

Pūrongo ā Tau

Annual Report

1 July 2023 – 30 June 2024



Te Aka Matua o te Ture | Law Commission is an independent, publicly funded, central advisory body established by statute to undertake the systematic review, reform and development of the law of Aotearoa New Zealand. Its purpose is to help achieve law that is just, principled and accessible and that reflects the values and aspirations of the people of Aotearoa New Zealand.

Te Aka Matua in the Commission's Māori name refers to the parent vine that Tāwhaki used to climb up to the heavens. At the foot of the ascent, he and his brother Karihi find their grandmother Whaitiri, who guards the vines that form the pathway into the sky. Karihi tries to climb the vines first but makes the error of climbing up the aka taepa or hanging vine. He is blown violently around by the winds of heaven and falls to his death. Following Whaitiri's advice, Tāwhaki climbs the aka matua or parent vine, reaches the heavens and receives the three baskets of knowledge.

Kia whanake ngā ture o Aotearoa mā te arotake motuhake

Better law for Aotearoa New Zealand through independent review

The Commissioners are:

Amokura Kawharu – Tumu Whakarae | President

Claudia Geiringer – Kaikōmihana | Commissioner

Geof Shirtcliffe – Kaikōmihana | Commissioner

Presented to the House of Representatives pursuant to
section 150(3) of the Crown Entities Act 2004

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President's message

Tēnā koutou katoa

Kei te harikoa mātou ki te whakatakoto atu i tēnei pūrongo ā tau mo 2023-2024.

This year we are pleased to report on significant progress we have made with our strategic goal of promoting a wider and more enduring understanding of tikanga Māori. Through our study paper, *He Poutama*, we have provided invaluable guidance for lawyers, lawmakers and others with an interest in tikanga and its ongoing engagement with state law.

The Commission published its first study paper on tikanga, *Māori Custom and Values in New Zealand Law*, over two decades ago. That paper examined the impact of tikanga on state law and considered ideas for future law reform projects that might give effect to tikanga. The 2023 reboot was a daunting task. References to tikanga in both legislation and court judgments have become far more commonplace. But despite this growing recognition of tikanga, and the growing discussion about its relationship with state law, understanding of tikanga – what it is, and where and how it should be applied in these contexts – has remained quite limited. *He Poutama* helps to address these gaps by explaining tikanga, including its sources, grounded in mātauranga Māori (Māori knowledge). It “maps” tikanga as a system of law and organises the current interface between tikanga and the common law and legislation, with a view to providing a principled framework for future engagement. It also provides a comprehensive base for further writing, not least from its review of more than 800 briefs of evidence from court and Waitangi Tribunal proceedings.

The response to *He Poutama* has been overwhelmingly positive. We have heard of several government agencies organising training around the study paper, as well as legal academics wishing to use aspects of it in their teaching. It has been cited several times by the courts already. Justice Christian Whata, who led the project, has given dozens of seminars, lectures and presentations up and down the motu. Interest in the paper overseas has also been strong. Looking ahead, we are committed to building on what we have ourselves learnt through the tikanga project and meeting our obligation to take te ao Māori into account across all our work.

Our second publication for the year reports on the outcomes of our third review of the Evidence Act 2006. Our report recommends several minor technical reforms to clarify and improve the Act's operation. It also includes more substantial proposals to address issues such as the admission of evidence from fearful witnesses, improperly obtained evidence and evidence from prison informants. The Act itself stems from a major codification exercise that was led by the Commission in the 1990s and early 2000s. The benefits of codification are, primarily, the improved clarity and accessibility of the law. The challenge now is to maintain those benefits and ensure the law remains relevant and attuned to current problems. We continue to urge the importance of progressing work on amending the Act, particularly against the backdrop of outstanding recommendations from the Commission's second review in 2019.

More generally we are encouraged by the positive feedback on our work from members of our expert advisory groups and stakeholders. As we look to the year ahead, we continue to set ourselves new challenges to strengthen our reputation for reliability and excellence. As always, I am grateful for my Commissioner colleagues and all our staff for their hard work and commitment to our vision of better law for Aotearoa New Zealand through independent review.



Amokura Kawharu

Tumu Whakarae | President

Year under review

LAW REFORM

In the year under review, the Commission published a Study Paper, a Final Report and two Issues Papers. We also published Terms of Reference for one project.

On 21 September 2023 the Commission concluded its project on tikanga and the law with the publication of the study paper, *He Poutama*. The study paper, led by Justice Christian Whata, contains three parts. The first part provides an authentic account of tikanga from within te ao Māori and concludes with a guide for engaging with tikanga, including six case studies. The second part provides an account of the interaction between tikanga and state law from 1840. The third part suggests principles for future engagement in both the common law and public sector. In addition to *He Poutama*, three externally commissioned and independently authored expert papers were published as appendices. The first was a description of tikanga from Te Whare Wānanga o Awanuiārangi pūkenga. The second was a collated report of tikanga explanations from court and Waitangi Tribunal proceedings from two leading Māori law firms. The third was a paper considering the interaction of independent and interdependent legal orders from Associate Professor Nicole Roughan of the University of Auckland Faculty of Law.

The Commission concluded its third and final operational review of the Evidence Act 2006. The final report was sent to the Minister in February 2024 and presented to Parliament in March 2024. We concluded that the Act was generally working well but that some reform was necessary and desirable to keep it fit for purpose. We made 27 recommendations on issues relating to hearsay evidence (including

the admissibility of tikanga and mātauranga Māori evidence and evidence from witnesses who are too fearful to give evidence in court), the balancing test for admitting improperly obtained evidence, the admissibility of prison informant evidence and the scope of the provisions governing medical privilege. We also made several recommendations aimed at increasing efficiency in civil proceedings. Our conclusions and recommendations were reached following consultation on an Issues Paper in 2023, on which we received 46 submissions. We also received helpful feedback from our Expert Advisory Group of legal practitioners and academics, a Judicial Advisory Committee appointed by the Chief Justice and the Commission's Māori Liaison Committee.

The Commission continued its review of the laws governing preventive detention and post-sentence orders. These laws apply to people convicted of serious sexual and violent offences who continue to pose a risk to community safety. In May 2023 we published an Issues Paper for consultation outlining issues with the current law and presenting high-level options for reform. The submissions we received through this process, together with further consultation and wānanga, informed the development of more detailed proposals for reform, and the preparation of a Preferred Approach Paper (which we published for consultation in July 2024).

The Commission continued Ngā Huarahi Whakatau, our review of law relating to adult decision-making capacity. On 19 April 2024 we published our Second Issues Paper. Building on our earlier Preliminary Issues Paper, the Second Issues Paper considered in detail key issues with the Protection of Personal and Property Rights Act 1988 (the primary piece of

legislation relating to decision-making capacity) and outlined possible options for reform. At the same time, we published four Key Topic documents. These were short, plain-language summaries of a few of the most important topics in the Second Issues Paper, available in a range of alternate formats and in te reo Māori. During our consultation period we also held several focus group meetings. After consultation closed, we commenced analysis of submissions and additional research in preparation for formulation of recommendations in our Final Report to be published in 2025.

The Commission continued Ia Tangata, its review of the protections in the Human Rights Act 1993 for people who are transgender or non-binary or who have an innate variation of sex characteristics. Key issues to be considered in this review include whether to amend the list of prohibited grounds of discrimination in the Human Rights Act and, if so, how to ensure the Act continues to balance all relevant rights and interests (for example, through appropriately worded exceptions). We published Terms of Reference for the review on 2 August 2023. These have since been revised following a request from the Minister of Justice that the Commission withdraw issues relating to hate speech from its work programme. On 27 June 2024, we commenced public consultation with the publication of an Issues Paper that identifies 80 consultation questions. We intend to provide our final report to the Minister by the end of June 2025.

Finally, the Commission commenced a new project on hate crime in May 2024. This project will consider whether the current law adequately responds to hate crime.

GOVERNANCE

In 2023, we employed a General Counsel for the first time. Our General Counsel is helping us to build our capability in governance, identify and manage our compliance risk and improve the quality of proposals for future law

reform projects proposed annually to the Minister.

We delivered our first governance manual to the Minister in May 2024. This document provides an overview of the Commission's governance structures and processes and the expectations on Commissioners. We expect it will be an easy reference source for current Commissioners, prospective Commissioners, Commission employees, our monitoring agency and other stakeholders.

OPERATIONS

The Commission has offered weekly te reo Māori lessons to staff for many years. With the involvement of staff we reviewed the format of the lessons offered and expect to adopt a new approach, which combines both teaching terms and workshops, in the 2024-2025 year. The Commission also continues its Whāngaihia te Aka seminar and study programme to build cultural capability in relation to te ao Māori. These steps enhance the Commission's effectiveness in meeting its statutory duty and strategic priority to take te ao Māori into account in its work. The Commission is also supported in this aspect of its work by its regular meetings with its Māori Liaison Committee.

The Commission's website (lawcom.govt.nz) is a key communication tool for the Commission and a law reform resource for the wider public. The Commission was delighted to launch its newly developed website in November 2023. This upgraded platform significantly improves accessibility and functionality, providing a more inclusive, engaging, and user-friendly experience for all visitors.

The Law Commission's website performance for 2023-2024 has shown significant growth, with 94,636 visiting users and 256,061 page views. This represents a 13.79% increase in unique visitors and a substantial 65.09% rise in page views compared to the previous year (2022-2023).

In addition to its official website, the Law Commission operates specialised consultation websites for specific projects. These platforms, including huarahi-whakatau.lawcom.govt.nz and ia-tangata.lawcom.govt.nz, attracted 7,844 unique visitors and recorded 13,471 page views during the last financial year, demonstrating significant engagement and interest in the Commission's work

The Commission received core funding of \$4,205,000 through an appropriation within Vote Justice. The year under review resulted in an annual operating deficit of (\$133,363) against a forecast operating deficit of (\$682,444) with a residual equity of

\$2,234,891. A significant amount of expenditure relates to rent and personnel. Project costs are generally increasing, reflecting the growing complexity of the work programme and the consultation and engagement required. These costs can be difficult to budget for at the outset of a project, when its scope and complexity is not fully understood. The Commission maintains active review of these costs and continues to ensure it uses its funding as effectively and efficiently as practicable. In the year under review, we were able to reduce some project costs and fill a number of vacancies from within the existing complement, to achieve some savings.

Who we are and what we do

Te Aka Matua o te Ture | 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.

Our job is to provide advice to Ministers about how to reform the law.

REASONS FOR LAW REFORM

Laws may need to change for many reasons, including:

- because they are out of date;
- changing attitudes and values in society; and
- developments in science and technology.

Our strategic value in law reform processes comes from our independence, our thorough consultation processes with the public and experts, and our experience and expertise in research and analysis.

DEVELOPING THE COMMISSION'S WORK PROGRAMME

The Commission's work programme is approved annually by the Minister responsible for the Law Commission. While the Commission can initiate law reform work itself, that occurs rarely.

Two processes generate proposals for the Minister's consideration. First, the Commission briefs the Minister annually on a proposed programme of work. Proposals for new projects are investigated by the Commission from suggestions made by members of the legal profession, the judiciary, the media and the public, as well as from Commissioners and staff. Second, the Minister consults with Cabinet colleagues about proposed projects.

Proposed projects must meet one or more of a range of criteria set out in a 2009 Cabinet Office Circular, which include that they require substantial, long-term commitment or fundamental review, involve extensive public or professional consultation, or require independent consideration in order to promote informed public debate on future policy direction. Approved projects must be supported by the relevant portfolio Minister.

RECOMMENDATIONS FOR LAW REFORM

The Commission's vision is to promote better law for Aotearoa New Zealand through independent review. We pursue our vision by making law reform recommendations that are based on in-depth research and public consultation. Our recommendations aim to improve the quality, relevance and effectiveness of the laws that we review.

Anyone can make a submission on our projects. In making our recommendations, we must take into account te ao Māori and give consideration to the multicultural character of Aotearoa New Zealand society.

When we complete a project, we provide a report for the Minister with independent and practicable law reform recommendations. The extent to which the Commission's recommendations are acted upon is then a matter for the Government.

ADVICE ON IMPLEMENTATION OF LAW REFORM

We also provide advice on the implementation of our law reform recommendations. This work can include assisting with the review of Cabinet papers and legislative drafting instructions and attending select committees.

STUDY PAPERS

The Commission occasionally publishes study papers. These provide the government, judiciary, researchers and others with detailed analyses of issues considered to be materially relevant to the ongoing development of the law.

GOVERNMENT EXPECTATIONS ARE EMBEDDED IN OUR WORK

Following the election in October 2023, the Commission has received new letters of expectations from the Minister responsible for the Law Commission and from the Minister of Finance. Both sets of expectations emphasised the need for fiscal responsibility from the Board. The Minister of Finance added her expectations that we understand both the factors driving our costs and our performance against outcomes, and that we take a continuous improvement approach to our activities and programmes. The Minister responsible for the Law Commission asked us to continue working with the Ministry of Justice to review and refresh the process for setting the Commission's annual work programme.

With the fiscal expectations in mind, where possible, we carefully consider whether expenditure on travel, training, accommodation and contractors is necessary or can be achieved in a more cost-effective manner. We operate with the statutory minimum number of Commissioners and generally seek to fill vacancies from within the existing complement of staff where feasible, rather than recruiting new staff.

We have continued to work with the Ministry of Justice on the process for setting our work programme. This work is designed to improve coordination between the Commission and the Ministry. The objectives of the review are to ensure that:

- proposals for projects are appropriately informed and scoped and reflect the Commission's value to the government; and

- the process for setting the work programme supports the Commission's statutory mandate to provide high quality independent law reform advice over the long-term and across the statute book.

OTHER FUNCTIONS – PARLIAMENTARY CERTIFIER

The Legislation Act 2019 provides a mechanism for systematically revising the presentation of Aotearoa New Zealand's statutes to make them more accessible and for their re-enactment as revision Bills. The President of the Commission is one of the required certifiers. The role of the certifiers is to check that the revision powers in the Legislation Act have been exercised appropriately in the preparation of a revision Bill and that the Bill does not change the effect of the law (except as authorised by the Legislation Act).

THE COMMISSIONERS

Commissioners decide on the content of reports and other papers published by the Commission. Commissioners are appointed by the Governor-General, generally for a five-year term, on the advice of the responsible Minister. Commissioners are also the Commission's Board members. The President is the Commission's Chief Executive and Chair of its Board.

The Commissioners in date order of appointment, as at 30 June 2024, were:

- Amokura Kawharu (term expires on 11 May 2025);
- Geof Shirtcliffe (term expires on 06 September 2026); and
- Claudia Geiringer (term expires on 02 May 2027).

STAFF

The Commission has a small team of Legal and Policy Advisers and part-time Law Clerks who support the Commissioners to conduct research and consultation, and to draft and publish reports and other papers. Many have practised as lawyers within government, in private practice or both. The Commission also has a General Manager, a General Counsel and a small team of corporate staff who support the Commission's provision of law reform advice and its compliance with legislation including the Official Information Act 1982, the Crown Entities Act 2004, the Public Records Act 2005 and the Public Finance Act 1989.

How we undertake law reform projects

THE PROJECT STARTS

A Commissioner is responsible for each project, although, occasionally, a Principal Legal and Policy Adviser assumes management responsibilities for a particular project. Legal and Policy Advisers are allocated to each project. One or more Law Clerks also works with the team.

RESEARCH AND EXPERT INPUT

The project team conducts preliminary research with a view to forming an early understanding of the likely issues. This usually includes researching the current law and relevant tikanga in New Zealand as well as approaches in comparable jurisdictions and talking to experts and people affected by the law.

One or more ad hoc panels of experts will usually be appointed to assist the Commission in its work. Sometimes an officials group, a judicial panel or other relevant consultative group will also be established.

The Commission usually publishes one or more issues papers for each project. An issues paper identifies issues, asks questions and invites the public to respond.

CONSULTATION AND SUBMISSIONS

The purpose of consultation is to help us discover and understand people's views about and experiences of the law under review. The Commission consults with people affected by the law and takes care to include a wide range of different bodies and groups. We may create a website release specifically for the project to assist people to provide us with feedback on the issues, including by enabling submissions to be made online. The format of consultation depends on the project.

The Commission uses submissions, consultation meetings, the advice of the Expert Advisory Groups and any officials group or judicial panel, and public input, as well as its research findings and analysis, as the basis for its recommendations.

FINAL REPORT OR OTHER ADVICE

At the end of a project, we write a final report or provide advice. A final report includes recommendations for reform agreed by the Commissioners. The report is delivered to the responsible Minister and the Minister presents the report to the Parliament. The report is then published on the Commission's website.

Organisational capability

OUR BOARD

The Board meets formally six times a year. To ensure timely and ongoing good management, the Commissioners, the General Manager and the General Counsel meet and address any matters arising on a weekly basis. Given the Commissioners are responsible for both day-to-day management and governance functions, the transparency of these arrangements works well. The Commission continually reviews the structure of Board meetings to ensure the Board maintains focus on its high-level strategic priorities.

OUR PEOPLE

The Commission is committed to being an equal opportunities employer, and this commitment is led by the Commissioners and the General Manager. The Commission has an open and impartial employment process, which includes selection and interviewing by panels comprising Commissioners and staff. We value diversity in the workforce and apply an ‘equal opportunity’ and ‘best person for the role’ approach in our recruitment. We are committed to employee development and deliver this through in-house coaching and mentoring, ‘stretch assignments’ within projects, opportunities to progress, lunch-time seminars and external courses. We have a remuneration policy that recognises the performance of employees among other factors such as affordability and the prevailing market conditions. It positions salary bands for each position around the median of the public sector base salary market for comparable jobs. Employee remuneration is reviewed annually, as agreed under individual employment contracts and in accordance with the policy.

We continue to enjoy our office accommodation at Level 9, 70 The Terrace, Wellington. It is 582.8sq m. We have a nine-year initial lease (expiring in 2027) with two rights of renewal for further terms of three years each. The building has a seismic rating of 90-100% NBS.

We offer a range of well-being assistance to our people, including an Employee Assistance Programme, flu vaccination vouchers, and, as part of our office accommodation, we have ergonomic sit-stand desks for all employees. We offer workstation assessments as required and respond appropriately to any needs that are identified.

Our building contains a gym which is freely available to all tenants, equipped with a range of modern cardio and weight equipment, a table tennis table and a large boxing area. Tenants also have free access to a squash court in another of the landlord’s buildings. We have health and safety tools and resources including an onsite defibrillator (with all-staff trained in its use), first aid training, emergency management (and emergency management training) and incident/hazard management.

Our supportive culture and policies, together with the Public Services Commission’s Standards of Integrity and Conduct, detail our expected behaviours. The Commission does not tolerate

bullying or harassment. We have policies and processes in place to respond to and resolve any concerns relating to unacceptable workplace behaviour.

EFFICIENT AND EFFECTIVE SYSTEMS AND PROCESSES

We have continued to review our systems, the way we operate our business and the tools we use to achieve and deliver our work programme so that they are fit-for-purpose.

All staff are equipped with Surface-Pro laptops that help to enhance the Commission's business continuity resilience and help to protect the Commission's internal operations against risks from any future disruptions.

The Commission's library collection strategy prioritises electronic resources over hard copy where possible, supplemented by a small physical library covering core legal and law reform topics and borrowing from other libraries. The strategy is regularly reviewed to maintain best practice in view of evolving collection practices.

OPENNESS AND TRANSPARENCY

The Commission will often publish submissions made in relation to our projects on our website so that they are readily available for anyone to access. Decisions about the suitability for proactive release of submissions are made on a project-by-project basis. Submissions from an individual may be redacted to preserve an individual's privacy.

During the year under review, we received 37 requests for information under the Official Information Act 1982. We responded within the statutory timeframe to 100% per cent of these requests, and the mean response time was 12.4 days, in comparison to an average of 13.1 days across the public sector.

MANAGING RISK

The Board, General Manager and General Counsel are responsible for ensuring that key business, legal compliance and operational risks are identified, and appropriate mitigating controls and procedures are in place for effectively managing these risks. The Commission has a robust internal control operating environment through its policies and procedures. Risk identification and management are essential activities to support the Commission achieving its strategic objectives. Key risk areas include the financial sustainability of the Commission, succession of Commissioners, and staff turnover. These are monitored and reviewed as part of Board meetings.

Statement of Responsibility

We are responsible for the preparation of Te Aka Matua o te Ture | 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 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 Commission for the year ended 30 June 2024.

Signed on behalf of the Board:



Amokura Kawharu

Tumu Whakarae | President

25 October 2024



Geof Shirtcliffe

Kaikōmihana | Commissioner

25 October 2024

Statement of Performance for the year ended 30 June 2024

HOW IS PERFORMANCE MEASURED?

The Commission measures its performance achievement through a series of key performance indicators. These indicators are concerned with the quantity and quality of the Commission’s law reform work and related processes. The impact of its performance is measured through indicators that are concerned with the influence, including long-term influence, of its work.

PERFORMANCE ACHIEVEMENT MEASURES

The following tables set out the position as at 30 June 2024 in light of the measures and targets identified in the Commission’s 2023-2024 Statement of Performance Expectations. The data in the tables should be read alongside the more detailed explanation of the measures and how they have been applied, as set out underneath the relevant measures.

1 Advice to the Minister about priorities for law reform

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
The number of times the Commission provides advice to the Minister	The total number of times advice is provided to the Minister	N/A	1	1
This output fulfils our functions of making recommendations for the reform and development of the law of New Zealand and of advising 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. The Commission provided a letter of advice to the Minister of Justice on 24 May 2024. The letter summarised the Commission’s current work programme, and future capacity. The letter explained the Commission will have capacity for two new references in 2024-2025.				

2 Independent and practical law reform advice and recommendations

2.1 Timely production of terms of reference, consultation papers, reports and written advice

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
The number of terms of reference, consultation or other papers, reports or written advice	The total number of published terms of reference, consultation or other papers, reports and advice	5	6 in total, comprising: 1 terms of reference, 3 issues papers, and 2 final reports	4 in total, comprising: 1 terms of reference, 2 issues papers, and 1 final report
In 2023-2024, the Commission published one terms of reference for Ia Tangata, two issues papers (one each in Ngā Huarahi Whakatau and Ia Tangata) and one final report for the Third Review of the Evidence Act. The issues paper for Preventive Detention was delayed from May 2024 to July 2024. The final report for Ngā Huarahi Whakatau was originally scheduled for delivery in 2023-2024. However, due to turnover of key personnel and the substantive nature of submissions received, we now anticipate delivering the final report mid-2025.				
Reports or law reform advice produced in timeframe agreed with responsible Minister	The date the report or advice is sent to the responsible Minister	Not applicable	100%	50%
The final report for the Third Review of the Evidence Act was sent to the Minister in February 2024, however the final report for Ngā Huarahi Whakatau has been delayed (as explained above), therefore resulting in 50 per cent of the target being met.				

2.2 Engagement

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
The number of submissions received	The percentage of target number of submissions per project	All targets met (3 out of 3)	All targets met (3 out of 3)	Most targets met (2 out of 3)
<p>The targeted number for submissions received for each issues paper is set by the Board before the commencement of formal consultation. The number is usually based on the number of people or organisations within the core community of interest in relation to the project. It reflects the Board's assessment of the number of submissions needed to support an effective law reform exercise in relation to the subject matter. It will vary greatly depending on the nature of the project. A technical project may need fewer submissions to support effective law reform than a project of wide public interest. Targeted numbers are recorded in board papers.</p> <p>For 2023-2024, we set three targets</p> <p>207 submissions were received in response to the Ngā Huarahi Whakatau issues paper (target: 50).</p> <p>46 submissions were received in response to The Third Review of the Evidence Act issues paper (target: 15)</p> <p>The consultation period for Preventive Detention will now close in September 2024 and the number submissions received in response will also be reported on in 2024-2025.</p>				
The number of consultation meetings held	The percentage of target number of consultation meetings per project	Not applicable	100%	Not achieved
<p>The above quantitative measure concerns whether the Commission consulted with at least the target number of core stakeholders during the lifetime of a law reform project. The target number in each project reflects the Board's assessment of the number of consultation meetings needed to support an effective law reform exercise in relation to the subject matter. It will likely refer to the number of people or organisations within the core community of interest in relation to the project and will be recorded in a Board paper. Reporting under this measure takes place for law reform projects which are completed during the year. This measure could only be applied to the Third Review of the Evidence Act due to Ngā Huarahi Whakatau being deferred.</p> <p>The number of consultation meetings held for the Third Review of the Evidence Act was 15 (target 20). Although the measure was not met, the number of written submissions received was significantly over the target and consultation was overall robust.</p> <p>The measure was not applicable for 2022-23, as no final report was due in that financial year.</p>				

2.3 Consideration of substantive legal and policy issues

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
High quality evidence-based legal and policy analysis	Survey of independent experts	Not applicable	Agree	Agree
Recognition of te ao Māori	Māori Liaison Committee feedback and survey of independent experts	Not applicable	Agree	Agree
Clear and understandable papers, reports or written advice	Survey of independent experts	Not applicable	Agree	Agree
Independent and practical recommendations	Survey of independent experts	Not applicable	Agree	Agree

The above qualitative measures are applied to final reports and advice. They rely upon surveys of independent experts (generally members of the Expert Advisory Group established for each project) and, with respect to the obligation to take account of te ao Māori, external feedback from the chair of the Commission's standing Māori Liaison Committee. In the survey, people are asked to assess our performance on the quality measures on a sliding scale rating system, where 1 indicates strong agreement and 5 indicates strong disagreement. The target is 'agree', meaning an average of 2 on this scale.

The measures were not applicable for 2022-2023 as no law reform projects were completed in that financial year. For the 2023-2024 year, this measure was only applied to the Third Review of the Evidence Act. The completion of Ngā Huarahi Whakatau was deferred.

3 Study papers

3.1 Timely publication of high-quality study papers

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
The number of study papers	The total number of published study papers	1	1	1
Study papers produced within planned timeframe	The date the paper is published on the website	Not achieved	Achieved	Achieved
High-quality research and analysis	Survey of independent experts	Agree	Agree	Agree
Clear and understandable	Survey of independent experts	Agree	Agree	Agree
Recognition of te ao Māori	Māori Liaison Committee feedback and survey of independent experts	Agree	Agree	Agree
One study paper was published in 2023-2024 for the Tikanga Māori project. Our performance on this output is measured in the same way as measure 2.3. We do not measure engagement because study papers do not normally involve formal consultation.				

MEASURING OUR IMPACT

4 Implementation Rate

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
Long term influence				
Implementation of reports or other advice	The percentage implementation of reports and advice delivered over the previous 10-year period	75%	60%	77.5%
<p>Implementation of the Commission's recommendations, in whole or part, is a matter for the Government, and may be influenced by a range of factors including other government priorities. For this reason, the timeframes for legislative implementation of the Commission's recommendations vary from project to project. The Commission tracks the acceptance and implementation of its past reports over a 10-year time period. After considering international practice, the Commission developed an assessment methodology utilising acceptance and implementation categories and associated percentage scores. The relevant measure is the average percentage implementation score for reports over the previous 10-year period. The target minimum percentage is 60 per cent. Appendix A contains information on the implementation of tabled law reform reports in the period 1 July 2012 – 30 June 2023. As noted in the table above, the Commission has assessed an average implementation score for these reports of 77.5 per cent.</p>				

5. The Commission's wider influence

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
The number of community engagements	The number of community engagements (such as presentations, interviews and published articles)	23	15	36
The number of references to the Commission's reports or advice	In senior court judgments	78 (judicial)	60 (judicial)	94 (judicial)
	In Parliamentary debates and	575 (other)	300 (other)	378 (other)

Measure	How	Actual 2022-2023	Planned 2023-2024	Actual 2023-2024
	committee reports, academic publications and other media			
<p>The Commission’s outputs (for example, study papers) can have impacts on Government beyond formal implementation of its recommendations for law reform. These outputs can also have impacts more widely and significantly in the legal system through their influence in professional, academic and community consideration of the law and law reform issues. These impacts of the Commission’s law reform work help to locate the Commission’s role within a broader context. To demonstrate these impacts, the Commission reports on the number of community engagements that arise from the Commission’s work, and on references to the Commission and its consultation papers, reports or other publications in senior court judgments, the media and other publications. More detail on judicial and other references is provided in the tables below¹.</p>				

References to the Commission’s publications in senior court judgments

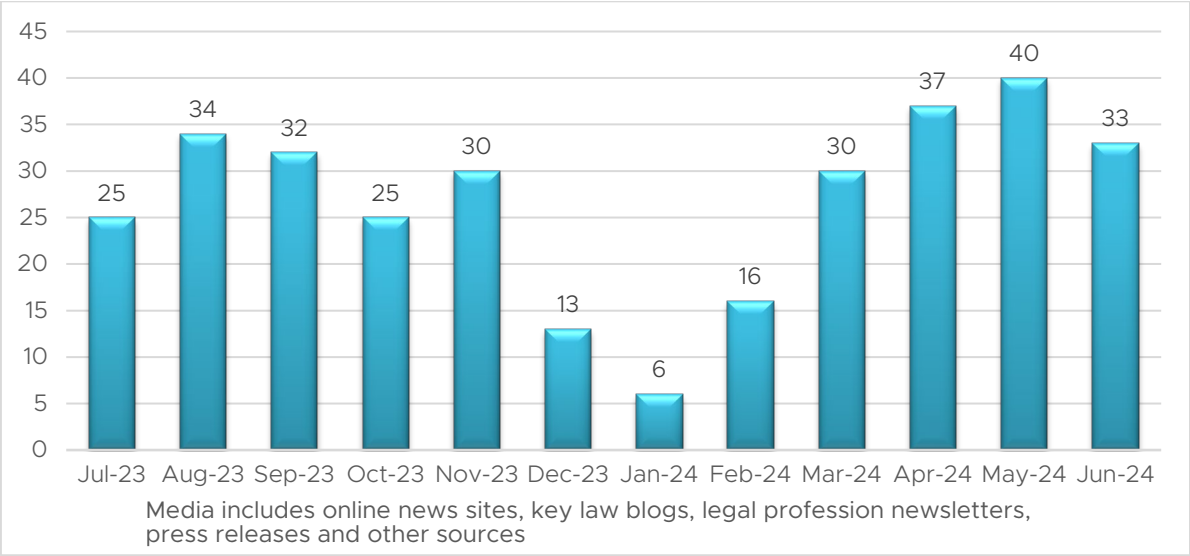
Year	Supreme Court	Court of Appeal	High Court	Māori Appellate Court	Total
2023-2024	7	26	61	-	94
2022-2023	4	20	53	1	78
2021-2022	4	20	70	-	94
2020-2021	11	23	36	-	70
2019-2020	3	11	43	-	57

References to the Commission’s work in the media, academic and other publications and Parliamentary debates

The Commission and its publications are regularly mentioned in the media, enhancing public debate on matters of significance and extending the reach and impact of the Commission’s work. This is the case even when the Commission’s report may have been written some time ago. There were 321 identified mentions of the Commission in the media (other than journals, texts and

¹ The figures for years prior to 2022-2023 differ to those shown in previous annual reports due to a change of methodology to improve accuracy.

parliamentary debates) in the year under review. Overall media references are shown in the graph below.



In addition, the Commission has identified 57 New Zealand law journal articles that cited 49 different Commission publications during the year. The Commission was mentioned 13 times in parliamentary debates during the year.

Financial statements for the year ended 30 June 2024

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2024

		2024 Actual	2024 Budget	2023 Actual
	Note	\$	\$	\$
Revenue				
Funding from the Crown	2	4,205,000	4,205,000	3,993,000
Interest revenue	2	226,680	125,000	114,220
Sale of publications	2	3,535	-	1,157
<i>Total revenue</i>		4,435,215	4,330,000	4,108,377
Expenditure				
Personnel costs	3	3,556,487	3,773,376	3,420,628
Direct project costs		184,624	350,317	495,891
Library		118,043	120,050	117,147
Occupancy	4	276,530	268,000	265,684
Depreciation and amortisation	7 & 8	97,747	129,000	75,433
Audit		54,368	55,000	50,489
Other operating costs	4	280,779	316,701	303,258
<i>Total expenditure</i>		4,568,578	5,012,444	4,728,530
Net deficit		(133,363)	(682,444)	(620,153)
Other comprehensive revenue and expense for the year		-	-	-
Total comprehensive (deficit)		(133,363)	(682,444)	(620,153)

The accompanying notes form part of these financial statements. Explanations of major variances against budget are detailed in note 17.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		2024 Actual	2024 Budget	2023 Actual
	Note	\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents	5	2,360,283	1,841,678	2,479,683
Receivables and prepayments	6	82,721	32,000	80,946
Total current assets		2,443,004	1,873,678	2,560,629
Non-current assets				
Property, plant and equipment	7	215,327	215,506	285,338
Intangible assets	8	84,277	44,169	89,823
Total non-current assets		299,604	259,675	375,161
Total assets		2,742,608	2,133,353	2,935,790
Liabilities				
Current liabilities				
Payables	9	137,711	175,756	202,556
Employee entitlements	10	312,211	170,000	286,788
Provisions	11	20,398	-	20,398
Total current liabilities		470,320	345,756	509,742
Non-current liabilities				
Provisions	11	37,397	39,095	57,794
Total non-current liabilities		37,397	39,095	57,794
Total liabilities		507,717	384,851	567,536
Net assets		2,234,890	1,748,502	2,368,254
Equity				
Accumulated surplus	13	2,234,891	1,748,502	2,368,254
Total equity		2,234,891	1,748,502	2,368,254

The accompanying notes form part of these financial statements. Explanations of major variances against budget are detailed in note 17.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

		2024 Actual	2024 Budget	2023 Actual
	Note	\$	\$	\$
Balance at 1 July		2,368,254	2,430,946	2,988,407
Total comprehensive revenue and expense for the year		(133,363)	(682,444)	(620,153)
Balance at 30 June	13	2,234,891	1,748,502	2,368,254

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

		2024 Actual	2024 Budget	2023 Actual
	Note	\$	\$	\$
Cash flows from operating activities				
Receipts from the Crown		4,205,000	4,205,000	1,996,500
Interest received		226,680	125,000	114,220
Sale of publications and other income		3,535	-	1,157
Payments to employees		(3,531,060)	(3,773,376)	(3,365,891)
Payments to suppliers		(1,007,779)	(1,176,768)	(1,172,647)
Goods and services tax (net)		6,412	(8,852)	(301,034)
Net cash flow to operating activities		(97,212)	(628,996)	(2,727,695)
Cash flows from investing activities				
Purchase of property, plant and equipment		(2,084)	(15,000)	(19,108)
Purchase of intangible assets		(20,104)	-	(58,310)
Net cash flow to investing activities		(22,188)	(15,000)	(77,418)
Net decrease in cash and cash equivalents		(119,400)	(643,996)	(2,805,113)
Cash and cash equivalents at the beginning of the year	5	2,479,683	2,485,674	5,284,797
Cash and cash equivalents at the end of the year	5	2,360,283	1,841,678	2,479,683

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 17.

Notes to the Financial Statements

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Te Aka Matua o te Ture | Law Commission is a Crown Entity as defined by the Crown Entities 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 entity (PBE) for financial reporting purposes.

The financial statements for the Law Commission are for the year ended 30 June 2024 and were approved by the Board 24 October 2024.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the financial 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. This classification is because Law Commission has annual expenditure under \$33m and is not deemed to be publicly accountable as it does not have shares issued on a public market. Accordingly, they comply with PBE accounting standards.

Presentation currency and rounding

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

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 and are unaudited. 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.

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.

There are no 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.

Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

NOTE 2 REVENUE**Accounting policy**

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

Revenue from non-exchange transactions**Funding from the Crown**

The Law Commission is primarily funded from the Crown (Ministry of Justice). 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.

Where there are unfilled or use or return conditions attached, the amount relating to the unfilled or use or return attached condition is recognised as a liability and released to revenue as the conditions are fulfilled.

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

Revenue from exchange transactions**Interest revenue**

Interest revenue is recognised by using the effective interest method.

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

	2024 Actual	2023 Actual
	\$	\$
Salaries and wages	3,441,533	3,315,448
Defined contribution plan employer contributions	79,407	83,672
Increase in annual leave (note 10)	35,547	21,508
Total personnel costs	3,556,487	3,420,628

Employee remuneration

Total remuneration paid or payable	2024 Actual	2023 Actual*
\$100,000 and \$109,999	2	4
\$110,000 and \$119,999	4	0
\$120,000 and \$199,999	5	5
\$260,000 and \$329,999	2	2
\$410,000 and \$469,999	1	1
Total employees	14	12

During the year ended 30 June 2024 no employee received compensation and other benefits in relation to cessation of employment (2023: \$ nil).

*The Crown Entities Act 2004 requires that remuneration paid or payable must be disclosed. Current and prior year values in the table above are based on employees' actual remuneration paid or payable for the year.

Board member remuneration

Included in the total personnel cost above is the total value of remuneration paid or payable to each Board member during the year:¹

	2024 Actual	2023 Actual
	\$	\$
Amokura Kawharu	485,688	465,900
Claudia Geiringer	288,756	261,464
Geof Shirtcliffe	329,195	326,830
Total Board Remuneration	1,103,639	1,054,194

No Board member received compensation and other benefits in relation to cessation (2023: \$nil).

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

¹ The remuneration of the Board members is set by the Remuneration Authority.

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.

Operating lease as lessee

The Law Commission leases one property. The lease expires on 24 April 2027 and the Law Commission has the rights of renewal for two further terms of 3 years each.

There are no financial 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:

	2024 Actual	2023 Actual
	\$	\$
Not later than one year	344,362	286,080
Later than one year and not later than five years	631,330	810,560
Later than five years	-	-
Total non-cancellable operating lease	975,692	1,096,640

Breakdown of other operating expenses

	2024 Actual	2023 Actual
	\$	\$
Repairs and maintenance	1,860	2,475
Professional services	76,448	110,879
Communications	14,503	13,239
Other expenses	187,968	176,665
Total other operating	280,779	303,258

Occupancy costs

	2024 Actual	2023 Actual
	\$	\$
Rent	276,530	265,684
Total accommodation costs	276,530	265,684

NOTE 5 CASH AND CASH EQUIVALENTS**Breakdown of cash and cash equivalents and further information**

	2024 Actual	2023 Actual
	\$	\$
Cash on hand and at bank	2,360,283	2,479,683

	2024 Actual	2023 Actual
	\$	\$
Total cash and cash equivalents	2,360,283	2,479,683

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

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with maturities of three months or less. While cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because there is minimal risk of credit losses.

The Law Commission forms part of the All-of-Government Procurement arrangement with Ministry of Business, Innovation and Employment under which it is offered the best rates available from Westpac. The current account attracts interest, as part of the All-of-Government banking arrangement. Interest rates vary during the year between 4.2% - 5.7%.

NOTE 6 RECEIVABLES AND PREPAYMENTS**Accounting policy**

Short-term receivables are recorded at the amount due, less any loss for credit losses.

The Law Commission applies the simplified expected credit loss model of recognising lifetime credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Short-term receivables are written off when there is no reasonable expectation of recovery.

The carrying value of receivables approximates their fair value. Receivables and prepayments at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41. On conducting a review of accounts receivable at year end, no provision for doubtful debts has been recognised.

Breakdown of receivables and further information

	2024 Actual	2023 Actual
	\$	\$
Exchange Receivables		
Trade debtors	-	110
Less: provision for impairment	-	-
Prepayments	55,684	38,944

	2024 Actual	2023 Actual
	\$	\$
Non-Exchange Receivables		
GST receivable	27,037	41,892
Total receivables	82,721	80,946

NOTE 7 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 equipment 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.

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.

Depreciation

Depreciation is provided either on a straight-line or diminishing value basis on all property, plant and equipment, at rates that will write off the cost 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	1.5 - 8 years	13-67%
Office equipment	1.5 - 5 years	20-67%
Furniture and fittings	2.5 - 10 years	10-40%
Library collection	5 years	20%
Leasehold improvements	Initial Term of the lease	Initial Term of the lease

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.

Property, plant, and equipment and intangible assets 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 determined using an approach based on a depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Law Commission would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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.

Breakdown of property, plant and equipment and further information

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

	Computer equipment	Furniture and fittings	Leasehold improvements	Office equipment	Total
	\$	\$	\$	\$	\$
Cost or valuation					
Balance at 30 June 2022	254,641	154,797	454,131	18,685	882,254
Additions	15,165	-	-	3,943	19,108
Balance at 30 June 2023	269,806	154,797	454,131	22,628	901,362
Additions	1,005	-	-	1,079	2,084
Balance at 30 June 2024	270,811	154,797	454,131	23,707	903,446
Accumulated Depreciation and Impairment losses					
Balance at 30 June 2022	217,452	97,223	209,210	16,703	540,590
Depreciation expense	15,869	8,070	50,454	1,040	75,433
Balance at 30 June 2023	233,321	105,293	259,664	17,743	616,023
Depreciation expense	13,225	6,900	50,454	1,519	72,097
Balance at 30 June 2024	246,546	112,193	310,118	19,262	688,119
Carrying amounts					
At 1 July 2022	37,189	57,574	244,921	1,982	341,664
At 30 June 2023	36,483	49,503	194,468	4,884	285,338
At 30 June 2024	24,265	42,604	144,013	4,445	215,327

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 8 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 expense when incurred.

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 new website are capitalised on the basis of the costs 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:

Website	4 years	25%
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Impairment of intangible assets

Refer to the policy for impairment of property, plant, and equipment in Note 7. 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	Total
	\$	\$
Carrying amounts		
Balance at 30 June 2022	31,513	31,513
Additions	58,310	58,310
Balance at 30 June 2023	89,823	89,823
Additions	20,104	20,104

	Website	Total
	\$	\$
Carrying amounts		
Balance at 30 June 2024	109,927	109,927
Accumulated amortisation		
Balance at 30 June 2022	-	-
Balance at 30 June 2023	-	-
Amortisation expense	25,649	25,649
Balance at 30 June 2024	25,649	25,649
Carrying amounts		
At 30 June 2022	31,513	31,513
At 30 June 2023	89,823	89,823
At 30 June 2024	84,277	84,277

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 9 PAYABLES

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of payables

	2024 Actual	2023 Actual
	\$	\$
Payables under exchange transactions		
Creditors	69,166	86,742
Accrued expenses	68,545	115,814
Total payables	137,711	202,556

NOTE 10 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

	2024 Actual	2023 Actual
	\$	\$
Current portion		
Annual leave	211,421	175,874
Sick leave	15,000	15,000
Salary accrual	85,790	95,914
Total employee entitlements	312,211	286,788

NOTE 11 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.

Leasehold Fit-out Contribution

Tirohanga Holdings Limited contributed \$183,582 towards the fit-out for the premises during the 2018 financial year. The leasehold fit-out was capitalised and is being depreciated on a straight-line basis over nine years as detailed in the accounting policies. A liability was recognised for the \$183,582 contribution payment received from Tirohanga Holdings Limited which is being released over the term of the lease, being nine years.

Breakdown of provisions and further information

	2024 Actual	2023 Actual
	\$	\$
Current portion:		
Fit-out provision	20,398	20,398
Total current portion	20,398	20,398
Non-current portion		
Non-current Fit-out provision	37,397	57,794
Total non-current portion	37,397	57,794
Total provisions	57,795	78,192

NOTE 12 CONTINGENCIES**Contingent liabilities**

The Law Commission has no contingent liabilities (2023: \$ nil).

Contingent assets

The Law Commission has no contingent assets (2023: \$ nil).

NOTE 13 EQUITY**Accounting Policy**

Equity is measured as the difference between total assets and total liabilities.

Breakdown of equity and further information

	2024 Actual	2023 Actual
	\$	\$
Balance at 1 July	2,368,254	2,988,407
(Deficit)	(133,363)	(620,153)
Total equity at 30 June	2,234,891	2,368,254

Capital management

The Law Commission's capital is its equity, which comprises accumulated funds. 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 14 RELATED PARTY TRANSACTIONS

For reporting purposes, the Law Commission is considered to be controlled by the Crown.

Related party disclosures have not been made for transactions 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 - client

	2024 Actual	2023 Actual
	\$	\$
<i>Total Key Management Personnel</i>		
Remuneration	1,285,453	1,267,834
Total full time equivalent	3.8	4.8

For the purposes of note 14, and in compliance with PBE IPSAS 20, key management personnel include the President, two Commissioners and the current General Manager. The total paid to the President and Commissioners is also noted at Note 3 (because these people also form part of the Board).

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

NOTE 15 FINANCIAL INSTRUMENTS

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

Financial assets and liabilities measured at amortised cost

	2024 Actual	2023 Actual
	\$	\$
Payables (note 9)	137,711	202,556
Total financial liabilities measured at amortised cost	137,711	202,556
Amortised cost		
Cash and cash equivalents (note 5)	2,360,283	2,479,683
Receivables (note 6)	55,684	39,054
Total financial assets measured at amortised cost	2,415,967	2,518,737

NOTE 16 EVENTS AFTER THE BALANCE DATE

No subsequent event occurred after balance date. (2023: \$ nil).

NOTE 17 EXPLANATIONS 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

Interest Revenue

Increased interest revenue was due to an increase in interest rates. We received the full payments of funding from the Crown at the beginning of the financial year.

Project Costs

Underspend was due to project costs being refined at the time of expenditure over the course of the year.

Personnel

Underspent due to delays in filling some vacancies and reallocating some staff to different projects.

Statement of financial position

Cash

A higher than budget cash position was due to increased interest revenue received and fewer than budgeted direct project costs incurred.

Statement of cash flows

As a result of the income in advance received in the prior year, there was a higher than expected cashflow.

Independent Auditor's Report

Te Aka Matua o te Ture | Law Commission

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE LAW COMMISSION'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of the Law Commission (the Commission). The Auditor-General has appointed me, Ed Louden, using the staff and resources of KPMG, 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 22 to 33, that comprise the statement of financial position as at 30 June 2024, 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 which reports against the Commission's statement of performance expectations for the year ended 30 June 2024 on pages 14 to 21.

In our opinion:

- the financial statements of the Commission:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; 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 Reporting Standards Reduced Disclosure Regime; and
- the performance information for the year ended 30 June 2024:
 - presents fairly, in all material respects, 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; and

- ○ presents fairly, in all material respects, for the appropriation:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 October 2024. 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 Commission 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 opinion.

Responsibilities of the Commission 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 obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Commission to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Commission audit. We remain solely responsible for our audit opinion.

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 responsible for the other information. The other information comprises the information included on pages 1 to 17 and 42 - 50 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: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Commission.



Ed Loudon

KPMG New Zealand

On behalf of the Auditor-General Wellington, New Zealand

Appendix A – Implementation of Law Reform Reports from 1 July 2013–30 June 2023

Report Name	Report reference	Implementation assessment
A New Act for Incorporated Societies	NZLC R129 (8/2013)	Implemented The overall scheme recommended in the report has been picked up in the Incorporated Societies Act 2022 including nearly all the report's recommendations.
Review of the Law of Trusts: A Trusts Act for New Zealand	NZLC R130 (9/2013)	Implemented Most of the report's recommendations were enacted in the Trusts Act 2019.
Suicide Reporting	NZLC R131 (4/2014)	Implemented The majority of the report's legislative reforms were implemented through changes incorporated into the Coroners Act in 2016.
Liability of Multiple Defendants	NZLC R132 (6/2014)	Implemented in part The key recommendation that joint and several liability should remain applicable was accepted by the Government. As this was acceptance of the status quo, it did not require any legislative implementation. Further policy work in 2022 on the other recommendations did not support caps for building consent authorities or a building guarantee scheme. On that basis, the remaining recommendations have not been implemented.
Pecuniary Penalties: Guidance for Legislative Design	NZLC R133 (10/2014)	Implemented in part The Government's response to each of the recommendations was either to accept the recommendation or accept it in principle subject to further work by government agencies. Most

Report Name	Report reference	Implementation assessment
		recommendations did not require a legislative response.
Death, Burial and Cremation: A new law for contemporary New Zealand	NZLC R134 (10/2015)	<p>Ongoing implementation</p> <p>In its formal response, the Government agreed with several of the Commission's recommendations but identified the need for further policy work on other recommendations. Two recommendations were implemented through the Births, Deaths, Marriages, and Relationships Registration Act 2021. Other ongoing implementation work is being led by the Ministry of Health.</p>
The Crown in Court: A review of the Crown Proceedings Act and national security information in proceedings	NZLC R135 (12/2015)	<p>Implemented in part</p> <p>In its formal response, the Government agreed with a key recommendation in Part 1 of the report (exclusion against bringing in rem proceedings against the Crown should be retained) but either rejected other Part 1 recommendations or set them aside for further consideration.</p> <p>Most of the recommendations in Part 2 of the report were implemented by the enactment of two Acts:</p> <ul style="list-style-type: none"> • Security Information in Proceedings Act 2022; and • Security Information in Proceedings (Repeals and Amendments) Act 2022
The Justice Response to Victims of Sexual Violence: Criminal Trials and Alternative Processes	NZLC R136 (12/2015)	<p>Implemented in part</p> <p>To date some operational recommendations have been accepted and implemented, such as a sexual violence pilot court being trialled, information being produced for victims to assist in navigating the court process, courts working on separate court entrances/facilities for victims and guidance for judges and lawyers on jury directions in sexual violence cases.</p> <p>The legislative recommendations in Part B of the report were substantially implemented by the Sexual Violence Legislation Act 2021.</p> <p>Parts C and D of the report have not been implemented: these recommended an</p>

Report Name	Report reference	Implementation assessment
		alternative out of court process for sexual violence cases and the establishment of a sexual violence commission, respectively. The former is an ongoing work programme for the government, but implementation decisions have not been made. The latter has received no response to date.
Modernising New Zealand's Extradition and Mutual Assistance Laws	NZLC R137 (2/2016)	Ongoing implementation The Government accepted the recommendations to consider enactment of the Extradition Bill and the Mutual Assistance in Criminal Matters and for the Recovery of Criminal Proceeds Bill attached to the Commission's report but said that further work was required to be undertaken to finalise the detail of the proposed new legislation.
Strangulation: The case for a new offence	NZLC R138 (3/2016)	Implemented The majority of the report's key recommendations were either included in the Family Violence Act 2018 (recommendations 1-3) or were accepted as administrative practices to be adopted (recommendations 5-7). Recommendation 4 - that strangulation should be considered an aggravating factor in sentencing - was not accepted by Cabinet, which considered the new offence was sufficient when combined with the guidance in the Sentencing Act and precedent decisions.
Understanding Family Violence: Reforming the Criminal Law relating to Homicide	NZLC R139 (5/2016)	No response No formal Government response has been made.
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 (6/2017)	Implemented The Bill included with the report was not introduced by the Government, but it was drawn as a private members Bill in 2017, having been submitted by Hon Christopher Finlayson. It was subsequently adopted by the Government. Some amendments were made during the legislative process, but a majority of the report's recommendations were implemented in the Contempt of Court Act 2019.

Report Name	Report reference	Implementation assessment
Review of the Search and Surveillance Act 2012 - Ko te Arotake i te Search and Surveillance Act 2012	NZLC R141 (1/2018)	<p>Ongoing implementation</p> <p>In 2021, the government implemented one recommendation (R44 to consider acceding to the Budapest Convention), and agreed to make related legislative changes that would implement recommendations for a preservation order regime (R53). However, a bill has not been introduced.</p> <p>Further implementation work on the other recommendations is underway.</p>
Alternative approaches to abortion law – a ministerial briefing paper	Briefing Paper to Minister (2018/19)	<p>Implemented</p> <p>As this was a Ministerial briefing paper, no preferred approach or recommendations were made, and no formal response was required. The briefing set out three possible options as to how New Zealand's abortion laws could be made consistent with treating abortion as a health issue. The Abortion Legislation Act 2020 implemented a modified version of Model C.</p>
The Second Review of the Evidence Act 2006 – Te Arotake Tuarua i te Evidence Act 2006	NZLC R142 (3/2019)	<p>Ongoing implementation</p> <p>Overall, the Government accepted two-thirds of the recommendations. Many of the recommended amendments are contained in the Sexual Violence Legislation Act 2021.</p> <p>The Evidence Regulations 2007 have been replaced by the Evidence (Video Records and Very Young Children's Evidence) Regulations 2023 (implementing R27).</p> <p>Operational implementation includes the Institute of Judicial Studies publishing (in Aug 2023 and revised in July 2024) <i>Responding to misconceptions about sexual offending: Example directions for judges and lawyers</i> (partially implementing R22).</p> <p>The provision requiring 5-yearly review of the Act by the Law Commission was repealed by the Statutes Amendment Act 2022.</p>
Review of the Property (Relationships) Act 1976 – Te Arotake i te	NZLC R143 (7/2019)	<p>Ongoing implementation</p> <p>The recommendation to review succession law was accepted and the Government's response to the remaining recommendations was considered</p>

Report Name	Report reference	Implementation assessment
Property (Relationships) Act 1976		<p>together with those of the succession law review in June 2015.</p> <p>The Government accepted in-principle that reform, including new legislation, is required for the laws relating to the division of property upon separation. The Government said that it will need to take the time to work through the policy detail of implementing many of the Commission's comprehensive recommendations on both relationship property and succession law.</p>
The Use of DNA in Criminal Investigations Te Whakamahi i te Ira Tangata i ngā Mātai Taihara	NZLC R 144 (10/2020)	<p>Ongoing implementation</p> <p>The Government accepted the overall findings of the report and that the Criminal Investigations (Bodily Samples) Act 1995 is no longer fit for purpose and a new Act for the DNA regime and an independent oversight body is required.</p> <p>Its view was that further work is required to determine the operational settings for the regime.</p>
He arotake i te āheinga ki ngā rawa a te tangata ka mate ana – Review of succession law: rights to a person's property on death	NZLC R145 (12/2021)	<p>Ongoing implementation</p> <p>In its response, the Government accepted in principle the report's conclusion that reform of the law is required.</p> <p>It considered, however, that the Government must take time to work through the policy detail of implementing the recommendations on both relationship property and succession law.</p>
Te Kōpū Whāngai: He Arotake Review of Surrogacy	NZLC R146 (04/2022)	<p>Ongoing implementation</p> <p>In May 2023, Cabinet agreed in-principle to the Commission's recommendations. It also agreed to adopt the Improving Arrangements for Surrogacy Bill (which was a member's bill) as a government bill and to include Cabinet's decisions on amendments to the bill (largely reflecting the Commission's recommendations) in officials' advice to the Health Committee considering that bill.</p> <p>In August 2024 the Health Committee released a new version of the bill for public consultation. This version incorporates the Commission's recommendations. The Committee is due to report back in March 2025.</p>

Report Name	Report reference	Implementation assessment
Ko ngā Hunga Take Whaipānga me ngā Pūtea Tautiringa Class Actions and Litigation Funding	NZLC R147 (05/2022)	Ongoing implementation The Government response was supportive of the recommendations in principle and undertook some preparatory work towards their implementation. However, it said further consideration was required of some recommendations due to the technical nature of the issues and the need for legislative reform to give effect to the recommendations.

Assessment criteria and categories:

- a. **Implemented:** If the Government has adopted legislative or non-legislative measures that give effect to the majority of a report's recommendations, even if in a modified or slightly different approach (provided they are consistent with the overall scheme proposed). Score to be assigned 1.0
- b. **Implemented in part:** If the Government has implemented some key recommendations. Score to be assigned 1.0.
- c. **Ongoing implementation:** Where the Government "agrees in principle" to relevant reforms, but implementation is yet to occur. Score to be assigned 0.5.
- d. **Partial in-principle agreement and/or implementation of some recommendations:** Where the Government agrees with some recommendations or implements some recommendations but considers further policy work is required before they will commit to the majority of/or key recommended reforms. Score to be assigned 0.25
- e. **Rejected:** Where the Government has expressly rejected the report's recommendations. Score to be assigned: 0.0.
- f. **Excluded from count:** Where the Government has either not responded to the report or has decided not to progress work on recommendations (for example, because the matter has been overtaken by other reforms or events).



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