ASSURING PROFESSIONAL COMPETENCE COMMITTEE

WHAT WE NEED TO DO

1. SUMMARY

- Legal practice, like many other services and industries, is experiencing disruptive innovation in the way legal information and legal services are being sought, structured and delivered. For some 20 years, concern has also been accumulating about the competence of those embarking on legal practice.

- Recent work in Australia and elsewhere indicates that practising lawyers of the future will need to acquire and maintain new and different knowledge and skills to deliver legal services effectively.

- The Assuring Professional Competence development program will try to identify what a practising lawyer, in the foreseeable but uncertain future, will need to know and be able to do. With this information, we propose to try to develop a Competence Statement for Australian Legal Practitioners, as has recently been done in both England and Canada.

- Then we propose to develop –

  (a) a Threshold Statement, derived from the Competence Statement, which entry-level lawyers will be expected to meet; and

  (b) a statement of Legal Knowledge and Skills that someone will need to acquire in order to meet the Threshold Standard.

- From there, it should be possible to work out where, in the continuum of legal education, the relevant knowledge and skills can best be acquired; and how compliance with the Threshold Standard can reliably be assessed.

- This should allow academic and PLT providers to identify what elements they can contribute and how best to organise their programs.

- It should also allow decisions to be made about the future of legal workplace experience; whether that should occur before or after admission to the legal profession; and whether the content of that experience should be more closely regulated.

- Similarly, it should be possible to work out what Continuing Professional Development programs will be required to maintain practitioner competence and to develop specialist expertise; and to decide whether this phase of legal education needs to be more closely regulated.

- Each stage of this work will require extensive consultation with, and contributions from, various people and groups interested in the legal profession, the way its members are educated and trained, and the way it delivers its services. We seek their help.

2. ISSUES

Legal practice, like many other services and industries, is experiencing disruptive innovation. The ways in which legal information and legal services are being sought, structured and delivered are rapidly changing. Consequential change has already occurred to the tasks practising lawyers perform, the ways in which they organise to perform them, and the ability of others to provide information and services that were formerly only available from legal practitioners. These trends coalesce with social concerns about difficulties people have, both
in becoming members of the group that provides legal services, and in obtaining ready access to the services that the legal profession and the legal system are supposed to provide the community.

If we want to be sure that practising lawyers are able to provide their services competently, efficiently and ethically as circumstances change around them, we need to make sure that they acquire and maintain knowledge, skills and values that are appropriate to equip them to meet the inevitable challenges they will face. This, in turn, means that we must understand what a legal practitioner will need to be able to do in the foreseeable but uncertain future.

Much work has already been done to try to identify the likely shape of future legal practice and to isolate the known unknowns, particularly in England, Canada and the USA. In Australia, most recently, the Law Society of NSW has conducted a Commission of Inquiry into The Future of Law and Innovation in the Profession (FLIP) which interviewed 103 contributors, canvassing how changes to clients' needs and expectations, legal technology and new ways of working were all altering legal practice. In view of their insights, the FLIP Commission Report identified 7 additional areas where it considered that entry-level practitioners would need to have developed knowledge and skills beyond those presently encompassed by academic law and PLT courses. Financial, institutional and other constraints limit the ability of both law schools and PLT providers to include all of the proposed new 7 areas in their degree and diploma courses. This raises the question of where in the continuum of legal education such new skills and knowledge can best be acquired and, incidentally, the potential roles of supervised workplace training, either before or after admission, in imparting additional knowledge and skills.

The FLIP Commission Report further noted that changes to regulatory arrangements might be required to make sure that those receiving information and advice from service providers on legal matters continue to be appropriately protected. These changes may need to impose appropriate ethical obligations on new entities and professionals, and more closely provide for what happens during any period of supervised workplace training.

The forward-looking findings of the FLIP Commission and work undertaken by the Law Institute of Victoria in 2015 complement concerns previously expressed about the current competence of entry-level lawyers. In 2000, the Australian Law Reform Commission raised questions about the appropriateness of the 11 academic requirements for admission, our sequential model of academic and PLT training, and our means of assuring quality standards in Australian legal education, when compared with Canada and the USA. In 2007, the Chief Justices of Australia, Victoria and NSW and the President of the Victorian Court of Appeal, sought to ensure that law students acquired more comprehensive knowledge and skills relating to statutory interpretation. In 2014, the Productivity Commission recommended a review of, among other things –

(a) the appropriate role of, and overall balance between, the several stages of legal education and training;

---

1 Law Society of NSW, Commission of Inquiry, The Future of Law and Innovation in the Profession (March 2017) 78 - 79 (‘FLIP Commission’).
2 Ibid 102.
3 Katie Miller, Disruption, Innovation and Change: The Future of the Legal Profession (Law Institute of Victoria, December 2015).
5 Letter from Chief Justice Warren and President Maxwell to Professor S D Clark, Chairman of LACC, 26 August 2007.
(b) the continuing need for the 11 academic requirements for admission, and their relevance to legal practice;

(c) regulatory oversight of each of the stages of legal education and training; and

(d) the possibility of "limited licensing" to allow people to offer certain legal services without having to qualify fully for admission to the legal profession.  

In 2015, the Council of Chief Justices asked whether entry-level lawyers were adequately prepared to embark on legal practice, a concern mirrored by several professional bodies in submissions made to a limited review of the academic requirements undertaken by the Law Admissions Consultative Committee in that year. In 2016, work commissioned by the Victorian Legal Admission Board (VLAB) identified numerous alleged deficiencies in the preparation of entry-level lawyers; and in 2017 another report, examining insurance claims and complaints involving practitioners of up to 5 years' experience, concluded that the inability of many such practitioners to understand and apply the ethical tenets that underpin legal practice presently poses a significant risk to the competence of entry-level practitioners; and will also pose future problems for the Australian community if it is not remedied.

3. LEARNING FROM OTHERS

In England a comprehensive Legal Education and Training Review resulted in a Setting Standards Report in 2013. This made many useful suggestions about the preferred future directions of legal education and training. In order to maintain the impetus of that report and to prompt legal profession regulators to implement its recommendations, the Legal Services Board (LSB), which oversees all legal service regulators in England and Wales, issued some statutory guidance in 2014. It expected regulators to adopt arrangements to ensure that -

(a) education and training requirements focus on what an individual must know, understand and be able to do at the point of admission;

(b) providers have the flexibility to determine how to deliver training, education and experience that meets the outcomes required;

(c) standards are set that find the right balance between what is required at the point of admission and what can be fulfilled through ongoing competency requirements thereafter;

(d) regulators successfully balance obligations for education and training between the individual and the employer, both at the point of entry and thereafter; and

(e) regulators place no inappropriate direct or indirect restrictions on numbers entering the legal profession.

In the Australian context, such regulatory principles could have profound consequences for how the academic and practical legal training prerequisites to admission are expressed; the

---

8 Nous Group, Assuring Professional Competence – A Scoping Study for Stage 1 (8 December 2016)
ways in which law courses and PLT providers are accredited for admission purposes; when admission occurs; the way in which supervised workplace experience is conducted and verified; and the way in which CPD requirements are expressed and satisfied.

In England, the Solicitors Regulation Authority (SRA) responded to the statutory guidance by seeking to identify the key activities undertaken by solicitors, and the expectations of those who instruct them. From that data it developed a draft Competence Statement for solicitors which sought to capture both –

(a) the competencies that an entry-level lawyer would need to have acquired and be able to demonstrate at the point of admission; and

(b) the competencies that a person would be required to maintain while practising as a solicitor.

3.1 Establishing and implementing Threshold Competencies for entry-level lawyers

Having workshopped and adopted the Competence Statement, the SRA enunciated both a Threshold Standard, derived from the Competence Statement, which entry-level lawyers will be required to meet; and a Statement of Legal Knowledge underlying the Threshold Standard, which intending practitioners will need to acquire in order to meet that Standard.\(^{11}\)

Responding, presumably, to the second element of the LSB's statutory guidance, the SRA envisaged that, once it had derived a Threshold Standard from the Competence Statement and set out the Statement of Legal Knowledge, it could withdraw from specifying further aspects of the pathway to admission. This would only be possible, however, if there was robust, consistent, standardised assessment of each applicant for admission, to ensure that each had acquired the required knowledge, skills and values necessary to meet the Threshold Standard.

A major problem identified by the LETR Setting Standards report, however, was the absence of consistent assessment standards applied by 100 law schools, and of any effective and efficient means of achieving such consistency. After exploring several possibilities, the SRA noted that, of 18 common-law and civil-law jurisdictions which it had studied, almost 80% employed a system of centralised assessment.\(^{12}\) In view of this, between December 2015 and January 2017 the SRA undertook 2 consultations on a proposal to develop a 2-part centralised Solicitors Qualifying Exam (SQE) to be taken by all those seeking admission as a solicitor. In April 2017 the SRA affirmed that it would develop and introduce a 2-part SQE. Thereafter, at the point of admission applicants will be required to –

(a) have passed SQE Stages 1 and 2 to demonstrate that they have the knowledge and skills set out in the Competence Statement for solicitors, to the standard prescribed in the Threshold Statement;

(b) have been awarded a degree or an equivalent qualification or have gained equivalent experience;

(c) have competed "qualifying legal work experience" under the supervision of a solicitor or an entity regulated by the SRA, for at least 2 years; and

(d) "be of a satisfactory character and suitability".\(^{13}\)

\(^{11}\) [http://www.sra.org.uk/solicitors/competence-statement.page](http://www.sra.org.uk/solicitors/competence-statement.page)

\(^{12}\) SRA, Qualification in other jurisdictions –international benchmarking (September 2016) 3, 10-12.

\(^{13}\) SRA, A new route to qualification: The Solicitors Qualifying Examination (SQE) - Summary of our responses and our decisions on next steps (April 2017) 5.
Notably, the degree referred to in (b) need not be a law degree\(^\text{14}\); and it will no longer be necessary for an applicant to undertake the Legal Practice Course. The SRA proposes to assess the “compulsory subjects” currently taught in law degrees and postgraduate diplomas in law in the SQE. It asserts that “[w]e will make sure that candidates have gained the necessary knowledge and skills to qualify as a solicitor through the SQE assessments.”\(^\text{15}\)

The English Bar Standards Board (BSB) also responded to the LSB's statutory guidance by developing a Professional Statement for Barristers, an enhanced version of which was published in September 2016.\(^\text{16}\) Again, the structure defines competences for each identified element of the Professional Statement and prescribes a Threshold Standard to which those competences should be performed when a barrister commences to practise.

While the BSB is in the process of developing a new training system which it aims to introduce incrementally in 2018, the proposed arrangements do not include an equivalent to the proposed SQE for solicitors.

In Canada, mutual recognition arrangements introduced in 2002 led the Federation of Law Societies of Canada to propose the adoption of national admission standards for lawyers. As a first step, it proposed to draft –

(e) a profile of entry-level practitioner competencies; and

(f) a standard to ensure that all persons admitted were of good character.

Drawing on existing competence profiles previously developed by certain provinces, a national entry-level competence profile was drafted, which referred to requisite substantive knowledge, skills and tasks.\(^\text{17}\) Thirteen provincial law societies subsequently adopted the national profile in 2013, subject to a plan to implement it nationally being developed and approved.

As in England, implementing the national profile depended on devising and implementing a robust consistent, standardised means of assessing all applicants for admission. All provincial law societies already employ some form of pre-admission testing, but processes and standards differ widely.

In September 2015, the Federation therefore proposed a model for one comprehensive, nationally developed and administered assessment system, to replace all existing provincial regimes. Development costs were estimated at C$2.8 million and the projected annual operating costs for an estimated 3800 candidates would be C$1725 per head. An accompanying business and implementation plan envisaged an independent assessment agency to develop and implement a progressive and defensible national assessment regime.

In the event, the proposal did not proceed further, apparently from concerns that a national assessment could not adequately deal with differing provincial law and procedures; would cover matters that were adequately dealt with by existing provincial measures; and involved additional, unnecessary costs for both law societies and applicants for admission. The Council of Canadian Law Deans was also sceptical. The assessment of knowledge rather than skills predominated in the model regime, raising questions whether the requisite skills might be better assessed in other ways. Accordingly in June 2016, work on the national assessment proposal ceased. The Federation expected that provincial law societies would

---

14 It reached this conclusion, notwithstanding that 14 of the of the jurisdictions it had studied require an applicant to hold a degree or its equivalent in law. Only 4 regard another type of degree or equivalent as sufficient: SRA n 12, 3, 6-7.

15 Ibid 9 -10.


17 http://flsc.ca/national-initiatives/national-admission-standards/
thereafter rely on the previously-adopted national entry-level competence profile where they see fit.

3.2 Post-PLT education and training

There are three vital differences between Australian and English education and training for practising lawyers.

(a) Australia requires a minimum 3-year full-time qualification in law, or its part-time equivalent, from an accredited law school. England has a similar requirement, but also accepts a 2-year full-time postgraduate diploma in law, or its equivalent, from an accredited law school.

(b) Australia generally requires a 6-month full-time PLT postgraduate diploma from an accredited course, or its part-time equivalent. England requires a 12-month full-time PLT course from an accredited provider, or its part-time equivalent.

(c) Thereafter, England presently also requires aspiring solicitors to complete a 2-year pre-admission full-time training contract in a legal workplace. The required content of that contract is closely specified; and workplace experience involves additional programmed learning. In contrast, Australia requires a 2-year post-admission period of supervised legal practice, the content of which is not closely specified, but includes the limited CPD requirements applying to all practitioners.

Subsequently, Australian practitioners are required to meet compulsory annual CPD requirements specified in very broad terms. Thus, under the Legal Profession Uniform Continuing Professional Development (Solicitors) Rules 2015, solicitors in NSW and Victoria must undertake a minimum of 10 CPD units (generally, hours) including at least 1 unit each in Ethics and Professional Responsibility, Practice Management and Business Skills, Professional Skills, and Substantive Law. Eligible activities do not require independent accreditation but rule 7 requires them to –

(a) be of significant intellectual and practical content and deal primarily with matters relating to your practice of law;

(b) be conducted by persons qualified in the subject covered; and

(c) extend your knowledge and skills in areas that are relevant to your practice needs or professional development.

Each solicitor must annually certify, and be able to demonstrate, compliance with those broad requirements over the preceding 3 years if required to do so.

England presently has an annual 16-hour mandatory CPD requirement for solicitors. The SRA envisaged that, once a Competence Statement for solicitors was adopted, it would be possible to end the prevailing "tick-box" approach to satisfying that requirement, and replace it with a system that allows practitioners and their organisations to tailor continuing professional development to meet their particular need and circumstances. This would, of course, apply to a person only after the 2-year pre-admission training contract has been completed and admission has occurred.

The SRA set out 3 options for reform in a consultation paper. More than half of the respondents preferred one option, but the SRA maintained its initial preference for another, possibly because it was thought to be more consistent with the statutory guidance given by the LSB in 2014. It decided to revoke the existing 16-hour CPD requirement, and to rely on

---

18 See, however, the SRA’s most recent intentions, noted in item 3.5.
19 SRA, Training for Tomorrow: A new approach to continuing competence (28 May 2014).
Principle 5 in the SRA’s Handbook, which creates an obligation on regulated entities to provide a proper level of service to clients. The SRA developed a Continuing Competence Toolkit to help solicitors and those who employ them to –

(a) reflect on their practice and to identify learning and development needs;
(b) plan how to meet the needs and knowledge gaps they identify;
(c) record and evaluate the CPD activities that they consequently offer or undertake.20

The new scheme came into effect in November 2016.

3.3 Other relevant matters

Submissions to the FLIP Commission argued that the definition of legal services in the Uniform Law should be expanded to embrace the provision of legal information, as well as legal advice, in order to extend ethical duties and regulatory controls to cover new ways in which people receive information to assist them to make decisions with legal consequences. Similarly, it has been suggested that the legal regulatory regime should be extended to embrace businesses and paralegals as well as legal practitioners, to reach those who now perform similar functions.

In Canada, the Nova Scotia Barristers' Society proposes to regulate legal entities, which will include non-lawyers working under the supervision of lawyers. It suggests that regulatory requirements should apply to both legal information and advice. Legal entities might deliver such services in combination with other services, provided that the combined services are all subject to the same ethical and professional standards as apply to more customary legal services.

Several other provincial regulators are also moving towards a system of regulating entities providing legal information or advice, as well as practising lawyers.

The Nova Scotia Barristers' Society suggests that paralegals should be trained, accredited and licensed by the regulator. The LETR Report similarly discussed the possibility of “activity based authorisation” in areas like conveyancing – which has existed in certain Australian jurisdictions in one form or another since 1847, before the Torrens system was introduced in 1858.

After reviewing recent developments in California, Washington State, New York, several European civil-law countries and Japan, the Productivity Commission advocated adopting "limited licence" arrangements, particularly in family law. Despite objections from the Law Council, it argued that limited licensing could be used to support new specialties, allowing informed consumers to use particular licensed specialists for certain stages of a legal process and only to engage expensive and skilled barristers and solicitors when necessary.21

4. WHAT NEXT?

In our view, work referred to in item 2 already makes it imperative to find out more about what Australian legal practitioners actually do, and will need to be able to do in the foreseeable future, before we can consider how they should acquire the requisite knowledge skills and values to do so competently, ethically and effectively. We propose to do this by gathering views from different types of lawyers, clients and the community on several broad themes. They might, say, be about ethics, professionalism and judgement; technical...

---

20 http://www.sra.org.uk/solicitors/cpd/tool-kit/continuing-competence-toolkit.page
21 Productivity Commission, n 6, 273.
aspects of legal practice, including legal technology; managing people and work; and working with others.

4.1 **A Competence Statement for Australian Legal Practitioners**

Drawing on the views expressed during those consultations; submissions made to, and the conclusions of, the FLIP Commission; comparable work in Australia and elsewhere; and the considerable amount of existing literature related to the future of legal practice, we plan to produce a draft Competence Statement for Australian Legal Practitioners. We expect that it will be expressed in broad terms, comparable perhaps in tenor and scope to the Threshold Learning Outcomes (TLOs) for Australian Law Degrees developed between 2009 and 2011.\(^2\) We hope that the Competence Statement will be equally applicable to barristers and solicitors and that any necessary differentiation between their respective knowledge, skills and values might be dealt with appropriately in other ways.

Public comments will be sought to help improve any draft Competence Statement.

4.2 **Establishing a Threshold Standard**

The Competence Statement will help us to propose the level of achievement to be required of entry-level practitioners. To achieve this, we will need to determine where the relevant threshold lies; and whether it should be passed before or after an intending practitioner has acquired substantial experience in a legal workplace. Of the 18 jurisdictions studied by the SRA, 15 require between 6 and 24 months’ workplace experience before "qualification" as a solicitor. Only 3 require 6 months or less. Under the present PLT Competencies for Entry-level Lawyers some Australian applicants for admission need to complete only 15 days of legal workplace experience, which may be accumulated at a rate of 2 half-days per week.

Bearing in mind future projections about employment opportunities for legal practitioners and other potential suppliers of legal information and advice, and the future nature and scope of legal practice, we might need to reconsider where, in the continuum of legal education and training, the point of admission to the legal profession should occur. If, as foreshadowed in item 1, elements of the knowledge, skills and values required by a competent practitioner in the future will probably need to be acquired after the academic and PLT stages, the relevant threshold might need to be fixed after some further period of workplace experience, combined with further programmed learning, has been acquired – whether or not the entry-level practitioner has already been admitted.

4.3 **Statement of Legal Knowledge and Skills**

A Threshold Standard would fix the rung on a ladder of professional competence where any entry-level practitioner is expected to stand. But we also need to define the substantive knowledge, skills and values which that person must achieve and be able to demonstrate. Some of these can be expressed in terms of broad outcomes like the TLOs mentioned in item 4.1. Some substantive elements will, however, possibly need to be more closely specified.

In due course it will thus be necessary to consider whether the present 11 academic requirements and the PLT Competency Standards continue to be appropriate to modern circumstances. It is also possible that some similar indicative guidelines may need to be given to chart the programmed learning and practical experience to be acquired during any period of supervised workplace experience.

---

\(^2\) See, for example, Australian Learning & Teaching Council, Bachelor of Laws, Learning and Teaching Academic Standards Statement (December 2010).
4.4 Assessing achievement

We have previously noted that the LETR Report and the SRA were both troubled by the difficulties of devising and applying consistent assessment standards to numerous education providers. The SRA concluded that a centralised SQE would be the most efficient way to ensure that all those entering the profession have the required knowledge, skills and values to start practising. Canada, for similar reasons, sought to develop centralised assessment, but recently abandoned the quest in the face of the diversity inherent in federalism and the costs of developing, maintaining and applying a reputable professional assessment regime.

In 2015 VLAB, on behalf of LACC, commissioned work on a possible mandatory professional assessment regime to apply to all qualified foreign lawyers seeking admission in Australia. As some admitting authorities were reluctant to commit funding to the further development of possible assessment tools, LACC decided not to proceed further with the proposal at that stage.

A robust, credible national assessment regime at the point of commencing to practise may indirectly confer greater flexibility on providers to determine how to deliver training, education and experience that meets the required outcomes - consistently with the second element of the English LSB's statutory guidance.

We will need to investigate whether it might be possible to develop a robust and consistent professional assessment regime at the threshold of practice, following the academic PLT and legal workplace training components of a lawyer's preparation - whether this occurs before or after admission to the profession. If there are reasons which preclude a mandatory professional assessment regime based on recent reputable models deployed in other professions, it may be possible to devise other means for applicants to provide appropriate evidence of their preparation and achievements. One means might, for example, require applicants to prepare and maintain a portfolio which charts their development and provides sufficient evidence of the level of their achievements to an admitting authority.

4.5 Supervised workplace experience

In England, the SRA presently specifies the required content of each 2-year training contract which follows academic and PLT training. It also provides for the additional elements of programmed learning that must be undertaken during the term of that contract. The regulatory requirements are broadly comparable with Australian specifications about supervision and training plans for Supervised Legal Training. This alternative to the former articles of clerkship or a current PLT course has been available in Victoria since 2008. It also exists in Queensland.

We will need to examine whether a comparable mechanism would be appropriate better to define the respective obligations of an employer and a person acquiring supervised workplace experience. It is here that one might anticipate that the requirements specified for barristers and solicitors would diverge, whether supervised workplace experience is to be acquired before or after admission.

We note, however, that in April 2017 the SRA decided that, although it will continue to require 2 years' "qualifying work experience" prior to admission, a training contract with a mandated content and additional specified programmed learning will no longer be required. Despite criticisms of the consequential lack of structure for work experience, "we remain of the view that our requirements should be as flexible as possible to avoid creating
unnecessary barriers to qualification We will make sure that candidate have gained the necessary knowledge and skills to qualify as a solicitor through the SQE assessments.24

4.6 Continuing Professional Development

The second purpose of the SRA’s Competence Statement for solicitors was to capture the competencies that a person would be expected to maintain while practising as a solicitor. In item 3.2 we noted that, in November 2016, following consultations, the SRA abolished the previous annual 16-hour CPD requirement and replaced it with a less-prescriptive system, not favoured by a majority of respondents to its consultation paper on the subject.

To fulfil its general purpose, any CPD scheme needs to allow practitioners to shape their continuing education to their particular, often specialised, needs while concurrently ensuring that each remains abreast of wider developments in best and ethical legal practices. In regulatory terms, requirements must be principled, targeted and proportionate.

We will need to examine present CPD requirements and practices in the light of any Competence Statement; follow the consequences of recent changes in England; and consider whether, and if so how, the quality and regulation of CPD might be improved in the interests of assuring professional competence.

5. HOW WILL WE DO IT?

VLAB has already commissioned significant background work for our inquiry, including a report on possible methodology and costs. It recommended that any review should adopt "a rigorous, robust and fit for purpose approach. In particular, the methodology should be targeted and outcomes focussed in order to allow decisions to be made. We further recommend that the study should be seen as a broad based policy and practice review, rather than an academic inquiry."25

The research methods we adopt will partly depend on available resources, but will be devised to gather views throughout Australia from within and beyond the legal profession to help us respond to each of the matters raised in item 4. We expect there will be a number of consultation papers, stakeholder forums, questionnaires and interim reports over 2 or 3 years before a final report will be possible. Throughout that period we will be actively seeking comments and suggestions about the task we are undertaking.

Please help us.

Robert French AC
Chairman

24 SRA, n 11, 9.
25 Nous Group, n 7, 1.