



LAW · COMMISSION
TE · AKA · MATUA · O · TE · TURE

E31(105)

2007–2008

ANNUAL REPORT



LAW · COMMISSION
TE · AKA · MATUA · O · TE · TURE



2007–2008

ANNUAL
REPORT

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

Report/Law Commission, Wellington 2008
ISSN 113-2334 (Print)
ISSN 1177-6196 (Online)
ISBN 978-1-877316-60-9 (Print)
ISBN 978-1-877316-61-6 (Online)

This report maybe cited as NZLC R105
Also published as Parliamentary E31(105)

This report is also available on the internet at the
Commission's website: www.lawcom.govt.nz

Contents

| | |
|--|-----------|
| THE LAW COMMISSION: TE AKA MATUA O TE TURE..... | 5 |
| PRESIDENT’S FOREWORD | 6 |
| THE COMMISSION | 8 |
| THE YEAR IN REVIEW..... | 10 |
| FINANCIAL STATEMENTS | 15 |
| STATEMENT OF SERVICE PERFORMANCE..... | 47 |
| AUDIT REPORT..... | 58 |
| CROWN ENTITIES ACT REPORTING | 62 |
| APPENDIX A..... | 63 |
| APPENDIX B..... | 64 |

Letter of transmittal

Minister Responsible for the Law Commission
Parliament Buildings
WELLINGTON

Dear Minister

I have the honour to present to you the report of the Law Commission for the year ended 30 June 2008.

This report is prepared under section 17 of the Law Commission Act 1985 and the Crown Entities Act 2004.

Yours sincerely



Geoffrey Palmer
President

The Law Commission: Te Aka Matua o te Ture

Directory

The Law Commission is an independent, publicly funded, advisory body established by statute to undertake the systematic review, reform and development of the law of New Zealand. Its purpose is to help achieve law that is just, principled, and accessible, and that reflects the heritage and aspirations of the peoples of New Zealand.

In developing its proposals, the Commission takes into account te ao Māori (the Māori dimension) as well as community and international trends and experience.

The members of the Law Commission as at 30 June 2008, appointed under section 9 of the Law Commission Act 1985, are:

- Rt Hon Sir Geoffrey Palmer
- Dr Warren Young
- Emeritus Professor John Burrows QC
- George Tanner QC
- Val Sim

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

Information about the Law Commission and its work is available via the Internet from the Commission's website at: www.lawcom.govt.nz.

Funding

The Law Commission is funded from money appropriated by Parliament through Vote:Justice.

President's Foreword

The 2007/08 year was an extremely productive year for the Law Commission, both in terms of the number of publications and for the amount of legislation passed in Parliament based on Commission proposals.

This workload was carried out on the back of some important building blocks put in place the previous year. 2007/08 was the first full year of operation under streamlined processes that enhance collaboration between agencies and the Commission, with an emphasis on the implementation of reform through legislation. Working together throughout the life of projects, right through to implementation, has transformed our relationships with other agencies.

The success of this approach and recognition of its value in terms of law reform is demonstrated by our increased productivity and achievements in the year under review. The full record of our work is described later in this publication but I would like to highlight some major achievements this year.

Search and Surveillance Powers (NZLC R97), one of largest and most complex reports of the Commission, was published at the end of last year. By the end of this year drafting of the *Search and Surveillance Powers Bill* was almost completed and it was introduced to Parliament in August 2008. This legislation will affect all enforcement agencies and is the culmination of several years of inter-agency consultation and co-operation led by the Commission. To have this large bill ready for introduction in just over a year is a huge achievement and a credit to all involved.

Another speedy legislative achievement, albeit on a much smaller scale, was the publication of our final report *A New Inquiries Act* (NZLC R102) in May including a draft bill. Our recommendations for a new Act were accepted by government, which then introduced a Bill to Parliament in October 2008.

Advising on ways New Zealand law can be made as understandable and accessible as practicable informs all of our work. But I would like to mention two projects of particular relevance to this objective where significant progress was achieved last year.

In September 2007 we sought public submissions on an Issues Paper *Presentation of New Zealand Statute Law* (NZLC IP2), about ways to make statute law more accessible to the general public by its more

systematic presentation. In January 2008 we sought submissions on an Issues paper *Tribunals in New Zealand* (NZLC IP6) about establishing a unified tribunal structure to provide a more accessible tribunal system, based on coherent and consistent law values. Both these projects will publish final papers before the end of this calendar year.

Finally, I want to recognise the work of the Sentencing Establishment Unit, an independent unit within the Commission, which is supported and guided by Commissioner Dr Warren Young. Enactment of the Criminal Justice Reform Bill at the beginning of the 2007/08 year provided for a Sentencing Council to be established and during the year the Unit completed preparation of over 60 inaugural guidelines, together with accompanying material, for presentation to the Council if it is appointed.

During the year Helen Aikman QC completed her term as Commissioner. Helen has made a valuable contribution to the work of the Commission over many years. Mostly notably in her time as a Commissioner she made a significant contribution to the Commission reports regarding human rights and customary law in the Pacific, the establishment of a new Māori legal entity that we called Waka Umanga, and our review of the law relating to public inquiries.

George Tanner QC was appointed a Law Commissioner in September 2007. Before this George was the Chief Parliamentary Counsel and Compiler of Statutes in the Parliamentary Counsel Office and held these positions for 11 years. Val Sim was appointed a full time commissioner from October 2007. Val's career has involved a mix of litigation, policy development and law reform. Val joined the Law Reform Division of the Department of Justice in 1992 after 15 years in private practice. She was appointed Chief Legal Counsel at the Ministry of Justice in 1998 and in 2004 was appointed Crown Counsel and team leader on the Human Rights team at the Crown Law Office.

Once again I want to pay tribute to the skills, hard work and commitment of all staff and Commissioners, which has resulted in this year of high performance.

The Commission

Who we are

The Law Commission is an independent Crown entity governed by the Law Commission Act 1985 (LCA) and the Crown Entities Act 2004 (CEA). Our purpose is to promote the systematic review, reform and development of the law of New Zealand.

The Board, for the purposes of the Crown Entities Act, are the members of the Commission.

At year end there were five Commissioners and 29 staff in the Commission. This includes the General Manager, 20 legal and policy advisers (including two secondments) and eight support staff. The full staff list as at year end is attached as Appendix A. The Commission also makes use of consultants with expertise in specialist areas. We have our own law library and operate from offices that we sub lease within a modern office building in the Wellington CBD.

What we do

We are a law reform agency. The Commission has an established policy and legal research culture and our project work programme falls into two categories: those referred by government to the Commission under section 7 of the LCA; and those that, upon its own motion, the Commission decides to embark upon. In recent years we have not carried out any self-referred projects as the weight of government references has been very heavy.

In addition to our core work programme, a principal function of the Commission under our Act is to advise the Minister of Justice and the Minister Responsible for the Law Commission on ways in which the law of New Zealand can be made as understandable and accessible as is practicable. The main way in which the Commission undertakes this function is through its servicing of two important executive government committees that are aimed at improving the quality of legislation. These are the Legislation Advisory Committee (LAC), which has existed since 1986, and the Legislation Design Committee (LDC), which was created in 2006.

The Commission is also called upon by departments and Ministers to provide assistance on a wide variety of legislative proposals they have under consideration that involve particularly difficult legal or constitutional issues. We frequently collaborate with departments who are considering policy changes and improving ways to deal with issues. Upon request, the Commission also appears in front of select committees to provide advice on particular issues of legal concern.

The year in review

Law reform work programme

A Law reform projects

The 2007/2008 year was significant for the Commission as it marked the first year of our operation under the new project selection and implementation process. While the process will aim to settle the work programme for each year by the end of June, in its first year Ministers were invited to submit suitable proposals for inclusion in the Commission's work programme with a view to settling the final programme by the end of September.

This meant that at the beginning of the 2007/08 financial year the Commission carried over nine projects which were 'work in progress' from the 2006/07 work programme plus one new project, a review of the Land Transfer Act 1952. The eleven projects were as follows:

- Search and surveillance powers
- Criminal defences – provocation and insanity
- Review of the law of privacy
- Simplification of criminal procedure
- Admissibility of previous convictions
- Review of maximum penalties
- Review of the law relating to public inquiries
- Tribunals reform
- Presentation of New Zealand statute law
- Review of the Land Transfer Act 1954
- Development of the inaugural sentencing guidelines in the Sentencing Establishment Unit

In September, having given Ministers the opportunity to consider areas for law reform within their portfolios, a further seven reform projects were added to the 2007/08 work programme:

- Review of the Civil List Act 1979
- Review of the Statutes Drafting and Compilation Act 1920
- Review of the law relating to private schools
- Review of the Misuse of Drugs Act 1975

- Review of Part 8 of the Crimes Act 1961
- Review of prerogative writs
- Review of the War Pensions Act 1954

The Commission was also invited to participate in the following work being progressed by other agencies, including:

- Review of the Alcoholism and Drug Addiction Act 1966, with the Ministry of Health
- Further reform of habeas corpus procedure with the Crown Law Office
- Reducing the level and impact of organised crime in New Zealand, with the Ministry of Justice.

In January 2008, following the Police operation in Ruatoki and the Solicitor General's decision that charges could not be laid under the Terrorism Suppression Act, the Commission received a reference from Government to consider and report on whether existing legislation should be amended to cover the conduct of individuals that creates risk to or public concern about the preservation of public safety and security. The public safety and security project will concentrate on the state of New Zealand's existing domestic law, particularly the offences contained in the Crimes Act, Arms Act and Terrorism Suppression Act. It will consider the need to ensure an appropriate balance between the preservation of public safety and the security and maintenance of individual rights and freedoms.

Ultimately, the Commission had 19 projects on its 2007/08 work programme and was participating in three law reform projects alongside other agencies.

B Law reform publications

The published output of the Commission at year end was five final reports, five issues papers, two study papers and one miscellaneous paper.

Significant among the publications were two papers reviewing aspects of the law of privacy – a study paper (*Privacy Concepts and Issues: Review of the Law of Privacy Stage One* (NZLC SP19)) and a final report (*Public Registers: Review of the Law of Privacy Stage Two* (NZLC R101)). These papers completed the first two parts of a four part project reviewing privacy law.

Our report on *The Partial Defence of Provocation* (NZLC R98) recommends that section 169 of the Crimes Act 1961 should be repealed,

thereby abolishing the partial defence of provocation in New Zealand. We believe that it will be preferable for provocation to be dealt with by judges solely as a sentencing issue.

Our report entitled the *Disclosure to Court of Defendants' Previous Convictions, Similar Offending and Bad Behaviour* (NZLC R103), was an important paper dealing with difficult and demanding issues in the law of evidence. The Commission engaged a retired High Court Judge, the Honourable RA McGechan QC, to lead this project. The report concluded that, given the recency of the Evidence Act 2006, it was too early to determine whether there were any problems with its application that required amendment. However, our investigation into this area of the law did indicate some disturbing features of the adversarial trial process as it applies to sexual offences. We therefore recommended that the government should undertake an inquiry into whether the adversarial trial process should be modified or replaced by an alternative model, either for sex offences or some other wider class of offence.

A New Inquiries Act (NZLC R102) was published in May 2008 and included the Commission's policy recommendations and draft legislation for a new public inquiries framework. *Habeas Corpus* (NZLC R100) was published in February 2008. The recommendations focussed a few practical problems that have emerged in the current procedure.

C Implementation of Law Commission reports

In addition to this programme of work we continued to make progress on the implementation of recommendations from a number of old Commission reports. This work, which is now provided for in the new processes adopted by Cabinet to manage the Government response to Law Commission reports, has included reviewing the recommendations of old reports and updating them where required, preparation of cabinet papers, drafting instructions for legislation and liaison with Parliamentary Counsel Office (PCO), and further work on implementation with the administering Department. Legislative work on the following reports was progressed through the year:

- *Limitation Defences in Civil Cases* 1988 (NZLC R6) and *Tidying the Limitation Act* (NZLC R61);
- *Aspects of Damages: the Award of Interest on Money Claims* (NZLC R28);
- *Waka Umanga: A Proposed Law for Maori Governance Entities* (NZLC R92);
- *Access to Court Records* (NZLC R93);
- *The Partial Defence of Provocation* (NZLC R97)

- *Search and Surveillance Powers* (NZLC R98)
- *Further Reform of Habeas Corpus: Refining the Procedure* (NZLC R100)

Eight bills drawing on previous Commission reports became law during the 2007/08 year, and at year end five bills from previous Commission reports were in Parliament, and a further eight bills based on previous reports were being prepared by officials and PCO.

D Advisory work

In addition to our project and implementation work programme, the Commission continued to be heavily involved in advisory work. Specific areas where advice was provided during the year are referred to later in this report. However, much of our advisory work is on a regular and highly visible basis through the LAC and the LDC, both chaired by the President. In addition, the Commission frequently appears in front of select committees, at the committees' request, to provide advice on particular issues of legal concern. For example, the Commission produced an extensive and influential submission from the LAC and the Law Commission to the Regulations Review Select Committee on the latter committee's "Inquiry into the Ongoing Requirement for Individual Regulations and Their Impact".

The Commission frequently collaborates with departments that are considering policy changes and improving ways of dealing with issues. For example, during the year it worked alongside the Ministry of Economic Development in considering the issues that arose out of a Member's Bill on regulatory responsibility.

It is often the case that departments and Ministers call for assistance from the Commission on legislative proposals they have under consideration that involve particularly difficult legal or constitutional issues. The Commission has available legal expertise that particularly relates to legislative proposals and the preparation of government Bills. It has an overview of the entire statute book and can often provide advice that can place particular legislative proposals in a wider context.

E Capability development

The Commission made a number of significant improvements in its corporate systems and project management tools during the year. In particular, it introduced a new project management planning and reporting guide. This guide includes our project methodology

and information for staff around the development of Cabinet papers, drafting instructions and working with select committees. It is consistent with the new project selection process that was introduced by Cabinet in 2007.

A second new initiative was the implementation of *ComplyWith*, an online legislative compliance application. This application provides a systematic approach to determining legislative compliance by identifying the relevant provisions within those statutes that pertain to our operation as a public sector organisation, Crown entity, and employer. Online updating of legislation assists the Commission to determine its level of compliance, with the assurance that it has the latest information available at all times.

During the year the Commission commissioned a review of our records and document management systems. The purpose of this review was to identify those areas where progress can be made to meet Archives' mandatory standards and the requirements of the Records Management Act. The review recommendations are now being implemented and will feed into the Commission's overall information, communications and technology strategy.

The President and Commissioners presented at a number of conferences and gave many speeches during the year about the work of the Commission, the LAC, LDC and law reform more generally. These presentations are part of our communication strategy emphasising an open approach to communication with our stakeholders and interested parties. A number of these speeches are posted on our website. We continue to invite the media to the launch of our reports and post links to the video briefings on our website.

The ongoing project to update corporate policies has continued and improvements continue to be made to processes around working practices, as well as the recruitment, induction, performance management and recognition of staff.

Financial statements

for the year ended 30 June 2008

FINANCIAL STATEMENTS

for the year ended 30 June 2008

| | |
|--|-----------|
| Statement of responsibility..... | 16 |
| Statement of financial performance for the year ended 30 June 2008 | 17 |
| Statement of financial position as at 30 June 2008..... | 18 |
| Statement of changes in equity for the year ended 30 June 2008..... | 19 |
| Statement of cash flows for the year ended 30 June 2008..... | 20 |
| Notes to the financial statements..... | 21 |
| STATEMENT OF SERVICE PERFORMANCE..... | 47 |
| AUDIT REPORT..... | 58 |
| CROWN ENTITIES ACT REPORTING | 62 |

Statement of responsibility

The Commission accepts responsibility for the preparation of the financial statement, statement of service performance and the judgements used herein.

The Commission accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of its financial reporting.

In the opinion of the Commission the financial statements and statement of service performance for the year ended 30 June 2008 fairly reflect the financial position and operations of the Law Commission.



Geoffrey Palmer
President
31 October 2008



Warren Young
Deputy President
31 October 2008

Statement of financial performance for the year ended 30 June 2008

| | Note | 2008 | 2008 | 2007 |
|--|----------|------------------|----------------|------------------|
| | | Actual | Budget | Actual |
| | | \$ | \$ | \$ |
| Income | | | | |
| Revenue from Crown | 2 | 5,390,000 | 5,299,000 | 5,459,000 |
| Interest income | | 170,624 | 145,723 | 165,248 |
| Sale of publications | | 18,134 | 15,000 | 19,857 |
| Other income | 3 | 64,972 | 0 | 15,213 |
| <i>Total income</i> | | 5,643,730 | 5,459,723 | 5,659,318 |
| Expenditure | | | | |
| Personnel costs | 4 | 3,731,112 | 3,148,444 | 2,811,648 |
| Project costs | | 944,494 | 662,000 | 574,362 |
| Administration Costs | 6 | 896,899 | 825,647 | 800,870 |
| Library costs | | 105,549 | 128,751 | 117,613 |
| Depreciation and amortisation expense | 10 11 | 263,784 | 290,000 | 197,592 |
| Finance costs | 5 | 408 | 0 | 2,970 |
| Loss on sale of fixed assets | | 0 | 0 | 101,941 |
| <i>Total expenditure</i> | | 5,942,246 | 5,054,842 | 4,606,996 |
| Net surplus/(deficit) | | (298,516) | 404,881 | 1,052,322 |

The accompanying notes form part of these financial statements.

Explanations of significant variances against budget are detailed in note 23

Statement of financial position

as at 30 June 2008

| | Note | 2008 | 2008 | 2007 |
|----------------------------------|------|------------------|------------------|------------------|
| | | Actual | Budget | Actual |
| | | \$ | \$ | \$ |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 7 | 887,056 | 923,000 | 400,699 |
| Debtors and other receivables | 8 | 52,924 | 3,000 | 189,011 |
| Prepayments | | 43,862 | 33,000 | 52,281 |
| Investments | 16 | 200,000 | 0 | 1,150,000 |
| Non-current assets held for sale | 9 | 0 | 0 | 11,900 |
| Total current assets | | 1,183,842 | 959,000 | 1,803,891 |
| Non-current assets | | | | |
| Property, plant and equipment | 10 | 1,129,687 | 1,087,000 | 1,156,142 |
| Intangible assets | 11 | 19,431 | 81,000 | 35,769 |
| Total non-current assets | | 1,149,118 | 1,168,000 | 1,191,911 |
| Total assets | | 2,332,960 | 2,127,000 | 2,995,802 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Creditors and other payables | 12 | 296,258 | 180,000 | 589,395 |
| Borrowings | 15 | 0 | 19,000 | 7,105 |
| Employee entitlements | 13 | 143,046 | 40,000 | 207,130 |
| Total liabilities | | 439,304 | 239,000 | 803,630 |
| Net Assets | | 1,893,656 | 1,888,000 | 2,192,172 |
| Equity | | | | |
| General funds | 14 | 1,616,982 | 1,480,000 | 1,903,598 |
| Revaluation reserves | 14 | 276,674 | 408,000 | 288,574 |
| Total equity | | 1,893,656 | 1,888,000 | 2,192,172 |

Statement of changes in equity

for the year ended 30 June 2008

| | Note | 2008 | 2008 | 2007 |
|---|------|------------------|------------------|------------------|
| | | Actual | Budget | Actual |
| | | \$ | \$ | \$ |
| Balance at 1 July | | 2,192,172 | 1,483,119 | 850,976 |
| Amounts recognised directly in equity: | | | | |
| <i>Property, plant and equipment</i> | | | | |
| Sale of non-current assets held for sale | 14 | (11,900) | 0 | 0 |
| Revaluation gains/(losses) taken to equity | 14 | 11,900 | 0 | 288,874 |
| Surplus/(deficit) for the year | | (298,516) | 404,881 | 1,052,322 |
| Total recognised income and expense | | (298,516) | 404,881 | 1,341,196 |
| Balance at 30 June | 14 | 1,893,656 | 1,888,000 | 2,192,172 |

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2008

| | | 2008 | 2008 | 2007 |
|---|------|----------------|----------------|----------------|
| | | Actual | Budget | Actual |
| | Note | \$ | \$ | \$ |
| Cash flows from operating activities | | | | |
| Receipts from Crown revenue | | 5,390,000 | 5,299,000 | 5,459,000 |
| Interest received | | 215,443 | 145,842 | 118,491 |
| Sale of publications and other revenue | | 84,245 | 15,000 | 45,585 |
| Payments to employees | | (3,795,196) | (3,098,444) | (2,688,184) |
| Payments to suppliers | | (2,233,938) | (2,095,398) | (1,447,357) |
| Goods and services tax (net) | | 89,516 | (50,000) | (127,904) |
| <i>Net cash from operating activities</i> | 17 | (249,930) | 216,000 | 1,359,631 |
| Cash flows from investing activities | | | | |
| Receipts from sale of property, plant and equipment | | 12,853 | 0 | 12,889 |
| Maturity/(placement) of term deposits | | 950,000 | 0 | (1,150,000) |
| Purchase of property, plant and equipment | | (212,378) | (169,000) | (429,606) |
| Purchase of intangible assets | | (12,571) | (81,000) | (18,211) |
| <i>Net cash from investing activities</i> | | 737,904 | (250,000) | (1,584,928) |
| Cash flows from financing activities | | | | |
| Payments of lease | | (1,209) | (10,000) | (11,640) |
| Finance costs | | (408) | 0 | 0 |
| <i>Net cash from financing activities</i> | | (1,617) | (10,000) | (11,640) |
| Net(decrease)/increase in cash and cash equivalents | | 486,357 | (44,000) | (236,937) |
| Cash and cash equivalents at the beginning of the year | | 400,699 | 967,000 | 637,636 |
| Cash and cash equivalents at the end of the year | 7 | 887,056 | 923,000 | 400,699 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 Statement of accounting policies for the year ended 30 June 2008

Reporting entity

The Law Commission is an independent Crown entity for legislative purposes, established by the Law Commission Act 1985. The Law Commission is domiciled in New Zealand and as such its ultimate parent is the New Zealand Crown.

The Law Commission's primary objective is to review areas of the law that need updating, reforming or developing and to make recommendations to the New Zealand Parliament.

The Law Commission is accordingly a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements are for the year ended 30 June 2008 and were approved by the Commissioners on 31 October 2008.

Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with the Law Commission Act 1985 and the Crown Entities Act 2004 which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

First year of preparation under NZ IFRS

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/ (deficit) for the year ended June 2007 under NZ IFRS to the balances reported in the June 2007 financial statements are detailed in note 25.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2006 for the purpose of the transition to NZ IFRS.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of library collections.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Law Commission is New Zealand dollars.

Standards, amendments and interpretations issued that are not yet effective and have not been adopted early

Standards, amendments and interpretations issued that are not yet effective and have not been adopted early and which are relevant to the Law Commission include:

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009.

The Law Commission intends to adopt this standard for the year ending 30 June 2010. The impact will be one of presentation.

Significant accounting policies

The following particular accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Revenue

The Commission derives revenue from the provision of outputs to the Crown, the sale of its publications to third parties, provision of specialist services and income from investments.

Revenue from the Crown

Revenue is restricted in its use for the purpose of the Law Commission meeting its objectives as specified in the statement of intent.

Such revenue is recognised when earned, is measured at the fair value of consideration received and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest rate method.

Sale of publications

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

Provision of services

Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at balance sheet date.

Leases

Finance leases

Leases which effectively transfer to the Commission substantially all the risks and benefits incidental to ownership of the asset, whether or not title is eventually transferred, are classified as finance leases. These leases are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period of its useful life. The finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a straight line basis over the period of the lease in the statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents means cash balances on hand, cash held in bank accounts, term deposits with original maturities of three months or less and other highly liquid investments, in which the Commission invests as part of its day-to-day cash management.

Debtors and other receivables

Accounts receivable are initially measured at fair value and subsequently measured at their estimated realisable value after providing for doubtful and uncollectable debts. When the receivable is uncollectible, it is written off against the provision for doubtful debts.

Investments

Investments in bank deposits are initially measured at fair value and subsequently at fair value less any provision for impairment.

Impairment is established when there is objective evidence that the Law Commission will not be able to collect amounts due according to the original terms of the deposit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are measured at the lower of their carrying value and fair value less costs to sell.

Any impairment losses for write-downs of these assets are recognised in the statement of financial performance.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

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

All classes are initially recorded at cost. Library collections are stated at fair value. Fair value is determined using market based evidence by an independent valuer. Library collections are valued every three to four years. Additions between revaluations are recorded at cost.

The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Accounting for revaluations

The Commission accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

The Library collection was revalued as at 30 June 2007 by independent valuer, David Smith of DTZ NZ Ltd.

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 Commission and the cost of the item can be measured reliably.

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 included in the statement of financial performance.

When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent costs

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 statement of financial performance as they are incurred.

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 values over their useful lives. The useful lives and associated depreciation rates of major classes of assets 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.

Intangible assets

Software acquisition

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

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Law Commission website are recognised as an expense 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 statement of financial performance.

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

| | | |
|----------------------------|---------|------|
| Acquired computer software | 3 years | 33 % |
|----------------------------|---------|------|

Impairment of non-financial assets

Property, plant and equipment and intangible assets 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 amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is 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 amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

Financial instruments

The Law Commission is a party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenue and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. All financial instruments are shown at their estimated fair value.

Creditors and other payable

Creditors and other payables are measured at fair value.

Employee entitlements

Short term employee entitlements

Employee entitlements that the Commission expects to be settled within 12 months of balance date are measured at undiscounted nominal values 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.

The Commission recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the same year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent that the Commission anticipated it will be used by staff to cover those future absences.

Superannuation schemes

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of financial performance as incurred.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, with the exception of receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Taxation

The Law Commission is a public authority in terms of the Income Tax Act 2007 and consequently is exempt from income tax.

Budget figures

The budget figures are those as disclosed in the 2008-2011 Statement of Intent as approved by the Commissioners. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Commission for the preparation of the financial statements.

Cost allocation

Direct costs identifiable against specific projects are charged directly to those projects. Indirect costs are charged to specific projects in proportion to the direct labour hours recorded against those projects.

“Direct costs” are those costs directly attributable to a specific project.

“Indirect costs” are those costs which cannot be identified in an economically feasible manner with a specific project.

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 discussed below:

Property, plant and equipment useful lives and residual value

At each balance date the Law Commission reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Law Commission to consider a number of factors 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.

The Law Commission has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 10.

Critical judgements in applying the Law Commission's accounting policies

Management has exercised the following critical judgement in applying the Law Commission's accounting policies for the period ended 30 June 2008.

Lease classification

Determining whether a lease agreement is finance or an operating lease requires judgement as to whether the agreement 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, property, plant and equipment, whereas for an operating lease no such asset is recognised.

2 Revenue from the Crown

The Law Commission has been provided with funding from the Crown for the specific purposes of the Law Commission as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2007 nil).

3 Other income

| | 2008 | 2007 |
|---|---------------|---------------|
| | Actual | Actual |
| | \$ | \$ |
| Other grants received | 62,031 | 2,222 |
| Recovery from the Victoria University for services provided | 0 | 12,000 |
| Rental income from car park sub lease | 0 | 991 |
| Gain on sale of non-current assets held for sale | 935 | 0 |
| Sale of miscellaneous art | 350 | 0 |
| Other | 1,656 | 0 |
| Total other income | 64,972 | 15,213 |

4 Personnel costs

| | 2008 | 2007 |
|--|------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Salaries and Wages | 3,724,605 | 2,769,272 |
| Employer contributions to defined contribution plans | 70,591 | 24,689 |
| Increase/(decrease) in employee entitlements (note 13) | (64,084) | 17,142 |
| Total personnel costs | 3,731,112 | 2,811,103 |

Employer contributions to defined contribution plans include contributions to KiwiSaver and the New Zealand Government Superannuation Fund (GSF).

5 Finance costs

| | 2008 | 2007 |
|----------------------------|------------|--------------|
| | Actual | Actual |
| | \$ | \$ |
| Interest on finance lease | 408 | 2,970 |
| Total finance costs | 408 | 2,970 |

6 Administration costs

| | 2008 | 2007 |
|--|----------------|----------------|
| | Actual | Actual |
| | \$ | \$ |
| Audit fees for financial statement audit | 22,360 | 22,920 |
| Audit fees for NZ IFRS transition | 7,500 | 0 |
| Operating lease expense – equipment | 9,199 | 0 |
| Operating lease expense – premises | 500,302 | 443,067 |
| Staff travel | 23,375 | 11,601 |
| Website development expenses | 4,808 | 506 |
| Other | 329,355 | 322,776 |
| Total administration costs | 896,899 | 800,870 |

7 Cash and cash equivalents

| | 2008 | 2007 |
|--|----------------|----------------|
| | Actual | Actual |
| | \$ | \$ |
| Cash on hand and at bank | 887,056 | 100,699 |
| Cash equivalents- term deposit | 0 | 300,000 |
| Total cash and cash equivalents | 887,056 | 400,699 |

For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

8 Debtors and other receivables

| | 2008 | 2007 |
|--|---------------|----------------|
| | Actual | Actual |
| | \$ | \$ |
| Trade debtors | 2,018 | 3,906 |
| Less: provision for doubtful debts | (490) | (627) |
| GST receivable | 49,374 | 138,890 |
| Other | 2,022 | 46,842 |
| Total debtors and other receivables | 52,924 | 189,011 |

The carrying value of receivables approximates their fair value.

At 30 June 2008 and 2007, all overdue receivables have been assessed for impairments and if necessary, appropriate provisions applied.

9 Non-current assets held for sale

Non-current assets held for sale consisted of a small art collection (2008: Sold during year; 2007: \$11,900)

10 Property, plant and equipment

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

| | Computer equipment | Furniture and fittings | Office equipment | Leased office equipment | Library collection | Total |
|---------------------------------|--------------------|------------------------|------------------|-------------------------|--------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost or valuation | | | | | | |
| Balance at 1 July 2006 | 253,032 | 159,626 | 21,533 | 46,561 | 531,917 | 1,012,669 |
| Additions | 27,661 | 485,237 | 47,319 | 0 | 85,825 | 646,042 |
| Revaluation increase/(decrease) | 0 | 0 | 0 | 0 | (50,742) | (50,742) |
| Disposals | 0 | (150,966) | (13,615) | 0 | 0 | (164,581) |
| Balance at 30 June 2007 | 280,693 | 493,897 | 55,237 | 46,561 | 567,000 | 1,443,388 |
| Balance at 1 July 2007 | 280,693 | 493,897 | 55,237 | 46,561 | 567,000 | 1,443,388 |
| Additions | 33,495 | 79,094 | 10,167 | 0 | 89,622 | 212,378 |
| Disposals | 0 | 0 | (250) | (46,561) | 0 | (46,811) |
| Balance at 30 June 2008 | 314,188 | 572,991 | 65,154 | 0 | 656,622 | 1,608,955 |
| Accumulated depreciation | | | | | | |
| Balance at 1 July 2006 | 193,059 | 45,881 | 10,380 | 31,047 | 210,067 | 490,434 |
| Depreciation expense | 35,187 | 7,128 | 2,975 | 11,640 | 117,348 | 174,278 |
| Eliminate on revaluation | 0 | (0) | (0) | 0 | (327,415) | (327,415) |
| Elimination on disposal | 0 | (43,239) | (6,812) | 0 | 0 | (50,051) |
| Balance at 30 June 2007 | 228,246 | 9,770 | 6,543 | 42,687 | 0 | 287,246 |
| Balance at 1 July 2007 | 228,246 | 9,770 | 6,543 | 42,687 | 0 | 287,246 |
| Depreciation expense | 42,317 | 55,982 | 12,304 | 0 | 124,272 | 234,875 |
| Eliminate on disposal | 0 | 0 | (166) | (42,687) | 0 | (42,853) |
| Balance at 30 June 2008 | 270,563 | 65,752 | 18,681 | 0 | 124,272 | 479,268 |
| Carrying amounts | | | | | | |
| At 1 July 2006 | 59,974 | 113,745 | 11,152 | 15,514 | 321,850 | 522,235 |
| At 30 June and 1 July 2007 | 52,447 | 484,127 | 48,694 | 3,874 | 567,000 | 1,156,142 |
| At 30 June 2008 | 43,625 | 507,239 | 46,473 | 0 | 532,350 | 1,129,687 |

11 Intangible assets

| | Acquired software |
|---------------------------------|-------------------|
| | \$ |
| Cost | |
| Balance at 1 July 2006 | 433,413 |
| Additions | 18,211 |
| Balance at 30 June 2007 | 451,624 |
| Balance at 1 July 2007 | 451,624 |
| Additions | 12,571 |
| Balance at 30 June 2008 | 464,195 |
| Accumulated amortisation | |
| Balance at 1 July 2006 | 392,541 |
| Amortisation expense | 23,314 |
| Balance at 30 June 2007 | 415,855 |
| Balance at 1 July 2007 | 415,855 |
| Amortisation expense | 28,909 |
| Balance at 30 June 2008 | 444,764 |
| Carrying amounts | |
| At 1 July 06 | 40,872 |
| At 30 June and 1 July 2007 | 35,769 |
| At 30 June 2008 | 19,431 |

12 Creditors and other payables

| | 2008 | 2007 |
|---|----------------|----------------|
| | Actual | Actual |
| | \$ | \$ |
| Creditors | 237,101 | 436,424 |
| Income in advance | 9,743 | 7,465 |
| Accrued expenses | 49,414 | 145,506 |
| Total creditors and other payables | 296,258 | 589,395 |

Creditors and payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair values.

13 Employee entitlements

| | 2008 | 2007 |
|--|----------------|----------------|
| | Actual | Actual |
| | \$ | \$ |
| Current employee entitlements are represented by: | | |
| Accrued salaries and wages | 68,293 | 142,926 |
| Annual leave | 67,468 | 54,983 |
| Sick leave | 7,285 | 9,221 |
| Total employee entitlements | 143,046 | 207,130 |

14 Equity

| | 2008 | 2007 |
|--|------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| General funds | | |
| Balance at 1 July | 1,903,598 | 850,976 |
| Transfer from property, plant and equipment revaluation reserves on disposal | 11,900 | 300 |
| Surplus/(deficit) | (298,516) | 1,052,322 |
| <i>Balance at 30 June</i> | 1,616,982 | 1,903,598 |
| Property, plant and equipment revaluation reserves | | |
| Balance at 1 July | 288,574 | 0 |
| Revaluations | 0 | 288,874 |
| Transfer from property, plant and equipment revaluation reserves on disposal | (11,900) | (300) |
| <i>Balance at 30 June</i> | 276,674 | 288,574 |
| Property, plant and equipment revaluation reserves consist of: | | |
| Library | 276,674 | 276,674 |
| Non-current assets held for sale | 0 | 11,900 |
| <i>Total property, plant and equipment revaluation reserves</i> | 276,674 | 288,574 |
| Total equity at 30 June | 1,893,656 | 2,192,172 |

15 Borrowings

The Law Commission has re-considered its policy regarding leasing of assets. The nature of ongoing asset lease arrangements has warranted a re-classification of the lease nature.

| | 2008 | 2007 |
|---------------------------------|----------|--------------|
| | Actual | Actual |
| | \$ | \$ |
| Current borrowings | | |
| Finance lease | 0 | 7,105 |
| Total current borrowings | 0 | 7,105 |

16 Investments

| | 2008 | 2007 |
|--|----------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Current investments are represented by: | | |
| Term deposits | 200,000 | 1,150,000 |
| Total investments | 200,000 | 1,150,000 |

There were no impairment provisions for investments.

All deposits are for periods of less than 12 months.

Maturity analysis and effective interest rates of term deposits

| | 2008 | 2007 |
|--|---------|---------|
| | Actual | Actual |
| | \$ | \$ |
| Term deposits with investment periods of 4-6 months | 200,000 | 550,000 |
| <i>weighted average effective interest rate</i> | 8.6% | 7.6% |
| Term deposits with investment periods of 6-12 months | 0 | 600,000 |
| <i>weighted average effective interest rate</i> | | 7.6% |

The carrying amount of term deposits with maturities less than 12 months approximate their fair value

Short-term deposits are invested at fixed rates ranging from 7.5% -8.6%.

17 Reconciliation of net surplus/(deficit) to net cash from operating activities

| | 2008 | 2007 |
|--|------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Net surplus/(deficit) after tax | (298,516) | 1,052,322 |
| Add/(less) non-cash items: | | |
| Depreciation and amortisation expense | 263,784 | 197,592 |
| Bad debts | (137) | 633 |
| Finance lease | (5,896) | 0 |
| <i>Total non-cash items</i> | 257,751 | 198,225 |
| Add/(less) items classified as investing or financing activities: | | |
| (Gains)/losses on disposal of property, plant and equipment | 4,485 | 101,941 |
| (Gains)/losses on non-current assets held for sale | (935) | 0 |
| <i>Total items classified as investing or financing activities</i> | 3,550 | 101,941 |
| Add/(less) movements in working capital items: | | |
| Debtors and other receivables | 144,506 | (216,252) |
| Creditors and other payables | (293,137) | 85,748 |
| Employee entitlements | (64,084) | 137,647 |
| <i>Net movements in working capital items</i> | (212,715) | 7,143 |
| Net cash from operating activities | (249,930) | 1,359,631 |

18 Commitments

| | 2008 | 2007 |
|---------------------------------|--------|--------|
| | Actual | Actual |
| | \$ | \$ |
| Capital expenditure commitments | 0 | 0 |

| | 2008 | 2007 |
|--|------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| <i>Non-cancellable lease on office accommodation</i> | | |
| Not later than one year | 498,950 | 498,950 |
| Later than one year and not later than five years | 1,995,800 | 1,995,800 |
| Later than five years | 2,411,593 | 2,910,543 |
| Total | 4,906,343 | 5,405,293 |

| | 2008 | 2007 |
|---|----------------|---------------|
| | Actual | Actual |
| | \$ | \$ |
| <i>Contract for the supply of library information</i> | | |
| Not later than one year | 141,692 | 54,429 |
| Later than one year and not later than five years | 111,023 | 0 |
| Later than five years | 0 | 0 |
| Total contract for the supply of library information | 252,715 | 54,429 |

19 Related party transactions and key personnel remuneration

Related party transactions

The Law Commission is an independent crown entity. The government significantly influences the role of the Law Commission in addition to being its major source of revenue.

Any transactions that the Law Commission enters into with government departments, state-owned enterprises and other crown entities occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Law Commission would have adopted if dealing with that entity at arms length. Therefore they are not considered related party transactions.

There have been during the course of this financial year, three close family members of key personnel employed by the Law Commission on a casual basis. The terms and conditions of those arrangements were no more favourable than the Law Commission would have adopted if there were no relationship to key personnel.

Key management personnel compensation

| | 2008 | 2007 |
|--|------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Salaries and other short-term employee benefits | 1,539,352 | 1,123,559 |
| Post employment benefits | 0 | 0 |
| Other long term benefits | 0 | 0 |
| Termination benefits | 0 | 0 |
| Total key management personnel compensation | 1,539,352 | 1,123,559 |

Non-commissioner personnel remuneration

| | 2008 | 2007 |
|---------------------------------|----------|----------|
| <i>Remuneration range</i> | Actual | Actual |
| Between \$100,000 and \$109,999 | 0 | 1 |
| Between \$110,000 and \$119,999 | 1 | 0 |
| Between \$130,000 and \$139,999 | 0 | 1 |
| Between \$150,000 and \$159,999 | 1 | 0 |
| Total employees | 2 | 2 |

Commissioner remuneration

| | 2008 | 2007 |
|------------------------------------|------------------|----------------|
| | Actual | Actual |
| | \$ | \$ |
| Sir Geoffrey Palmer (President) | 332,678 | 318,080 |
| Dr Warren Young (Vice President) | 271,211 | 265,222 |
| Helen Aikman QC | 103,002 | 236,234 |
| Emeritus Professor John Burrows QC | 263,429 | 106,707 |
| George Tanner QC | 215,753 | 0 |
| Val Sim | 193,753 | 0 |
| Hon Justice Durie | 0 | 65,000 |
| Total | 1,379,826 | 991,243 |

During the year ended 30 June 2008 no (2007: 1) employees received compensation and other benefits in relation to cessation (2007: \$24,256).

20 Contingencies

The Law Commission has no contingent liabilities or assets at balance date 30 June 2008. (2007: NIL)

21 Events after balance date

In August 2008 Cabinet agreed that a reference be given to the Law Commission to review the regulatory framework for the supply and sale of liquor. Additional funding of \$2,701,000 over a four year period was approved for this review.

22 Capital management

The Law Commission's capital is its equity, which comprises accumulated funds and other 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 manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure the Law Commission effectively achieves its objectives and purpose whilst remaining a going concern.

23 Explanation of significant variances against budget

Explanations for significant variances from the Law Commission's budgeted figures in the Statement of Intent (SOI) are as follows:

Statement of financial performance

Variations in both personnel and project costs were primarily due to additional projects being added to the work programme after the publication of the SOI.

Statement of financial position

Overall the net position of the balance sheet is in line with budget. Variances within the asset class have occurred as a result of the time delays between confirmation of the work programme and the timelines set for the production and publication of the SOI.

Statement of changes in cash flows

Cash flow requirements are simply estimates and are calculated on the basis of some known and some unknown variables with reference to the work programme timelines.

24 Financial instrument risk

The Law Commission's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Law Commission has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

The interest rates on the Law Commission's investments are disclosed in note 16.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Law Commission's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Law Commission, causing the Law Commission to incur a loss.

Due to the timing of its cash inflows and outflows, the Law Commission invests surplus cash with registered banks.

The Law Commission's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 7), net debtors (note 8) and term deposits. There is no collateral held as security against these financial instruments.

The Law Commission has no significant concentrations of credit risk, as it has a small number of credit customers and only invests funds with registered banks with specified credit rating.

Liquidity risk

Liquidity risk is the risk that the Law Commission will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Law Commission maintains a target level of investments that must mature within specified timeframes.

All creditors and other payables are due for settlement within six months.

25 Explanation of transition to NZ IFRS

The following table shows the changes in equity resulting from the transition from NZ GAAP to NZ IFRS as at 1 July 2006 and 30 June 2007.

| Note | | PREVIOUS NZ GAAP | EFFECT OF TRANSITION TO NZ | NZ IFRS | PREVIOUS NZ GAAP | EFFECT OF TRANSITION TO NZ IFRS | NZ IFRS |
|------|----------------------------------|---------------------|----------------------------------|------------------|---------------------|---------------------------------------|------------------|
| | | 1 July 2006 | | | 30 June 2007 | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| | CURRENT ASSETS | | | | | | |
| a | Cash and cash equivalents | 4,378 | 633,258 | 637,636 | 12,277 | 1,538,422 | 400,699 |
| a | Call deposit | 333,258 | (333,258) | 0 | 88,422 | (88,422) | 0 |
| a | Short term investments | 300,000 | (300,000) | 0 | 1,450,000 | (1,450,000) | 1,150,000 |
| b | Debtors and other receivables | 25,040 | 0 | 25,040 | 241,292 | (52,281) | 189,011 |
| | Assets held for sale | 0 | 0 | 0 | 11,900 | 0 | 11,900 |
| b | Prepayments | 0 | 0 | 0 | 0 | 52,281 | 52,281 |
| | Total current assets | 662,676 | 0 | 662,676 | 1,803,891 | 0 | 1,803,891 |
| | NON CURRENT ASSETS | | | | | | |
| c | Property, plant & equipment | 563,107 | (40,872) | 522,235 | 1,191,911 | (35,769) | 1,156,142 |
| c | Intangible assets | 0 | 40,872 | 40,872 | 0 | 35,769 | 35,769 |
| | Total non current assets | 563,107 | 0 | 563,107 | 1,191,911 | 0 | 1,191,911 |
| | Total assets | 1,225,783 | 0 | 1,225,783 | 2,995,802 | 0 | 2,995,802 |
| | LIABILITIES | | | | | | |
| | Current liabilities | | | | | | |
| d, e | Payables | 302,938 | (60,861) | 242,077 | 787,304 | (197,909) | 589,395 |
| | Finance leases | 11,640 | 0 | 11,640 | 7,105 | 0 | 7,105 |
| d, e | Employee entitlements | 0 | 69,537 | 69,537 | 0 | 207,130 | 207,130 |
| | NZAID | 44,448 | 0 | 44,448 | 0 | 0 | 0 |
| | Total current liabilities | 359,026 | 8,676 | 367,702 | 794,409 | 9,221 | 803,630 |

| Note | | PREVIOUS NZ GAAP | EFFECT OF TRANSITION TO NZ | NZ IFRS | PREVIOUS NZ GAAP | EFFECT OF TRANSITION TO NZ IFRS | NZ IFRS |
|------|--------------------------------------|---------------------|----------------------------------|----------------|---------------------|---------------------------------------|------------------|
| | | 1 July 2006 | | | 30 June 2007 | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| | Non current liabilities | | | | | | |
| | Finance leases | 7,105 | 0 | 7,105 | 0 | 0 | 0 |
| | Total non current liabilities | 7,105 | 0 | 7,105 | 0 | 0 | 0 |
| | Total liabilities | 366,131 | 8,676 | 374,807 | 794,409 | 9,221 | 803,630 |
| | NET ASSETS | 859,654 | (8,676) | 850,976 | 2,201,393 | (9,221) | 2,192,172 |
| | EQUITY | | | | | | |
| f | General funds | 451,880 | 399,096 | 850,976 | 1,739,953 | 163,645 | 1,903,598 |
| f | Revaluation reserves | 407,772 | (407,772) | 0 | 461,440 | (172,866) | 288,574 |
| | Total equity | 859,652 | (8,676) | 850,976 | 2,201,393 | (9,221) | 2,192,172 |

As stated in note 1, these are the Law Commission's first financial statements to be prepared in accordance with NZ IFRS. The Law Commission's transition date is 1 July 2006 and the opening NZ IFRS balance sheet has been prepared as at that date. The Law Commission's adoption date is 1 July 2007.

Exemptions from full retrospective application elected by the Law Commission

In preparing these financial statements in accordance with NZ IFRS 1, the Law Commission has applied the deemed cost exemption to full retrospective application of NZ IFRS. (refer to f below)

Explanatory notes – reconciliation of equity

- Call and term deposits with maturities of three months or less have been reclassified as cash and cash equivalents.
- Prepayments are separately classified under NZ IFRS.
- Computer software was classified as part of property, plant and equipment ("Fixed Assets") under previous NZ GAAP. The net book value of computer software reclassified as an intangible asset on transition to NZ IFRS is \$40,872 on 1 July 2006 and \$ 35,769 on 30 June 2007.

- d. Annual leave gratuity has been reclassified into a separate provision as required under NZ IFRS.
- e. Sick leave was not recognised as a liability under previous NZ GAAP. NZ IAS 19 requires the Law Commission to recognise employees unused sick leave entitlement that can be carried forward at balance date, to the extent that the Law Commission anticipates it will be used by staff to cover future absences.
- f. The deemed costs exemption has been applied to all revaluation reserves as at 1 July 2006.

Reconciliation of surplus/(deficit) for the year ended 30 June 2007

| | PREVIOUS NZ GAAP | EFFECT OF TRANSITION TO NZ IFRS | NZ IFRS |
|-----------------------|---------------------|---------------------------------------|------------------|
| | 30 June 2007 | 30 June 2007 | 30 June 2007 |
| | \$ | \$ | \$ |
| Operating revenue | 5,659,318 | 0 | 5,659,318 |
| Operating expenditure | 4,606,451 | 545 | 4,606,996 |
| Net surplus | 1,052,867 | (545) | 1,052,322 |

Statement of cash flows

On transition to NZ IFRS the statement of cash flows presents short term deposits with maturities of less than three months as part of cash and cash equivalents.

The impact on the statement of cash flows for the year ended 30 June 2007 is to:

- change the net movement in cash from an increase of \$913,063 to a decrease of \$236,937
- decrease the cash and the cash equivalents from \$1,550,699 to \$400,699

There have been no other material adjustments to the statement of cash flows for the year ended 30 June 2007, on transition to NZ IFRS.

Statement of service performance

for the year ended 30 June 2008

Output Class: Policy Advice

Policy Advice covers all work done by the Commission including law reform projects and advisory work.

Budgeted Revenue: \$5,459,723

Actual Revenue: \$5,643,730

Budgeted Expenditure: \$5,054,842

Actual Expenditure: \$5,942,246

Performance measures

The Commission identified four performance measures in its 2007-2010 Statement of Intent – quantity, quality, timeliness and cost.

Quantity – project delivery

The number of papers and reports to be produced during the year is estimated at the commencement and based upon the number and scope of the projects on the work programme at that time. As additional work comes onto the programme through the year, resources may need to be reprioritised to meet demand. Project timelines are modified accordingly.

The Commission expected to deliver between five and ten papers and reports to Government in the year in review. It more than met this expectation, as we published five Reports, two Study Papers, five Issues Papers and 1 Miscellaneous Paper during the year.

Reports

- *The Partial Defence Of Provocation* NZLC R98 (2007)
- *Habeas Corpus Refining the Procedure* NZLC R100 (2008)
- *Public Registers: Review of the Law of Privacy Stage 2* NZLC R101 (2008)

- *A New Inquiries Act* NZLC R102 (2008)
- *Disclosure to Court of Defendant's Previous Convictions, Similar Offending and Bad Character* NZLC R103 (2008)

Study papers

- *Further Reform of Habeas Corpus Procedure* NZLC SP18 (2007)
- *Privacy: Concepts and Issues* NZLC SP19 (2008)

Issues papers

- *Presentation of New Zealand Statute Law* NZLC IP2 (2007)
- *Public Registers Issues Paper* NZLC IP3 (2007)
- *Disclosure of Previous Convictions* NZLC IP4 (2007)
- *Public Inquiries Draft Report* NZLC IP5 (2007)
- *Tribunals in New Zealand* NZLC IP6 (2007)

Miscellaneous paper

- *A Conceptual Approach to Privacy* NZLC MP19 (2007)

Significant progress was made on the remaining projects in the 2007/08 work programme including those that were added to the programme during the year. The table below identifies the law reform projects with work in progress as at year end.

Table One

| WORK IN PROGRESS AT 30 JUNE 2008 | REPORT/PAPER | EXPECTED PUBLICATION 2008/09 QUARTER |
|--|----------------|--|
| Presentation of New Zealand Statute Law | Final Report | Q 1 |
| | Advisory Paper | Q 2 |
| Unified Tribunals Framework | Study Paper | Q 1 |
| Victims Compensation | Issues Paper | Q1 |
| Review of the Civil List Act 1979 | Issues Paper | Q 1 |
| | Report | Q 2 |
| Review of Law relating to Private Schools | Issues Paper | Q 1 |
| | Final Paper | Q 2 |
| Review of Prerogative Writs | Issues Paper | Q 1 |
| | Final Report | Q 3 |

| WORK IN PROGRESS AT 30 JUNE 2008 | REPORT/PAPER | EXPECTED PUBLICATION 2008/09 QUARTER |
|---|--|--|
| Review of War Pensions Act 1954 | Issues Paper Final Report | Q 1 Q 4 |
| Review of Land Transfer Act 1952 | Issues Paper Final Report | Q 2 Q 4 |
| Review of Maximum Penalties | Public consultation | Q 2 |
| Review of Part 8 of Crimes Act 1981 | Issues Paper | Q 4 |
| Review of privacy values, technology change international trend and their implications for New Zealand civil criminal and statute law ¹ | <ul style="list-style-type: none"> Civil & Criminal Aspects of Privacy Review of Privacy Act | Issues Paper Q 2 Issues Paper Q 4 |
| Review of Misuse of Drugs Act 1975 | Issues Paper | Q 3 |
| Public Safety and Security | Issues Paper | Q 3 |
| Simplification of Criminal Procedure ² <ul style="list-style-type: none"> Offence Categories Case Management (with MoJ) Legislation Drafting (with MoJ) Name Suppression | Pilot evaluation Issues Paper | Q 3 Q 2 |

1 This project has four subprojects: privacy values and technology; public registers; civil and criminal issues with privacy; review of Privacy Act.

2 The Ministry of Justice is leading this project and the Commission is contributing to four workstreams. The milestones and deadlines in relation to the Offence Categories and Legislative Drafting work streams are subject to consultation and subsequent policy decision by government.

Quantity – advisory

The Commission has a developing role in providing advice to Ministers and government agencies on the design, and adherence to legal principles, of legislation being prepared for and presented to the House. This role is primarily performed through the support that the Commission provides to the Legislation Design Committee (LDC) and the Legislation Advisory Committee (LAC).

Legislation Design Committee

Under Cabinet directive, LDC provides departments with high level advice on the architecture of legislation referred by the department or the Cabinet Office. The primary reason for referral is to ensure advice is given early on the framework of new legislation, which in turn assists compliance with the LAC Guidelines. LAC receives legislative proposals too late to be effective in advising on the architecture of legislation. The President of the Commission chairs the LDC, which provided advice on 16 legislative design initiatives in the last year.

Legislation Advisory Committee

The Law Commission provides reports to LAC on every Government bill introduced to Parliament, based on the LAC Guidelines for best practice. The current Chair of LAC is also the President of the Law Commission. There were 44 full reports provided to LAC in the 2007/08 year, plus comments on 5 other bills. LAC provided follow-up submissions to agencies, Ministers or Select Committees on 17 bills, which were generally prepared in the Commission.

The quantity of advisory items provided by the Commission is determined by the number of requests for advice that the Commission receives, and/or the number of occasions on which we consider it appropriate and necessary to offer advice. At the commencement of the year, the Commission expected to provide between five and ten items of advice through the LDC and between 20 and 30 reports to the LAC. As noted above, the actual workload was considerably more than this estimate.

Other advisory work

In addition to the work of the two executive committees, the Commission has provided advice directly to Government on other matters pertaining to policy and/or legislation. The burden of this work usually falls on Commissioners. In 2007/08, of the total substantive hours available for project work, Commissioners expended 20% of this time on advisory work.

We have been actively involved in the programme of policy work on effective interventions in the criminal justice system, managed by the Ministry of Justice. During the year we also made a significant contribution to work on the Policing Act, the Independent Police Complaints Authority legislation, the relocation of the Serious Fraud Office within the Police, the sex offences discussion paper, the Dairy Industry Restructuring Amendment Bill (No 2), youth justice matters, the criminal justice strategy, and policy work regarding the level and impact of organised crime.

Quality

Internal quality assurance processes

The acceptance and implementation of our reform recommendations are underpinned by high quality standards and processes in the manner in which we research and present our proposals and advice. These include internal peer review, external peer review from recognised experts, consultation processes, opportunity for submissions and feedback to be received from interested parties. These processes are all provided for in the Commission's project management methodology which is used as the template for the management of law reform projects.

All outputs and other work completed by the end of the year complied with the Commission's internal quality processes and met the quality standards specified in the Statement of Intent to the extent applicable. However, the most significant measure of the quality of the Commission's work remains the extent to which government accepts our recommendations for law reform and takes steps to implement them. The implementation of Commission reports, based on collaboration and consultation between the Commission and government during and after publication, continued at a high level in the past year. The year was notable for legislative implementation of recommendations contained in older Commission reports as well as current reports.

The following tables demonstrate the quality of the Commission's output and its effectiveness in terms of the implementation of its recommendations.

The table below lists eight bills that became law in the past year.

Table Two: PASSAGE OF LEGISLATION FROM COMMISSION REPORTS IN THE 2007/08 YEAR

| LEGISLATION (IN ORDER OF PROGRESS) | PROGRESS AS AT 30 JUNE 2008 |
|--|-----------------------------------|
| <p>Criminal Justice Reform Bill</p> <p>The reforms recommended in the Commission's report <i>Sentencing Guidelines and Parole Reform</i> NZLC R94 (2006) were split between several statutes when this bill became law.</p> | Assent 31/7/07 |
| <p>Wills Bill</p> <p>This statute follows recommendations in <i>Succession Law: A Succession (Wills) Act</i> R41 (1997) to restate existing law governing wills in a single statute.</p> | Assent 28/8/07 |
| <p>Property Law Bill</p> <p>This statute follows recommendations in <i>A New Property Law Act</i> R29 (1994) to restate reform and codify (in part) certain aspects of the law relating to real and personal property.</p> | Assent 4/10/07 |
| <p>Arbitration Amendment Bill</p> <p>This statute implements the principal recommendations of <i>Improving the Arbitration Act 1996</i> NZLC R 83 (2003).</p> | Assent 17/10/07 |
| <p>Succession (Homicide) Bill</p> <p>This statute implements recommendations in <i>Succession Law: Homicidal Heirs</i> R38 (1997) to codify law precluding a person who unlawfully kills another from benefiting from that death.</p> | Assent 17/10/07 |
| <p>Protection of Personal and Property Rights Amendment Bill</p> <p>This legislation implements some recommendations from <i>Misuse of Enduring Powers of Attorney</i> R71 (2001).</p> | Assent 29/9/07 |
| <p>Crimes (Repeal of Seditious Offences) Bill</p> <p>This statute implements the recommendations in <i>Reforming the Law of Sedition</i> R96 (2007).</p> | Assent 5/11/07 |
| <p>Criminal Procedure Bill</p> <p>This statute implements recommendations from several reports:</p> <ul style="list-style-type: none"> - a limited exception to the rule of double jeopardy found in <i>Acquittal Following Perversion of the Course of Justice</i> R70 (2001) - introduction of majority verdicts found in <i>Juries in Criminal Trials</i> R69 (2001) - some of the amendments proposed in <i>Criminal Prosecution</i> R66 (2000) - amendments to summary procedures from <i>Criminal Procedure Part One: Disclosure and Committal</i> R14 (1990) | Assent 25/6/08 |

The table below lists the five bills from Commission reports in Parliament at the end of the year in review.

Table Three: LEGISLATION FROM COMMISSION REPORTS IN PARLIAMENT AT 30 JUNE 2008

| LEGISLATION (IN ORDER OF INTRODUCTION) | PROGRESS AS AT 30 JUNE 2008 |
|---|-----------------------------------|
| <p>Trustee Amendment Bill</p> <p>The Trustee Amendment Bill was introduced on 21/09/07 and implements the recommendations in <i>Some Problems in the Law of Trusts</i> R79 (2002) relating to current difficulties that need attention.</p> | Awaiting 2 nd reading |
| <p>Companies (Minority Buy-out Rights) Amendment Bill</p> <p>The Companies (Minority Buy-out Rights) Amendment Bill was introduced on 7/11/07 and implements the recommendations in <i>Minority Buy-outs</i> R74 (2001) to amend the Companies Act and specify processes in more detail.</p> | Awaiting 2 nd reading |
| <p>Waka Umanga (Maori Corporations) Bill</p> <p>The Waka Umanga (Maori Corporations) Bill was introduced on 21/11/07 and implements the recommendation in <i>Waka Umanga: A Proposed Law for Maori Governance Entities</i> NZLC R92 (2006) to establish a new legal entity for Māori tribes and other groups that manage communally held assets.</p> | Awaiting 2 nd reading |
| <p>Customs & Excise Amendment Bill (No 3)</p> <p>The Customs & Excise Amendment Bill (No 3) was introduced on 04/12/07 and implements some of the recommendations in NZLC R91 <i>Forfeiture under the Customs and Excise Act 1996</i> (2006) which will amend Part XIV of the Act.</p> | Awaiting 2 nd reading |
| <p>Unit Titles Bill</p> <p>The Unit Titles Bill was introduced on 29/05/08 and implements some recommendations from <i>Shared Ownership of Land</i> NZLC R59 (1999).</p> | Awaiting first reading |

The table below lists the Commission projects, generally collaborative with other government agencies that were underway at 30 June 2008, relating to the preparation and implementation of both recent and older Commission reports.

Table Four: LAW COMMISSION PROJECTS PREPARING LEGISLATION AS AT 30 JUNE 2008

| PROSPECTIVE LEGISLATION | PROGRESS AS AT 30 JUNE 2008 |
|---|--|
| <p>Search and Surveillance Powers Bill</p> <p>The Search and Surveillance Powers Bill implements the Commission's report <i>Search and Surveillance Powers</i> NZLC R97 (2007), to rationalise and codify present law relating to the search and surveillance powers of law enforcement agencies.</p> | Draft Bill to be introduced 17/8/08 |
| <p>Inquiries Bill</p> <p>The Inquiries Bill implements recommendations from <i>A New Inquiries Act</i> NZLC R102 (2008) to replace the Commissions of Inquiry Act 1908.</p> | Draft Bill to be introduced 29/9/08 |
| <p>Costs in Criminal Cases Bill</p> <p>This legislation will implement the recommendations in <i>Costs in Criminal Cases</i> NZLC R60 (2000).</p> | Draft Bill is yet to be considered by Executive |
| <p>Habeas Corpus Amendment Bill</p> <p>This legislation is designed to remedy deficiencies in the Act as enacted in response to <i>Habeas Corpus Procedure</i> NZLC R44 (1997).</p> | Draft Bill is yet to be considered by Executive. |
| <p>Crimes Act Amendment Bill</p> <p>This legislation follows the Commission's recommendations in our report <i>The Partial Defence of Provocation</i> NZLC R98 (2007) to abolish the partial defence of provocation, leaving it to be dealt with as a sentencing issue.</p> | Draft Bill is yet to be considered by Executive. |
| <p>Limitation Bill</p> <p>The Limitation Bill will implement the recommendations in <i>Limitation Defences in Civil Cases</i> NZLC R6 1988, <i>Tidying the Limitation Act</i> NZLC R61 (2000), and recommendations in a 2007 Commission update review.</p> | Draft Limitation Bill is being finalised after consideration by external reference group |
| <p>Life Insurance Bill</p> <p>Legislation implementing the recommendation in <i>Life Insurance</i> NZLC R87 (2004) to repeal the current Act and integrate life insurance with regulation of the financial products is being progressed by the Ministry of Economic Development and the Reserve Bank's Review of Financial Products and Providers.</p> | Draft Bill is in preparation after consultation on a Reserve Bank consultation paper. |
| <p>Interest on Money Claims Bill</p> <p>This Bill will implement recommendations from the Commission's report <i>Aspects of Damages: Award of Interest on Money Claims</i> NZLC R28 (1994)</p> | Draft Bill is in preparation. |

Sentencing Establishment Unit

The Sentencing Establishment Unit, located within the Commission, has completed a package of 59 draft sentencing and parole guidelines for consideration by the Sentencing Council. The Commission's recommendation to establish a Council, in *Sentencing Guidelines and Parole Reform* NZLC R94 (2006) was accepted by Government and it was established by the Sentencing Council Act 2007. The members of the Council have not yet been appointed.

Timeliness

The Commission is committed to completing its work within the timeframes specified in the annual work programme, as agreed with the Responsible Minister (RM) at the start of the financial year. Inevitably as work progresses through the year, circumstances will dictate the need to modify original dates and deadlines. This has been the case in the year under review, as significant projects were added to the Commission's programme subsequent to those originally agreed with the RM at 1 July 2007. This additional work caused some slippage in project milestones through the year. Most of the projects added to the work programme after 1 July 2007 appear in Table One above, as work in progress at year end.

Table five: WORK PROGRAMME – PROJECT STATUS REPORT

| WORK PROGRAMME – PROJECTS AS AT 1 JULY 2007/2008 | NATURE OF WORK | SOI DUE DATE | STATUS AT 30 JUNE 2008 |
|--|--|-----------------|--|
| Presentation of New Zealand Statutes | Issues Paper (IP) | Quarter (Q) 1 | IP published Q1 |
| Review of the law relating to public inquiries | Final Report (FR) | Q2 | FR published Q4 |
| Review of the law of privacy | P1 Privacy Values Study Paper (SP) | Q2 | P1 Miscellaneous Paper published Q2 SP published Q3 |
| | P2 Public Registers IP & FR | IP Q1 FR Q2 | P2 IP published Q1 FR published Q3 |
| Unified tribunals framework | IP | Q2 | IP published Q2 |
| Admissibility of previous convictions | FR | Q3 | FR published Q4 |

| | | | |
|---|-----------------------------|-------------------------|----------|
| Review of the Land Transfer Act 1952 | IP | Q4 | Ongoing |
| Simplification of criminal procedure | | | Ongoing |
| Sentencing Establishment Unit | Draft sentencing guidelines | Ongoing through 2007/08 | Ongoing |
| Search & Surveillance Powers | Draft legislation | Q4 | Ongoing |
| Maximum Penalties | Report | Q4 | Ongoing |
| Criminal defences: | | | |
| • Provocation | FR | Q2 | FR Q2 |
| • Insanity | FR | Q4 | Deferred |
| ADDED IN SEPTEMBER 2007 | | | |
| Further reform of habeas corpus procedure | SP | Q1 | Q1 |
| | FR | Q3 | Q3 |

Cost

The final measure of the Commission's performance is the requirement to complete each project within the budgeted cost.

The budgeted expenditure of \$5,054,842, as stated in the prospective financial statements within the Commission's 2007-2010 Statement of Intent, was well below the actual project expenditure of \$5,942,246 at year end. The reason for the significant variance is twofold. First, changes to the project selection process and the new timing requirements for the presentation of the Statement of Intent meant that prospective financial statements were prepared well in advance of the Commission's work programme of 11 projects agreed with the Minister at 1 July 2007. Second, during the financial year the Commission's project workload was significantly expanded with the addition of seven projects in September 2007 and a further project in January 2008. With the exception of the review of the War Pensions Act 1954, this additional work was not separately funded.

Authority to Act – section 68(6) Crown Entities Act 2004

During the financial year, the Commission was invited by the Cabinet to review the Civil List Act 1979. The Act includes the amount of payments to former Members of Parliament and Prime Ministers. However, these payments are not within the scope of the review. Notwithstanding this, the Commissioner responsible for the review, Sir Geoffrey Palmer, is entitled to certain payments under the Act. This interest was disclosed to the Minister Responsible for the Law Commission, the Hon Annette King, who gave her permission under section 68 of the Crown Entities Act 2004 for Sir Geoffrey to continue in his role as Commissioner in charge of the review.

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the Law Commission's financial statements and statement of service performance

For the year ended 30 June 2008

The Auditor-General is the auditor of the Law Commission (the Commission). The Auditor General has appointed me, Clare Helm, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Commission for the year ended 30 June 2008.

Unqualified Opinion

In our opinion:

- The financial statements of the Commission on pages 17 to 46:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Commission's financial position as at 30 June 2008; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Commission on pages 47 to 57:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 31 October 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Members of the Commission and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the members of the Commission;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Members of the Commission and the Auditor

The Members of the Commission are responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Commission as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Commission's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Member's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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



Clare Helm
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance

This audit report relates to the financial statements and statement of service performance of the Law Commission for the year ended 30 June 2008 included on the Law Commission's website. The Members of the Commission are responsible for the maintenance and integrity of the Law Commission's website. We have not been engaged to report on the integrity of the Law Commission's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 31 October 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Crown Entities Act reporting

Report on equal employment opportunities programme in terms of the Crown Entities Act 2004, section 151 (1)(g)

The Law Commission complies with the principles of being a good employer. It operates personnel policies containing provisions generally accepted as necessary for the fair and proper treatment of its employees in all aspects of their employment. It provides good and safe working conditions to its employees. It provides opportunities for the enhancement of the abilities of individual employees. The Commission also recognises the aims and aspirations and employment requirements and cultural differences of ethnic or minority groups.

The Commission operates an equal employment opportunities policy where the best person for the job is employed. The Commission has flexible employment arrangements, for example, to cater for those with childcare responsibilities and those approaching retirement. 80 % of employees as at the balance date are women.

Report on acts in breach of statute in terms of the Crown Entities Act 2004, section 20(3)

The Law Commission did not carry out any act that is contrary to, or outside the authority of an Act. All its actions were for the purpose of performing its functions.

Report on permission to act despite being interested in a matter in terms of the Crown Entities Act 2004, section 68(6)

The Law Commission did not receive any notice from any member of the Commission that he or she was interested in a matter relating to the Commission.

Appendix A

Members and staff of the Law Commission

at 30 June 2008

Commissioners

Rt Hon Sir Geoffrey Palmer *President*

Dr Warren Young *Deputy President*

Emeritus Professor John Burrows QC

George Tanner QC

Val Sim QC

Staff

*General
Manager*

Brigid Corcoran

*Special Projects
Adviser*

Margaret Thompson

*Senior Legal &
Policy Advisers*

Allison Bennett
Claire Browning
Ewan Morris
Janet November
Jo Dinsdale
Joanna Hayward
Rachel Hayward
Susan Hall
Lecretia Seales
Rachel Opie
Marion Wilson
(on secondment from VANZ)

*Legal and Policy
Advisers*

Julia Rendell
Ryan Malone
Sara Jackson
Zoe Prebble

*Sentencing
Establishment Unit*

Andrea King
Fiona Wright
Wayne Goodall
Joel Harrison

Principal Librarian

Peter Adamson

Librarian

Jacqueline Kitchen

Assistant Librarian

Katherine Narbey

*Management Support
Adviser*

Brenda van Heezik

Finance Officer

Felicity Reid

Personal Assistants

Erica Duff
Maria Taylor
Catriona Boyes

Consultant

Geoff Lawn
(on secondment from PCO)

Appendix B

Law Commission publications

as at 30 June 2008

Report series

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|---|----------------|---|
| NZLC R 1 | Imperial Legislation in Force in New Zealand | March 1987 | Largely implemented by the Imperial Laws Application Act 1988 and associated legislation |
| NZLC R 2 | Annual Report | 1987 | |
| NZLC R 3 | The Accident Compensation Scheme: Interim Report on Aspects of Funding | November 1987 | Considered in preparing the Accident Rehabilitation and Compensation Insurance Act 1992 and some recommendations reflected in its provisions |
| NZLC R 4 | Personal Injury: Prevention and Recovery (Report on the Accident Compensation Scheme) | May 1988 | Considered also in connection with reviews of the Accident Rehabilitation and Compensation Insurance Act 1992 and implementing regulations undertaken in 1994 |
| NZLC R 5 | Annual Report | 1988 | |
| NZLC R 6 | Limitation Defences in Civil Proceedings | October 1988 | Update review completed and new bill in preparation. |
| NZLC R 7 | The Structure of the Courts | March 1989 | Substantial effect given to the Commission's recommendations in the various enactments passed to reform the jurisdiction of the courts in 1991 and 1992 |
| NZLC R 8 | A Personal Property Securities Act for New Zealand | April 1989 | Implemented by the Personal Property Securities Act 1999 |
| NZLC R 9 | Company Law: Reform and Restatement | June 1989 | Companies Act 1993, Receiverships Act 1993 and amendments to the Property Law Act 1952 and the Companies Act 1955 entered into force on 1 July 1994 |
| NZLC R 10 | Annual Report | 1989 | |
| NZLC R 11 | Legislation and its Interpretation: Statutory Publications Bill | September 1989 | Implemented in part by the Regulations (Disallowance) Act 1989 and the Acts and Regulations Publications Act 1989 |
| NZLC R 12 | First Report on Emergencies: Use of the Armed Forces | February 1990 | Implemented in the Defence Act 1990 |
| NZLC R 13 | Intellectual Property: The Context for Reform | March 1990 | For use as a resource No law changes recommended |

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|---|----------------|--|
| NZLC R 14 | Criminal Procedure: Part One: Disclosure and Committal | June 1990 | Amendments contained in the Criminal Procedure Bill – assent given 25 June 2008, split between several statutes |
| NZLC R 15 | Annual Report | 1990 | |
| NZLC R 16 | Company Law Reform: Transition and Revision | September 1990 | A supplement to NZLC R9 |
| NZLC R 17 | A New Interpretation Act: To Avoid “Prolixity and Tautology” | December 1990 | Recommendations reflected in the Interpretation Act 1999 |
| NZLC R 18 | Aspects of Damages: Employment Contracts and the Rule in <i>Addis v Gramophone Co</i> | March 1991 | Implemented almost in entirety by the Employment Contracts Act 1991 |
| NZLC R 19 | Aspects of Damages: The Rules in <i>Bain v Fothergill</i> and <i>Joyner v Weeks</i> | May 1991 | Abolition of the rule in <i>Bain v Fothergill</i> implemented by the Property Law Amendment Act 1994 Problems with the rule in <i>Joyner v Weeks</i> partially addressed in <i>Māori Trustee v Rogross Farms Ltd</i> [1994] 3 NZLR 410 (CA) |
| NZLC R 20 | Arbitration | October 1991 | Implemented by the Arbitration Act 1996 |
| NZLC R 21 | Annual Report | 1991 | |
| NZLC R 22 | Final Report on Emergencies | December 1991 | A supplement to NZLC R 12. Materially influenced the Biosecurity Act 1993 |
| NZLC R 23 | The United Nations Convention on Contracts for the International Sale of Goods: New Zealand’s Proposed Acceptance | June 1992 | Implemented by the Sale of Goods (United Nations Convention) Act 1994 |
| NZLC R 24 | Annual Report | 1992 | |
| NZLC R 25 | Contract Statutes Review | May 1993 | Many of the recommendations have been included in the Statutes Amendment Bill 2001. Others are not a high Ministerial priority |
| NZLC R 26 | Annual Report | 1993 | |
| NZLC R 27 | The Format of Legislation | December 1993 | Adopted by Chief Parliamentary Counsel |
| NZLC R 28 | Aspects of Damages: The Award of Interest on Money Claims | May 1994 | MoJ giving drafting instructions for a Bill |
| NZLC R 29 | A New Property Law Act | June 1994 | Property Law Act – assent 4/10/2007 |
| NZLC R 30 | Community Safety: Mental Health and Criminal Justice Issues | August 1994 | Included in the Criminal Procedure (Mentally Impaired Persons) Act passed in October 2003 |

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|---|----------------|---|
| NZLC R 31 | Police Questioning | October 1994 | Report recommendations have been considered by Ministry of Justice officials; Not currently a Ministerial priority |
| NZLC R 32 | Annual Report | 1994 | |
| NZLC R 33 | Annual Report | 1995 | |
| NZLC R 34 | A New Zealand Guide to International Law and its Sources | May 1996 | For use as a resource – no law changes recommended |
| NZLC R 35 | Legislation Manual: Structure and Style | May 1996 | For use as a resource Proposals on structure and style substantially adopted by the Parliamentary Counsel Office and in widespread use |
| NZLC R 36 | Annual Report | 1996 | |
| NZLC R 37 | Crown Liability and Judicial Immunity: A response to <i>Baigent's</i> case and <i>Harvey v Derrick</i> | May 1997 | Recommendations as to <i>Baigent's</i> case accepted. Implemented in part by section 27 Interpretation Act 1999 |
| NZLC R 38 | Succession Law: Homicidal Heirs | July 1997 | Succession (Homicide) Act – assent 17/10/2007 |
| NZLC R 39 | Succession Law: A Succession (Adjustment) Act | August 1997 | Some issues addressed in the Property (Relationships) Amendment Act 2001 |
| NZLC R 40 | Review of the Official Information Act 1982 | October 1997 | Some proposals have been included in the Statutes Amendment Bill (No 3) which was passed in Oct 2003 |
| NZLC R 41 | Succession Law: A Succession (Wills) Act | October 1997 | Wills Act – assent 28/8/2007 |
| NZLC R 42 | Evidence Law: Witness Anonymity | October 1997 | Largely implemented by the Evidence (Witness Anonymity) Act 1997 |
| NZLC R 43 | Annual Report | 1997 | |
| NZLC R 44 | Habeas Corpus: Procedure | November 1997 | Implemented by Habeas Corpus Act 2001, Bill to address deficiencies in Act drafted (NZLC R100 2008) |
| NZLC R 45 | The Treaty Making Process Reform and the Role of Parliament | December 1997 | Partially implemented by changes to Standing Orders (SO 382-385) |
| NZLC R 46 | Some Insurance Law Problems | May 1998 | The key recommendations are included in the later Life Insurance report (NZLC R87), see Government response to that report |
| NZLC R 47 | Apportionment of Civil Liability | May 1998 | This is not currently a ministerial priority |
| NZLC R 48 | Annual Report | September 1998 | |

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|---|----------------|--|
| NZLC R 49 | Compensating the Wrongly Convicted (1998) | September 1998 | Implemented by adoption of new cabinet policy (prerogative) |
| NZLC R 50 | Electronic Commerce Part One: A Guide for the Legal and Business Community | October 1998 | Followed by Part Two No recommendations made but basis for law reform to accommodate needs of electronic commerce explored and submissions invited: see R58 |
| NZLC R 51 | Dishonestly Procuring Valuable Benefits | December 1998 | Reflected in the Crimes Amendment Act 2003 |
| NZLC R 52 | Cross Border Insolvency: Should NZ Adopt the UNCITRAL Model Law on Cross-Border Insolvency? | February 1999 | Reflected in Insolvency (Cross-border) Act 2006 |
| NZLC R 53 | Justice: The Experience of Māori Women | April 1999 | Resource only: no specific measures proposed |
| NZLC R 54 | Computer Misuse | May 1999 | Included in the Crimes Amendment Act 2003 |
| NZLC R 55 | Evidence | August 1999 | Reflected in Evidence Act 2006. |
| NZLC R 56 | Annual Report | September 1999 | |
| NZLC R 57 | Retirement Villages | September 1999 | Reflected in the Retirement Villages Act passed in October 2003 |
| NZLC R 58 | Electronic Commerce Part Two: A Basic Legal Framework | November 1999 | Reflected in Electronic Transactions Act 2002 |
| NZLC R 59 | Shared Ownership of Land | November 1999 | The Department of Building and Housing, together with Justice and LINZ, reviewed the Unit Titles Act, including the Law Commission's recommendations relating to unit title developments. Unit Title Bill introduced 29/5/08 |
| NZLC R 60 | Costs in Criminal Cases | May 2000 | Legislation drafted and awaiting introduction |
| NZLC R 61 | Tidying the Limitation Act | July 2000 | Update review completed and new bill in preparation |
| NZLC R 62 | Coroners | August 2000 | Reflected in Coroners Act 2006 |
| NZLC R 63 | Annual Report 2000 | August 2000 | |
| NZLC R 64 | Defaming Politicians: A Response to <i>Lange v Atkinson</i> | August 2000 | Not currently a Ministerial priority |
| NZLC R 65 | Adoption and Its Alternatives: A Different Approach and a New Framework | September 2000 | Policy proposals have been developed but not a Ministerial priority |

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|---|---------------|--|
| NZLC R 66 | Criminal Prosecution | October 2000 | Some amendments contained in the Criminal Procedure Bill – assent given 25 June 2008, split between several statutes |
| NZLC R 67 | Tax and Privilege: Legal Professional Privilege and the Commissioner of Inland Revenue's Powers to Obtain Information | October 2000 | The Taxation (Base Maintenance and Miscellaneous Provisions) Act 2005 extends a non-disclosure right to tax advisors |
| NZLC R 68 | Electronic Commerce Part Three: Remaining Issues | December 2000 | Most recommendations relate to ongoing review by relevant agencies. NZ is now a member of the Hague Conference on Private International Law |
| NZLC R 69 | Juries in Criminal Trials | February 2001 | Some amendments contained in the Criminal Procedure Bill – assent given 25 June 2008, split between several statutes |
| NZLC R 70 | Acquittal Following Perversion of the Course of Justice | March 2001 | Some amendments contained in the Criminal Procedure Bill – assent given 25 June 2008, split between several statutes |
| NZLC R 71 | Misuse of Enduring Powers of Attorney | April 2001 | Protection of Personal and Property Rights Amendment Act – assent 25/9/07 |
| NZLC R 72 | Subsidising Litigation | May 2001 | A conditional fee regime is included in the Lawyers & Conveyancers Act 2006 |
| NZLC R 73 | Some Criminal Defences with Particular Reference to Battered Defendants | May 2001 | <i>The Partial Defence of Provocation</i> NZLC R 98 2007 under consideration by Government |
| NZLC R 74 | Minority Buy-outs | August 2001 | Companies (Minority Buy-out Rights) Amendment Act – assent 16/9/2008 |
| NZLC R 75 | Annual report | August 2001 | |
| NZLC R 76 | Proof of Disputed Facts on Sentence | December 2001 | Incorporated in the Sentencing Act 2002 |
| NZLC R 77 | The Future of the Joint Family Homes Act | January 2002 | Work will be progressed by Ministry of Justice as priorities allow |
| NZLC R 78 | General Discovery | February 2002 | No Government action expected. Recommendations were made to the High Court Rules Committee |
| NZLC R 79 | Some Problems in the Law of Trusts | May 2002 | Trustee Amendment Bill introduced 21/9/2007 |
| NZLC R 80 | Protections Some Disadvantaged People May Need | April 2002 | The response identified the need for further work before policy decisions are sought, including extensive consultation. Not a current ministerial priority |
| NZLC R 81 | Annual Report 2002 | August 2002 | |

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|--|---------------|---|
| NZLC R 82 | Dispute Resolution in the Family Court | April 2003 | A number of recommendations are reflected in the Family Courts Matters Bill introduced 16/8/2007 including non-judicial led mediation |
| NZLC R 83 | Improving the Arbitration Act 1996 | February 2003 | Arbitration Amendment Act – assent 17/10/2007 |
| NZLC R 84 | Annual Report 2003 | August 2003 | |
| NZLC R 85 | Delivering Justice for All | March 2004 | Some recommendations are part of the ongoing Ministry of Justice programme for service improvement and communications strategies; civil & criminal process and the tribunals recommendations are included in current justice sector policy work, legal aid recommendations are incorporated in ongoing LSA structural changes for criminal legal aid, and the open justice recommendations will be reflected in the Family Court Matters Bill |
| NZLC R 86 | Annual Report 2004 | August 2004 | |
| NZLC R 87 | Life Insurance | December 2004 | MED and Reserve Bank doing review on the regulation of financial products and providers ; consultation paper <i>Prudential Supervision of Insurance</i> published by Reserve Bank 27/5/2008, prior to preparing legislation |
| NZLC R 88 | New Issues in Legal Parenthood | April 2005 | Further policy work and consultation will be completed by Ministry of Justice as priorities allow |
| NZLC R 89 | Criminal Pre-Trial Processes: Justice Through Efficiency | June 2005 | Justice interagency project on Simplification of Criminal Justice Processes underway, including development of legislative proposals |
| NZLC R 90 | Annual Report 2005 | | |
| NZLC R 91 | Forfeiture under the Customs and Excise Act 1996 | January 2006 | Customs and Excise Amendment Act (No 3) – assent 16/9/08 |
| NZLC R 92 | Waka Umanga: A Proposed Law For Maori | May 2006 | Waka Umanga (Maori Corporations) Bill introduced 21/10/2007 |
| NZLC R 93 | Access to Court Records | June 2006 | Questions around open justice in relation to court records referred to Select Committees, policy still under consideration |
| NZLC R94 | Sentencing Guidelines and Parole Reform | June 2007 | Criminal Justice Reform Act – assent 31/7/07 |

| NO. | NAME | RELEASED | GOVERNMENT RESPONSE |
|-----------|--|---------------|---|
| NZLC R95 | Annual Report 2006 | | |
| NZLC R96 | Reforming the Law of Sediton | March 2007 | Crimes (Repeal of Seditious Offences) Act – assent 5/11/2007 |
| NZLC R97 | Search and Surveillance Powers | June 2007 | Search and Surveillance Powers Bill introduced 10/9/2008 |
| NZLC R98 | The Partial Defence of Provocation | October 2008 | Legislation in draft |
| NZLC R99 | Annual Report 2006-2007 | | |
| NZLC R100 | Habeas Corpus Refining the Procedure | February 2008 | Habeas Corpus Amendment Bill drafted (NZLC R100 2008) |
| NZLC R101 | Public Registers: Review of the Law of Privacy stage 2 | February 2008 | Full consideration awaiting completion of whole LC Privacy project |
| NZLC R102 | A New Inquiries Act | May 2008 | Inquiries Bill introduced 29/9/2008 |
| NZLC R103 | Disclosure to Courts of Defendants' Previous Convictions, Similar Offending, and Bad Character | May 2008 | Recommendation for LC to report to Minister of Justice on the working in practice of the veracity and propensity provisions by 28/2/2009 accepted |

Preliminary paper series

| NO. | NAME | RELEASED | OUTCOME |
|-----------|---|----------------|---|
| NZLC PP1 | Legislation and its Interpretation: The Acts Interpretation Act 1924 and Related Legislation | June 1987 | Followed by report NZLC R17 |
| NZLC PP2 | The Accident Compensation Scheme | September 1987 | Followed by reports NZLC R3 and NZLC R4 |
| NZLC PP3 | The Limitation Act 1950 | September 1987 | Followed by report NZLC R6 |
| NZLC PP4 | The Structure of the Courts | December 1987 | Followed by report NZLC R7 |
| NZLC PP5 | Company Law | December 1987 | Followed by reports nzc R9 and nzc R16 |
| NZLC PP6 | Reform of Personal Property Security Law (report by Prof JH Farrar and MA O'Regan) | 1988 | Followed by report NZLC R8 |
| NZLC PP7 | Arbitration | November 1988 | Followed by report NZLC R20 |
| NZLC PP8 | Legislation and its Interpretation | December 1988 | Followed by report NZLC R17 |
| NZLC PP9 | The Treaty of Waitangi and Māori Fisheries – Mataitai Nga Tikanga Māori me te Tiriti o Waitangi | March 1989 | For use as a resource Reference withdrawn by the Minister of Justice at Law Commission's request |
| NZLC PP10 | Hearsay Evidence | June 1989 | Followed by report NZLC R55 |
| NZLC PP11 | “Unfair” Contracts | September 1990 | No further consideration is intended |
| NZLC PP12 | The Prosecution of Offences | November 1990 | Followed by discussion paper NZLC PP28 |
| NZLC PP13 | Evidence Law: Principles for Reform | April 1991 | Followed by report NZLC R55 |
| NZLC PP14 | Evidence Law: Codification | April 1991 | Followed by report NZLC R55 |
| NZLC PP15 | Evidence Law: Hearsay | April 1991 | Followed by report NZLC R55 |
| NZLC PP16 | The Property Law Act 1952 | July 1991 | Followed by report NZLC R29 |
| NZLC PP17 | Aspects of Damages: Interest on Debts and Damages | November 1991 | Followed by report NZLC R28 |
| NZLC PP18 | Evidence Law: Expert Evidence and Opinion Evidence | December 1991 | Followed by report NZLC R55 |
| NZLC PP19 | Apportionment of Civil Liability | March 1992 | Followed by report NZLC R47 |
| NZLC PP20 | Tenure and Estates in Land | June 1992 | No further consideration is intended |
| NZLC PP21 | Criminal Evidence: Police Questioning | September 1993 | Followed by report NZLC R31 |
| NZLC PP22 | Evidence Law: Documentary Paper | May 1994 | Followed by report NZLC R55 |
| NZLC PP23 | Evidence Law: Privilege | May 1994 | Followed by report NZLC R55 |
| NZLC PP24 | Succession Law: Testamentary Claims | August 1996 | Followed by reports NZLC R38, NZLC R39, and NZLC R41 |

| NO. | NAME | RELEASED | OUTCOME |
|-----------|---|----------------|---|
| NZLC PP25 | The Privilege Against Self-Incrimination | September 1996 | Followed by report NZLC R55 |
| NZLC PP26 | The Evidence of Children and Other Vulnerable Witnesses | October 1996 | Followed by report NZLC R55 |
| NZLC PP27 | Evidence Law: Character and Credibility | February 1997 | Followed by report NZLC R55 |
| NZLC PP28 | Criminal Prosecution | March 1997 | Followed by report NZLC R66 |
| NZLC PP29 | Evidence Law: Witness Anonymity | September 1997 | Followed by report NZLC R42 |
| NZLC PP30 | Repeal of the Contracts Enforcement Act 1956 | December 1997 | Deferred |
| NZLC PP31 | Compensation for Wrongful Conviction or Prosecution | April 1998 | Followed by report NZLC R49 |
| NZLC PP32 | Juries in Criminal Trials: Part One | July 1998 | Followed by Juries in Criminal Trials: Part Two nzlc pp37 and Report NZLC R69 |
| NZLC PP33 | Defaming Politicians: A Response to <i>Lange v Atkinson</i> | September 1998 | Followed by report NZLC R64 |
| NZLC PP34 | Retirement Villages | October 1998 | Followed by report NZLC R57 |
| NZLC PP35 | Shared Ownership of Land | January 1999 | Followed by report NZLC R59 |
| NZLC PP36 | Coroners: A Review | August 1999 | Followed by report NZLC R62 |
| NZLC PP37 | Juries in Criminal Trials: Part Two | November 1999 | Followed by report NZLC R69 |
| NZLC PP38 | Adoption: Options for Reform | October 1999 | Followed by report NZLC R65 |
| NZLC PP39 | Limitation of Civil Actions | February 2000 | Followed by report NZLC R61 |
| NZLC PP40 | Misuse of Enduring Powers of Attorney | May 2000 | Followed by report NZLC R71 |
| NZLC PP41 | Battered Defendants: Victims of Domestic Violence Who Offend | August 2000 | Followed by report NZLC R73 |
| NZLC PP42 | Acquittal Following Perversion of the Course of Justice: A Response to <i>R v Moore</i> | September 2000 | Followed by report NZLC R70 |
| NZLC PP43 | Subsidising Litigation | December 2000 | Followed by report NZLC R72 |
| NZLC PP44 | The Future of the Joint Family Homes Act | August 2001 | Followed by report NZLC R77 |
| NZLC PP45 | Reforming the Rules of General Discovery | September 2001 | Followed by report NZLC R78 |
| NZLC PP46 | Improving the Arbitration Act 1996 | September 2001 | Followed by report R 83 |
| NZLC PP47 | Family Court Dispute Resolution | January 2002 | Followed by report R 82 |

| NO. | NAME | RELEASED | OUTCOME |
|------------|---|---------------|--|
| NZLC PP48 | Some Problems in the Law of Trusts | January 2002 | Followed by report NZLC R79 |
| NZLC PP49 | Protecting Personal Information From Disclosure | February 2002 | As requested by the Ministry of Justice no further work will be done |
| NZLC PP 50 | Entry, search and Seizure | April 2002 | Followed by report NZLC R 97 2007 |
| NZLC PP 51 | Striking the balance, Your opportunity to have your say on the New Zealand Court System | May 2002 | Followed by options paper, Seeking Solutions, PP 52 and R 85 |
| NZLC PP 52 | Seeking Solutions: Options for Change to the New Zealand Court System | December 2002 | Followed by report NZLC R 85 |
| NZLC PP 53 | Life Insurance – A Discussion Paper | December 2003 | Followed by report NZLC R 87 |
| NZLC PP 54 | New Issues in Legal Parenthood – A discussion paper | March 2004 | Followed by report NZLC R 88 |
| NZLC PP 55 | Reforming Criminal Pre-Trial Processes/Status Hearings Evaluation | August 2004 | Followed by report NZLC R 89 |
| NZLC PP 0 | Reforms to the Sentencing and Parole Structure: Consultation Draft | August 2006 | Followed by report R 94 |

Issues paper series

| NO. | NAME | RELEASED | OUTCOME |
|----------|--|----------------|---|
| NZLC IP1 | The Role of Public Inquiries | January 2007 | Followed by IP 5 |
| NZLC IP2 | Presentation of New Zealand Statute Law | September 2007 | Contribution to Presentation of New Zealand Statute Law project |
| NZLC IP3 | Public Registers – Review of the Law of Privacy: Stage 2 | September 2007 | Followed by Report NZLC 101 |
| NZLC IP4 | Disclosure of Previous Convictions | November 2007 | Followed by Report NZLC 103 |
| NZLC IP5 | Public Inquiries: Draft Report | November 2007 | Followed by report NZLC R102 |
| NZLC IP6 | Tribunals in New Zealand | January 2008 | Contribution to Unified Tribunal Framework project |

Study paper series

| NO. | NAME | RELEASED | OUTCOME |
|------------|--|---------------|---|
| NZLC SP 1 | Women's Access to Legal Services | June 1999 | Many recommendations implemented by relevant Government agencies |
| NZLC SP 2 | Priority Debts in the Distribution of Insolvent Estates: An Advisory Report to the Ministry of Commerce | October 1999 | Insolvency Act – assent 7/11/06 |
| NZLC SP 3 | Protecting Construction Contractors | November 1999 | Adopted in Construction Contracts Act 2002 |
| NZLC SP 4 | Recognising Same-Sex Relationships | December 1999 | Submission to the Ministry of Justice – no further action required |
| NZLC SP 5 | International Trade Conventions | November 2000 | Resource only |
| NZLC SP 6 | To Bind Their Kings in Chains: An Advisory Report to the Ministry of Justice | December 2000 | Reflected in provisions of Crown Organisations (Criminal Liability) Act 2002 |
| NZLC SP 7 | Simplification of Criminal Procedure Legislation: An Advisory Report to the Ministry of Justice | January 2001 | Justice interagency project on Simplification of Criminal Justice Processes underway, including development of legislative proposals. |
| NZLC SP 8 | Determining Representation Rights under Te Ture Whenua Māori Act 1993: An Advisory Report for Te Puni Kokiri | March 2001 | Under consideration by the Government |
| NZLC SP 9 | Māori Custom and Values in New Zealand Law | March 2001 | Resource only |
| NZLC SP 10 | Mandatory Orders Against the Crown and Tidying Judicial Review | March 2001 | No action |
| NZLC SP 11 | Insolvency Law Reform: Promoting Trust and Confidence | May 2001 | Considered by the Ministry of Economic Developments in the review of insolvency Law, Insolvency Act – assent 7/11/06 |
| NZLC SP 12 | Electronic Technology and Police Investigations | February 2002 | Advice to the Ministry of Justice |
| NZLC SP 13 | Treaty of Waitangi Claims: Addressing the Post-Settlement Phase: An Advisory Report for Te Puni Kokiri, the Office of Treaty Settlements and the Chief Judge of the Māori Land Court | August 2002 | Advice to the Ministry for Maori Development |

| NO. | NAME | RELEASED | OUTCOME |
|------------|--|---------------|---|
| NZLC SP 14 | Liability for Loss Resulting from the Development, Supply or Use of Genetically Modified Organisms | August 2002 | Advice to the Minister |
| NZLC SP 15 | Intimate Covert Filming | June 2004 | Advice to the Minister |
| NZLC SP 16 | The Infringements System: A framework for Reform | August 2005 | Advice to Minister and Ministry of Justice |
| NZLC SP 17 | Converging Currents: Custom and Human Rights in the Pacific | October 2006 | Advice to Minister, Ministry of Foreign Affairs and Trade, and of interest to Pacific countries |
| NZLC SP 18 | Further Reform of Habeas Corpus Procedure | August 2007 | Habeas Corpus Amendment Bill drafted (NZLC R100 2008) |
| NZLC SP 19 | Privacy Concepts and Issues | February 2008 | Contribution to LC Privacy project |

Miscellaneous paper series

| NO. | NAME | RELEASED | OUTCOME |
|------------|---|----------------|--|
| NZLC MP 1 | What Should Happen to your Property when you Die? | August 1996 | Preliminary to nzlc PP 24 and NZLC R41 |
| NZLC MP 2 | Succession Law Wills Reforms | October 1996 | Preliminary to nzlc PP 24 and NZLC R41 |
| NZLC MP 3 | Information about Lawyers' Fees | October 1996 | Preliminary to NZLC SP1 |
| NZLC MP 4 | Women's Access to Legal Information | March 1997 | Preliminary to NZLC SP1 |
| NZLC MP 5 | The Law of Parliamentary Privilege | December 1996 | Resource only |
| NZLC MP 6 | The Taking into Account of Te Ao Māori in Relation to Reform of the Law of Succession | July 1996 | Resource only |
| NZLC MP 7 | Strategic Business Plan 1996/97 | December 1996 | Resource only |
| NZLC MP 8 | Women's Access to Civil Legal Aid | March 1997 | Preliminary to NZLC SP1 |
| NZLC MP 9 | Women's Access to Legal Advice and Representation | April 1997 | Preliminary to NZLC SP1 |
| NZLC MP 10 | Lawyers' Costs in Family Law Disputes | June 1997 | Preliminary to NZLC SP1 |
| NZLC MP 11 | The Education and Training of Law Students and Lawyers | September 1997 | Preliminary to NZLC SP1 |
| NZLC MP 12 | Costs in Criminal Cases | November 1997 | Followed by report NZLC R60 |
| NZLC MP 13 | Total Recall: The reliability of witness testimony | August 1999 | Resource only |

| NO. | NAME | RELEASED | OUTCOME |
|------------|--|---------------|---|
| NZLC MP 14 | The Role of Public Inquiries | January 2006 | Preliminary to NZLC IP1 |
| NZLC MP 15 | Waka Umanga (Māori Corporations) Bill | May 2007 | Draft bill for consultation with Māori and interest groups. |
| NZLC MP 16 | Limitation Defences in Civil Cases: Update Report for Law Commission | June 2007 | Resource for update review of limitation issues; |
| NZLC MP 19 | A Conceptual Approach to Privacy | November 2007 | Contribution to LC Privacy project |



This document was printed on Novatech Paper. This is an environmentally friendly stock that originates from sustainable well managed forests. Produced at Nordland Papier paper mill, which holds both FSC and PEFC chain of custody certificates. (Reg. No. SGS-COC-2249) ISO 14001 environmental management systems certified. The mill is registered under the EU Eco-management and Audit Scheme EMAS. (Reg. No.D – 162 – 00007). The paper bleaching process is Elemental Chlorine Free, and Acid Free.



