



# Te Pūrongo ā Tau Annual Report 2016-2017



Te Pūrongo ā Tau  
Annual Report  
2016-2017

Presented to the House of Representatives

Pursuant to section 150(3) of the Crown Entities Act  
2004

Law Commission, Wellington 2017

ISSN 2253-2676 (Print)

ISSN 2253-2684 (Online)

Published as Parliamentary Paper E31

This report is also available on the internet at the Law  
Commission's website: [www.lawcom.govt.nz](http://www.lawcom.govt.nz)

Cover photo by Tomas Sobek on Unsplash

[unsplash.com/photos/AytEEGNnwHc](https://unsplash.com/photos/AytEEGNnwHc)

# Contents

Letter of transmittal	2
Introduction from the President	3
The Law Commission: Who we are and what we do	8
Part 1 - Report on Activities	12
Part 2 - Finance and Performance Report	19
Statement of Responsibility	20
Statement of Performance for the year ended 30 June 2017	21
Financial Statements for the year ended 30 June 2017	27
Statement of Comprehensive Revenue and Expense for the year ended 30 June 2017	27
Statement of Financial Position as at 30 June 2017	28
Statement of Changes in Equity for the year ended 30 June 2017	29
Statement of Cash Flows for the year ended 30 June 2017	30
Notes to the Financial Statements	31
Independent Auditor's Report	51
Appendix A - Active Law Reform Projects as at 30 June 2017	55
Appendix B - Tabled Law Reform Projects 1 January 2010 - 30 June 2017	56
Appendix C - Advice on the Implementation of Law Reform	61
Appendix D - Commissioners and staff of the Law Commission as at 30 June 2017	62
Appendix E - Assessing Strategic Performance against the Statement of Intent 2014 - 2018	63



# Letter of transmittal

Minister Responsible for the Law Commission  
Parliament Buildings  
WELLINGTON

Dear Minister

I have the honour to present to you the Annual Report of the Law Commission for the year ended 30 June 2017.

This report is prepared under section 150 of the Crown Entities Act 2004.

Yours sincerely

A handwritten signature in black ink that reads "Douglas White." The signature is written in a cursive, slightly slanted style.

Douglas White  
President

# Introduction from the President

I am pleased to present the 2016-17 Annual Report for the New Zealand Law Commission: Te Aka Matua o te Ture (the parent vine of the law).

## Summary

The year under review has been one of change and new initiatives for the Commission. It saw the arrival of three new Commissioners, a new General Manager, ten new staff, the completion of two reports, the commencement of one new review, the adoption of a new four year Statement of Intent under the Crown Entities Act 2004 with a new performance measure framework, the holding of the Commission's First Annual Retreat, a Symposium to mark the 30th anniversary of the establishment of the Commission, and the enhancement of the Commission's various external relationships.

## Our people

Dr Wayne Mapp, who was appointed in March 2012, completed his term as Commissioner at the end of June this year. The Commission acknowledges Dr Mapp's contribution to law reform in New Zealand during his five years with the Commission.

Roland Daysh, who was appointed the Commission's General Manager in September 2012, resigned in May this year. The Commission acknowledges Roland's service to the Commission over the past four years and eight months.

Arising from discussions at our First Annual Retreat, Commissioners also re-established the position of Communications and Publications Adviser and appointed Stephen Day. He has already made many valuable contributions, including the renaissance of our online newsletter Te Aka Korero, improvements to our main website and activation of our Facebook page and Twitter account. Stephen has

also provided advice on the readability of our two recent final reports and managed the construction of new content-specific websites for two of our current reviews.

I pay tribute to my Commissioner colleagues and all our staff for their dedicated commitment to the work of the Commission over the past year.

## Law reform

The Commission completed two reports during the year. The first was *Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou*. This reference was received from the then Minister of Justice in 2013 and put on hold in 2015 due to other Government priorities. The Report, which includes a draft Administration of Justice (Reform of Contempt of Court) Bill, was delivered to the Minister of Justice on 24 May 2017. We reiterate our thanks to all those who assisted us to complete this Report, particularly Parliamentary Counsel.

The second report was the *Review of the Search and Surveillance Act 2012: Ko te Arotake i te Search and Surveillance Act 2012*. This was a statutory review required by the Search and Surveillance Act 2012 to be conducted jointly with the Ministry of Justice and to be completed within one year from June 2016. The joint report was handed to the then Associate Minister of Justice on 27 June 2017.

The new review, which commenced in February this year, is the second statutory review of the Evidence Act 2006. As a result of an amendment to the Act in 2016, this review must be completed by February 2019. The Commission plans to publish an issues paper in February 2018.

The Commission's other references, which were received from the Minister towards the end of 2015, involve reviews of the Property (Relationships) Act 1976, the Criminal Investigations (Bodily Samples) Act 1995 and the Declaratory Judgments Act 1908. We have worked on the first two during the year, and we plan to publish issues papers in October 2017 and April 2018 respectively.

The review of the Declaratory Judgments Act 1908 is on hold as a result of resourcing constraints.

During the year under review the Government enacted or introduced the following legislation based on previous work from the Commission:

- The Evidence Amendment Act 2016;
- The Senior Courts Act 2016;
- The District Court Act 2016;
- Judicial Review Procedure Act 2016;
- The Land Transfer Act 2017;



- The Sale and Supply of Alcohol Act 2012; and
- The Substance Addiction (Compulsory Assessment and Treatment) Act 2017.

The Commission continued to keep the law of New Zealand under review in a systematic way, not only by focusing principally on the references it has received from its Minister but also by maintaining a record of possible future law reform projects and by assisting the Minister in determining future references.

## Te ao Māori

The Commission has continued to acknowledge its statutory obligation to take into account te ao Māori through ongoing regular meetings with its Māori Liaison Committee. The Commission is also building its relationship with Te Hunga Rōia o Aotearoa New Zealand Māori Law Society because this Law Society is able to offer advice and direction on how to bring a Māori perspective to the Commission's projects. The Commission is committed to developing its capacity to engage with te ao Māori in its work.

## Accountability

During the year under review the Commission completed its new Statement of Intent for 2017-2021 and its Statement of Performance Expectations for 2017-2018. These documents, required by the Crown Entities Act and approved by the Minister Responsible for the Commission, were tabled in Parliament on 25 July 2017.

As noted in my Foreword to the Statement of Intent, the Commission's resources and capabilities reflect the level of the Government appropriation. We have a current complement of 30 people (4 Commissioners whose salaries are determined by the Remuneration Authority and 26 staff [20.3 full time equivalent]) and an annual budget of \$3.993 million.

The Commission has taken the opportunity in its new Statement of Intent to adopt a different approach to the assessment of its performance, with both quantitative and qualitative measurements.

The quantitative measurements will relate to the number of issues papers and final reports to be completed each year; and managing the work programme within total revenue and with drawdown of reserves over the next four years, as agreed with the then Minister Responsible for the Law Commission.

The qualitative measurements will relate to the substantive quality of the completed reports and to the nature and extent of the consultative process that preceded each report. The latter will include feedback from those involved in the process, including members of advisory groups and other interested parties. Those providing

feedback will be invited to make suggestions for future improvements.

These performance assessment measurements mark a move away from those previously used, over which the Commission had no control. In particular, the decision whether to enact legislation implementing a Commission report is a matter for the Government and Parliament, not the Commission, and may be influenced by a wide range of factors, including other Government priorities. It is therefore not an appropriate performance measurement for the Commission. The Commission's assessment of its performance based on these new measurements will be referred to the Minister who has responsibility under the Law Commission Act for determining and assessing the Commission's work.

The Commission has commenced its new approach to performance assessment by seeking feedback from a range of interested parties involved in its Contempt of Court Report.

## Finance

The Commission has managed its operating budget prudently. The year under review has resulted in a surplus of \$178,131. This arose from various anticipated costs being under budget, including library costs, general expenses, personnel costs (due to delays in recruitment of replacement staff) and tight fiscal control.

Looking ahead, in the short term, the Commission is aiming to achieve further savings, in particular from lower rental and outgoings when it moves to new premises in April 2018. In the medium term until 30 June 2021, the Commission has the Minister's approval to use its reserves to remain sustainable. Longer term, as operational costs continue to increase and without an increase to our appropriation, the Commission will face a real challenge in meeting its deliverables.

## External relationships

The Commission has a significant constitutional role in leading law reform in New Zealand. We have taken steps during the past year to enhance our relationships with other members of the law reform community, including our Minister, the Ministry of Justice, the Judiciary, the Office of Parliamentary Counsel, the Law Societies and Universities. The Governor-General, our Minister, Justices Ellen France and Joe Williams, as well as other representatives of all of these groups, were involved in the Commission's successful 30th Anniversary Symposium held at Parliament in November 2016. We celebrated the anniversary by looking to the future: law reform in the 21st century.

# The Future

In fulfilling its law reform functions and duties independently, the Commission intends to continue to make recommendations for the reform and development of the law of New Zealand which are designed to make the law as understandable and as accessible as is practicable. In that way the Commission will play its part in upholding the rule of law in our country.

*Douglas White.*

Douglas White

President





# The Law Commission: Who we are and what we do

## Who we are

The Law Commission is a publicly funded law reform organisation established under the Law Commission Act 1985. It is an independent Crown entity under the Crown Entities Act 2004.

## What we do

The Law Commission's core statutory functions and responsibilities, under the Law Commission Act 1985, are to keep under review in a systematic way, the law of New Zealand:

- to make recommendations for the reform and development of the law of New Zealand;
- to advise on the review of any aspect of the law of New Zealand conducted by any government department or organisation and on proposals made as a result of the review; and
- to advise the Minister of Justice and the responsible Minister on ways in which the law of New Zealand can be made as understandable and accessible as is practicable.

In making its recommendations, the Law Commission must:

- take into account te ao Māori (the Māori world);
- give consideration to the multicultural character of New Zealand society;
- have regard to the desirability of simplifying the expression and content of the law, as far as that is practicable; and
- to review any aspect of the law of New Zealand referred to it by the responsible Minister.

The Law Commission may also be required by Parliament to review particular statutes.

The law is part of the everyday lives of New Zealanders. Our key objective is to improve the quality, relevance and effectiveness of New Zealand law. We aim to achieve our objective by producing independent recommendations on clear, fair and modern amendments to the areas of the law referred to the Law Commission by Parliament<sup>1</sup>, and by the Minister Responsible for the Law Commission.

We do this by:

- promoting open and informed debate on law reform issues and making recommendations to the Minister Responsible for the Law Commission for the improvement of the law; and
- providing implementation and ad hoc advice on law reform issues.

## Recommendations for law reform

The most significant service we provide is making independent recommendations to Parliament, through the Minister Responsible for the Law Commission, on law reform. Our law reform work programme is agreed with the Minister.

At the end of each project, the Law Commission publishes a report of its independent recommendations for law reform. Each report is tabled in Parliament by the Minister. The extent to which the Law Commission's recommendations are acted upon is a matter for Parliament.

Appendix A contains a list of all active projects as at 30 June 2017.

Appendix B contains a list of all Law Commission reports tabled in Parliament from 2010. A list of the Law Commission's reports since 1985 (the year the Law Commission was established) is available on the Law Commission's website.

<sup>1</sup> In the 2016/2017 year, two of the five active Law Commission projects were statutory review references (i.e. the *Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012*; and the Second Review of the Evidence Act 2006)

# Advice on the implementation of law reform

The Law Commission is called upon by Ministers, Select Committees and Government agencies to provide advice on implementing our law reform recommendations, or other legislative proposals involving difficult legal or constitutional issues. This work can include assisting in the preparation of cabinet papers and legislative drafting instructions, and attending select committees.

Appendix C contains a list of advice provided in the year ended 30 June 2017.

## Members of the Law Commission

There were four members of the New Zealand Law Commission - two full-time members and two part-time members. The members of the Law Commission's Board as at 30 June 2017 were:<sup>2</sup>

- Douglas White (full-time President) (term of appointment expires on 8 February 2021);<sup>3</sup>
- Donna Buckingham (full-time Commissioner) (term of appointment expires on 15 May 2021);
- Helen McQueen (part-time Commissioner) (term of appointment expires on 8 February 2021); and
- Hon Dr Wayne Mapp QSO (part-time Commissioner) (term of appointment expired on 30 June 2017).

## Funding

The Law Commission is funded from money appropriated by Parliament through Vote: Justice. The appropriation is within the Non-Departmental Output Expenses; Justice Advocacy, Advice and Promotion Services.

## Reporting

The Law Commission reports to Parliament through the Minister Responsible for the Law Commission, and is accountable as an independent Crown entity under the Crown Entities Act 2004.

<sup>2</sup> Under section 9 of the Law Commission Act 1985, the Commissioners are the Board for the purposes of the Crown Entities Act 2004, and the President holds office as the Chairperson of the Board.

<sup>3</sup> Under section 13 of the Law Commission Act 1985, the President is the Chief Executive of the Law Commission.

# The organisation

As at 30 June 2017, there were four Commissioners appointed by the Governor-General (two full-time and two part-time) and 26 staff (20.3 FTE) in the Law Commission. Appendix D sets out the full personnel list.

## Address details

The office of the Law Commission is located at:

Level 19, 171 Featherston Street, Wellington

The postal address is:

PO Box 2590, Wellington, 6140

DX SP23534

Telephone: (04) 473 3453, Fax: (04) 471 0959

E-mail: [com@lawcom.govt.nz](mailto:com@lawcom.govt.nz)

Information about the Law Commission and its work is available from the Law Commission's website at [www.lawcom.govt.nz](http://www.lawcom.govt.nz).

# Part 1

## Report on Activities

The year under review – 2016/2017 year

### *Outcome reporting - measuring our success*

The Law Commission's outcome is informed engagement and ongoing debate on discrete law reform issues. We do this by conducting reviews, including engagement with interested parties into aspects of New Zealand law referred to us by the Minister. The Law Commission has a commitment to consult the public on areas of law we are reviewing. We promote discussion and consultation through issues papers where appropriate, and invite submissions from the public prior to making our recommendations for law reform. These recommendations are published in our reports, and the Government then decides what action it will take.

### *Law reform*

Effective law reform requires the contribution of a range of institutions. While the Law Commission makes recommendations for reform, it is the role of Parliament to amend the law.

### *How we are having an impact*

In the 2016/2017 year, the performance measure of the Law Commission's law reform work was the extent to which, over time, its recommendations were advanced into legislation. This performance measure will change for years 2017 to 2021 to cover quantitative and qualitative measures that better reflect factors that the Law Commission can control and directly impact.

In the year under review, the following Bills were before the House that related (at least in part) to the Law Commission's earlier work:

- The Evidence Amendment Bill 2015 received the Royal Assent on 22 September 2016. The Act followed the Law Commission's 2013 Report, *The 2013 Review of the Evidence Act 2006* (NZLC R127, 2013).
- The Family and Whānau Violence Legislation Bill was introduced into Parliament in March 2017 and the Select Committee reported back on 16 August 2017. The new offence of strangulation included in the Bill has been



informed by the elements recommended by the Law Commission's Report *Strangulation: The case for a new offence* (NZLC R138, 2016).

- The Judicature Modernisation Bill completed the Committee of the Whole House process in September 2016 and was divided into various Bills. These Bills received Royal Assent on 17 October 2016. The Bills, and subsequent Acts, follow the Law Commission's 2012 report, *Review of the Judicature Act 1908: Towards a New Courts Act* (NZLC R126, 2012).
- The Land Transfer Bill completed the Committee of the Whole House process in June 2017 and received Royal Assent on 10 July 2017. The Land Transfer Act 2017 followed the Law Commission's 2010 report, *A New Land Transfer Act* (NZLC R116, 2010).
- The Legislation Bill was introduced into Parliament on 20 June 2017. The Bill, when enacted, will implement aspects of the Government response to recommendations made in the reports of the Law Commission: *Presentation of New Zealand Statute Law* (NZLC R104, 2008) and *Review of the Statute Drafting and Compilation Act 1920* (NZLC R107, 2009).
- The Substance Addiction (Compulsory Assessment and Treatment) Bill received Royal Assent on 21 February 2017. The Substance Addiction (Compulsory Assessment and Treatment) Act 2017 follows the Law Commission's 2010 report, *Compulsory Treatment for Substance Dependence: A Review of the Alcoholism and Drug Addiction Act 1966* (NZLC R118, 2010).
- The Trusts Bill was introduced into Parliament on 1 August 2017. The Bill follows the Law Commission's 2013 report, *Review of the Law of Trusts: A Trusts Act for New Zealand* (NZLC R130, 2013). When enacted the Bill will replace the Trustee Act 1956 and the Perpetuities Act 1964 to make trust law more accessible. It will clarify and simplify core trust principles and essential obligations for trustees.

Other areas attributable to the Law Commission's earlier work include:

- The draft Incorporated Societies Bill, which the Ministry of Business, Innovation and Employment consulted publicly and submissions closed on 30 June 2016. The Bill is intended to implement fully the Law Commission's 2013 report, *A New Act for Incorporated Societies* (NZLC R129, 2013).
- On 29 July 2016, the Government issued its response to the 2016 report *Modernising New Zealand's Extradition and Mutual Assistance Laws* (NZLC R137, 2016). The Government accepted the main recommendations in the report.
- The Ministry of Health has developed a "Draft Burial and Cremation Work Plan", which sets out four work streams

for recommendations made by the Law Commission's report *Death, Burial and Cremations: A New Law for Contemporary New Zealand* (NZLC R134, 2015). The work streams are certification of cause of death, regulation of burial and cremation, regulation of the funeral services sector, and burial decisions.



# Output reporting

## Recommendations for Law Reform

In the 2016/2017 year, the Law Commission progressed the following law reform outputs:

Reference	2016–17 Activity	2017–18 Projected Activity <sup>4</sup>
<b>Review of Contempt of Court</b>	Final report, <i>Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou</i> (NZLC R 140, 2017), published 21 June 2017.	
<b>Review of the Criminal Investigations (Body Samples) Act 1995</b>	Terms of Reference agreed in July 2016. Commenced reference.	Publication of an Issues Paper is planned for April 2018. Final Report is planned for December 2018.
<b>Review of the Property (Relationship) Act 1976</b>	Terms of Reference agreed in May 2016. Commenced reference.	Publication of an Issues Paper is planned for October 2017. Final report planned for November 2018.
<b>Review of the Search and Surveillance Act 2012</b>  This is a joint statutory review with the Ministry of Justice.	Commenced on 28 June 2016 a joint review with the Ministry of Justice of the operation of the Act.  An Issues Paper, <i>Review of the Search and Surveillance Act 2012</i> (NZLC IP40, 2016) was published on 8 November 2016.  Final report, <i>Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012</i> (NZLC R 141, 2017) was submitted to the then Associate Minister of Justice on 27 June 2017.	
<b>Review of the Declaratory Judgments Act 1908</b>	Terms of Reference agreed in July 2016. This Reference has since been put on hold due to resourcing constraints.	On hold.
<b>Review of the Evidence Act 2006</b>  This is a statutory review.	Commenced the second statutory review of the Evidence Act 2006 in February 2017 after the Terms of Reference were agreed.	The statutory deadline for reporting is February 2019.

Appendix C lists the Law Commission's reports since January 2010 and shows the Government's response to each report.

<sup>4</sup> Projected activity is not subject to audit by Audit New Zealand.

## *Reform implementation*

The Law Commission also supported other agencies with law reform initiatives. Appendix D contains a list of advice provided on the implementation of law reform in the year ended 30 June 2017.

## *Other functions – Parliamentary Certifier*

The Legislation Act 2012 introduced a mechanism for systematically revising the presentation of some New Zealand statutes to make them more accessible and for their re-enactment as revision Bills. The President of the Law Commission is one of the required certifiers and supported the Parliamentary Counsel Office with the Contracts and Commercial Revision Bill, which was introduced into Parliament on 19 May 2016.

## Operational focus

The Law Commission has continued to make progress in strengthening its systems and processes.

Key initiatives in the 2016-2017 year have been:

- tightening our fiscal control and continuing to implement productivity gains through use of online reference material;
- obtaining approval from our Minister to use reserves in the next 4 years to remain sustainable;
- project managing a new office (to move into in April 2018 when our current lease expires); and
- upgrading our systems to adopt more cloud-based services.

## Good employer responsibilities

### *Leadership, accountability and culture*

The Law Commission is committed to being a good equal opportunities employer, and this commitment is led by the President, Commissioners and the General Manager.

We have policies and processes to support our equal opportunities commitment, and they are regularly reviewed in consultation with staff.

The Law Commission is committed to take into account te ao Māori through regular meetings with its Māori Liaison Committee, and building its relationship with Te Hunga Rōia o Aotearoa (the Māori Law Society). Commissioners and staff are offered weekly te reo Māori lessons.

## *Recruitment, selection and induction*

The Law Commission has an open and impartial employment process, which includes selection and interviewing by panels comprised of Commissioners and staff to provide balanced views. The Law Commission values diversity in the workforce, and applies an equal opportunities and 'best person for the role' approach in its recruitment. The Law Commission has a tailored induction process for new personnel, which is regularly monitored and reviewed.

## *Employee development, promotion and exit*

The Law Commission is committed to employee development, and delivers this through lunch-time seminars, in-house coaching and mentoring, external courses and opportunities to progress. Personnel exits and retirements have been supported by the Commission's policies and processes.

## *Flexibility and work design*

The Law Commission is committed to a flexible workplace where staff can enjoy a balance between work and home. The Law Commission's work-life initiatives play a role in enabling its people to perform at their best while also recognising their commitments outside of work.

The Law Commission has ICT facilities to enable staff to work off-site and in flexible ways, including reasonable accommodation for employees with disabilities.

## *Remuneration, recognition and conditions*

The Law Commission has a remuneration policy that recognises performance of employees, amongst other factors such as affordability and prevailing market conditions. Employee remuneration is reviewed annually, as agreed under their individual employment contracts. Other provisions include Kiwisaver contributions, annual leave, sick leave for individuals and to care for dependants and bereavement leave.

## *Harassment and bullying prevention*

Our supportive culture and policies, together with the State Services Standards of Integrity and Conduct, detail our expected behaviours. The Law Commission does not tolerate bullying or harassment. We have policies and processes in place to respond to and resolve any concerns relating to such behaviour in the workplace.

## *Safe and healthy environment*

The Law Commission offers a range of well-being assistance to our people, including staff-led yoga, ukulele practice sessions, an Employee Assistance Programme, flu vaccinations and ergonomic workstation assessments.

We have implemented health and safety tools and resources including first aid training, emergency management, and incident/hazard management registers.

## *Workforce profile*

The Law Commission's workforce profile as at 30 June 2017:

Gender	
Female	22
Male	8
	30
Age	
15-24	5
25-34	8
35-44	8
45-54	3
55-64	3
65+	3
	30
Ethnicity	
European / Pākehā	23
Māori	0
Asian	3
Pacific Island	0
Other	4
	30

The Law Commission does not collect information on employees' disabilities. If a disability is brought to the Commission's attention, the Commission takes steps to ensure that the employee has the necessary support to undertake their duties.

# Part 2

## Contents

Statement of Responsibility	20
Statement of Performance for the year ended 30 June 2017	21
Financial Statements for the year ended 30 June 2017	27
Statement of Comprehensive Revenue and Expense for the year ended 30 June 2017	27
Statement of Financial Position as at 30 June 2017	28
Statement of Changes in Equity for the year ended 30 June 2017	29
Statement of Cash Flows for the year ended 30 June 2017	30
Notes to the Financial Statements	31
Independent Auditor's Report	51
Appendix A - Active Law Reform Projects as at 30 June 2017	55
Appendix B - Tabled Law Reform Projects 1 January 2010 - 30 June 2017	56
Appendix C - Advice on the Implementation of Law Reform	61
Appendix D - Commissioners and staff of the Law Commission as at 30 June 2017	62
Appendix E - Assessing Strategic Performance against the Statement of Intent 2014 - 2018	63

# Statement of Responsibility

We are responsible for the preparation of the Law Commission's statement of performance, financial statements and the judgements made in them.

We are responsible for any end-of-year performance information provided by the Law Commission under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion the financial statements and statement of performance fairly reflect the financial position and operations of the Law Commission for the year ended 30 June 2017.

Signed on behalf of the Board:



*Douglas White*

President

31 October 2017



*Donna Buckingham*

Commissioner

31 October 2017



# Statement of Performance for the year ended 30 June 2017

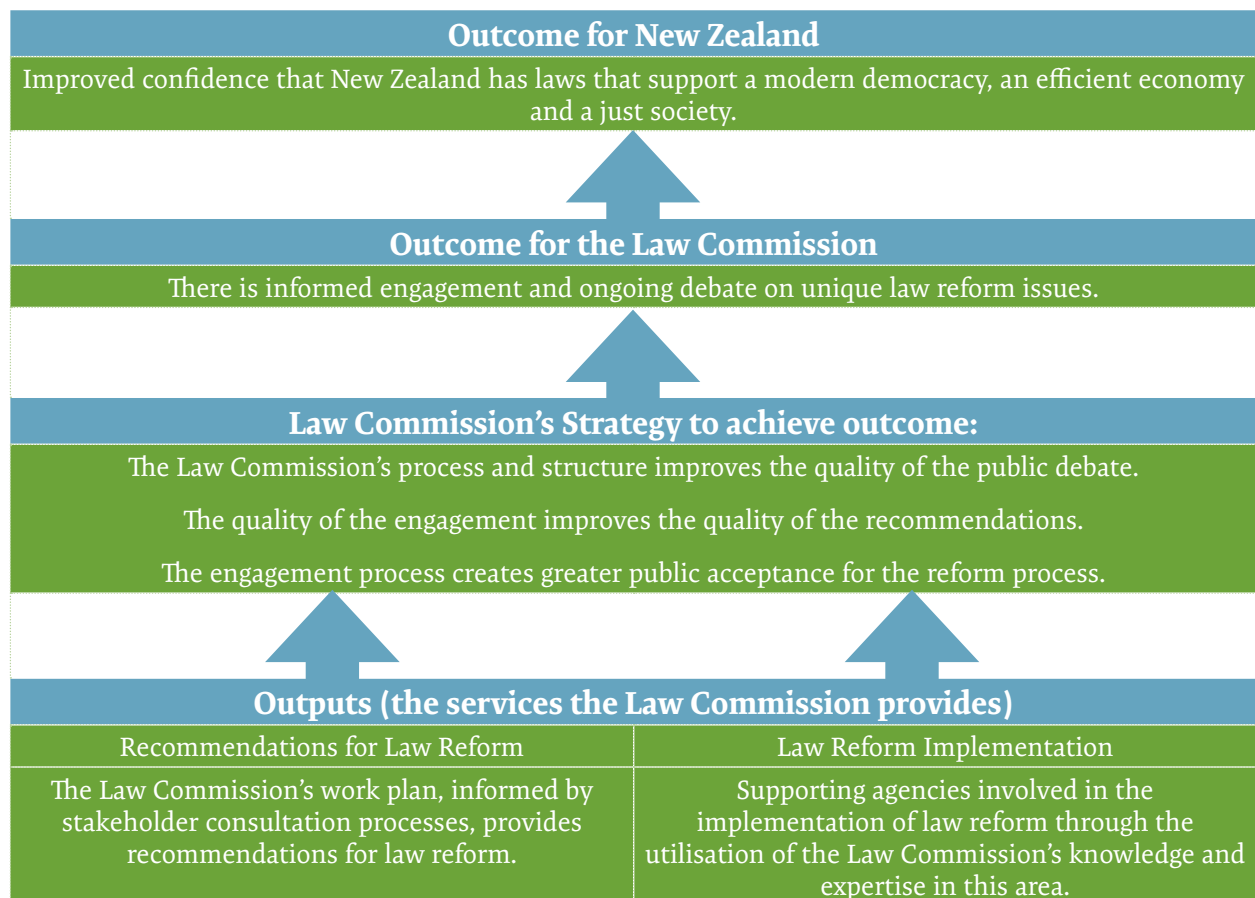
## Introduction

This section focuses on our outputs (i.e. the services we provide). The Statement of Performance is a report on the Law Commission’s performance against key activities, standards and measures set out in its Statement of Performance Expectations for 2016-17 and Vote Justice 2016/2017.

## Reporting results

The following sections of the Statement of Performance describe the key activities we undertook in 2016-17 under the appropriation Justice Advocacy, Advice and Promotion Services in the Law Commission’s output and the progress we made towards achieving our performance measures.

The outcome of the Law Commission is to achieve informed engagement from a diverse range of New Zealanders on law reform issues that produce high-quality independent recommendations and ongoing informed debate.



# Outcome measurement

For the 2016/2017 year, the Law Commission’s law reform outcome performance, over time, was the extent to which its recommendations were advanced into legislation.<sup>1</sup>

The key metrics that connect our outputs to outcomes were:<sup>2</sup>

## *Outcome: performance measures*

Improved confidence that New Zealand has laws that support a modern democracy, an efficient economy and a just society.

Outcome Performance Measure	Standard (Planned for 2016/2017)	Actual Performance Year Ended 30 June 2017	
There is informed engagement and ongoing debate on unique law reform issues.			
There are timely and informed Government responses to the Law Commission’s final reports.	The Board agrees there are timely and informed Government responses.	Achieved in relation to the final report on <i>Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou</i> , which has been published on the Law Commission’s website. The final report on <i>Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012</i> is a joint report with the Ministry of Justice, and the process for a Government response differs from other Law Commission reports.	
Strategy: Performance Measures			
Strategy To Deliver The Outcome		Standard (Planned for 2016/2017)	Actual Performance Year Ended 30 June 2017
The Law Commission’s process and structure improves the quality of the public debate.			
Using an open and consultative review process.  The effectiveness of the strategy is the Law Commission’s issues papers being referenced in a wide range of specialist media.	For each Law Commission issues paper there is at least one material reference in an article by either Capital Letter or a major law firm newsletter within three months of the release of the issues paper.	At least one material reference within three months of the release of the issues paper.	Achieved – at least one material reference within three months of the release of the issues paper.

5 The Law Commission’s outcome measures will change for years 2017 to 2021 (as described in our Statement of Intent 2017 - 2021 and Statement of Performance Expectation 2017 - 2018: see <http://www.lawcom.govt.nz/content/corporate-information#item5>) to better reflect factors the Law Commission can control and directly impact.

6 The order of the key metrics reflects the Law Commissions 2016-17 Statement of Service Performance which links output to outcome. Appendix E provides an assessment of outcome performance using the outcome framework outlined in the Statement of Intent 2014 - 2018.

The quality of the engagement improves the quality of the recommendations.

<p>Using an independent and authoritative voice.</p> <p>The effectiveness of the tactic is the Commission's papers being publicly referenced as an authoritative statement on law reform issues.</p>	<p>The Law Commission's papers being referenced by New Zealand's appeal courts in their judgments.</p>	<p>New Zealand's appeal courts continue to cite the Law Commission's reports in their judgments.</p>	<p>Achieved – New Zealand's appeal courts continue to cite the Law Commission's report in their judgments.</p>
	<p>All issues papers and final reports are accessible to the public via its website so that there is open public scrutiny of the Commission's work.</p>	<p>All issues papers and final reports are accessible to the public via our website.</p>	<p>Achieved – all issues papers and final reports are accessible to the public via the Law Commission's website.</p>



The engagement process creates greater public acceptance for the reform process.

<p>Promoting informed public debate on the Law Commission’s law reform references.</p> <p>The effectiveness of the strategy is the Commission’s papers being referenced in a wide range of media.</p>	<p>The quantitative trend of Law Commission ‘hits’ in the media does not decrease for:</p> <ul style="list-style-type: none"> <li>• Law Talk and NZ Lawyer (the professional media of the legal profession);</li> <li>• NZ Herald (print media);</li> <li>• NZ Law Journal (an academic journal); and</li> <li>• Law related blogs (social media).</li> </ul>	<p>The Law Commission maintains a positive media profile indicated by the number of hits in the media.</p>	<p>Achieved – the Law Commission maintains a positive media profile indicated by the number of hits in the media.</p> <p>Other initiatives:</p> <ul style="list-style-type: none"> <li>• The Law Commission grew its social media profile on Twitter, YouTube and Facebook. The Commission’s Twitter account now has 2000 followers.</li> <li>• The Law Commission developed its own newsletter, Te Aka Kōrero, which goes out directly to 800 people interested in its work.</li> <li>• The Law Commission’s website continues to provide detailed information and access to all historical reports and current projects. It attracted an average of 3,400 users each month during the reporting period.</li> </ul>
---	---	--	--

# Output performance for 2016-17

## *Output class - law reform and implementation advice*

### Scope of appropriation

The scope of this appropriation is limited to providing independent recommendations to Parliament, through the Minister, on law reform. It also covers providing advice on the implementation of our law reform recommendations, or other legislative proposals involving difficult legal or constitutional issues.

### Description of activities

Law Reform - This output focuses on providing advice, and recommendations to the Government at the conclusion of law reform projects, in the form of reports to be presented to Parliament, Ministerial briefing papers, and published study and occasional papers. The advice is based on analyses of existing areas of law, informed by consulting with interested parties, legal research and determining policy outcomes that the law should be striving to achieve.

Implementation Advice - This output focuses on providing advice following publication of law reform reports, during and after the Government's response to reports, by supporting implementation of the recommendations from law reform projects, if requested.

### Contribution to outcomes

This appropriation contributes to the outcome of informed engagement and ongoing debate on unique law reform issues. The provision of independent recommendations to Parliament, through the Minister Responsible for the Law Commission, on law reform helps to improve confidence that New Zealand has laws that support a modern democracy, an efficient economy and a just society.

## Assessing performance

Service Performance Measure	Standard (Planned for 2016/2017)	Actual Performance Year Ended 30 June 2017
Number of open references as at 30 June	4	4
Number of completed references	2	2
All final reports are completed in the timeframe agreed with the responsible Minister	100%	100%
All final reports are approved for publication by the Law Commission Board and published on the Law Commission website	100%	See notes below*
Implementation advice provided within agreed timeframes	100%	100%
Provision consistent with budgeted output cost	Within budget	Achieved

\*The 2 final reports were approved for publication by the Law Commission Board. The report on *Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou* has been published on the Law Commission's website. The report on *Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012* is a joint report with the Ministry of Justice, and the process for publication differs from other Law Commission reports.

## Output class statement

Recommendations for Law Reform and Implementation Advice	Actual 30 June 2017 \$000	Unaudited budget 2017 \$000	Unaudited forecast 2018 \$000	Actual 30 June 2016 \$000
Revenue Crown	3,993	3,993	3,993	3,993
Revenue Other	135	83	70	167
Total Revenue	4,128	4,071	4,063	4,160
Total Expenses	3,950	4,310	4,529	3,938
Net Surplus (Deficit)	178	(239)	(466)	222

# Financial Statements for the year ended 30 June 2017

## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2017

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Revenue</b>				
Funding from the Crown	2	3,993,000	3,993,000	3,993,000
Interest revenue	2	91,420	49,000	77,595
Sale of publications	2	1,362	5,000	8,826
Other revenue	2	42,682	24,000	80,451
<b>Total revenue</b>		<b>4,128,464</b>	<b>4,071,000</b>	<b>4,159,871</b>
<b>Expenditure</b>				
Personnel costs	3	2,915,181	3,016,000	2,774,049
Direct project costs		60,641	83,000	81,086
Library		49,480	145,000	100,283
Occupancy	4	514,505	519,000	520,888
Amortisation	9	356	1,000	534
Depreciation	8	66,883	93,000	76,359
Audit		29,353	35,000	28,498
Other operating	4	313,934	418,000	356,264
<b>Total expenditure</b>		<b>3,950,333</b>	<b>4,310,000</b>	<b>3,937,961</b>
<b>Net surplus/(deficit)</b>		<b>178,131</b>	<b>(239,000)</b>	<b>221,911</b>
<b>Other comprehensive revenue and expense</b>				
<i>Total other comprehensive revenue and expense</i>		-	-	-
<b>Total comprehensive revenue</b>		<b>178,131</b>	<b>(239,000)</b>	<b>222,911</b>

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are detailed in note 18.

# Statement of Financial Position as at 30 June 2017

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	58,888	567,000	345,841
Receivables and prepayments	6	48,641	24,000	92,664
Investments	7	2,265,000	1,350,000	1,800,000
<b>Total current assets</b>		<b>2,372,529</b>	<b>1,941,000</b>	<b>2,238,505</b>
<b>Non-current assets</b>				
Property, plant and equipment	8	40,166	80,000	102,908
Intangible assets	9	89	-	445
<b>Total non-current assets</b>		<b>40,255</b>	<b>80,000</b>	<b>103,353</b>
<b>Total assets</b>		<b>2,412,784</b>	<b>2,021,000</b>	<b>2,341,858</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	10	103,136	90,000	99,055
Employee entitlements	11	115,358	120,000	128,616
Provisions	12	94,595	83,000	98,029
<b>Total current liabilities</b>		<b>313,089</b>	<b>293,000</b>	<b>325,700</b>
<b>Non-current liabilities</b>				
Provisions	12	-	-	94,594
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>94,594</b>
<b>Total liabilities</b>		<b>313,089</b>	<b>293,000</b>	<b>420,294</b>
<b>Net assets</b>		<b>2,099,695</b>	<b>1,728,000</b>	<b>1,921,564</b>
<b>Equity</b>				
Accumulated surplus/(deficit)	14	2,099,695	1,728,000	1,921,564
<b>Total equity</b>		<b>2,099,695</b>	<b>1,728,000</b>	<b>1,921,564</b>

The accompanying notes form part of these financial statements. Explanations of major variances against budget are detailed in note 18.



# Statement of Changes in Equity for the year ended 30 June 2017

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Balance at 1 July</b>		1,921,564	1,967,000	1,699,653
Surplus/(deficit)		178,131	(239,000)	221,911
Other comprehensive revenue		-	-	-
Total comprehensive revenue and expense for the year		178,131	(239,000)	221,911
<b>Balance at 30 June</b>	<b>14</b>	<b>2,099,695</b>	<b>1,728,000</b>	<b>1,921,564</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows for the year ended 30 June 2017

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Cash flows from operating activities</b>				
Receipts from the Crown		3,993,000	3,993,000	3,993,000
Interest received		77,501	49,080	68,199
Sale of publications and other income		75,043	28,824	89,277
Payments to employees		(2,928,439)	(3,016,292)	(2,756,433)
Payments to suppliers		(1,048,439)	(1,297,140)	(1,316,534)
Goods and services tax (net)		13,296	-	(29,353)
<b>Net cash flow from operating activities</b>		<b>182,189</b>	<b>(242,528)</b>	<b>48,156</b>
<b>Cash flows from investing activities</b>				
Placement of funds on term deposits		(465,000)	-	(4,150,000)
Maturity of funds on term deposits		-	-	2,350,000
Purchase of property, plant and equipment		(4,142)	(28,210)	(10,611)
Purchase of intangible assets		-	(984)	-
<b>Net cash flow from investing activities</b>		<b>(469,142)</b>	<b>(29,194)</b>	<b>(1,810,611)</b>
Net (decrease)/increase in cash and cash equivalents		(286,953)	(271,722)	(1,762,455)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5</b>	<b>345,841</b>	<b>700,601</b>	<b>2,108,296</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>58,888</b>	<b>428,879</b>	<b>345,841</b>

The accompanying notes form part of these financial statements.

The Goods and Service Tax (net) component of operating activities reflects the net Goods and Service Tax paid and received by the Inland Revenue Department.

Explanations of major variances against budget are detailed in note 18.

# Notes to the Financial Statements

## Note 1 Statement of accounting policies

### *Reporting Entity*

The Law Commission is a Crown entity as defined by the Crown Entity Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing the Law Commission's operation includes the Crown Entities Act 2004 and the Law Commission Act 1985. The Law Commission's ultimate parent is the New Zealand Crown.

The Law Commission's role is to promote the systematic review, reform and development of the law of New Zealand. It undertakes law reform projects and provides advice to Ministers and public sector agencies.

The Law Commission has designated itself a public benefit (PBE) entity for financial reporting purposes.

The financial statements for the Law Commission are for the year ended 30 June 2017 and were approved by the Board on 31 October 2017.

### *Basis of Preparation*

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

### **Statement of compliance**

The financial statements of the Law Commission have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards (PBE IPSAS 1 RDR 28.3).

The financial statements comply with PBE Standards.

### **Presentation currency and rounding**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

### **Standards**

In 2015 the External Reporting Board issued Disclosure Initiative (Amendments to PBE IPSAS1), 2015 Omnibus Amendments to PBE Standards and Amendments to PBE Standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments. These

amendments apply to PBEs with reporting periods beginning or on 1 January 2016. The Law Commission has applied these amendments in preparing the 2017 statements. There has been no effect.

## *Summary of significant accounting policies*

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### **Goods and Services Tax (GST)**

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

The Law Commission is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

### **Budget figures**

The budget figures are derived from the Statement of Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

### **Cost allocation**

The Law Commission has one output class for the year ending 30 June 2017.

### **Critical accounting estimates and assumptions**

In preparing these financial statements the Law Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including

expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment – refer to Note 8; and
- Onerous Lease – refer to Note 12.

## Note 2 Revenue

### *Accounting policy*

The specific accounting policies for significant revenue items are explained below:

#### **Funding from the Crown**

The Law Commission is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Law Commission meeting its objectives as specified in its founding legislation and the scope of the relevant appropriations of the funder.

The Law Commission considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangement.

#### **Interest revenue**

Interest revenue is recognised by accruing on a time proportional basis the interest due for the investment.

#### **Rental revenue**

Lease receipts under an operating sublease are recognised as revenue on a straight-line basis over the lease term.

#### **Sale of publications**

Sales of publications are recognised as revenue when the product is sold to the customer.

## Note 3 Personnel costs

### *Accounting policy*

#### Superannuation schemes

#### *Defined contribution schemes*

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation scheme and are expensed in the surplus or deficit as incurred.

#### Breakdown of personnel costs and further information

	2017 Actual \$	2016 Actual \$
Salaries and wages	2,852,755	2,717,203
Defined contribution plan employer contributions	97,908	39,230
Increase/(decrease) in employee entitlements (note 11)	(35,482)	17,616
<b>Total personnel costs</b>	<b>2,915,181</b>	<b>2,774,049</b>

#### Employee remuneration

Total remuneration paid or payable	2017 Actual	2016 Actual
\$100,000 and \$109,999	1	2
\$110,000 and \$119,999	2	-
\$210,000 and \$219,999 (up to 26 May 2017)	1	1
<b>Total employees</b>	<b>4</b>	<b>3</b>

During the year ended 30 June 2017, no employee received compensation and other benefits in relation to cessation (2016: one employee received \$7,000).

#### Board member remuneration

The total value of remuneration paid or payable to each Board member during the year was:<sup>8</sup>

	2017 Actual \$	2016 Actual \$
Douglas White	424,753	91,536
Wayne Mapp	225,598	203,045
Helen McQueen	242,130	90,922
Donna Buckingham	311,908	48,333
Commissioners who retired by 1 July 2016	-	652,320
<b>Total Board Remuneration</b>	<b>1,204,389</b>	<b>1,086,156</b>

<sup>8</sup> The remuneration of the Board members is set by the Remuneration Authority.

No Board member received compensation and other benefits in relation to cessation (2016: \$ nil).

In terms of the Law Commission Act 1985, the President of the Law Commission is the Chairperson and Chief Executive.

## Note 4 Other expenses

### *Accounting policy*

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight line basis over the period of the lease. Lease incentives are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

#### Breakdown of other operating expenses

	2017 Actual	2016 Actual
	\$	\$
Staff travel	21,347	34,313
Repairs and maintenance	6,633	9,400
Professional services	94,239	110,817
Communications	18,794	18,230
Loss on disposal	-	180
Other expenses	172,921	183,324
<b>Total other operating</b>	<b>313,934</b>	<b>356,264</b>

#### Operating lease as lessee

The Law Commission leases one property, part of which has been sublet due to it being surplus to requirements. All of the total non-cancellable operating lease expense relates to the lease of one floor of an office building. The lease expires on 24 April 2018 and the Law Commission will vacate the premises at the lease expiry date. The Law Commission does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Law Commission by any of its leasing arrangements.

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2017 Actual \$	2016 Actual \$
Not later than one year	510,444	613,727
Later than one year and not later than five years	-	500,390
Later than five years	-	-
<b>Total non-cancellable operating lease</b>	<b>510,444</b>	<b>1,114,117</b>

### Occupancy costs

	2017 Actual \$	2016 Actual \$
Rent	520,631	520,264
Operating lease expense - premises	91,902	92,788
Onerous lease	(98,028)	(92,164)
<b>Total accommodation costs</b>	<b>514,505</b>	<b>520,888</b>

## Note 5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with maturities of three months or less. Breakdown of cash and cash equivalents and further information

	2017 Actual \$	2016 Actual \$
Cash on hand and at bank	58,888	345,841
Term deposits with original maturities less than three months	-	-
<b>Total cash and cash equivalents</b>	<b>58,888</b>	<b>345,841</b>

The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.



## Note 6 Receivables and prepayments

### *Accounting policy*

Short-term receivables are recorded at the amount due, less any provision for un-collectability.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amounts expected to be collected.

### Breakdown of receivables and further information

	2017 Actual \$	2016 Actual \$
<b>Exchange Receivables</b>		
Trade debtors	17,170	35,833
Less: provision for impairment	(16,985)	-
Accrued interest	23,726	9,807
<b>Non-Exchange Receivables</b>		
GST receivable	24,730	32,844
Prepayments	-	14,180
<b>Total receivables</b>	<b>48,641</b>	<b>92,664</b>

## Note 7 Investments

### *Accounting policy*

#### Bank term deposits

Bank deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

#### Breakdown of investments and further information

	2017 Actual	2016 Actual
	\$	\$
<b>Current portion</b>		
Term deposits	2,265,000	1,800,000
Total Current Portion	2,265,000	1,800,000
<b>Non-current portion</b>		
Term deposits	-	-
Total Non-Current Portion	-	-
<b>Total investments</b>	<b>2,265,000</b>	<b>1,800,000</b>

The carrying amounts of term deposits with maturities less than 12 months approximated their market value. There is no impairment provision for investments.

## Note 8 Property, plant and equipment

### *Accounting policy*

#### Property, plant and equipment

Property, plant and equipment consist of the following asset classes: library collection, furniture and fittings, computer hardware and office equipment.

All classes are initially recorded at cost.

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Law Commission and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential

associated with the item will flow to the Law Commission and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus/ (deficit) within equity.

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Computer equipment	3 years	33.33%
Office equipment	5 years	20%
Furniture and fittings	10 years	10%
Library collection	5 years	20%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## Impairment of property, plant, equipment

The Law Commission does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

## Non cash generating assets

Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

For assets not carried at revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

## **Estimating useful lives and residual values of property, plant and equipment**

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Law Commission, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the statement of financial position. CSE minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Law Commission has not made significant changes to past assumptions concerning useful lives and residual values.

## **Critical judgements made in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:

## Onerous contract

See note about assumptions and judgements relating to the onerous contract in the accounting policies note above.

## Lease classification

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the Law Commission.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Based on the above assumptions we have classified all lease agreements as operating leases.

## Breakdown of investments and further information

Movements for each class of property, plant and equipment are as follows:

	Computer equipment \$	Furniture and fittings \$	Office equipment \$	Library collection \$	Total \$
<b>Cost or valuation</b>					
<b>Balance at 30 June 2015</b>	<b>163,358</b>	<b>580,235</b>	<b>61,354</b>	<b>44,762</b>	<b>849,709</b>
Additions	9,442	-	1,255	-	10,697
Adjustments/Disposals	-	-	(84)	-	(84)
Revaluation increase/ (decrease)	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>172,800</b>	<b>580,235</b>	<b>62,525</b>	<b>44,762</b>	<b>860,322</b>
Additions	5,280	-	-	-	5,280
Adjustments/Disposals	(423)	-	(716)	-	(1,139)
Revaluation increase/ (decrease)	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>177,657</b>	<b>580,235</b>	<b>61,809</b>	<b>44,762</b>	<b>864,463</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance at 30 June 2015</b>	154,204	468,496	58,355	-	681,055
Depreciation expense	9,668	56,792	946	8,953	76,359
Elimination on revaluation	-	-	-	-	-
Adjustment/Elimination on disposal	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>163,872</b>	<b>525,288</b>	<b>59,301</b>	<b>8,953</b>	<b>757,414</b>

	Computer equipment \$	Furniture and fittings \$	Office equipment \$	Library collection \$	Total \$
Depreciation expense	6,420	50,679	831	8,953	66,883
Elimination on revaluation	-	-	-	-	-
Adjustment/Elimination on disposal	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>170,292</b>	<b>575,967</b>	<b>60,132</b>	<b>17,906</b>	<b>824,297</b>
<b>Carrying amounts</b>					
At 1 July 2015	9,154	111,739	2,999	44,762	<b>168,654</b>
At 1 July 2016	8,928	54,947	3,224	35,809	<b>102,908</b>
At 30 June 2017	<b>7,365</b>	<b>4,268</b>	<b>1,677</b>	<b>26,856</b>	<b>40,166</b>

There are no restrictions over the title of the Law Commission's property, plant and equipment, nor are any property, plant and equipment pledged as security for any liability.

## Note 9 Intangible assets

### *Accounting policy*

#### Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are not directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with the development and maintenance of the Law Commission's website are expensed when incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of the major class of intangible assets have been estimated as follows:

Computer Software	3 years	33.33%
-------------------	---------	--------

## Impairment of intangible assets

Refer to the policy for impairment of property, plant, and equipment in Note 8. The same approach applies to the impairment of intangible assets.

## Breakdown of intangible assets and further information

Movements for each class of intangible asset are as follows:

	Website \$	Acquired software \$	Total \$
<b>Cost</b>			
<b>Balance at 30 June 2015</b>	-	<b>72,879</b>	<b>72,879</b>
Additions	-	-	-
Adjustments/ Disposals	-	-	-
<b>Balance at 30 June 2016</b>	-	<b>72,879</b>	<b>72,879</b>
Additions	-	-	-
Adjustments/Disposals	-	-	-
<b>Balance at 30 June 2017</b>	-	<b>72,879</b>	<b>72,879</b>
<b>Accumulated amortisation and impairment losses</b>			
<b>Balance at 30 June 2015</b>	-	<b>71,900</b>	<b>71,900</b>
Amortisation expense	-	534	534
Adjustments/ Elimination of Disposal	-	-	-
Impairment losses	-	-	-
<b>Balance at 30 June 2016</b>	-	<b>72,434</b>	<b>72,434</b>
Amortisation expense	-	<b>356</b>	<b>356</b>
Adjustments/ Elimination of Disposal	-	-	-
Impairment losses	-	-	-
<b>Balance at 30 June 2017</b>	-	<b>72,790</b>	<b>72,790</b>
<b>Carrying amount</b>			
At 30 June 2015	-	979	979
At 30 June 2016	-	445	445
At 30 June 2017	-	89	89

## Restrictions

There are no restrictions over the title of the Law Commission's intangible assets, nor are any intangible assets pledged as security for liabilities.

## Note 10 Payables

### *Accounting policy*

Short-term payables are recorded at the amount payable.

#### Breakdown of payables

	2017 Actual \$	2016 Actual \$
<b>Payables under exchange transactions</b>		
Income received in advance	-	11,175
Creditors	70,136	65,108
Accrued expenses	33,000	22,772
<b>Total payables</b>	<b>103,136</b>	<b>99,055</b>

## Note 11 Employee entitlements

### *Accounting policy*

#### Short term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

### *Presentation of employee entitlements*

Sick leave and annual leave are classified as a current liability.

#### Breakdown of employee entitlements

	2017 Actual \$	2016 Actual \$
<b>Current portion</b>		
Annual leave	78,134	91,323
Sick leave	15,000	15,000
Salary accrual	22,233	22,293
<b>Total employee entitlements</b>	<b>115,367</b>	<b>128,616</b>



# Note 12 Provisions

## *Accounting policy*

### General

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

### Onerous contracts

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### Onerous contracts provision

The Law Commission has a non-cancellable lease for office space that is no longer used by the Law Commission. The lease does not expire until 24 April 2018. The surplus space has been partially sublet. However, the rental expense is greater than the rental income received from subleasing. A provision has been recognised for the obligation of the future discounted rental payments net of estimated rental revenue.

## Breakdown of provisions and further information

	2017 Actual \$	2016 Actual \$
<b>Current portion:</b>		
Onerous contract	94,594	98,029
<b>Total current portion</b>	<b>94,594</b>	<b>98,029</b>
<b>Non-current portion</b>		
Onerous contract	-	94,594
<b>Total non-current portion</b>	<b>-</b>	<b>94,594</b>
<b>Total provisions</b>	<b>94,594</b>	<b>192,623</b>

Movement in the onerous contract class of provision is as follows:

	Onerous Contract \$
<b>Cost</b>	
<b>Balance at 30 June 2015</b>	<b>284,787</b>
Additional provision made	-
Amounts used	(92,164)
Discount unwind	-
<b>Balance at 30 June 2016</b>	<b>192,623</b>
Additional provision made	-
Amounts used	(98,028)
Discount unwind	-
<b>Balance at 30 June 2017</b>	<b>94,595</b>

## Note 13 Contingencies

### *Contingent liabilities*

The Law Commission has no contingent liabilities (2016: \$ nil).

### *Contingent assets*

The Law Commission has no contingent assets (2016: \$ nil).

## Note 14 Equity

### *Accounting Policy*

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- property revaluation reserves.

## Property revaluation reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

### Breakdown of equity and further information

	2017 Actual \$	2016 Actual \$
<b>Accumulated Surplus/(Deficit)</b>		
Balance at 1 July	1,921,564	1,699,653
Surplus/(deficit)	178,131	221,911
Revaluation Reserve Movement	-	-
Balance at 30 June	2,099,695	1,921,564
<b>Property, plant and equipment (Library) revaluation reserves</b>		
Balance at 1 July	-	-
Revaluation	-	-
Accumulated Surplus movement	-	-
Balance at 30 June	-	-
<b>Total equity at 30 June</b>	<b>2,099,695</b>	<b>1,921,564</b>

Due to the majority of the library moving to electronic subscriptions the Law Commission decided the revaluation reserve was no longer relevant. Therefore it has been absorbed into the accumulated surplus.

## Capital management

The Law Commission's capital is its equity, which comprises accumulated funds and revaluation reserves. Equity is represented by net assets.

The Law Commission is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. The Law Commission has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

The Law Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that the Law Commission effectively achieves its objectives and purpose, while remaining a going concern.

## Note 15 Related party transactions

The Law Commission is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect the Law Commission would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

### Key management personnel compensation

	2017 Actual	2016 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	779,636	645,022
Full Time Equivalent Members	2.29	2.27
<i>Leadership Team</i>		
Remuneration	662,818	641,134
Full Time Equivalent Members	1.95	2
<b>Total key management personnel compensation</b>	<b>1,442,454</b>	<b>1,286,156</b>
<b>Total full time equivalent personnel</b>	<b>4.24</b>	<b>4.27</b>

Key management personnel include the President, Commissioners and the General Manager.

For the purposes of this note 15 and in compliance with PBE IPSAS standards, the remuneration of the President who is also Board Chair and Chief Executive of the Law Commission is included along with the General Manager under the Leadership Team (not under Board Members).

Full-time equivalents are calculated on the basis of hours worked.

There were no transactions entered into during the year with key management personnel.

## Note 16 Financial instruments

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

### Financial liabilities measured at amortised cost

	2017 Actual	2016 Actual
	\$	\$
Payables (note 10)	103,136	99,055
<b>Total financial liabilities measured at amortised cost</b>	<b>103,136</b>	<b>99,055</b>

	2017 Actual	2016 Actual
	\$	\$
<b>Loans and receivables</b>		
Cash and cash equivalents (note 5)	58,888	345,841
Receivables (note 6)	48,641	78,484
Investments – term deposits (note 7)	2,265,000	1,800,000
<b>Total loans and receivables</b>	<b>2,372,529</b>	<b>2,224,325</b>

## Note 17 Events after the balance date

There were no significant events after the balance date.

## Note 18 Explanation of major variances against budget

Explanations for significant variances from the Law Commission's budgeted figures in the Statement of Performance Expectations are as follows:

### *Statement of comprehensive revenue and expenses*

#### Personnel costs

Personnel costs were below budget due to reduced staff levels and delays in recruitment of replacement staff.

## **Library**

Reduced library expenses reflect All of Government pricing for legal and research databases, tight fiscal control over expenses and deferred initiatives.

## **General Expenses**

Reduced general expenses reflect tight fiscal control particularly over travel and professional staff development, and deferred operational initiatives including communications and publications costs.

# **Statement of financial position**

## **Cash**

Above budget cash position reflects improved comprehensive income position and deferred capital investment.

## **Property, plant and equipment.**

Below budget position reflects a reduction in capital investment.

## **Statement of cash flows**

Improved net cash flow due to improved comprehensive income position and reduced capital expenditure programme.

# Independent Auditor's Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of the Law Commission's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of the Law Commission (the Commission). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Commission on his behalf.

#### Opinion

We have audited:

- the financial statements of the Commission on pages 27 to 50, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Commission on pages 12 to 15, 21 to 26 and 59.

In our opinion:

- the financial statements of the Commission on pages 27 to 50:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information on pages 12 to 15, 21 to 26 and 59:
  - presents fairly, in all material respects, the Commission's performance for the year ended 30 June 2017, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and



- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Board for the financial statements and the performance information**

The Board is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Commission's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Commission's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 3 to 11, 16 to 18 and 51 to 57, but does not include the financial statements and the performance information, and our auditor's report thereon.

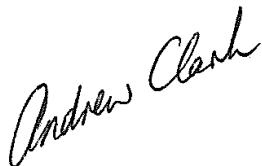
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Commission in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Commission.



Andrew Clark  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

# Appendix A

## Output – Active Law Reform Projects as at 30 June 2017

Reference	Date begun	Description	Activity during 2016-17 and target dates
Review of the Criminal Investigations (Body Samples) Act 1995	2014 (Dec)	<p>This is a comprehensive review of the Criminal Investigations (Bodily Samples) Act 1995.</p> <p>The Act provides the New Zealand Police with powers to collect, retain, and use DNA in criminal investigations.</p>	<p>This project commenced when the terms of reference were finalised in July 2016. The project slowed due to the Lead Commissioner and staff being deployed to complete the Review of the Search and Surveillance Act 2012.</p> <p>The target date for the Issues Paper is April 2018.</p> <p>The target date for the Final Report is December 2018.</p>
Review of the Property (Relationships) Act 1976	2016 (May)	This project examines New Zealand's relationship property legislation.	The target date for the Final Report is November 2018.
Review of the Declaratory Judgments Act 1908	2015 (Nov)	This is a first principles review of declaratory judgments in New Zealand law, with a particular focus on modernising and simplifying the expression and content of the law in this area, to the extent practicable.	The terms of reference were finalised in July 2016, but the reference is currently on hold due to resourcing constraints.
Second Review of the Evidence Act 2006	February 2017	This is a statutory review of the operation of the Evidence Act referred to the Commission under s 202 of that Act. It is the second such review by the Commission.	The statutory deadline for the Final Report is February 2019.

# Appendix B

## Output – Tabled Law Reform Reports

1 January 2010 – 30 June 2017

Report name	Report reference	Government Response <sup>9</sup>	Current Status/ (Projected Activity)
Invasion of Privacy: Penalties and Remedies: Review of the Law of Privacy: Stage 3	NZLC R113 (2010)	Part of the Government response to multi stage review: see R123 (2011), below.	Cabinet has approved a consultation process on a review of the Privacy Act 1993 in advance of introducing a Bill to Parliament.
Alcohol in our Lives: Curbing the Harm:	NZLC R114 (2010)	Substantially accepted.	Alcohol reforms passed into law in 2012.
A New Support Scheme for Veterans: A report on the review of the War Pensions Act 1954	NZLC R115 (2010)	Substantially accepted.	The Veterans' Support Bill was enacted July 2014.
A New Land Transfer Act <i>In conjunction with Land Information New Zealand</i>	NZLC R116 (2010)	Substantially accepted.	Cabinet has accepted the Law Commission's recommendations.  Land Information New Zealand consulted on a draft Land Transfer Bill that included most of the recommendations in the 2010 Report.  A Land Transfer Bill was introduced into Parliament in February 2016. The Select Committee reported September 2016.
Compulsory Treatment for Substance Dependence: A Review of the Alcoholism and Drug Addiction Act 1966	NZLC R118 (2010)	Substantially accepted.	The Substance Addiction (Compulsory Assessment and Treatment) Bill was introduced in December 2015 and the Select Committee reported in September 2016.
A Review of the Civil List Act 1979: Members of Parliament and Ministers	NZLC R119 (2010)	Partially accepted.	Members of Parliament (Remuneration and Services) Bill received Royal Assent November 2013.

<sup>9</sup> 'Government Response' refers to the extent to which the Government accepted the Law Commission's recommendations in its formal response to the report as per Cabinet Circular CO (09)1 Law Commission: Processes for Setting the Work Programme and Government Response to Reports.

Report name	Report reference	Government Response <sup>9</sup>	Current Status/ (Projected Activity)
Mental Impairment Decision Making and the Insanity Defence	NZLC R120 (2010)	Substantially accepted.	Law Commission recommendations accepted in principle in 2011 but implementation requires work to be undertaken by Ministry of Health officials on proposed legislation.
Compensating Crime Victims	NZLC R121 (2010)	Not accepted.	Government decisions on victims' compensation made before the report was published. Government response rejected further recommendations.
Controlling and Regulating Drugs – A Review of the Misuse of Drugs	NZLC R122 (2011)	Partially accepted.	Psychoactive Substances Act 2013 given assent July 2013, five year Drug Court pilot implemented, recommendations relating to criminal justice aspects not accepted.
Review of the Privacy Act 1993: Review of the Law of Privacy Stage 4	NZLC R123 (2011)  (See also NZLC SP19, R101 and R113)	Substantially accepted.	Cabinet has approved a consultation process on a review of the Privacy Act 1993 in advance of introducing a Bill to Parliament.
Consumers and Repossession: A Review of the Credit (Repossession) Act 1997	NZLC R124 (2012)	Substantially accepted.	A raft of consumer credit reforms passed into law in June 2014, previously contained in the Credit Contracts and Financial Services Reform Bill. This included a number of substantial changes to consumer credit repossession laws, reflecting recommendations made by the Law Commission.
The Public's Right to Know: Review of the Official Information Legislation	NZLC R125 (2012)	Partially accepted.	A number of recommendations have been accepted and are awaiting legislative vehicles.  Some recommendation in Final Report, regarding extending OIA to Parliamentary Service and redrafting OIA were not accepted.
Review of the Judicature Act 1908: Towards a new Courts Act	NZLC R126 (2012)	Substantially accepted.	The Judicature Modernisation Bill, implementing the Law Commission's recommendations, completed the Committee of the Whole House process in August 2016.

Report name	Report reference	Government Response <sup>9</sup>	Current Status/ (Projected Activity)
The 2013 Review of the Evidence Act 2006	NZLC R127 (2013)	Substantially accepted.	The Evidence Amendment Bill was introduced into Parliament in May 2015. The Bill follows the Law Commission's 2013 Report and received Royal assent in September 2016.
The News Media Meets 'New Media': Rights, responsibilities and regulation in the digital age	NZLC R128 (2013)	Part 1: Ministerial briefing substantially accepted. Part 2: Final Report not accepted.	The Ministerial Briefing <i>Harmful Digital Communications: The Adequacy of the Current Sanctions and Remedies</i> (August 2012) resulted in introduction of the Harmful Digital Communications Bill, which received Royal assent in July 2015.
A New Act for Incorporated Societies	NZLC R129 (2013)	Accepted.	The Government has drafted a Bill, but it has not yet been introduced.
Review of the Law of Trusts: A Trusts Act for New Zealand	NZLC R130 (2013)	Core recommendations substantially accepted.	The Government is currently analysing the potential scope of a new Act based on the Law Commission's core recommendations.
Suicide Reporting	NZLC R131 (2014)	Substantially accepted.	The Coroners Amendment Bill received Royal Assent 21 June 2016.
Liability of Multiple Defendants	NZLC R132 (2014)	Substantially accepted.	The Government accepted the Law Commission's principal recommendation, that the rule of joint and several liability remain applicable where two or more defendants are liable to a plaintiff for the same, indivisible damage. The Government has requested that the Ministries of Justice and Business, Innovation and Employment consider and carry out further work on the Law Commission's other recommendations.
Pecuniary Penalties: Guidance for Legislative Design	NZLC R133 (2014)	Substantially accepted.	The Government response substantially accepted the recommendations.

Report name	Report reference	Government Response <sup>9</sup>	Current Status/ (Projected Activity)
Death, Burial and Cremation: A new law for contemporary New Zealand	NZLC R134 (2015)	Government response issued agreed in principle.	<p>The Government supported introducing a new statute governing death, burial and cremation in-principle. More policy work is required before the Government can reach a position.</p> <p>Officials from the Ministry of Justice have been requested to undertake further work on this area and report back.</p>
The Crown in Court: A review of the Crown Proceedings Act and national security information in proceedings	NZLC R135 (2015)	Part A not accepted. Still awaiting response to Part B.	<p>The Government considers that a new Act for Part A is not warranted at this time.</p> <p>The Government will consider which aspects of Part A of the Law Commission's report and recommendations could be implemented, alongside the modernisation of the Act, and are awaiting legislative vehicles.</p>
The Justice Response to Victims of Sexual Violence: Criminal Trials and Alternative Processes	NZLC R136 (2015)	Government response issued agreed in principle.	<p>The Government accepted the Law Commission's position that reform would improve the justice response for victims of sexual violence.</p> <p>The Government has directed the Ministry of Justice to further analyse the Law Commission's recommendations. Once completed, the Government will form a final view on the Law Commission's recommendations.</p>
Modernising New Zealand's Extradition and Mutual Assistance Laws	NZLC R137 (2016)	Substantially accepted.	<p>Given the complexity of the matters addressed by the proposed legislation, and the potential costs involved, the Government has directed the Ministry of Justice to undertake further analysis of the Commission's more detailed recommendations.</p>

Report name	Report reference	Government Response <sup>9</sup>	Current Status/ (Projected Activity)
Strangulation: The case for a new offence	NZLC R138 (2016)	A new offence of strangulation, which has been informed by elements recommended by the Commission in the Report, has been included in the Family and Whānau Violence Legislation Bill introduced into Parliament in March 2017.	The Family and Whānau Violence Legislation Bill is before Parliament.
Understanding Family Violence: Reforming the Criminal Law relating to Homicide	NZLC R139 (2016)	The Government is yet to respond.	Awaiting Government response.
Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou	NZLC R140 (2017)	The Government accepted the Law Commission's assessment that the law of contempt requires modernisation and clarification.	The Government has directed the Ministry of Justice to consider the Law Commission's recommendations in detail. Once this consideration is completed, the Government will form a final view on the recommendations.
Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012	NZLC R141 (2017)	This project was a joint statutory review undertaken with the Ministry of Justice. The joint final report was submitted to the Minister on 27 June 2017. The Government is yet to respond.	Awaiting Government response. Note: As this was a joint report with the Ministry of Justice the process for responding may differ from other Law Commission Reports.



# Appendix C

## Advice on the Implementation of Law Reform

Implementation Advice relating to a Law Commission Reports	Description of Law Commission's involvement
<i>Review of the Law of Trusts: A Trusts Act for New Zealand</i> (NZLC R130, 2013)	The Law Commission has assisted the Ministry of Justice in relation to the Exposure draft of the Trusts Bill.
<i>Death, Burial and Cremation: A New Law for Contemporary New Zealand</i> (NZLC R134, 2015)	The Law Commission has assisted the Ministry of Health and the Department of Internal Affairs by providing project and background information relating to the regulation of burial and cremation work steam.
<i>The Crown in Court: A review of the Crown Proceedings Act and national security information in proceedings</i> (NZLC R135, 2015)	The Law Commission has provided ongoing assistance to the Ministry of Justice with the draft Government response in relation to national security information in proceedings.
<i>Understanding Family Violence: Reforming the Criminal Law relating to Homicide</i> (NZLC R139, 2016)	The Law Commission has provided ongoing assistance to the Ministry of Justice with the draft Government response.
<i>Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou</i> (NZLC R140, 2017)	The Law Commission has provided ongoing assistance to the Ministry of Justice with the draft Government response.

# Appendix D

## Commissioners and staff of the Law Commission as at 30 June 2017

<i>President</i>	Douglas White	
<i>Commissioners</i>	Hon Dr Wayne Mapp QSO Donna Buckingham	Helen McQueen
<i>General Manager</i>	Jasmine Tietjens	
<i>Senior Legal and Policy Advisers</i>	Emma Bassett Nichola Lambie Kristen Ross (on parental leave) Lisa Yarwood	Jo Dinsdale Kate McKenzie-Bridle Kate Salmond
<i>Legal and Policy Advisers</i>	John-Luke Day Catherine Helm Yasmin Moinfar-Yong Karen Yates	Alec Dawson Simon Lamain Clare Tattersall
<i>Communications Adviser</i>	Stephen Day	
<i>IT Adviser</i>	Duc Nguyen	
<i>Information Advisers</i>	Vicki Mayes	Louise Norton
<i>Records Adviser</i>	Carmen Pereda	
<i>Personal Assistants</i>	Cheryl Thomson	Lydia McCullough
<i>Law Clerks</i>	Fady Girgis Maddy Nash	Rebekah McMenamin Kate Wilson

# Appendix E

## Assessing Strategic Performance against the Statement of Intent 2014 - 2018

Performance measure		Performance indicator	Assessment
There is a high level of informed engagement by the Government, Crown agencies and relevant stakeholders on the Law Commission's past and current references.	The consultation processes for issues papers create the appropriate level of informed engagement with all stakeholders who have sufficient interest in the reference.	Board agrees consultation creates appropriate level of informed engagement.	Achieved.
	There are timely and informed government responses to the Law Commission's final reports.	Board agrees there are timely and informed Government responses. <sup>10</sup>	Achieved in relation to the final report on <i>Reforming the Law of Contempt of Court: A Modern Statute - Ko te Whakahou i te Ture mō Te Whawhati Tikanga ki te Kōti: He Ture Ao Hou</i> , which has been published on the Law Commission's website. The final report on <i>Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012</i> is a joint report with the Ministry of Justice, and the process for a Government response differs from other Law Commission reports.
There is an improvement in the legislative quality of Government bills.	This will be demonstrated by a decrease in the percentage of government bills, that are reviewed by LAC, that have a material breach of the Legislation Advisory Committee's Guidelines, as demonstrated by the number of Legislation Advisory Committee's submissions to Select Committee on government bills.	There is a decrease in percentage of bills that have a LAC submission to a Select Committee.	The LAC was replaced by the Attorney General from 1 April 2015 with the Legislation Design and Advisory Committee, to provide advice to departments and agencies on the design and content of government bills much earlier in their development. The Law Commission does not have a role in providing advice to the Legislation Design and Advisory Committee.

<sup>10</sup> The processes for the Government to respond to Law Commission reports are set out in the CabGuide. This does not include consideration of whether the Law Commission's recommendations are actually acted upon as this is a matter for Parliament.

