

Annual Report 2023/24

Shaping Aotearoa's legal profession. *Together.*





Contents

Board's message	04
Chief Executive's review	07
Response to the Independent Review	10
Regulatory progress post-2018	12
Tikanga Māori in the LLB degree curriculum	13
About us	14
Highlights at a glance	15
Regulatory	17
Law Reform and Advocacy	25
Representative	31
NZLS CLE Ltd	40
Governance	42
Financial Report	56

Board's message

Tēnā koutou katoa,

This past year has been a busy one for the New Zealand Law Society Te Kāhui Ture o Aotearoa, and one which is reflected in the theme for this report, *Shaping Aotearoa's legal profession. Together.*

Our transformation journey continues with 2023/24 bringing a new representative strategy, which includes the introduction of a membership subscription, and our ongoing work on regulatory reform.

More value for members

The Law Society team deserves congratulations for their work on our enhanced membership value. By the end of this financial year, nearly 10,000 lawyers had already signed up, and we are committed to delivering even greater value to our members. This includes exploring new services and ensuring the long-term sustainability of our representative services.

This year the President and Chief Executive were delighted to connect with lawyers in 27 destinations around the motu to discuss the issues that matter most to lawyers. The series of hui provided a platform for open dialogue, allowing us to listen to lawyers, understand their priorities and tailor our strategic direction accordingly. We've also used these opportunities to update members on the Law Society's

key initiatives and the ongoing work we're doing to advocate for the profession.

We were impressed with both the level of collegiality and attendance at these hui. For example, in Ashburton, more than 70 per cent of the profession attended. The hui truly illustrated the value of kanohi ki te kanohi (face-to-face) interaction.

The hui also provided an avenue to explain our structure and how we are funded, in particular that the practising certificate fees do not fund our membership services. The feedback was overwhelming that people wanted our services to continue. Our hope is that more of the profession understand that, to do so, we need to increase revenue and hence the introduction of an annual membership subscription.

The Law Society is committed to continuing to engage with the profession throughout the country, because we are a truly national organisation and we're not just representing the main centres. We need to be out and about engaging with people where they are.

Advocating for the profession

Throughout the year and during our hui, a consistent theme emerged – the challenges faced daily by practitioners. These include critical shortages of legal aid and duty lawyers, a concerning lack of specialists, particularly in regional areas, and the ongoing struggle to attract and retain top talent. We understand



DAVID CAMPBELL
VICE-PRESIDENT
AUCKLAND



ATAGA'I ESERA
VICE-PRESIDENT
WELLINGTON



JESSE SAVAGE
VICE-PRESIDENT
CENTRAL NORTH ISLAND



TARYN GUDMAN
VICE-PRESIDENT
SOUTH ISLAND

“There is amazing work happening and it’s not just to make the world a better place for lawyers. It’s to make the world a better place for New Zealanders”

— LAW SOCIETY TE KĀHUI TURE BOARD

these issues deeply and are committed to working collaboratively with practitioners to find sustainable solutions for our profession.

The Law Society champions bold and effective advocacy, raising awareness of critical issues, even if they may not always be universally popular. This year, we’ve been at the forefront of topics like Legal Aid and Access to Justice with our comprehensive Cost of Practice Report highlighting the financial pressures faced by legal aid providers and the impact on client service delivery. We continue to advocate for increased remuneration for legal aid lawyers.

We’ve voiced our concerns around the Parole Amendment Bill and Gangs Legislation Amendment Bill. We’ve stood up when it counted for the Judiciary: we unequivocally condemned the rise in personalised attacks against judges, emphasising the importance of an independent judiciary in a well-functioning democracy.

We’ve worked with our members to tell their stories. The brave and strong interview from family lawyer Brintyn Smith comes to mind. We stood with Brintyn

as he told his story of being attacked in the Whangārei courthouse and his challenges to the Ministry of Justice to improve court room safety. We are working with the Ministry and the Minister for Courts on this, and we are starting to see results.

We have also been working hard to bring some relief around Anti Money Laundering (AML) obligations; we’ve heard the profession’s call for a more streamlined and easier to manage process and have voiced that to the Government.

Advocating for better law

Our advocacy team is supported by hundreds of members doing thousands of hours of work and it’s all voluntary. Across our 15 committees and the family, property and in-house law sections there is amazing work happening and it’s not just to make the world a better place for lawyers. It’s to make the world a better place for New Zealanders.

Their expertise, combined with the hard work of our talented staff, ensures the Law Society’s voice remains prominent in discussions with government and decision-makers throughout New Zealand.



For example, the Law Society made 92 submissions to parliament in the 2023-24 year. The feedback we receive from lawyers, the community and politicians, is positive with many commenting that the Law Society's submission is often the first one they read. That puts what we do in a position of enormous influence, but that work comes usually with a mountain of mahi behind the scenes. We are politically neutral and invest in long-term relationships to benefit the public and the legal profession.

When we engaged with the profession and related anecdotes like this, they appreciated the level of work happening and invariably at the end of those meetings there was strong support for the Law Society and for membership.

New Board appointments

We appointed two new independent observers during the year. Michael Mills started on 1 September and Baden Vertongen on 15 September. Jesse Savage started on 12 April when he was elected Vice-President Central North Island, following Caroline Silk's resignation.

Challenges and opportunities

The legal profession faces both challenges and opportunities on the horizon. We are committed to navigating this landscape with resilience and a united front. We recognise the immense pressure lawyers face and remain dedicated to supporting wellbeing.

We are actively involved in discussions about potential legislative reforms after the current Government made it clear that reform recommended by the Independent Review would not be a priority in this parliamentary term. This hasn't stopped our work in this area; we want to create a more modern, less prescriptive and more effective regulatory system and will continue building towards that.

We are seeing the decline of democracy around the world. It's important to remember that New Zealand is a role model in democracy and the rule of law. Day-to-day we are working on rule of law and access to justice issues because we know these issues are critically important.

The Law Society remains firmly committed to the profession's success. The organisation and the profession are in good heart. We encourage lawyers to stay connected, leverage our resources, and actively participate in shaping the future of the legal profession in Aotearoa.

Ngā manaakitanga

Law Society Board

At the time of writing, Law Society President Frazer Barton was taking a leave of absence and his responsibilities were delegated to other Board members.

Chief Executive's review



The purpose of the Law Society is to be kaitiaki of an exemplary legal profession in Aotearoa. Our aspiration is to serve our community by nurturing the highest standards of legal practice and to support the profession to deliver services to the communities that we serve.

In the past year, we made significant inroads towards this aim. The year has been one of both transformation and consolidation. We are starting to see the positive results of the work we have been doing over the past few years while continuing our transformation. We have made solid progress, and our organisation is feeling more coherent. Our staff are proud of the work we do.

Transforming representative

A priority for us in the past 12 months has been transforming the representative part of our organisation to become financially sustainable. We couldn't continue

KATIE RUSBATCH
CHIEF EXECUTIVE OFFICER

to deliver our membership services at no cost. This year, we developed and started to implement our representative strategy, including a membership subscription.

We engaged with the profession to ensure that our new strategy and membership offer met their needs. At the same time, we've been explaining to the profession that by law the annual practising certificate fees only pay for regulation not for member services, something that many did not understand.

The bulk of the Law Society's operating expenses are covered by regulatory income. Regulatory income in 2024 was \$31 million, up \$3 million from \$28 million in 2023. Income to support the Member Services work is generated by New Zealand Law Society Continuing Legal Education (NZLS CLE) Limited (a wholly owned legal education company), branch and section functions and events, Property Law Section and Family Law Section membership fees, and investment income. The operating result for the Member Services in 2023/24 was a deficit \$3.4 million. This was an increase on the year before, but we expect this number to decrease significantly with the introduction of a membership subscription from 1 July 2024.

I was delighted that at the end of the 2023/24 year nearly 10,000 lawyers had chosen to retain their membership. This is a significant endorsement of the value that the profession sees in the services we provide, including our branch network across the motu,

our sections which provide specialist advice and our quality education. On top of these services, we also added new member benefits, including a member logo and post nominals and our new partner programme offering discounts on a range of products and services.

Implementing our new membership subscription has required significant effort across our whole organisation. We adapted policies and processes and implemented the change during the annual practising certificate renewals process, which is one of the busiest times of the year for us. This was the first year in a five-year strategy which will see us continue to build on the value we provide our members.

Engagement with the profession

As the professional representative body for more than 17,000 lawyers in New Zealand, we deeply value our engagement with the profession. This year our President and I travelled around the country to meet with lawyers to hear directly about their concerns and to talk more about our work, including our new representative strategy. More than 1,000 lawyers attended 27 hui. It was heartening to see so many people attend these events which enabled discussions that we have needed to have for a long time.

At the hui many lawyers raised the wellbeing challenges that they continue to face. We know that this is an issue for many and one that we are working hard to support. During the year, we finalised our wellbeing strategy and are working through an implementation plan. We are hopeful that the help we can offer through a variety of avenues will make a difference.

We know that engagement and events are an important part of what we offer the profession. The collegiality

gained when members of the profession get together in person is invaluable. This year we ran several successful conferences, law dinners and seminars. I was fortunate enough to attend some of these and am always encouraged by the strong sense of community these events foster.

Independent review

We released our response to the recommendations made in the Independent Review Report in August 2023. After consultation with our Council members and the profession, we accepted in principle most of the recommendations, including recommendations to establish a new independent regulator and an overhaul of the system for handling complaints about lawyers.

The Government has indicated that the legislative change required for many of the recommendations to be implemented is not a priority for the current parliamentary term.¹ The Law Society is committed to ongoing improvements to modernise the regulation of lawyers, so we've been looking at other options that don't require wholesale legislative change.

We are exploring options with the Ministry of Justice such as making some targeted amendments to the Lawyers and Conveyancers Act 2006 (LCA). We have been advocating for legislative change to enable us to

“During the year, we finalised our wellbeing strategy and are working through an implementation plan. We are hopeful that the help we can offer through a variety of avenues will make a difference”

— KATIE RUSBATCH, CHIEF EXECUTIVE OFFICER

triage certain complaints so that not all complaints need to be referred to a standards committee. These complaints would be resolved more quickly, which would be of benefit to both the complainant and the lawyer concerned.

We have started a work programme to look at other changes that can be made to the regulatory system such as registration processes and improvements to the complaints model.

We are also progressing governance changes. We have consulted on amendments to the Constitution in the areas of appointment of independent Board members and President, tenure of Board members, competency requirements along with consequential amendments required in support of these changes. Following the consultation, the Council supported providing drafting instructions to the Ministry of Justice for the amendments to be drafted by the Parliamentary Counsel Office. This project will continue into the next financial year, and any final drafting will require Council approval.

Trusted advocate

The Law Society has a reputation for making an impartial, considered and valued contribution to law reform, the administration of justice and the rule of

law. With hundreds of volunteers our Policy, Courts and Government Group have a strong connection with the profession. Staff and volunteers are in regular contact with justice officials regarding access to justice issues and how the courts operate, including the safety and wellbeing of lawyers. They provide independent and high-quality advice on law reform, as do our sections, and advocate on issues impacting access to justice such as rates of pay for duty lawyers.

We also work with Te Hunga Rōia Māori o Aotearoa (THRMōA), the representative body for Māori lawyers. In February, we committed to continue our support under the MOU for the law reform work undertaken by THRMōA.

Workplace environment survey

The results of the profession's workplace environment survey showed a drop in incidents of sexual harassment, providing further signs that the profession is changing for the better. It shows that recent high-profile cases, changes to professional standards rules and clear messaging about zero tolerance of sexual harassment are making a difference. However, there is still a reluctance to seek support and speak up about unacceptable behaviour for fear of the consequences or a distrust in the process. It's those barriers we want to break down, and to see lawyers raising these issues with their employers and the Law Society.

Ongoing transformation

While these two areas have been the focus for the past 12 months, our other transformation work continues.

Last year we introduced our revised purpose and vision alongside our new values. Over the past year we have

held several events and activities with staff celebrating our values and imbedding them in everything we do. The recent introduction of our monthly shout outs and three-monthly values awards are an ongoing reminder of these very important pillars to the way we work and interact. The successful adoption of our values is a tribute to the commitment of all staff members towards making the Law Society a better place to work.

Staff based in our Wellington offices have enjoyed working in our newly refurbished space. It was a long time coming and the offices have quickly become a connection point for our staff and for lawyers based in the Capital. It has been great to be able to welcome the profession into our organisation again.

Our technology modernisation continues and this year this has included work on implementing a new case management system (CMS) to support the efficiency and effectiveness of our Lawyers Complaints Service. We also made improvements to our information management and undertook other technology upgrades which are an essential investment in ensuring the smooth running of our organisation.

As well as our work responding to the Independent Review, on the regulatory side of our organisation we continue to work towards being more culturally responsive by having diversity in our decision making across our standards committees. This is an ongoing programme of work for us and we continue working to find and attract new committee members. In the year ahead. We are working on developing our te ao Māori strategy for the Law Society supported by a committed staff working group.

We have also been working on improving our resources for consumers and increasing consumers'



understanding of regulatory services. This not only helps consumers who are engaging lawyers but also helps lawyers if consumers have a better understanding of what to expect and how lawyers can help them. We now have over 15 website pages of consumer resources translated into six languages.

I am proud of how much we have achieved in the past year towards our goal of becoming a modern and fit for purpose regulatory and representative body for New Zealand's legal profession. We are a stronger organisation and have more solid foundations. There is still work to be done, but I am optimistic that we will continue to go from strength to strength.

Ngā mihi

Katie Rusbatch

Chief Executive Officer

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1. After this reporting period ended, the Government indicated it will progress amendments to allow administrative triaging in the lawyers' complaints process.

Response to the Independent Review

In March 2023 the Law Society published the Independent Review Report, which recommended legislative and structural change.

In August, the Law Society response, developed after consultation with its Council members and the profession, accepted in principle most of the recommendations, including the establishment of a new independent regulator and an overhaul of the system for handling complaints about lawyers. Some recommendations – for example developing a new freelance practising model or permitting new business structures – were earmarked for further consideration. No recommendations were rejected.

The Minister of Justice has since signalled that wholesale reform is unlikely to be a priority in the first term of the current Government.²

The Law Society is committed to making ongoing improvements to modernise the regulation of lawyers within the current legislative framework. We have been exploring other options with the Ministry of Justice such as making some targeted amendments to the Lawyers and Conveyancers Act 2006. We are continuing to advocate for legislative change to enable the Law Society to administratively triage certain types of complaints where no further action is required rather than all complaints needing to be referred to a standards committee.

We [*consulted*](#) with the profession on this change in early 2022 and the proposed amendment received strong support. This would enable complaints that don't merit referral to a standards committee to be resolved more quickly, which would improve timeliness for the consideration of complaints and improve confidence in the complaints process.

We have also commenced a work programme considering changes that can be made to the regulatory system within the Law Society's control such as registration processes, improvements to the complaints model and governance. The Law Society's new representative strategy will also help to address some of the issues raised.

Response summary

Below is a summary of the response which was provided to the Minister.

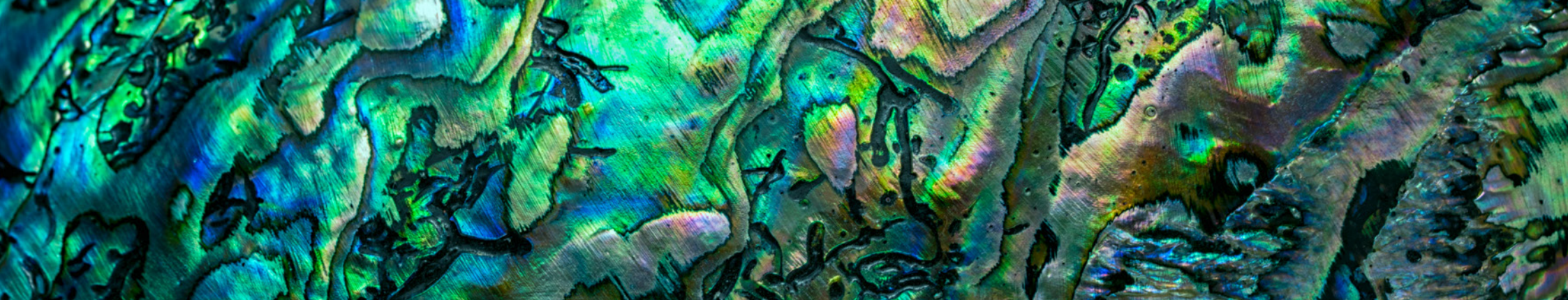
Dual role an international outlier

The review said that the Law Society's current structure encompassing both regulator and membership body was an outlier in comparison with other legal regulatory systems internationally. The Law Society acknowledges that many believe this current dual role doesn't serve the interests of the public or the profession well and acknowledges that legislative change is required to separate the two functions into separate organisations.

Some lawyers hesitant to access health and wellbeing services

The Review acknowledged that having the representative body and the regulator in one organisation could potentially deter lawyers from discussing concerns or seeking assistance from the Law Society. The Law Society is aware that its regulatory functions can act as a deterrent to lawyers accessing its representative services and that there can be particular difficulties in responding to health and wellbeing concerns raised by practitioners.

In the past year, the Law Society developed a new Representative Strategy and Wellbeing Strategy which focuses on improving delivery and accessibility of wellbeing services.



Independence from government

The Law Society considers that if a new regulator was established it should be an independent statutory body so it would not be subject to directive powers or statements of policy from government.

Te Tiriti o Waitangi

The Law Society accepted in principle that a Te Tiriti clause should apply to those exercising regulatory functions under that legislation. Further work is required to determine the appropriate language for that clause and how it would operate in practice.

Freelancing proposal requires further consideration

The Law Society was of the view that a recommendation to introduce a new 'freelance' practising model needed further consideration. The freelance model would allow lawyers to provide services to the public in non-reserved areas without requiring prior regulatory approval.

Currently, lawyers who wish to practise on own account need at least three years of legal experience, and to satisfy the Law Society of their suitability. These requirements provide an important quality assurance safeguard for lawyers who are offering unsupervised services to consumers.

Practitioners who are approved to practise on own account are overrepresented in complaints statistics compared with their proportion of the practising population.

The Review recommendation was based on the model adopted in England and Wales. The Law Society advised that care should be taken before relying on this experience, as the reserved areas in England and Wales are broader than in New Zealand. Also, in England and Wales before a solicitor may apply for admission, they are required to have two years' relevant work experience in providing legal services including in contentious work. The same requirement does not apply in New Zealand, where lawyers may complete the Professional Legal Studies Course in as little as 13 weeks and meet the criteria for admission to the Bar.

The impact of a split

The review recommended that if an independent regulator was established, the representative arm would remain best placed to act as the national body representing lawyers. The Law Society is the only representative body providing extensive geographical support through 13 branches across the motu, from Tāmaki Makaurau right down to Southland.

Separation of the representative function from the regulatory function will likely enable the representative body to have a stronger voice in support of lawyers.

Taking account of a range of views

During all stages of the Independent Review there was considerable opportunity for the profession to engage, and a range of views expressed. To ensure the response was transparent, the Law Society published the Council responses for each recommendation and the indicative support from the profession.

However, if draft legislation eventuates, there will be further opportunities for the Law Society and individual lawyers to comment on the reform through standard policy and legislative development processes.

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2. After this reporting period ended, the Government indicated it will progress amendments to allow administrative triaging in the lawyers' complaints process.

Regulatory progress post-2018



The [report of the Law Society working group](#) chaired by Dame Silvia Cartwright in 2018 (Cartwright Report) resulted in a critical examination of the processes for reporting and taking action on harassment and other unacceptable conduct in legal workplaces. Since then, the Law Society has embarked on a transformation journey.

The report prompted [changes to the Conduct and Client Care Rules in 2021](#) to address reporting issues around bullying, discrimination, harassment, and other unacceptable conduct. The changes were the most substantial regulatory changes targeted at behaviour in the profession ever undertaken by the Law Society.

The [amended rules](#) include clearer definitions of different types of unacceptable conduct and implemented designated lawyer obligations that require mandatory reporting to the Law Society. Each law practice also needs to have a bullying and harassment policy and a process for investigating allegations of unacceptable conduct. Designated lawyers are required to report annually to the Law Society that their law practice has complied with their reporting obligations and has the mandatory policies and systems in place. [Guidance](#) was released to help lawyers understand their obligations, and to support and empower people who are affected by unacceptable conduct.

Other changes

Further specific changes have also been made to respond to the Cartwright Report's recommendations. The Law Society established a specialist team and standards committee in the Lawyers Complaints Service to manage sensitive complaints matters. Lawyers can contact the Law Society using a dedicated

phone number to confidentially discuss their matters with a specialist advisor. An in-house investigation unit has also been set up to improve timeliness and consistency of the investigation process.

A detailed table about the specific actions on each recommendation of the Cartwright Report can be found on our website.

While there is still work to do, it was reassuring to see improvement in workplace experiences of lawyers (in terms of sexual harassment and bullying) in last year's [Workplace Environment Survey](#) following these changes. The Law Society has also seen an increase in reports being made to it.

Independent Review

The response to the Cartwright Report also ultimately led to the [Independent Review](#) – resulting in a system level review of the regulation of lawyers and considering the need for legislative reform and governance changes to ensure that the regulatory framework is fit for purpose.

A summary of the Law Society's response to the Independent Review can be found in this report.

The Law Society is committed to ensuring the legal profession is safe, effective and well-functioning.

Tikanga Māori in the LLB degree curriculum

From 2025, lawyers seeking admission to the High Court of New Zealand must complete a new subject – tikanga Māori, Māori laws and philosophy.

This new educational requirement was introduced by the Professional Examinations in Law (Tikanga Māori Requirements) Amendment Regulations (the Regulations).³

A complaint to the Regulations Review Committee about the Regulations sparked debate about the place of tikanga as a compulsory educational requirement. The complaint relates to the procedure followed by the Council and suggests the Regulations may infringe rights and liberties and be an unusual use of the Council's regulation-making power. It seeks for the Regulations to be disallowed.

Law Society position and process

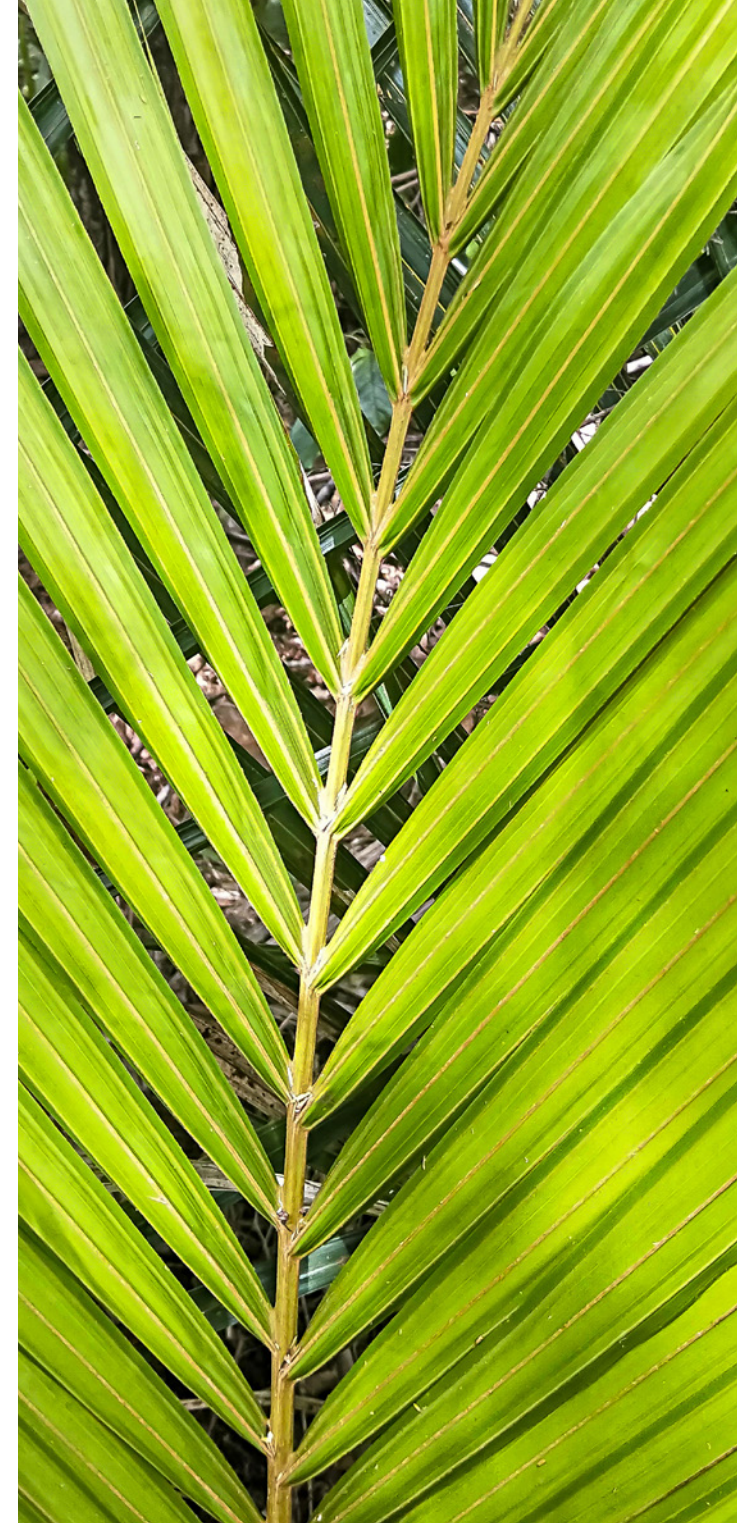
The Law Society reaffirms its support of tikanga becoming a compulsory subject paper in the LLB degree curriculum effective 2025.

The New Zealand Council of Legal Education (Council) consulted in 2021 on its resolution that Te Ao Māori concepts, including tikanga Māori, would be taught in each university as a core law subject within the Bachelor of Laws. This consultation involved the

judiciary, law schools, professional associations, and student associations. Following that consultation, the Council resolved that Māori law and tikanga should be a compulsory subject. The Council further consulted on this in 2022. The Law Society supported the proposal, and the Council [reported](#) 'almost universal' support for the key proposal.

The Law Society wrote to the Regulations Review Committee to address the matters raised in the complaint. The letter stated that the Law Society's position is that the Regulations are a legitimate use of the Council's regulation-making powers under section 278(1) of the Lawyers and Conveyancers Act 2006 (LCA). They do not trespass unduly on the personal rights and liberties of individuals. Nor are they an unusual or unexpected use of the powers conferred under that section. Aspects of tikanga Māori have informed the law for many years now, across a broad range of practice areas and it is an appropriate and relevant compulsory subject for those seeking to practise law.

3. The Regulations, made by the New Zealand Council of Legal Education (the Council) under section 278 of the Lawyers and Conveyancers Act 2006, will apply from 1 January 2025.

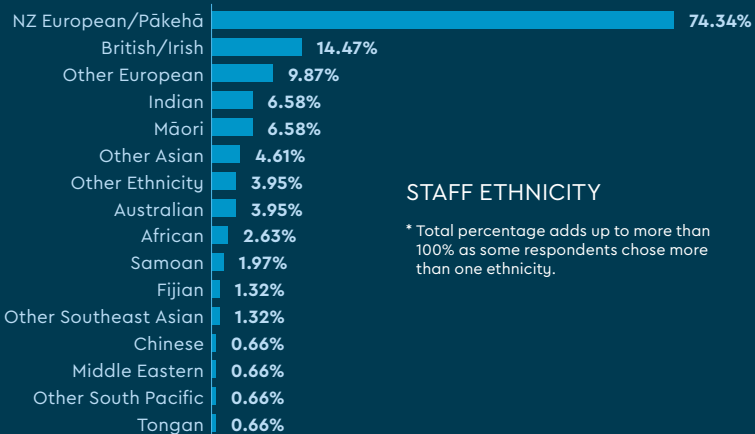


About us

The New Zealand Law Society Te Kāhui Ture o Aotearoa is the regulatory and representative body of the legal profession of Aotearoa New Zealand.

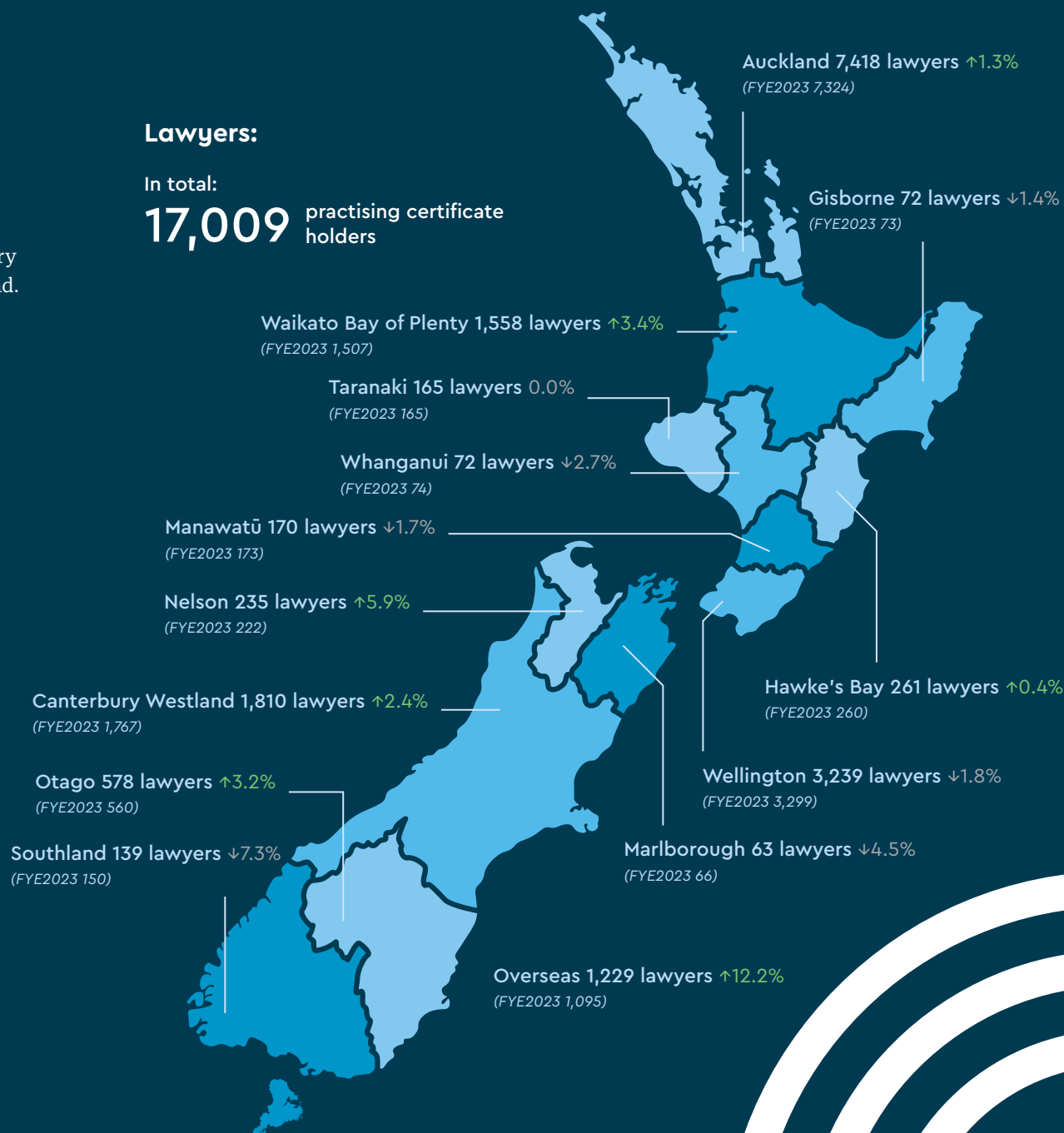
Law Society Staff:

Location	Total	Female	Male	Non-binary	Prefer not to say
Auckland	57	41	15	0	1
Christchurch	19	16	3	0	0
Gisborne	1	1	0	0	0
Hawkes Bay	2	2	0	0	0
Otago	3	3	0	0	0
Southland	1	1	0	0	0
Waikato	6	5	1	0	0
Wellington	89	64	24	0	1
Totals	178	133	43	0	2



Lawyers:

In total:
17,009 practising certificate holders



Highlights at a glance

Responded to Independent Review report

Transformation of representative functions to deliver valuable, financially viable services and support to members of the profession

Responded to challenges about introducing tikanga into the LLB curriculum

PUBLISHED

- Law Society Strategy 2023 – 2026
- Purpose, Vision and Values

IT MODERNISATION

Case management system introduced to help manage complaints

1,231 Complaints opened

1,123 Complaints closed

DISCIPLINARY TRIBUNAL DECISIONS

- 28 decisions
- 2 lawyers struck off

COMPLETED

- 92 law reform submissions

The Family Law Conference attracted a record 488 delegates

Lawyer numbers

Growth in practising lawyers over the last 5 years

↑12.6%

Lawyers in the profession for seven or fewer years

5,655

0-7 PQE Lawyers *	YE 2024	YE 2023
Māori	10.5%	12.1%
Pacific	5.7%	6.4%
Asian	19.4%	22.7%

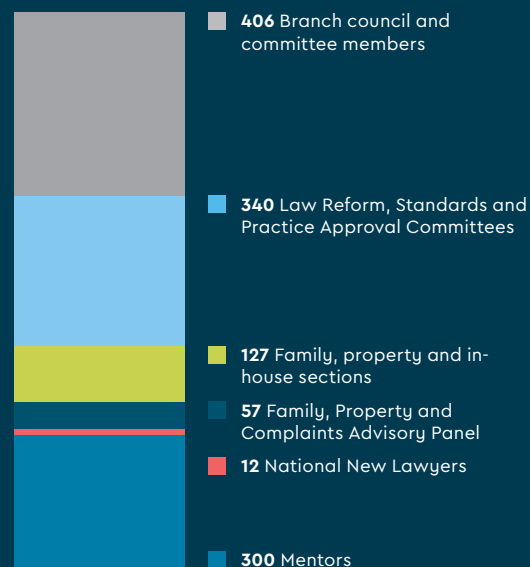
*Numbers vary depending on how many people complete their ethnicity data. More than one ethnicity may be selected.

Law Society Volunteers

Number of volunteers

1,242

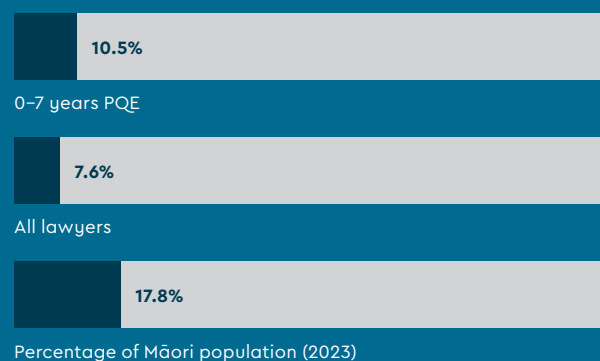
Roles performed



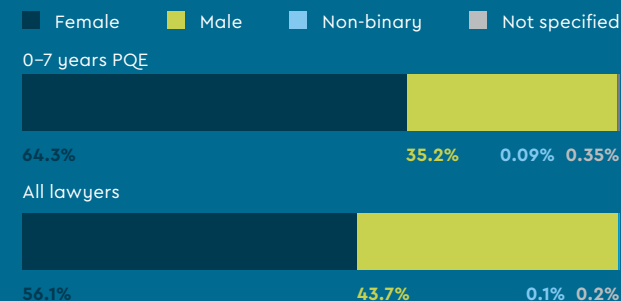
Employment types



Māori lawyers



New lawyers



Practising lawyers

2024	2023	2022	2021	2020
17,009	16,735	16,394	15,835	15,103

Admissions to the High Court

2024	2023	2022	2021	2020
1231	1073	1145	1178	979

*Numbers may vary year to year depending on the timing of admission ceremonies.

Practising on own account

2024	2023	2022	2021	2020
296	286	323	310	260



Regulatory

Regulatory

Working towards becoming a modern regulator

Introduction

Our purpose as a regulator is upholding professional standards so everyone can have trust and confidence in the legal profession. We do so by monitoring, regulating and enforcing the rules that apply to lawyers and the way they practise law. We use our full suite of regulatory and non-regulatory tools – educating and engaging with lawyers, as well as managing regulatory compliance. Our work also provides protection for consumers of legal services.

Our approach is guided by our organisational values and principles of effective regulation. Our response to immediate and emerging issues is guided by Te Ao Māori values of kaitiakitanga (guardianship), whakapono (open and transparent) and manaakitanga (caring for and valuing others), alongside key principles of effective regulation.

We are midway through our [2022 – 2025 Regulatory Strategy](#) to modernise our functions to be an effective and responsive regulator. Our path is informed by the 2023 Independent Review of the statutory framework for legal services which made a wide range of recommendations for improvement. While the Minister of Justice has signalled that wholesale reform is unlikely to be a priority in the first term of the current Government,⁴ the Law Society is making the improvements it can within the constraints of the

current legislation, the Lawyers and Conveyancers Act 2006 (LCA).

In the past 12 months, we have made considerable progress with both process and technological changes enhancing our work. Key achievements include a reduction in the average time complaints are open, improved consumer guidance on our complaints process and providing guidance for lawyers on artificial intelligence. Along with other technology improvements, including a new complaints management system and a first for the organisation – an online portal for sharing information as part of our trust account review processes, indicate our commitment towards becoming a modern regulator.

Guidance on artificial intelligence

Generative AI (Gen AI) is rapidly emerging as a tool that opens exciting new opportunities for the provision of and access to legal services. However, there are also risks and ethical issues that need to be carefully managed for lawyers.

In March 2024, we published guidance on the use of Gen AI, outlining the opportunities, risks and how to balance these while embracing Gen AI's potential to enhance the delivery of legal services.

While there is no overarching regulation for the use of Gen AI in Aotearoa New Zealand, all lawyers are



“Key achievements include a reduction in the average time complaints are open, improved consumer guidance on our complaints process and providing guidance for lawyers on artificial intelligence”

“We have started an independent, external review of the Lawyers Complaints Service (LCS) to identify operational and structural improvements that could be made within the LCS to improve effectiveness and efficiency”

ultimately responsible for the legal services and advice they provide. The guidance aims to support lawyers as they navigate the complex environment of Gen AI.

We will continue to monitor the work that is happening both in New Zealand and internationally to provide any further guidance to help safeguard users and the wider public from the application of Gen AI.

The profession can find the [guidance on our website](#).

Regulatory Reform and Response project

The Regulatory Reform and Response project has been established to consider how we can progress the Independent Review recommendations without wholesale legislative reform.

As part of this work, we have started an independent, external review of the Lawyers Complaints Service (LCS) to identify operational and structural improvements that could be made within the LCS to improve effectiveness and efficiency. The review is focused on identifying whether there are improvements that can be made to LCS processes that do not require legislative change and are therefore within the Law Society’s control. It will not replicate the work already undertaken by the Independent Review panel. We

expect the review to be complete by early 2025.

A further priority for the programme is a review of the practise on own account approval process. This work will include looking at the current regulatory settings (particularly the minimum legal experience requirement) and the current application and assessment process to ensure these are still fit for purpose. In its response to the Independent Review report, the Law Society acknowledged that the minimum hours worked requirement is likely to disproportionately affect those who have had considerable legal experience in the past (more than five years prior) and who have recently returned to work. We intend to review this requirement as part of our work in this area.

Work is also underway on a review of the current settings for continuing professional development (CPD). This includes considering the Independent Review Panel’s recommendation that the Law Society exercise its existing powers to make aspects of CPD mandatory and the broader recommendation that the regulator conduct a wholesale review of the CPD regime to determine whether a different model (such as a competency framework) would be more effective.

Growth in practitioners

The number of lawyers (as defined in s 6 of the LCA) continues to increase. As of 30 June 2024, there were 17,009 lawyers who held practising certificates, an increase from 16,735 the previous year. The number of lawyers has been steadily increasing over the last five years.

Withholding work contact details

Following an amendment to the Lawyers and Conveyancers Act (Lawyers: Practice Rules) Regulations 2008 (Practice Rules), which came into effect on 31 March 2023, lawyers can now apply to the Law Society under r 10 of the Practice Rules to have access to their work details (address and telephone number) withheld from the public register. Lawyers can apply for this to protect their privacy or personal safety, if permitting access to the information would be likely to result in physical or mental harm to the lawyer or a person the lawyer lives with. There are currently six lawyers whose details are withheld in this way.

Lawyers Complaints Service

In the past year, we have improved how consumers of legal services, the public and lawyers access information about the LCS. The changes reflect our strategic goal of ensuring we also take an educational approach to complaints.

The improvements were made based on feedback that it was difficult for people to find the information they needed and to understand the complaints process clearly, including the type of help we can provide.

The aim was to provide concise, comprehensive and easy-to-understand resources that would give the

public a better understanding of their rights as legal consumers, confidence in engaging a lawyer, tips and tools when concerns about their lawyer arise and equip them with useful information before they engage a lawyer.

For lawyers, the improvements aim to assist with the initial communications with potential clients, enable them to point their clients in the right direction for consumer information and provide ready-to-use consumer resources that can be incorporated into their existing client communications.

We also continue to work towards a more educational approach to the complaints process for both the public and the profession. This is currently focused on making sure that both groups can access more information about what to expect during the complaints process and what's expected of them throughout. Recent updates to the Law Society website include a more easily accessible section dedicated to the LCS and new content which is divided into sections based on where a user may be in the complaints process. The new content also addresses many of the questions we receive from users of the LCS. We now have over 15 website pages of consumer resources translated into six languages. We will be promoting these valuable services more widely in the future.

Early resolution service

The majority of complaints being made to the Lawyers Complaints Service (LCS) are now being referred to our Early Resolution Service (ERS) for their first consideration, rather than going through the standard track process. This is due to a combination of better information gathering when complaints are first made and encouraging early responses from lawyers where possible. While the ERS hasn't met its key performance indicators for the year, it closed nearly twice the number of complaints as the 2022/23 year and reduced the average age of its closed complaints. This represents a very positive result for complainants and lawyers with complaints being open for less time.

Complaints management system (CMS)

We continued work on developing and implementing a new Complaints Management System (CMS) as part of our overall technology modernisation programme.

When the new system went live on 22 July 2024, it included an option for people to complete an online complaint form on our website without having to download a PDF form. This will help make the submission process easier and less time-consuming.

While our internal operational process remains largely a manual one, the integrated functionality across Registry, SharePoint and the CMS provides a more consistent and cohesive way of managing and tracking cases. It will also help with reporting, which in turn will enable the identification of barriers to the smooth handling of cases.

Cost and expenses guidelines for standards committees

The Law Society is committed to consistent decision making and processes across our 22 standards committees. After the introduction of penalty guidelines for standards committees in the 2022/23 year, guidelines for costs and expenses have been introduced this year and made publicly available on our website. The new guidelines have been created to assist standards committees with their decision making when an order for costs is made and ensure that decisions across standards committees are consistent.

Role of Practice Approval Committees

Consisting of senior and experienced lawyer volunteers and lay members, our two Practice Approval Committees (PAC) consider 'non-standard' regulatory applications which sit outside the parameters for administrative approval. These applications can include practising certificate and renewal applications from lawyers who have declared a matter such as a criminal conviction, insolvency, or a disciplinary issue; certificate of character applicants who may have a criminal conviction or have been involved in academic dishonesty; or lawyers who want to practise on their own account but may not yet have sufficient experience or meet the suitability requirement.

The Courts in New Zealand have set out the approach to the test for "fit and proper" that states the fit and proper person test is a forward-looking exercise and requires an evaluation of the individual at the time they

Practice Approval Committees

The extent of the information the Law Society requires will depend on the type and severity of the offence.

If the Law Society is satisfied that the information provided by the applicant establishes that they have reformed since any past wrongdoing (including any convictions for offences) and is now a fit and proper person, it may approve the application. In respect of convictions, the matters the Law Society may consider relevant (in addition to the nature and seriousness of the offending and the lapse of time since it occurred) include the applicant's insight into their conduct and whether they have accepted responsibility for their actions; their conduct since the offending or wrongdoing occurred including any steps they have taken to rehabilitate and to ensure it is not repeated, whether the applicant is remorseful, and whether the applicant has the support of other practitioners.

If the application is declined, the applicant may appeal the Law Society's decision to the Lawyers and Conveyancers Disciplinary Tribunal.

apply. This approach must be applied to each individual circumstance of a case.⁵

Some of these cases are high profile and attract media attention. In the 2023/24 year, PAC considered 47 applications. The majority of these were applications to practise on own account. While applications are referred to the PAC for a variety of reasons, the most common reasons in the 2023/24 year were concerns around suitability, the extent of the applicant's experience and/or convictions, disciplinary or compliance issues.

Winding up the Solicitors' Fidelity Guarantee Fund

The process for winding up the Solicitors' Fidelity Guarantee Fund (SFGF), which the current Lawyers' Fidelity Fund replaced in 2008, started in February 2022. As required by s 367 LCA, a 12-month notice period was required for claims to be made. As at 30 June 2024, one claim remains outstanding. Once this is resolved, the Law Society will provide a final report to the Minister, who may then recommend to the Governor General that the SFGF be wound up. When this

happens, any assets must be distributed in accordance with s 369(2) LCA.

Audit assistant

Another step in our technology transformation this year was the introduction of our first secure portal for lawyers to upload trust account documents for review by a Law Society inspector. The portal streamlines processes for both law practices and the Law Society.

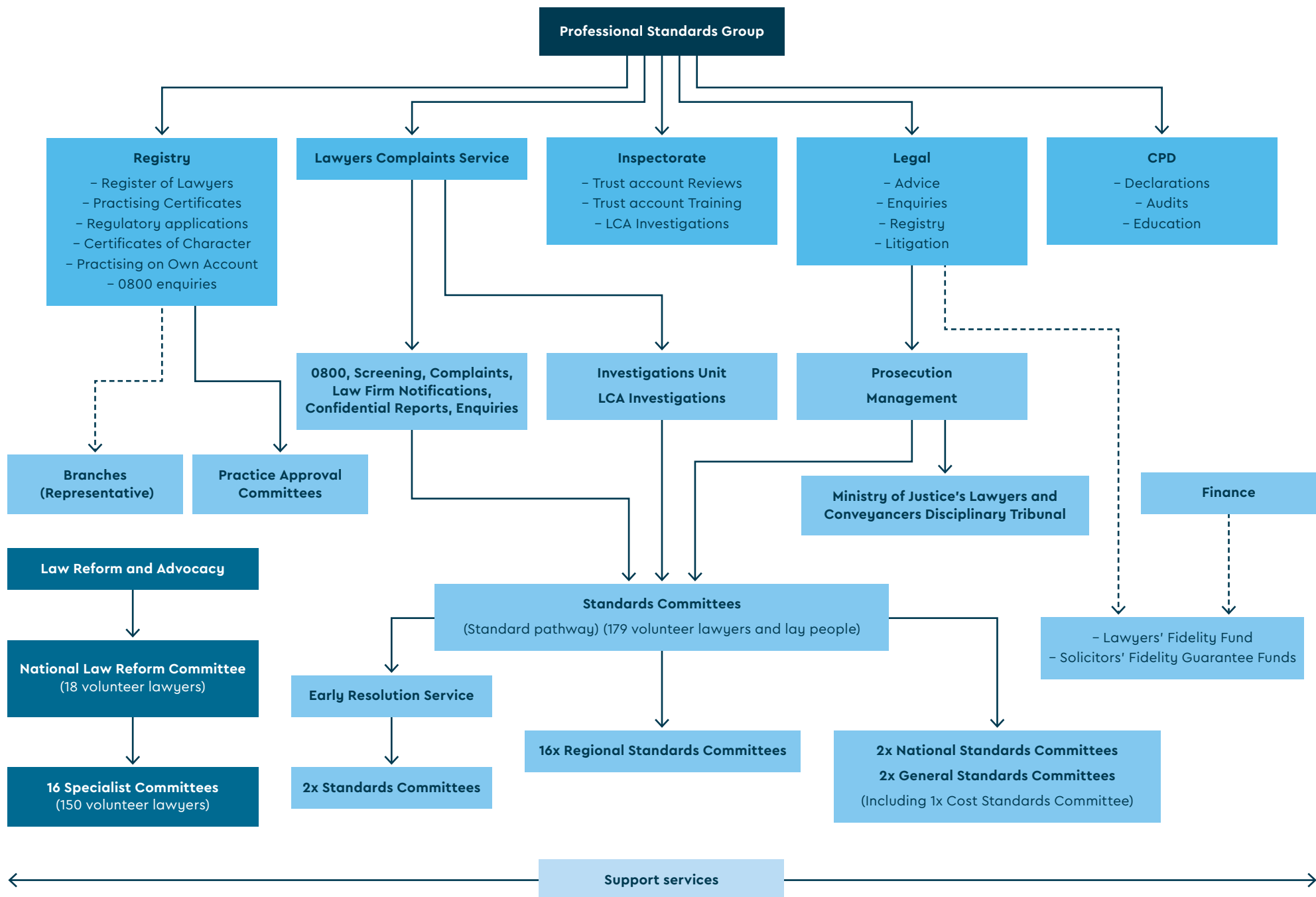
Several secure cloud-based software systems designed to enhance our trust account review processes were considered throughout the 2023/24 year. The preferred system, Audit Assistant, was implemented on 1 July 2024. It is expected that the streamlining of our processes will enable more reviews to be completed and strengthen the security of confidential information.

Summary

The 2023/24 year has been one of ongoing improvements across our regulatory functions. Guided by our strategy, we continue to work towards becoming a modern, effective and efficient regulator for Aotearoa New Zealand's legal profession. We have made important progress for consumers of legal services and lawyers and look forward to building on these in the year ahead.

4. After this reporting period ended, the Government indicated it will progress amendments to allow administrative triaging in the lawyers' complaints process.

5. See for example: *New Zealand Law Society v John Llewellyn Stanley* [2020] NZSC 83





SIMON GRAHAM

IMMIGRATION AND REFUGEE LAW COMMITTEE

Simon Graham, a Partner at Young Hunter Lawyers, is the convenor of the [*Immigration and Refugee Law Committee*](#), where his experience in refugee and immigration law is proving invaluable.

Advocating for the rights of refugee claimants

One of the most interesting pieces of work the committee has been involved in was an independent review of the processes and procedures for detaining refugee claimants who have been declined a visa or are unlawfully in New Zealand.

“Our role involved looking at a number of aspects to do with how refugee claimants can be detained,” Simon says. “Alongside other stakeholders, we provided feedback on how we can modify the systems and processes for detaining asylum claimants in a way that enhances their access to justice and upholds New Zealand’s human rights obligations.”

Simon describes the policy changes that have already been made as a positive first step.

Immigration New Zealand is now in the second phase of making changes to how it deals with refugees and potential overstayers, including making their approach more respectful and ensuring the dignity of those involved.

Simon has been impressed with how Immigration New Zealand has responded to the review’s work.

Other advocacy work

The committee is currently also looking into issues which impact refugee claimants’ ability to obtain temporary work visas.

“A decision to decline a work visa places an already vulnerable claimant in a more precarious financial situation, with no ability to work or to provide for themselves until their refugee claim is determined,” says Simon.

Simon says committee membership allows lawyers to be more involved in advocating for meaningful reforms and changes to improve access to justice.

About Simon

Simon is a Partner at Christchurch firm Young Hunter Lawyers. He provides advice and representation on all aspects of immigration litigation including deportation appeals, refugee and protected person appeals, residence appeals, immigration fraud and High Court appeals.



AJ LODGE

EMPLOYMENT LAW COMMITTEE

Christchurch based Ashley-Jayne (AJ) Lodge is enthusiastic about her work as part of the Law Society's Employment Law Committee.

A partner at Anderson Lloyd, AJ became the committee's convenor in 2023.

In the five years that AJ has been involved in the committee, the team has made 23 submissions on 11 Bills and nine other documents. "We can have a real impact on real law, which is incredibly rewarding," says AJ.

The committee engages with numerous stakeholders ranging from MBIE mediation services, the Employment Relations Authority, the Employment Court and the Minister for Workplace Relations and Safety.

Impact of Covid

The committee's work has included CLE seminars on employment law and providing guidance on how to manage throughout the Covid pandemic.

"It was a learning curve because it was a completely novel situation, with so much change, happening so quickly," she says. "The committee worked on some big legislative change as well as advising on issues such as court protocols that were important at the time to keep the jurisdiction running."

AJ anticipates 2024 will see the committee providing submissions on the changes signalled by the Government, including the new legislation that will (likely) fall out of the Holidays Act review, which she says is no longer fit for purpose.

"Dealing with these issues on a daily basis, the committee often identify unintended consequences that the drafters might not have thought about, and we can play a small role in influencing the mechanics of a piece of legislation to avoid those issues."

Other opportunities within the Law Society

AJ has previously spent several years on the local Canterbury-Westland Law Society Employment Law Committee and encourages younger practitioners to get involved.

She currently also sits on a standards committee. "Regulating professional standards and behaviour is really important work. The profession still has some work to do in a number of areas, and being involved in the Standards Committee is a small way to ensure the profession continues to improve," she says.

A photograph of a bird, possibly a New Zealand nuthatch, perched on a branch with yellow and orange flowers. The image is overlaid with a semi-transparent blue filter and several thin, curved, light blue lines that sweep across the frame from the top left towards the bottom right.

Law Reform and Advocacy

Policy, Courts and Government

Contributing to law making

The Law Society is a trusted adviser, providing impartial and considered advice on legislation and other law reform proposals, in the interests of the public and profession. This work helps to ensure laws work as intended, have due regard for rights, and uphold the rule of law. Supported by 17 committees with 160 volunteers, the Law Society's contribution is highly regarded and respected. Our recommendations often improve the drafting of legislation and influence reform of the law.

As is often the case, the change in government at the end of 2023 led to a busy period with new legislation and other proposals requiring our analysis and advice. We also provided a Briefing to the Incoming Minister and wrote to other Ministers outlining key law reform priorities.

Every year we have hundreds of meetings with officials across a variety of government agencies. Our approach is to be constructive and willing to help. We highly value the engagement we have with law makers in New Zealand and with other administrators of justice.

This year, we represented New Zealand at the International Bar Leaders conference in Romania. New Zealand is well respected internationally and, while we attend a very limited number of international events face to face, we regularly engage remotely.

We also released a Costs of Practice report and started work on a rule of law project. The Law Society knows that our work in this area is valued by the profession and thanks those lawyers who took the time to complete the survey.

Costs of Practice report

The Law Society released its Costs of Practice report in March 2024. The research was undertaken to provide an evidence base for the Law Society's advocacy and to provide valuable information to lawyers across a range of practice types. KPMG was engaged to identify the operational costs and challenges associated with running a legal practice, as well as costs and challenges specific to legal aid providers.

The report showed that in the past three years alone,

the operational costs of running a legal practice have increased by 15.3 per cent each year. Data demonstrated significant increases in financial and insurance costs, reduced billable hours, and challenges in meeting AML/CFT requirements. Legal aid lawyers recover only 53.3 per cent of their time and, in addition to inadequate remuneration, reported a range of administrative challenges.

Since the release of these findings, the Law Society has advocated for the review and refinement of the AML/CFT regime, to ensure a risk-based approach allowing for the sharing of information and other efficiencies. The Ministry of Justice has also been briefed on the findings in relation to legal aid lawyers, and work is underway to identify and implement changes to reduce the administrative burden.

“Supported by 17 committees with 160 volunteers, the Law Society’s contribution is highly regarded and respected. Our recommendations often improve the drafting of legislation and influence reform of the law”

Rule of Law project

In 2023/24, the Law Society started a project to better understand the legal community's perspectives on the rule of law, and to identify the current challenges to the rule of law in Aotearoa New Zealand. This is part of the Law Society's commitment to reasoned and objective advocacy for the rule of law.

Through this project, the Law Society will report publicly on challenges to the rule of law and recommend potential solutions. A survey of the profession in June 2024 resulted in more than 400 responses from the profession, sharing their perspectives on what the rule of law means, and how it can be strengthened. Work is underway to engage further with survey respondents and other stakeholders, and the Law Society will report publicly in the 2024/25 year.

Key submissions

The 2023/24 year saw submissions on a range of significant law reform proposals and proposed legislation.

One such submission was on the Ram Raid Offending and Related Measures Bill, which proposes a new offence of ram-raiding, and allows 12- and 13-year-olds to appear before the Youth Court. The Law Society opposed this bill, which is inconsistent with fundamental human rights and runs contrary to what we know about children and young people's reduced capacity for decision-making, and the harms that accrue from involvement in the criminal justice system at a young age, including increased reoffending. At the date of publication, the Bill has yet to be passed.

The Law Society submitted on the Gangs Legislation Amendment Bill, which proposes to create new offences and give police a range of new powers to address gang-related crime. The Law Society raised concerns about the impacts of the proposed legislation on civil and human rights and made a series of recommendations to refine the Bill and seek to limit the risk of an overly broad application of powers, the latter of which had been seen in Australian states. The Justice Select Committee's report to Parliament accepts six of the Law Society's recommendations, including important amendments to ensure individuals do not inadvertently commit an offence, and can seek the removal of orders made against them in the mistaken belief that they are a gang member.

The Law Society also submitted on New Zealand's fourth Universal Periodic Review, with a comprehensive submission identifying a range of rights concerns, including the enactment of legislation despite the Attorney-General reporting that it breaches rights protected by the New Zealand Bill of Rights Act 1990. The rights and conditions of prisoners, and broader access to justice concerns across the legal aid and duty lawyer schemes, were also raised.

The Fast Track Approvals Bill proposes a fast-track decision-making process for infrastructure and development projects. The Law Society's submission focused on consistency with good regulatory practice and the overall scheme of the Resource Management Act, and raised concerns about the broad powers granted to Ministers within the fast-tracked process. The Law Society recommended broadening consultation requirements, reviewing timeframes, and reconsidering the availability of an appeals mechanism.

Other advocacy

Members of the profession and the law reform committees regularly provide information about current issues and concerns, and the Law Reform and Advocacy Team monitors issues that may impact lawyers and the administration of justice.

In 2023/24, this work has involved advocacy across a broad range of areas, including:

- Safety and security in the courts. The Law Society meets regularly with the Ministry of Justice to discuss health and safety in courthouses, with further engagement when incidents occur, including when investigation is required. In 2023/24, the Law Society maintained a register of court safety issues, provided feedback on induction materials, and engaged on courthouse design and remediation matters.
- Advocating for an improved and sustainable legal aid regime is a primary focus of the Law Society, even where increased remuneration has not been possible in 2023/24. Following the Costs of Practice report, the Law Society has continued its advocacy for changes to address the administrative burden that providers are facing, as well as steps to improve provider coverage and the progression of providers through to higher approval levels.
- In the previous reporting year, the Law Society advocated for a review of the Duty Lawyer service alongside increased remuneration for duty lawyers. This year, the Law Society's Access to Justice Committee convenor, Elizabeth Bulger, was a member of the Advisory Group to the Duty Lawyer Review carried out by KPMG for the Legal



Services Commissioner. The report from this review was released in June, and the Law Society is now involved in consideration and implementation of recommendations.

- Continued efforts to improve lawyers' access to clients in the custody of the Department of Corrections.
- Raising concerns about delays in the scheduling of bail hearings and sentencing, and the consequences of those delays for clients in custody.
- AML/CFT reform, to reduce the compliance burden on lawyers and increase efficiencies within the system, while remaining an effective, risk-based regime.
- With the Family Law Section, advocating for the establishment of a mechanism to regularly review remuneration of crown appointed counsel, including youth advocates.

The Law Society participates in multiple forums, including meetings with the judiciary, working groups, judicial and other committees, and regular stakeholder relationship meetings.

The Law Society's approach to stakeholder relationships is one of respect and constructive engagement. These relationships are highly valued, and the Law Society seeks to use its law reform experience for the assistance of law and policy makers, ultimately for the benefit of the public. It is through these relationships that the Law Society can participate in early discussions about reform of the law and emerging issues.

International Legal Issues Committee

The International Legal Issues Committee was established early in 2023/24 to advise the President and Board of the Law Society on statements and submissions regarding international legal issues, and promotion of the rule of law internationally.

Convened by the Law Society President, the standing members of the Committee were also appointed in 2023/24. They are Elana Geddis, Gregor Allan, Isaac Hikaka, and Tafaoimalo Tologata Professor Leilani Tuala-Warren. The convenors of the Public Law Committee and Human Rights and Privacy Law Committee, and the Law Society's nominee on the South Pacific Lawyers' Association are also members, ex officio.

Media engagement

The Law Society recognises the valuable role the media has in communicating what can be complex legal issues to the public. The media regularly seeks out the Law Society for our expertise on legal issues. We are grateful to the many volunteers who willingly share their expertise with the media, allowing journalists to present a well-informed story to the public.



DHILUM NIGHTINGALE

IMMIGRATION AND REFUGEE LAW COMMITTEE

Barrister Dhilum Nightingale's role in the Immigration and Refugee Law Committee is just one of the ways she helps vulnerable and marginalised ethnic communities in Aotearoa.

Dhilum says lack of access to justice often has compounding impacts on vulnerable migrants.

“Our systems are complex and hard to navigate. There are usually language barriers, fears around engaging with the Government and lawyers, and lack of access to social welfare and legal aid, other than for refugee and protected person status claims,” she says.

“It’s so important to ensure immigration policies are as fair as possible and take into account cultural factors and needs.”

Keen to be involved

Dhilum, who has been on the committee since October 2023, says she joined to be more involved in humanitarian immigration policy, including for family violence victim survivors and exploited migrant workers.

“It’s extremely important to bring clients’ experiences into policy reform,” she says. “As we help our vulnerable clients navigate Aotearoa’s immigration, and refugee and protection processes, we gain a deeper understanding of the various factors which prevent or restrict them from accessing justice,” she says.

“We can then use those insights to meaningfully advocate for reform, and to ensure our clients’ voices and experiences inform changes to our systems and processes.”

Volunteering worth it

Adding another volunteer role to her already busy schedule has been worth it.

“The committee plays a valuable role in helping the Law Society undertake its statutory function of helping and promoting law reform, in order to uphold the rule of law and facilitate the administration of justice in New Zealand,” she says.

A barrister in Kate Shephard Chambers, Dhilum values being able to undertake a range of interesting legal work.

“Supporting vulnerable ethnic and migrant people in Aotearoa is absolutely where my heart is. This is why I wanted to become a lawyer,” she says.



VICKI MORRISON-SHAW

ENVIRONMENTAL LAW COMMITTEE

Matakana-based barrister and commissioner Vicki Morrison-Shaw originally joined the Environmental Law Committee as a way of keeping herself across developments in the law – since the role of the committee is to make submissions on proposed changes to environmental and resource management legislation.

But in the nine years she's been involved it's given her so much more.

Vicki says one of the most valuable aspects is the opportunity to listen to other committee members' views.

The diverse range of people on the committee along with their different experiences and areas of expertise means there's a range of perspectives, she says.

"That really assists in identifying any drafting errors, fishhooks, or potential unintended consequences of the wording of a particular provision."

After being on the committee since 2015, Vicki became the convenor in September last year.

One of the most interesting and largest pieces of work the committee has completed recently was a 90+-page submission on the 900-page Natural and Built Environment Bill and Spatial Planning Bill.

The members of the committee divided up the different parts of the Bill, drawing on members' knowledge or expertise in particular areas (such as resource

consenting, plan changes, heritage orders etc).

Vicki says it was helpful to have a range of levels of experience and diversity to be able to input into the submission.

These enactments, which created a new resource management system, were repealed late last year.

Vicki does not hesitate when asked if she would recommend being involved in the Law Society's committees.

"Being involved forces you to keep abreast of legal changes," she says. "It is also an opportunity to learn about other areas of law that you might not come across otherwise."

About Vicki

Vicki's areas of practice include environmental, local government, resource management, public and Māori law issues.



Representative

Representative

Reimagining membership

Introduction

2023-24 was a year of transformation for the Member Services (Representative) part of our organisation. We developed and started to implement our new five-year Representative Strategy to ensure the long-term financial sustainability of member services, which for many years had been delivered at a substantial loss to the organisation.

Our new representative strategy, approved by Council in December 2023 and informed by earlier work completed that year, is a five-year road map which started in 2023 with a refreshed membership offer and the introduction of a paid membership subscription. Law Society membership includes membership of one of our specialist sections for in-house, family and property law. Membership is free for lawyers in their first two years of practice. At the end of June 2024, we had nearly 10,000 lawyer members plus associate members.

Our new strategy was informed by market research and developed through a series of workshops with lawyers who told us how much they value the services we offer. The profession told us that the services they most valued included the connection and collegiality built through our network of 13 branches across the motu, the specialist expertise of our sections and libraries,

education delivered by CLE and the support provided through our wellbeing services. Our advocacy work for the rule of law and access to justice is regarded as essential to our role as a representative body.

Our goal is to move from operating as separate functions across our member services, such as branches, sections, law libraries and CLE to working as one Law Society. One Law Society means working as a seamless team providing joined up services and support to the profession, whoever and wherever they are. Our efforts will be guided by a strategy that allows for national consistency with local flavour. We heard from the profession that local flavour is vital to ensure

we can respond to local issues – whether that’s within a regional community or an area of legal practice.

We took a major step towards this goal during the year by developing Memoranda of Understanding with in-house, family and property law sections, to deliver a bundled subscription. Previously membership of the Property Law and Family Law Sections was separate and set at different rates.

We are grateful for the profession’s ongoing support and particularly to those who support our representative function by volunteering their time on our branch councils. It is a significant contribution which is vital to us delivering our services.



Connecting the profession

While developing our new representative strategy was a major focus for the year, there were several other significant highlights.

For the first time in many years our President and Chief Executive met with more than 1,000 lawyers during 27 hui held throughout the motu. The hui provided a valuable opportunity to connect kanohi ki te kanohi with the profession and gave us the opportunity to hear directly from lawyers about the issues most concerning them. It also provided a chance for us to be able to discuss more about the work we are doing to advocate and represent them and outline our new membership offer.

The three specialist sections each held conferences this year, with ILANZ holding two within the reporting year. The conferences not only provided valuable learning opportunities for those who attended, but also an opportunity to reconnect in person with colleagues from across the country who share specialised areas of practice.

Our branches held 293 events during the last financial year which were attended by 9,805 lawyers.

Another highlight was delivering our Stepping Forward and Stepping Through leadership programmes. These programmes support emerging and experienced leaders of the profession in their leadership journey. We were pleased to see that delivering these courses online made them more accessible to lawyers across the country.

Launch of the Representative Strategy

Until 1 July 2024, most member services were provided at no cost to members. By law, the money we receive from [practising certificate fees](#) can only be spent on regulatory matters, not on member services for the profession. The deficit we were incurring was being funded by diminishing reserves and this was simply not sustainable.

Members of the Law Society can access a range of services, including education, networking and connection, information, technical guidance, support and advice, and advocacy for the profession's benefit. Law libraries, Vitae counselling, mentoring and law reform are funded by practising certificates, i.e. the regulatory side of our organisation, and are available to the entire profession regardless of whether someone is a paid member.

The introduction of a refreshed member offer with an annual subscription is the first phase of our five-year strategy. It recognises that we are already offering a valuable service to the profession through our branch network, sections, NZLS CLE Ltd, mentoring and wellbeing support. Our member offer was expanded to include new exclusive member benefits and free membership for new lawyers in their first two years of practice.

After spending the previous ten months leading the representative transformation in March 2024, Amanda Woodbridge was appointed as the new General Manager Representative Services and Strategy. She replaced Glenda Macdonald. Glenda had been with the Law Society for more than 14 years, and the Law Society is grateful for her significant contribution and years of service.

Partnerships

The Law Society acknowledges the importance of partnership in ensuring our services meet the diverse needs of our members. We work with our partner organisations, including Te Hunga Rōia Māori o Aotearoa, Pacific Lawyers Association, and the Asian lawyer Associations. During the year, we held two events with the New Zealand Asian Lawyers including one in Auckland with the Minister of Justice.

We also work closely with the National New Lawyers Group and the eight regional new lawyer groups which provide invaluable support to those who are new to the profession. Our new offer includes free membership for lawyers in their first two years of practice.

Workplace environment survey

This year we published the results of the 2023 Kantar Public and New Zealand Law Society Legal Workplace Environment Survey. This year's survey was aimed at establishing any behavioural changes in legal workplaces over the past five years. The 2018 survey was initiated following the allegations of unacceptable behaviour and sexual harassment in the legal profession.

Since 2018, we've made progress that includes updates to the Lawyers and Conveyancers Act ([Lawyers: Conduct and Client Care Rules 2008](#)) – which were the most substantial regulatory changes on behaviour in the profession ever undertaken by us. The changes included [mandatory reporting obligations](#) for law firms/practices. This was in response to concerns that were raised that the onus on reporting the conduct was falling on those who were affected by the conduct rather than those who were responsible for the workplace.

The 2023 results show a decline in sexual harassment for lawyers over the past five years which is a step in the right direction – although there is still a lot more work to do. Lawyers who have been sexually harassed in the past five years are much less likely to feel the behaviour was ‘common’ in their workplace at the time of the harassment – almost halved from 23 per cent in 2018 to 12 per cent in 2023. The drop is even greater for medium to large law firms.

Over the past five years the proportion of lawyers who have encountered sexual harassment, as a bystander, has dropped nine percentage points, to 19 per cent. Despite the decline in sexual harassment, reluctance to report is an ongoing issue with only eight per cent of the legal community who have been sexually harassed making a formal report. Unfortunately, bullying remains a common experience in the legal community. Half of respondents have experienced bullying in a legal setting in their lifetime.

“The 2023 results show a decline in sexual harassment for lawyers over the past five years which is a step in the right direction – although there is still a lot more work to do”

Eleven per cent of the legal community have experienced some form of employment discrimination in the past five years. Gender, age and ethnicity dominate this area, with a disproportionately high representation amongst Pacific peoples.

This year we also conducted our biennial survey to track how the legal workplaces who have signed up to our Gender Equality Charter (GEC) are progressing on their commitments aimed at improving the retention and advancement of women lawyers. Since the GEC was implemented in 2018, it has been adopted by 161 legal workplaces across New Zealand. The number of currently active signatories is 143. The results of this latest survey will be released in August 2024.

We are committed to eliminating the culture of bullying, harassment and discrimination which exists in some parts of the legal profession.

Support in the moments that matter

Lawyer well-being is important to us. Most lawyers enter law because they want to help people and solve problems. As rewarding and stimulating as this work is, data shows that many lawyers find their job stressful. Issues such as long hours, complex cases, demanding schedules, managing client relationships and the pressures specific to some practice areas can all give rise to wellbeing challenges.

Our current [Practising Well](#) initiatives are aimed at giving lawyers options to support their wellbeing. Our support includes mentoring, counselling, and support through the National Friends Panel and the Complaints Advisory Panel, and the excellent support provided by our branches and sections.

Our 2022 Lawyers’ Survey showed that these wellbeing services, while highly valued, are not used by most lawyers. Research indicates there is an opportunity to make these services and support more visible to the profession. We recognise that, although wellbeing and mental health issues are now discussed more openly in some organisations, some stigma remains.

During the year, the Board approved our Lawyer Wellbeing Strategy and work started on implementing this multi-year strategy. The key shifts that this strategy aims to achieve are creating greater awareness of the available services, normalising self-care and seeking help when problems arise, mitigating any adverse impacts of Law Society processes and services on wellbeing, and developing resources based on identified need.

During the past 12 months, it was pleasing to see that use of our Vitae counselling service remained steady and there was high attendance at the second wellbeing seminar with former All Black John Kirwan. In addition, the Family Law Section also provides support through its network and branches support people in need locally. The collegiality and connection offered through local events in branches is also valued by the profession.

Our Stepping Through and Stepping Forward interventions, which were developed specifically to support positive individual and systemic change in lawyer wellbeing by actively fostering psychological and physical health and sustainable high performance, also contribute to lawyer wellbeing. The interventions are comprehensive wellbeing programmes designed to bring about positive change in the legal profession. Through a combination of scientific principles, holistic strategies, and empowerment initiatives, these programmes aspire to create a culture where legal professionals can thrive both personally and professionally.



Top:
36th Annual ILANZ Conference
in Blenheim, May 2024

Middle:
NZLS CLE Family Law Conference in
Christchurch, November 2023

Bottom:
Property Law Section
Thinking Property session in
Dunedin, February 2024

Sections

The Law Society has three specialist law sections – in-house, family and property. The three sections all held conferences during the year.

In-house Lawyers Association of New Zealand (ILANZ)

ILANZ exists to meet the professional needs of in-house lawyers – connecting, supporting and leading in-house lawyers across Aotearoa New Zealand. In-house lawyers have rapidly expanded as an identifiable group over the past 20 years (29 per cent of the legal profession), and membership of ILANZ has been increasing year-on-year. At the end of the 2024 reporting year, ILANZ membership was 3,562 members – up from 3,101 in 2019.

Key achievements in 2023/24

- The ILANZ biennial election took place in February 2024. The executive experienced significant change with five existing committee members standing down including long-standing member and former President, Grant Pritchard. Former ILANZ Treasurer, Ben Jacobs, was elected President with Bram van Melle elected Vice-President and Saar Cohen-Ronen elected as Treasurer and five new members joined the executive.
- A thorough review and refresh of the ILANZ Rules was completed by the then ILANZ Secretary, Saar Cohen-Ronen, in collaboration with the committee, and approved by the Law Society Board in June heralding a more modern governance approach and reflecting the changing face of the profession and modes of in-house practice.

- Key committee members participated in extensive workshops to agree a Membership MOU between ILANZ and the Law Society after the membership subscription was implemented.
- Extensive planning for and implementation of the Law Society membership subscription for ILANZ was undertaken. The committee was delighted with a strong response from in-house lawyers with a strong continuing membership reflecting the regard with which ILANZ is held by the profession. As membership of ILANZ was previously gratis, promotion of membership, development of the offer, and value for in-house lawyers and their organisations is a key focus for ILANZ.
- Over 40 kanohi ki te kanohi and online events were held throughout the year including two conferences.
- The 35th Annual Conference was held in Tauranga, on 27 and 28 July. The number of delegates exceeded the previous year's record, as did award nominations.
- The 36th Annual Conference was held in Blenheim on 21-23 May. Due to two conferences in one financial year, and a downturn in the economy, attendee numbers were down on the all-time highs of the previous two years. Nonetheless, feedback has been that it was exceptionally well received.

ILANZ continued to develop satellite networks regionally or by location or based on practice type to run networking and educational events. Active satellites include Bay of Plenty, Waikato, Taranaki, Nelson, Canterbury, Otago, Sole Counsel and our Navigate Satellite (for members of global organisations).

Family Law Section (FLS)

The Family Law Section (FLS) provides a voice and support for family lawyers across the motu and plays a vital role in promoting best practice and advocating for change in terms of Family Court practice and procedure. The FLS is extremely active in law reform and prepares submissions on bills, discussion documents, regulations, rules and other government policy and reviews on various areas of family law. FLS organises a range of educational and social events and keeps its members updated via its quarterly magazine Family Advocate and email bulletins.

Key achievements in 2023/24

- Met throughout the year and worked closely with the transformation team on the introduction of a representative subscription.
- Attended regular meetings with the Ministry of Justice to ensure more robust court security following a serious assault in the Family Court in Whangārei and to establish a mechanism for the regular review of court-appointed counsel rates.
- Intervened in a High Court proceeding that was determining whether the Family Court had inherent powers to appoint standby counsel to assist and represent unrepresented parties.
- Wrote submissions on the Family Proceedings (Family Violence) Amendment Bill and the Victims of Family Violence (Strengthening Legal Protections) Legislation Bill and appeared before the select committee to present those submissions.



- Prepared submissions on the Courts (Remote Participation) Bill, section 95 of the Evidence Act, AVL in the Family Court, Evidence Regulations, and the Family Court Amendment Rules to enable jurisdiction for the newly appointed Family Court Associates.
- Held regular meetings with the Ministry of Justice, Oranga Tamariki, the Principal Family Court Judge and Police to raise and resolve issues and to drive the necessary change to improve Family Court practice, providing advocacy on behalf of family lawyers.
- Hosted educational events, both in person and online, on topics including evidence regulations, cultural considerations, lawyer for child forums, coercive control, therapeutic family interventions, and section 136: children's cultural information.
- Provided feedback to the Principal Family Court Judge on the international surrogacy protocol and the various practice notes regarding lawyer for child, lawyer for subject person, specialist report writers and supervised contact providers.

- Delivered the eighth "our stories" for the FLS Practising Well initiative on "Practising Well Techniques for a Sustainable Practice".

Property Law Section

The Property Law Section (PLS) is the dedicated, expert arm in the area of trusts, wills, land titles and property transactions for the Law Society. PLS members receive support and advocacy, best practice guidance and resources, connecting and educational events. The section administers a scheme for accredited specialist property law section members, which recognises a high level of currency in both skill and knowledge in property law practice.

Key achievements in 2023-24

- Reviewed and updated the Law Society's PLS Guidelines to reflect the latest legislative and practice changes. This important resource is relied upon daily by property lawyers and non-lawyer conveyancing practitioners across New Zealand.

- Provided ongoing support and information relevant to property lawyers following severe weather events, including partnering with Te Kaunihera o Tāmaki Makaurau Auckland Council to deliver a free online information session on the Auckland Category 3 weather buy-outs.
- Partnered with Toka Tū Ake Natural Hazards Commission on a webinar overview of the new Natural Hazards Insurance Act.
- Represented property lawyers at LINZ's quarterly Survey and Titles Enhancement Programme meetings to consider ongoing developments and enhancements to new Landonline.
- Supported NZLS CLE in its delivery of the biennial Property Law Conference in Auckland. Engaging speakers, networking opportunities, and camaraderie among friends and colleagues made it a resounding success.
- Celebrated the achievements of five outstanding property practitioners, inducted to the PLS Hall of Fame at the biennial Law Society CLE Property Law Conference.
- Contributed to law reform submissions including to the Ministry of Business, Innovation & Employment on its discussion document reviewing the use of anti-competitive land covenants; the Ministry of Housing and Urban Development's Unit Titles Act 2010 Regulations "Information requests, Electronic Voting and remote attendance, Legal costs in the Tribunal" discussion paper and the Law Commission's Second Issues Paper in its review of adult decision-making capacity.

Law Society branches

The Law Society has an extensive branch network across Aotearoa supported by 13 branch councils. Branches undertake a broad range of activities to support and grow collegiality amongst its membership. These include social events (law dinners, networking events), continuing education (seminars, conferences, webinars) and wellbeing programmes (Stepping Forward and Through programmes, seminars). Although we have introduced a paid membership subscription, events remain open to the entire profession (i.e. members and non-members). The branch network also undertakes the processing of Certificate of Character and Section 30 (Practice on own Account) applications.

Branches often identify local opportunities that are piloted, and in time, rolled out across the wider branch network. As examples, this year has seen the continued growth of Te Reo Māori classes offered across the motu and offering Stepping Up and Stepping Forward programmes nationally online after Stepping Forward was developed in Canterbury in 2022.

We appreciate the support of members who volunteer their time on our branch councils and branch committees. They provide invaluable input into the programme of activities delivered by the branches to ensure both relevancy and value to our membership. This year, branch councils and their local members, provided valuable input, on the Representative Strategy and subsequent rollout of the membership offer and associated membership campaign. The Law Society is grateful for their hands-on support.

Key achievements in 2023-24

- A total of 293 events were held by branches attended by 9,805 lawyers.
- Well attended branch events held throughout the year included:
 - Te Reo Māori classes (in-person and online)
 - Regional conferences for Otago/Southland that attracted members from across Aotearoa and an employment conference in Canterbury
 - Wellbeing programmes including Stepping Through and Stepping Forward
 - National Hui events presented by the CEO and Law Society President on the organisation's strategy including the new representative strategy
 - New lawyer events for up to seven years PQE delivered nationally in collaboration with the regional New Lawyer Committees
 - Regional law dinners and social events demonstrating the importance of collegiality and connection in the profession.

Library update

Library Services are funded by the regulatory arm of the Law Society through practising certificates but are administered by representative services as they are one of the services we offer for the profession. The Law Society Library is an extensive collection of print and online services providing information to all legal practitioners. The library maintains three staffed research libraries (in the Auckland and Wellington High Court Buildings, and in the Christchurch Justice and Emergency Services Precinct). There are also Wi-Fi

and/or kiosks in 39 locations enabling online access to subscription databases.

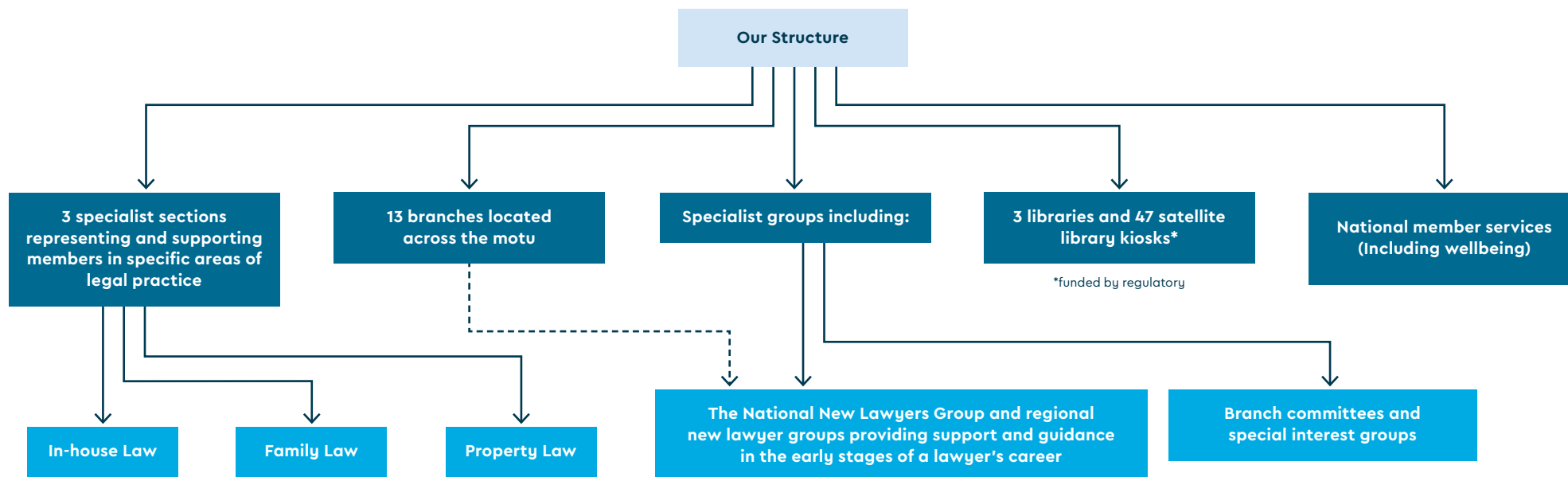
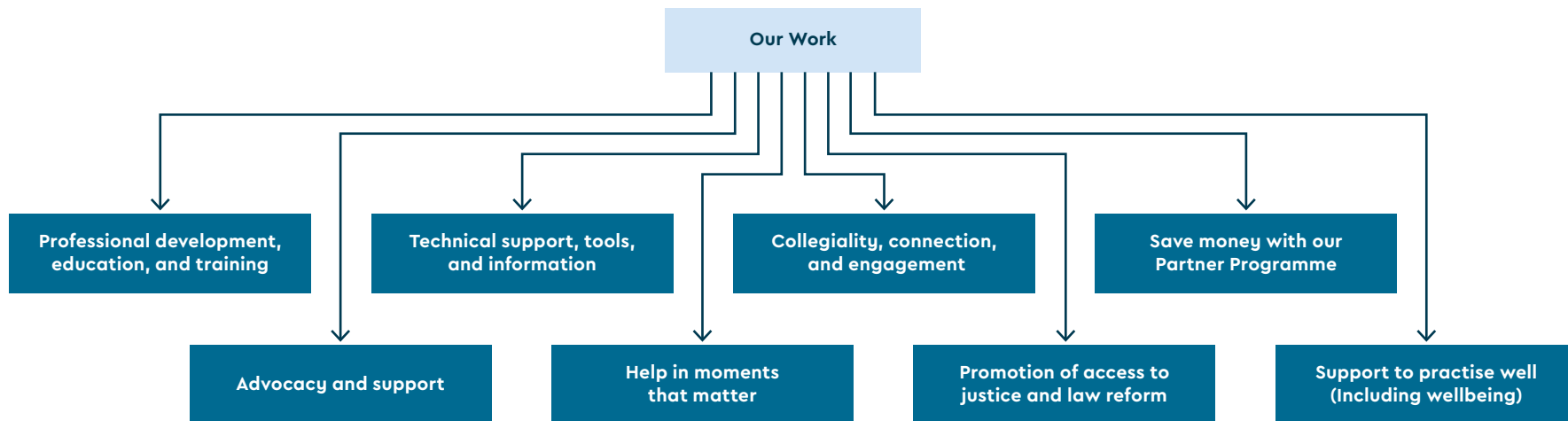
The Law Society Library offers research and document delivery services, and creates the LINX database which offers current, authoritative New Zealand case law and journal article references. Library services, including research, are highly valued by the profession according to the 2022 survey of the profession.

Key achievements in 2023-24

- Both managing Wellington and Auckland Law Librarians retired after many years of service. They have been ably replaced by librarians from within the existing teams.
- A Library Services Analysis has been carried out to assess the current state of the service and identify opportunities for the future.
- More than 5,000 judgments and 2,700 journal records were added to the LINX database.
- \$502,000 income was generated from Library research and document delivery.

Summary

This year marked the beginning of our new five-year Representative Strategy, including the implementation of a new membership offer and annual subscription. The representative transformation meant change across the organisation while continuing to deliver high quality services to our members. By the end of the financial year, nearly 10,000 lawyers had chosen to retain their membership of the Law Society, highlighting just how valuable the representative side of our organisation is to the profession. We are grateful for the profession's ongoing support.



NZLS CLE Ltd



“CLE provides a programme that offers education on black letter law, trends, and developments across the legal sector. Every year we introduce new topics and cover a range of specialised areas”

Delivering high quality legal education

New Zealand Law Society Continuing Legal Education (NZLS CLE) is a fully owned subsidiary of the Law Society, with its own board and management. It is financially independent of the Law Society and pays a dividend to the Law Society.

CLE provides a programme that offers education on black letter law, trends, and developments across the legal sector. Every year we introduce new topics and cover a range of specialised areas.

CLE is looking to elevate and enhance its current education offerings through digitising the workshop programme over the next few years to increase accessibility. Upcoming enhancements to the website will also provide improved user experience and functionality. In addition, CLE is looking to offer a broader range of programmes and conference destinations with the Inaugural Trans-Tasman Human Rights conferences being held in August 2024.

The team has had a successful 12 months delivering high quality education through a diverse range of speakers. The highlights of the year were the record

attendance at the biennial Family Law Conference held at Te Pae in Christchurch and the equally successful Property Law Conference held at the Crowne Plaza in Auckland.

The two-day Family Law conference was attended by 488 people. With a theme of connection, and an additional 107 attended the pre-conference workshop. It was exciting to be able to host family lawyers from across the motu once again without the number restrictions required by Covid.

Equally successful was the Property Law Conference held in Auckland when property lawyers from across New Zealand joined together for two days of learning, connecting and celebrating.

Other highlights for the year included:

- A Ministry of Justice sponsored free live stream on The Impact of Parental Incarceration on Children. 969 lawyers attended the session which aimed to help lawyers understand the impact on children when they are representing someone for sentencing who has children in their care.



- An Environmental Law intensive that included a session in Te Reo. Ko Te Reo Kia Rere, Ko Te Reo Kia Mana: Tikanga and Te Reo – Lessons from Other Jurisdictions – a first for CLE – was very well received.
- The team was delighted to work with the Pacific Justice Sector Programme to provide materials and guidance for an Introduction to Civil Litigation Skills in Samoa and look forward to a second workshop later in 2024 and the resumption, in 2025, of the Pacific Island Law Officers' Network (PILON) programme.
- Our Property Relations Act 1976 – keeping ahead of the pack intensive, now an established part of our annual programme, continues to find favour.
- The long-awaited return of the annual Residential Litigation Skills Programme after two years in abeyance.

- The biennial Legal Executives conference enjoyed record numbers reflecting the close working relationship between the Institute of Legal Executives and CLE.
- During the year, we delivered 30 webinars, 43 live stream events, 12 one and two day in-person conferences, and intensives. In addition, 225 online modules were offered with new modules being added on an ongoing basis all of which are accessible 24/7.

Our staff of 16 proudly worked with more than 600 members of the profession and judiciary to plan, design, manage and deliver 95 programmes and 172 sessions during the year. Courses ranged from the annual CPD General Practitioner Day through to the ACC treatment injury claims webinar.

Stepping Up, a two and a half-day workshop for lawyers wanting to practice on their own account was attended by 321 participants in 2023/24.

We also produced 49 publications and 22 In Short seminar papers as training and reference documents for the legal profession.

CLE began a brand refresh in November 2023 with the new look gradually being rolled out from June 2024. This will culminate with the release of a refreshed website and new brand collateral in late 2024.

The NZLS CLE Board members are Tim Mullins (Chair); Frazer Barton⁶, David Campbell, Claire Mullord and Katie Rusbatch.

6. At the time of writing, Frazer Barton was taking a leave of absence, and his responsibilities were delegated to other Board members.

The background of the page features a close-up photograph of a flax plant (Phormium tenax) with its characteristic long, narrow, green leaves. The image is overlaid with a series of thin, light blue, wavy lines that sweep across the frame from the top left towards the bottom right, creating a sense of movement and modern design.

Governance

Governance

The Council of the Law Society consists of the president; the four vice-presidents; the president-elect (if any); a representative of each branch; the chair or president of each section or a nominee of that person; the chair or president of the Bar Association or a nominee of that person; a representative of the large firm corporation; a representative of Te Hunga Rōia Māori o Aotearoa (the Māori Law Society); a representative of the Pacific Lawyers Association.

President	Frazer Barton*	From 14 October 2022
Vice-Presidents		
Vice-President, Auckland	David Campbell	From 8 April 2022
Vice-President, Central North Island	Caroline Silk	From 8 April 2022 to 12 April 2024
	Jesse Savage	From 12 April 2024
Vice-President, Wellington	Ataga'i Esera	From 8 April 2022
Vice-President, South Island	Taryn Gudmanz	From 14 October 2022
Board Observers		
	Michael Mills	From 1 September 2023
	Baden Vertongen	From 15 September 2023
Branch Presidents		
Auckland	Misha Henaghan	From 8 April 2022
Canterbury-Westland	Lana Paul	From 15 June 2023
Gisborne	Michael Gordon	From 4 May 2023
Hawke's Bay	Pamela Fairbrother	From 29 June 2023
Manawātū	Emma Pairman	From 30 September 2021 to 24 August 2023
	Cailin Broadley	From 24 August 2023
Marlborough	Emma-Jayne Tucker	From 16 March 2022 to 30 May 2024
	Rob Harrison	From 30 May 2024
Nelson	Hamish Fletcher	From 5 May 2022 to 23 April 2024
	Andrea Halloran	From 23 April 2024
Otago	Dale Lloyd	From 7 February 2023
Southland	Richard Smith	From 23 March 2023
Taranaki	Sean Maskill	From 16 May 2023
Waikato Bay of Plenty	Jesse Savage	From 29 June 2023 to 2 May 2024
	Melissa Campbell	From 2 May 2024
Whanganui	Megan Kennard	From 24 March 2023
Wellington	Julius Maskell	From 21 June 2023

*On leave of absence from 26 July 2024



Section representatives

In-house Lawyers Association of New Zealand President	Grant Pritchard	From 22 May 2020 to 23 May 2024
	Benjamin Jacobs	From 23 May 2024
Family Law Section Chair	Lauren Pegg	From 5 May 2023
Property Law Section Chair	Mark Sherry	From 27 April 2021

Other representatives

New Zealand Bar Association President	Maria Dew KC	From 1 October 2022
Large Law Firm Corporation Representative	Martin Thomson	From 28 April 2021
Te Hunga Rōia Māori o Aotearoa Representative	Baden Vertongen	From 5 February 2022 to 28 August 2023
	Tai Ahu	From 26 August 2023
Pacific Lawyers Association Representative	Arti Chand	From 28 April 2022

Observer

Legal Executives New Zealand	Carmen Franich	From 19 November 2022
Secretariat	Katie Rusbach	From 20 December 2022

Executive Leadership Team



Katie Rusbatch

CHIEF EXECUTIVE OFFICER

Katie was appointed as Chief Executive Officer of the New Zealand Law Society Te Kāhui Ture o Aotearoa in December 2022. Previously she was the Law Society's General Manager Professional Standards (Regulatory) and oversaw regulatory work, including the Lawyers Complaints Service, Registry and the Inspectorate. Before joining the Law Society, Katie was Head of Competition at the Commerce Commission where she led the cartel, merger and abuse of market power investigation teams. Katie started her legal career in New Zealand before working in the United Kingdom and Singapore.



Bronwyn Jones

GENERAL MANAGER POLICY, COURTS AND GOVERNMENT

Bronwyn is responsible for the leadership of the Law Society's Policy, Law Reform, and Advocacy functions, and relationships with the Judiciary and government departments. The group is responsible for providing high level strategic advice and submissions on new and existing laws, policies, and protocols. The group is also responsible for the Law Society's rule of law and administration of justice law reform and advocacy. The group supports and advises the Chief Executive, President, and the Law Society in relation to stakeholder relationships and management and oversees the Law Society's international work.



Maria Hoddinott

GENERAL MANAGER CORPORATE SERVICES

Maria joined the Law Society in January 2021 and manages the Corporate Services team which is responsible for Information Technology, Finance and Facilities. Across these areas of responsibility, the team is focused on supporting the development of the Law Society through building corporate functions that are fit-for-the-future. This work includes a significant technology modernisation programme in support of the Law Society's strategy to build capability and effectiveness. Maria joined the Law Society after a number of years as Chief Financial Officer at the Office of the Auditor-General.



Belinda Ryan

GENERAL MANAGER MARKETING AND COMMUNICATIONS

Belinda joined the Law Society in January 2021 and was appointed General Manager of Marketing and Communications in December 2022. Belinda and her team have been supporting the modernisation of the Law Society by streamlining delivery and professionalism of marketing and communications activity, developing the brand, and improving the information provided for consumers about the Lawyers Complaints Service. Belinda joined the Law Society from sports regulator Drug Free Sport New Zealand and has previously worked in communications and advertising in the United States and Australia.



Hellen Papadopoulos

CHIEF EXECUTIVE, CONTINUING LEGAL EDUCATION

Hellen leads and works with the CLE team to achieve the company's mission of providing relevant, affordable, accessible education for the profession, with a wide suite of formats and learning solutions tailored to their needs. She provides the strategic direction for the team to work closely with stakeholders and other experts to identify the needs of the profession to help ensure practitioners are cognisant of key recent developments and trends in their areas of practice.



Peter Bell

GENERAL MANAGER PEOPLE AND CULTURE

Peter is responsible for supporting the people functions at the Law Society. During the past year the People and Culture team have focused on improvements to our health and safety system which include a soon to be released new incident and accident reporting tool and implementing improved security measures for our frontline staff. We have recently commenced projects working on wellbeing, diversity, equity and inclusion to be developed over the coming year.



Gareth Smith

GENERAL MANAGER PROFESSIONAL STANDARDS

Gareth is responsible for overseeing our regulatory work, including the Lawyers Complaints Service, Legal, Registry and Inspectorate. Gareth's focus is to embed our 2022-25 Regulatory Strategy and increase the efficiency of the Law Society's regulatory functions. At the forefront is the work supporting the Law Society's response to the Independent Review's recommendations, including improvements to the efficiency of our processes under the current legislative framework. Gareth has been with the Law Society since 2014, as a Professional Standards Officer, Legal and Registry Services Manager and Chief Legal Counsel (Professional Standards) prior to his current appointment.



Amanda Woodbridge

GENERAL MANAGER REPRESENTATIVE (MEMBERS') SERVICES AND STRATEGY

Amanda leads the Law Society's Representative (Member) Services and Strategy team who provide support, connection, and help in the moments that matter for the legal profession. These include events and support offered by our 13 regional branches and their committees, the three sections of the Law Society (Family Law, Property Law and In-house lawyers), together with our law libraries. Amanda joined the Law Society in 2023 to develop a new strategy for Representative Services including the introduction of a paid subscription. She became General Manager in mid-2024. Prior to joining the Law Society, she was General Manager of Marketing, Communications and Engagement at DairyNZ, the research and science organisation for dairy farmers.

Branch Managers

Representative Operations Lead ————— Colin McDougall

Auckland ————— Gaylene Douglas

Canterbury Westland ————— Colin McDougall

Gisborne ————— Joanne Ollerenshaw

Hawke's Bay ————— Colin McDougall

Manawatū ————— Antony McFelin

Marlborough ————— Antony McFelin

Nelson ————— Antony McFelin

Otago ————— Charlotte Washington

Southland ————— Janine McMurdo

Taranaki ————— Rachael Webb

Waikato Bay of Plenty ————— Katie Robb

Wellington ————— Antony McFelin

Whanganui ————— Antony McFelin



Regulatory – Professional Standards

Funding the regulation of legal services

Lawyers must fund the costs associated with the regulation of legal services; this is achieved through their annual practising fee. These fees are set by the Law Society's Council, with the approval of the Minister of Justice and must be paid before a practising certificate is issued.

The profession is also levied to contribute to the costs of operating the New Zealand Council of Legal Education and the Legal Complaints Review Officer (LCRO). The Council of Legal Education is an independent statutory body responsible for the quality and provision of legal training for a person to be admitted as a barrister and solicitor of the High Court of New Zealand. The LCRO is an independent body administered by the Ministry of Justice. Its role is to review decisions of standards committees (upon application by parties to complaints).

Barristers and solicitors practising on their own account fund the costs of the Law Society Inspectorate function. In addition, if they operate a trust account, they must contribute to the Lawyers' Fidelity Fund. The levy for this is also set by Council, with the approval of the Minister of Justice.

Fees, levies and contributions

YEAR TO 30 JUNE 2024, EXCLUDING GST

Component	2024	2023	2022	2021	2020
Practising fee	\$1,500	\$1,290	\$1,140	\$1,040	\$1,040
Council of Legal Education Levy	\$19	\$19	\$22	\$22	\$22
LCRO Levy	\$100	\$120	\$130	\$130	\$130
Total for barristers and employed lawyers	\$1,619	\$1,429	\$1,292	\$1,192	\$1,192
Inspectorate fee	\$482	\$430	\$380	\$380	\$380
Total for barristers and solicitors practising on their own account without a trust account	\$2,101	\$1,859	\$1,672	\$1,572	\$1,572
Fidelity Fund contribution	\$200	\$320	\$320	\$320	\$320
Total for barristers and solicitors practising on their own account with a trust account	\$2,301	\$2,179	\$1,992	\$1,892	\$1,892

Registry

The Law Society manages various regulatory applications including certificates of character; practising certificates; practice on own account for lawyers who wish to practise on their own (whether in partnership or otherwise).

A certificate of character certifies that someone is a fit and proper person to be admitted as a barrister and solicitor and can be used to seek admission in any High Court during its period of validity. The number of certificates of character issued increased in the 2023/24 year; 8.5% more compared with the previous year. In line with this trend, the number of admissions also increased; 14.5% more compared with the previous year.

Admissions to the High Court and Certificates of Character

YEAR TO 30 JUNE 2024

Action	2024	2023	2022	2021	2020
Admissions	1,231	1,073	1,145	1,178	979
TTMRA Admissions (subset of admissions)	41	42	25	44	45
Certificates of Character Issued	1,130	1,041	1,129	1,185	956

The proportion of admissions who are women (64%) has remained consistent over the past five years. The Law Society issues practising certificates after an application is made by a person whose name appears on the roll of barristers and solicitors, if that person meets the criteria for eligibility. The number of lawyers holding a practising certificate at the end of the 2023/24 year was 17,009; a 1.06% increase from the previous year. Overall, there has been an increase in lawyers each year since records began. The proportion of female lawyers has continued to rise steadily since 2018, when it first reached 50% of the profession. There has been almost a 1% increase in the proportion of female lawyers each year since the 2017/18 year. For the 2023/24 year the proportion of female lawyers was 56%.

Practising on own account

All lawyers wanting to practise as a law firm partner or director, on their own as a sole practitioner, as a barrister sole, or to provide regulated legal services through a contract for services, must satisfy the Law Society that they are suitably qualified with the right skills and experience to do so.

In the 2023/24 year:

- 296 lawyers were approved to practise on their own account
- 72 were approved to practise as a barrister sole
- 78 barristers sole were approved to take direct instructions.

Overall, the number of applications to practise on own account as a barrister and solicitor increased in the 2023/24 year; 8% more than the 2022/23 year. However, we note that applications to practise as a barrister sole decreased by 10%.

Stepping Up

The Stepping Up course must be undertaken by all those wanting to practise on their own account. Those practitioners who have previously completed it, but have not commenced practice within two years, must undertake the Topping Up Stepping Up course within three years of the expiration of their Stepping Up qualification.

In the 2023/24 year:

- 284 practitioners completed Stepping Up courses
- 21 practitioners attended Topping Up Stepping Up.

Practice Approval Committees

There are two Practice Approval Committees (PAC) which make decisions under delegated authority from the Board and Council on 'non-standard' applications.

Applications are referred to the PAC for a variety of reasons. In the 2023/24 year, the most common reasons were concerns around suitability, the extent of the applicant's experience, and/or convictions, disciplinary or compliance issues. These concerns are consistent with those in previous years and reinforce the need for further education around the minimum requirements (three years' New Zealand legal experience in the past five years).

There were 47 applications considered in the 2023/24 year; 38% more compared with the 2022/23 year. As in previous years the majority were practice on own account applications (22 in total).

Applications to Practice Approval Committees considered

YEAR TO 30 JUNE 2024

Practice Approval Committees	2024	2023	2022	2021	2020
Certificates of character	2	8	4	4	4
Practising Certificates	9	4	9	10	10
Practice on own account	14	12	20	6	5
Special circumstances (subset of practice on own account)	8	4	13	4	7
Miscellaneous	14	11	10	12	11
Total	47	39	56	36	37

NB: As at 30 June 2024, there were three pending applications still under review. They are not included in this table.

Applications declined after consideration by committees

YEAR TO 30 JUNE 2024

Applications declined	2024	2023	2022	2021	2020
Of the total – declined	15	7	14	6	4

The 15 applications declined all related to practise on own account applications. The majority of these were declined due to concerns around the applicant's suitability and/or the extent of the applicant's experience.

Continuing Professional Development (CPD)

Lawyers are required to complete a minimum of ten hours of professional development under the Lawyers and Conveyancers Act (Lawyers: Ongoing Legal Education – Continuing Professional Development) Rules 2013 (CPD Rules).

All lawyers must declare their compliance with the CPD Rules to the Law Society annually. Any non-compliance is individually followed up.

The compliance rate in 2023/24 continued to be high at 99%. Lawyers with outstanding CPD requirements must also declare their non-compliance when renewing their practising certificate in June each year. Those who declare their non-compliance must provide the Law Society with a plan for addressing their shortfall. While the Law Society supports practitioners to fulfil their requirements, a failure to meet the requirements in a reasonable timeframe may result in the practitioner being referred to the Lawyers Complaints Service (LCS) for investigation under the Lawyers and Conveyancers Act 2006 (LCA).

Percentage of practitioners who have completed a CPD declaration

YEAR TO 30 JUNE 2024

CPD (%)	2024	2023	2022	2021	2020
By end of year (31 March) %	73	71	55	69	78
By 5-working-day deadline %	95	92	90	87	98
By end of renewals period (30 June) %	99	100	99	99	99
Deferments granted (not percentage)	21	26	38	39	312

Complaints and discipline

The Act establishes a co-regulatory framework for complaints and discipline for lawyers and employees of legal practices. The Law Society administers one aspect of the complaints and disciplinary process, the LCS. This involves the establishment of independent standards committees comprising volunteer lawyers and lay people to consider complaints or commence own motion investigations. These committees are mostly regional or focus on certain types of complaints by providing expertise in areas such as costs, bullying and harassment, and early resolution.

In the 2023/24 year, the Law Society had 22 standards committees comprising 179 volunteers:

- 30 new members joined the standards committees
- Six of these were lay persons
- Seven members completed the full nine-year term
- Five new convenors were appointed.

During the 2023/24 year, 1,231 complaints were opened, and 1,123 closed by the LCS. This is an increase of 28% in relation to opened complaints and 7% for closed complaints compared to the previous year.

Over the 2023/24 year, the average age of all open complaints has reduced from 232 days in the 2022/23 year, to 209 days in the 2023/24 year. The average age of all closed complaints in the 2023/24 year was 252 days (despite the significant number of complaints over 365 days closed over the course of the year – 210 complaints.) This is substantially less than the 427 days in the 2022/23 year. and demonstrates the continued commitment of the LCS to close complaints, where possible, in a timely manner, and the effectiveness of improvements to our ERS processes.

Parties unsatisfied with a committee's decision can apply to review the decision to the Legal Complaints Review Officer which is an independent body supported by the Ministry of Justice.

Focus of complaints

YEAR TO 30 JUNE 2024

Focus of complaints	2024	2023	2022	2021	2020
Lawyer	1121	889	1116	1255	1265
Non-lawyer employee	59	37	44	43	40
Former lawyer	34	21	24	69	45
Incorporated law firm	10	7	9	6	18
Former non-lawyer employee	6	3	5	0	0
Former incorporated law firm	1	0	0	0	0
Total	1231	957	1198	1373	1368

Origin of complaints received

YEAR TO 30 JUNE 2024

Origin of complaints	2024	2023	2022	2021	2020
Client/former client	561	417	470	596	626
Client other side	296	214	286	191	222
Third party	66	84	122	267	191
Beneficiary of estate/trust	115	90	92	125	111
Other	65	61	90	56	75
NZLS/LCS – own motion	67	58	74	90	99
Lawyer	52	31	57	45	43
Regulatory authority	8	2	5	1	0
Court	1	0	2	2	1
Total	1231	957	1198	1373	1368

As at 30 June 2024, 164 concerns were in 'pre-resolution'. Concerns that are considered resolvable remain in 'pre-resolution' while the ERS attempts to facilitate a resolution between the parties. Any that remain unresolved are referred to a standards committee via the standard track complaint process for review and consideration.

Key Performance Indicators

KPI achievement

YEAR TO 30 JUNE 2024

YEAR TO 30 JUNE 2024	KPI	Full year achieved	
		2024	2023
ERS			
Complaints closed within 90 days	40%	18%	31%
Complaints closed within 180 days	90%	80%	79%
Standard Track			
Complaints closed within 180 days	40%	21%	18%
Complaints closed within 270 days	60%	48%	42%
Complaints closed within 365 days	80%	65%	61%

In March 2022, we implemented KPIs in the LCS; we have now had two full years to measure our timeliness for both ERS and standard track complaint processes. While we have seen improvement across some of our KPIs in the 2023/24 year, these are yet to be met. We note that this year the percentage of ERS matters closed within 90 days has decreased compared to the 2022/23 year. This is due to more complaints being referred to ERS and a lack of standards committee capacity. To counter this, an additional standards committee is expected to transition from standard track to an ERS standards committee in the 2024/25 year. There has been an increase in the percentage of standard track complaints closed, compared to the previous year; this is partly the result of a reduction in cases referred to standard track.

Areas of law in which complaints arose

YEAR TO 30 JUNE 2024

Area	2024	2023	2022	2021	2020
Family	260	216	256	229	279
Property	247	181	224	326	232
Trusts and Estates	211	176	203	269	261
Criminal	117	85	107	123	146
Total Count Complaints Opened	1231	957	1198	1373	1368

Type of complaints

YEAR TO 30 JUNE 2024

Complaint type	2024	2023	2022	2021	2020
Breach of RCCC Rules	838	423	600	607	472
Negligence/incompetence	511	298	352	419	386
Overcharging	295	228	252	366	357
Inadequate reporting/ Communications	254	144	180	238	251
Bullying	76	45	81	79	45
Harassment	46	33	52	44	34
Discrimination	26	7	16	11	7
Sexual Harassment	6	2	-	-	-

NB: Sexual harassment, as a separate category, was created in reporting year 2023. Previously these matters were included under the Harassment category.

Complaints closed

YEAR TO 30 JUNE 2024

	2024	2023	2022	2021	2020
Breakdown of outcomes					
No (further) action	915	831	1081	1004	1246
Orders made	111	140	145	161	148
Mediation	56	21	51	47	58
Withdrawn	18	24	20	20	22
Complaints open at 30 June	759	701	797	925	835
Total	1123	1053	1326	1276	1512

Early Resolution Service (ERS)

YEAR TO 30 JUNE 2024

	2024	2023	2022	2021	2020
Complaints accepted by ERS	468	404	427	53	508
Complaints closed by ERS	525	284	465	435	561
ERS complaints still open at 30 June	99	190	66	181	77
ERS Proportion of all Complaints (%)					
ERS accepted out of all allocated	42	38	35	39	37
ERS closed out of all closed	47	27	35	34	37

Proportion of complaints closed (%)

YEAR TO 30 JUNE 2024

	2024	2023	2022	2021	2020
Within one month	1	1	0.45	0.16	1.3
Within three months	10	10	12	24	20
Within six months	49	35	49	35	52
Within nine months	72	58	72	71	73
Within one year	81	72	84	81	83
More than one year	19	28	16	19	17

NB: Prior to FYE 2022, the ERS complaint's age was taken from the date the complaint was accepted by an ERS committee. From FYE 2022, the complaint age has been taken from the date it was opened to reflect the complaint's age according to the complainant's experience.

Time taken to conclude standard track complaints

YEAR TO 30 JUNE 2024

Average number of days	2024	2023	2022	2021	2020
Standard Track	353	427	304	308	319

Time taken to conclude complaints by early resolution service

YEAR TO 30 JUNE 2024

ERS Outcomes and average age (days)	2024	2023	2022	2021	2020
All ERS closed complaints	139	127	137	93	111
ERS outcome – no (further) action	138	128	137	93	113
ERS outcome – resolved	148	111	139	100	93

NB: Mediation and withdrawn and classified as 'resolved'.

Publication of information about complaints

The LCA strictly controls publication of information related to standards committee decisions. Information on decisions may only be published if a standards committee considers it necessary or desirable in the public interest.

Where publication is required, a summary of the decision is published on the Law Society website and/or in LawPoints. The identity of a lawyer is unable to be published unless a censure order has been made by a standards committee and the Law Society Board approves publication.

Orders by standards committees for publication

YEAR TO 30 JUNE 2024

Orders for publication	2024	2023	2022	2021	2020
Publication of facts only	18	20	32	34	35
Publication of name	3	2	0	2	0

Referrals to the Lawyers and Conveyancers Disciplinary Tribunal

The Lawyers and Conveyancers Disciplinary Tribunal (Tribunal) is an independent body supported by the Ministry of Justice. Standards committees can file charges before the Tribunal in circumstances where the conduct is particularly serious or complex. Only the Tribunal can make a finding of misconduct and make orders for strike off and suspension.

The LCA requires the Law Society to reimburse the Crown for costs of the hearing where the Tribunal hears a charge against any lawyer, former lawyer, incorporated law firm or employee or former employee of a lawyer or incorporated law firm. The amount payable is fixed by the Tribunal. The standards committees will often seek recovery of these costs from the respondent if the prosecution is successful.

Referrals to the LCD Tribunal from Standards Committees

YEAR TO 30 JUNE 2024

	2024	2023	2022	2021	2020
Referrals	34	38	31	38	35
Closed	28	35	20	35	41
Hearings	25	32	20	29	24
Struck off	2	4	4	2	4
Suspended	8	10	4	11	8

For the year to 30 June 2024:

- One charge was dismissed under s240A
- Seven prosecutions were resolved without a Tribunal decision*
- 45 cases remain active**

*Includes matters reversed by the LCRO, matters where the Committee received advice not to proceed and one matter where the practitioner died before the charges were filed.

** An active case can include multiple referrals.

Law Society payments for cost of hearings

YEAR TO 30 JUNE 2024

	2024	2023	2022	2021	2020
Reimbursement	\$91,510	\$75,433	\$92,426	\$97,066	\$86,066

Financial assistance scheme

The Financial Assurance Scheme is primarily in place to protect client money held in lawyers' trust accounts. The Law Society Inspectorate's role is to ensure lawyers are meeting the requirements of the LCA and the regulations in their handling of client funds.

Historically, reviews have been conducted on-site at a practitioner's place of business. However, with the increased use of remote technology and in particular cloud-based systems, alongside improved trust accounting programmes, 'desktop' reviews can be completed remotely. A desktop review allows an inspector to review risks associated with trust accounts without the need to visit. However, it does not eliminate the need for on-site visits as required. Inspectors utilise whichever approach they assess is the most appropriate in the particular circumstances.

Law Society inspectorate reviews of trust accounts

As at 30 June 2024, 1,279 law practices administered trust accounts. This has decreased compared to the previous year's number of 1,314. This is the second year that the number of active trust accounts has decreased across the profession. While the number of trust accounts closed in the 2023/24 year remained consistent with the previous year, there were fewer opened. This may simply reflect the current economic climate and/or increased compliance in relation to Anti Money Laundering requirements.

Law Society inspectorate reviews of trust accounts

YEAR TO 30 JUNE 2024

	2024	2023	2022	2021	2020
General	0	0	0	0	1
Limited	45	115	84	95	296
Focus (including desktop in 2021, 2020)	195	87	106	176	91
Desktop	3	83	34	0	0
Exit	73	80	47	54	49
New	36	50	43	49	17
Revisits	1	2	2	0	1
Investigations	1	3	5	6	7
Total	354	420	321	380	462

Three-hundred and fifty-four reviews were completed in the 2023/24 year. This has decreased from the 420 reviews completed in the 2022/23 year but is an improvement on the 321 reviews carried out in the 2021/22 year.

The background of the page features a close-up photograph of green fern fronds. Overlaid on this image are several thin, light blue curved lines that sweep across the frame from the top left towards the bottom right, creating a sense of movement and design.

Financial Report

Financial Report

For the year ended 30 June 2024

Introduction

We have included our full financial statements in the Annual Report in the interests of transparency and consistency with other regulatory and representative organisations.

Our financial statements continue to be a story of two halves. The Lawyers and Conveyancers Act requires that our organisation's finances are reported on as separate Regulatory and Representative functions. Income from Regulatory activity – largely Practising Certificate fees – can be expended only on Regulatory work, including a portion of our overheads.

Regulatory income increased again in 2023/2024 largely due to an increase in the practising fee to keep up with inflationary cost pressures. An operating surplus was achieved for the year which will help strengthen our reserves for future planned investment.

Representative Services again operated at a loss covered by its reserves. The extensive work undertaken on our Representative strategy, including the introduction of a membership subscription, will help create a structure that is financially sustainable. The subscription will alleviate some of the cost pressures faced by the Representative function and will allow us to deliver superior service to our members going forward.

Regulatory Services

The financial statements demonstrate that the Regulatory function remains in a strong financial position, with total revenue of \$31.2m (up from \$28.0m in 2023).

Income has continued to increase due to more lawyers entering the profession and an increase in our practising fee compared to the previous year. The increase in the fee was required to keep up with inflationary cost pressures. This increase has also allowed us to continue to invest in the organisation by progressing with the transformation and modernisation programmes that are currently underway, as well as increasing our regulatory staff resources.

This year we have been able to achieve a return of just under \$1.1 million on our managed fund investment. The return on our managed fund is also supplemented by increased interest income on our term deposits as deposit interest rates increased significantly compared to the prior reporting period.

The net surplus for the year of \$893k is an improvement on the \$618k deficit incurred in 2023. The surplus will enable us to continue to invest in further improvement initiatives in the future.

Representative Services

Representative (Members') Services continued to face a lack of sustainability, again operating at a loss covered by its reserves. In 2023/24, we invested in developing our Representative strategy to ensure the long-term financial sustainability of member services. A key pillar of this strategy is the introduction of the paid membership subscription from 2024/25.

Income from Representative Services, which includes NZLS CLE Limited, a wholly owned company specialising in legal education, was \$7.6m in 2024 (an increase on \$6.9m in 2023). The increase is largely due to an increase in course revenue and two ILANZ Conferences being held during the financial year.

Representative Services' managed funds generated a gain of \$418k this financial year which is an improvement on the \$139k gain made last year. Our managed fund portfolio continues to be managed by Milford Asset Management.

The net loss for the year was \$3.4m compared to a loss of \$2.8m incurred in 2023. The loss is attributable to the small revenue base, continued upward pressure on our cost base and investment in our Representative Strategy.

Lawyers' Fidelity Fund

Overall income for the Fund remains in line with what was received in 2023. The majority of the Fund's reserves (\$12.4m) are routinely invested in term deposits to maximise returns, with a small amount left in cash to cover any claims. Claims for the year were slightly lower than in 2023 and this number can vary considerably year-to-year.

Solicitors' Fidelity Guarantee Fund

The Solicitors' Fidelity Guarantee Fund covers theft by lawyers prior to 1 August 2008 which is why activity in the Fund for the year is minimal. We have started the process of winding up the Fund. The date of wind up remains uncertain as it depends on resolving outstanding claims and obtaining ministerial approval prior to the closure of the fund.

Lawyers and Conveyancers Special Fund

We received \$44.7m in interest from nominated trust accounts (an increase on the \$38.1m received last year). This is due to the significant increase in interest rates over the course of the year. These funds are paid to the Ministry of Justice to help fund community law centres around the country.

New Zealand Law Society Regulatory

Performance Report for the year ended 30 June 2024

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2024

Purpose and vision

The purpose and vision statements of all Law Society entities are consistent as each entity forms part of the overall operation of the Law Society. These are as follows:

- Our **purpose** is to be the kaitiaki of an exemplary legal profession in Aotearoa.
- Our **vision** is that all people in Aotearoa benefit from a strong, progressive and trusted legal profession.

Why do we exist?

The New Zealand Law Society Regulatory function exists to uphold professional standards so everyone can have trust and confidence in the legal profession.

Objectives and Performance Measures

Our Regulatory entity looks to achieve its purpose through the following objectives and associated measures:

Objective 1: Control and regulate the practice of law in New Zealand by barristers and solicitors

	2024	2023
Number of practising lawyers as at 30 June	17,009	16,735
Number of practising certificates issued during year	17,892	17,239
Number of practising certificates declined during the year	1	Nil

A practising certificate certifies that the holder is a fit and proper person to practise law and allows them to describe themselves as 'a lawyer'. It is an offence for someone without a practising certificate to describe themselves as a lawyer. The Law Society maintains a public register of lawyers so the public can determine whether a person is a lawyer.

Objective 2: Uphold the fundamental obligations imposed on lawyers who provide regulated services in NZ

	2024	2023
CPD declaration rate during the year	94.5%	91.8%

Lawyers are required to undertake 10 CPD hours annually and declare that CPD has been completed. Lawyers that are not compliant work with our CPD Manager until compliance is achieved. Lawyers who fail to comply may be referred to the Lawyers Complaints Service.

	2024	2023
Number of trust account reviews completed	353	420
Number of overdue reviews	509	564

Trust accounts are reviewed by the Inspectorate team. Regular reviews assure the public that their funds are safe.

The nature under which the Inspectorate operate the risk framework means there are always overdue reviews. The Inspectorate completed 353 reviews in FYE 2024 (2023: 420); however, risk ratings expire on a daily basis. The number of overdue reviews will include some that are one day overdue versus many days overdue. The Inspectorate's focus is on those firms considered to pose a higher risk to consumers of legal services. These higher risk firms are reviewed more frequently than those considered a low risk. Therefore, high risk firms often expire within a 12 monthly basis. A change to our staffing capacity during the year allowed us to reduce the number of overdue reviews.

	2024	2023
ERS: % of complaints closed within 90 days	18%	31%
ERS: % of complaints closed within 180 days	80%	79%
Standard track: % of complaints closed within 180 days	21%	18%
Standard track: % of complaints closed within 270 days	48%	42%
Standard track: % of claims closed within 365 days	65%	61%

Having an effective and efficient complaints management process assures the public that there is a mechanism for holding non-compliant lawyers and employees of law practices to account. All complaints are assessed by a screening panel which determines if a complaint should go to the Early Resolution Service (ERS) or via Standard Track process. ERS handles all complaints that are likely to be resolved quickly. Standard Track is for all other complaints which may require further inquiry into the matter before providing an outcome. All complaints must go to a standards committee for decision. Standards committees are made up of external lawyers and lay persons.

The Law Society aims to achieve the following:

- ERS: that 40% and 90% of complaints are closed within 90 and 180 days, respectively.
- Standard Track: that 40%, 60% and 80% of complaints are closed within 180, 270, and 365 days, respectively.

Objective 3: Assist and promote law reform matters in NZ

	2024	2023
Number of formal submissions made	92	73
Number of interventions	3	3

The formal submissions made by the Law Reform team typically involve written submissions on either a Bill or consultation document. This does not include email feedback or feedback provided during meetings and working groups. The Law Reform team has 17 specialist committees made up of external lawyers.

The Law Reform team also intervenes in cases of public interest. This is where the Law Society intervenes in a legal proceeding as a neutral third party to assist the court, typically to offer expertise or submissions beyond those provided by the parties.

Objective 4: Ensure lawyers have wellbeing support available to them

	2024	2023
Number of counselling sessions provided	782	869
Number of participants in mentoring programme	755	749
Mentoring Quality Score	4.0	4.1

The Law Society provides lawyers with a counselling service to ensure they are provided with health and wellbeing support. Our mentoring programme aims to ensure lawyers feel well supported by those within the profession. Participants in the mentoring programme rank the quality of their mentoring relationship out of 5.

Statement of Comprehensive Revenue and Expenses

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
REVENUE			
Revenue from exchange transactions			
Practising and other service fees		30,667	27,798
Interest income		521	194
Total revenue		31,188	27,992
EXPENSES			
Administration and library	2	30,890	29,207
Total expenses		30,890	29,207
Net Investment Income	3	1,098	778
Surplus/(deficit) before income tax		1,396	(437)
Income tax expense	4	503	181
Net surplus/(deficit) for the year		893	(618)
Total comprehensive revenue and expense for the year		893	(618)

Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$000	2023 \$000
Equity at beginning of year	11,057	11,675
Total comprehensive revenue and expense for the year	893	(618)
Equity at end of year	11,950	11,057

Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$000	2023 \$000
ASSETS			
Current assets			
Cash and cash equivalents		31,284	15,474
Bank term deposits		-	8,000
Trade and other receivables	5	2,162	3,770
Other financial assets	6	14,924	13,825
Tax receivable	4	-	24
Total current assets		48,370	41,093
Non-current assets			
Property, plant and equipment	7	2,255	165
Capital work in progress		-	2,700
Intangible assets	8	-	-
Total non-current assets		2,255	2,865
Total assets		50,625	43,958
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other liabilities	9	38,142	32,901
Tax Payable	4	533	-
Total current liabilities		38,675	32,901
Equity			
Retained earnings		11,950	11,057
Total equity		11,950	11,057
Total equity and liabilities		50,625	43,958

The accompanying notes on pages 63 to 70 form part of and are to be read in conjunction with these financial statements.

These financial statements were approved for issue on behalf of the Board:



Vice-President
7 October 2024



Chief Executive
7 October 2024

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Cash was received from:			
Practising and other service fees		32,760	30,503
Interest		541	174
Income tax received		54	-
		33,355	30,677
Cash was applied to:			
Payments to suppliers and employees		25,458	28,022
Income tax paid		-	60
		25,458	28,082
Net cash flows (used in)/from operating activities	10	7,897	2,594
Cash flows from investing activities			
Cash was received from:			
Investment in bank term deposits		46,559	8,200
Investment in other financial assets		-	3,540
		46,559	11,740

	Note	2024 \$000	2023 \$000
Cash was applied to:			
Investment in bank term deposits		38,559	16,200
Investment in other financial assets		-	-
Payments for property, plant and equipment, and intangible assets		87	3,040
		38,646	19,240
Net cash from/(used in) investing activities		7,913	(7,500)
Net increase/(decrease) in cash and cash equivalents		15,810	(4,906)
Cash and cash equivalents at beginning of year		15,474	20,380
Cash and cash equivalents at end of year		31,284	15,474
Comprising:			
Cash at bank		31,284	15,472
Cash on call account		-	2
Total cash and cash equivalents		31,284	15,474

The accompanying notes on pages 63 to 70 form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Significant accounting policies

Reporting entity

The New Zealand Law Society (“NZLS”) is governed by the Lawyers and Conveyancers Act 2006 (the “LCA”). The LCA came into effect on 1 August 2008, replacing the Law Practitioners Act 1982 (the “LPA”). The LCA requires that the representative and regulatory functions of the NZLS are maintained separately and that separate financial statements are prepared for each category. These financial statements have been prepared for the NZLS Regulatory function (“NZLS Regulatory”).

NZLS Regulatory’s functions are set out in section 65 of the LCA. The primary functions are to regulate practice by lawyers, uphold the fundamental obligations imposed on lawyers, to monitor and enforce the provisions of the LCA and to assist and promote the reform of the law.

NZLS Regulatory incorporates lawyer registration, professional standards functions, including the Complaints Service, the Inspectorate, the law libraries, and support of law reform.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as applied for a Tier 2 entity (“NZ GAAP”). They comply with Public Benefit Entity Standards (“PBE Standards”) and Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) that have been authorised for use by the External Reporting

Board for Not-For-Profit entities. The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (“RDR”).

NZLS Regulatory is a public benefit not for profit entity and is eligible to apply Tier 2 PBE Standards on the basis that it does not have public accountability and is not defined as large.

Basis of preparation

The financial statements are presented in New Zealand dollars (“NZD”) which is the functional and presentation currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis.

The accounting policies have been applied consistently to all periods in these financial statements.

The preparation of financial statements in conformity with PBE Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgements made by management in the application of PBE Standards that have significant effect on the financial statements include the assessment of impairment of assets, determination of deferred revenue and

the collectability of aged fines and cost debts as detailed in note 5. The particular accounting policies record the basis of judgements made.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to NZLS Regulatory and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from exchange transactions:

- *Practising and other service fees* – Revenue from a transaction to provide services is recognised by reference to the stage of completion of the transaction at balance date.
- *Interest* – Interest income is recognised on an accruals basis using the effective interest method.

Financial instruments

Financial instruments are those contracts entered into by NZLS Regulatory which result in the creation of either a financial asset or liability for both NZLS Regulatory and the other contracting entity or individual. Financial instruments result in the recognition of financial assets and liabilities for NZLS

Regulatory at the point where NZLS Regulatory becomes party to the contractual provisions of the instrument.

Financial assets

NZLS Regulatory only holds financial assets classified as short-term receivables, term deposits and managed funds.

Short-term receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL. In measuring ECL, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due. Short-term receivables are written off when there is no reasonable expectation of recovery.

Term deposits

Term deposits are initially measured at the amount invested, as this reflects fair value for these market-based transactions. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Managed fund

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is measured at fair value through surplus/deficit. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Financial liabilities

Financial liabilities are classified either 'at fair value through surplus or deficit', or 'at amortised cost'. NZLS Regulatory only holds financial liabilities at amortised cost which is comprised of trade and other payables. These are initially recognised at fair value less transaction costs and are thereafter carried at amortised cost using the effective interest method.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and subsequent impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

Depreciation of property, plant and equipment, other than land, is calculated on a straight-line ("SL") basis so as to write off the cost or fair value amount of each asset, less any residual value, over its estimated remaining useful life. Management have used judgement to determine the depreciation rates that best approximate the remaining useful lives and residual values and reviews the depreciation rates and residual values at the end of each annual reporting period.

The following estimated rates are used in the calculation of depreciation:

Class	Method	Rate
Computer hardware	SL	20–36%
Furniture and office equipment	SL	6–48%
Library Books	SL	7 years

Intangible assets

Intangible assets, which comprise software applications, are stated at cost less accumulated amortisation and subsequent impairment losses. The assets are amortised using the straight-line method over their estimated useful life of 2-7 years.

Impairment of assets

NZLS Regulatory's assets are considered to be non-cash generating as they are not held for the primary purpose of generating a commercial return.

At each reporting date, a review is undertaken of the carrying amounts of the tangible and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable service amount of the asset (as defined in PBE IPSAS 21: Impairment of non-cash generating assets) is estimated in order to determine the extent of the loss (if any).

The recoverable service amount is calculated as the higher of the assets 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 entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. Any impairment loss is recognised immediately in profit or loss.

A reversal of an impairment loss in subsequent periods is recognised immediately in profit or

loss. However, any reversal must not result in the carrying amount of the asset exceeding its carrying amount had no impairment losses been recognised in prior years.

Deferred revenue

Deferred revenue comprises practising and other service fees which have been received but relate to services that have not yet been delivered. If revenue is received before services are rendered, then it is recorded as a liability and recognised as revenue over the period for which the services are delivered.

Accounts payable

Accounts payable are recognised where there is an obligation to make future payments for purchases of goods and services. They are recognised at fair value initially then subsequently at amortised cost.

Employee benefits

Provision is made for accrued salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made for employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at time of settlement.

Goods and services tax

The statement of comprehensive income has been prepared on a goods and services tax ("GST") exclusive basis. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Income tax

Income tax in the statement of financial performance is current tax. Current tax is

calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets and liabilities are offset only when NZLS Regulatory has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis.

Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, and investments in bank term deposits maturing within one month. The following terms are used in the statement of cash flows:

- *Operating activities* are the principal revenue producing activities and other activities that are not investing or financing activities.
- *Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- *Financing activities* are the activities that result in changes in the size and composition of the contributed equity and borrowings.

Changes in accounting policies

There were no changes in accounting policies applied during the year.

2. Total expenses

	2024 \$000	2023 \$000
Audit fees – audit of the financial statements	39	19
Other fees paid to auditors – taxation and other services	17	90
Depreciation of property, plant and equipment	696	477
Amortisation of intangible assets	-	-
Employee benefit expenses	16,401	15,699
Legal Complaints Review Office	2,537	1,946
New Zealand Council of Legal Education	310	299
Lease costs	2,114	761
Legal opinions and prosecution costs	1,200	1,482
Presidents' honoraria*	236	231
Library resource costs	1,842	1,835
IT costs	2,643	2,456
Other administration costs	2,855	3,912
	30,890	29,207

*The Presidents' honoraria line includes Branch President honoraria payments.

3. Net Investment Gain/(Expense)

	2024 \$000	2023 \$000
Realised and unrealised gains/(losses) on investments	1,190	882
Management fees	(92)	(104)
	1,098	778

4. Taxation

	2024 \$000	2023 \$000
(a) Income tax recognised in surplus or deficit for year		
Tax expense comprises:		
Tax expense on current year income	533	181
Adjustments recognised in the current period in relation to tax of prior periods	(30)	-
Total tax expense for the year	503	181
(b) The prima facie income tax expense on pre-tax accounting surplus from operations reconciles to the income tax expense in the financial statements as follows:		
(Deficit)/Surplus from operations and investment before income tax	1,396	(437)
Income tax (credit)/expense calculated at 28%	391	(122)
Adjustment for tax on non-assessable income and expenditure	142	303
Under/(over) provision of tax in previous periods	(30)	-
Income tax expense recognised in surplus or deficit for year	503	181
(c) Current tax payable/(receivable)		
Balance at beginning of year	(24)	(145)
Taxation paid	(105)	(60)
Taxation refunded	159	
Tax expense for year's income	533	181
Under/(over) provision of tax in previous periods	(30)	-
Balance at end of the year	533	(24)

5. Trade and other receivables

	2024 \$000	2023 \$000
Trade receivables from exchange transactions	1,275	2,556
Prepayments and accrued income	755	452
GST receivable	-	552
Related party receivables	132	210
Total trade and other receivables	2,162	3,770

Related party receivables of \$131,873 (2023: \$210,208) are deemed to be fully receivable by management as the receivables have been collected post balance date. The trade receivables from exchange transactions amount of \$1,634,466 includes an historic fines and cost order receivable amounting to \$480,341 (2023: \$686,976). Given that the majority of our fines and costs receivables are aged, management have applied some assumptions in order to calculate the amount deemed collectible as at 30 June 2024. Accordingly, the following assumptions have been applied:

Historic fines and costs debt on payment plan

If payment plan terms result in the debt being fully recovered within seven years, then entire debt is deemed to be fully recoverable. However, if the debt takes longer than seven years to recover, recoverability rate is decreased to 40% of the outstanding balance.

Historic non-payment plan fines and costs debt

The collectible amount is determined by the age of the debt in accordance with the table below.

Age profile	Probability of collection
0–30 days	99%
31–60 days	95%
61–90 days	85%
91–150 days	65%
151–365 days	50%
+ 365 days	15%

Management sees these assumptions as reasonable as the recovery of this debt is becoming an increasing focus and processes are being put in place to enhance recoverability going forward.

6. Other financial assets

	2024 \$000	2023 \$000
Cash and cash equivalents	5,335	2,195
Shares	1,616	3,966
Bonds	7,973	7,664
Total other financial assets	14,924	13,825

The investment portfolio is managed by Milford Asset Management.

7. Property, plant and equipment

	Computer hardware \$000	Furniture & office equipment \$000	Library books \$000	Total \$000
GROSS CARRYING AMOUNT				
Balance at 30 June 2022	321	236	5,883	6,440
Additions	80	9	-	89
Disposals	(169)	(7)	-	(176)
Balance at 30 June 2023	232	238	5,883	6,353
Additions	67	2,431	-	2,498
Disposals	-	-	-	-
Balance at 30 June 2024	298	2,669	5,883	8,851
ACCUMULATED DEPRECIATION				
Balance at 30 June 2022	(321)	(126)	(5,883)	(6,331)
Depreciation expense	(17)	(17)	-	(34)
Elimination on disposal	169	7	-	176
Balance at 30 June 2023	(168)	(137)	(5,883)	(6,188)
Depreciation expense	(47)	(360)	-	(407)
Elimination on disposal	-	-	-	-
Balance at 30 June 2024	(216)	(496)	(5,883)	(6,596)
NET BOOK VALUE				
As at 30 June 2023	63	102	-	165
As at 30 June 2024	82	2,173	-	2,255

8. Intangible assets

	Computer Software \$000
GROSS CARRYING AMOUNT	
Balance at 30 June 2022	419
Disposals	(345)
Balance at 30 June 2023	65
Disposals	-
Balance at 30 June 2024	65
ACCUMULATED AMORTISATION	
Balance at 30 June 2022	419
Amortisation	-
Elimination on disposal	(354)
Balance at 30 June 2023	65
Amortisation	-
Elimination on disposal	-
Balance at 30 June 2024	65
NET CARRYING VALUE	
As at 30 June 2023	-
As at 30 June 2024	-

9. Trade payables and other liabilities

	2024 \$000	2023 \$000
Trade payables	985	2,015
Other liabilities and accrued expenses	3,871	4,720
Onerous Lease Provision	1,154	-
GST Payable	3,712	-
Employee benefits	1,080	1,028
Deferred revenue	25,996	24,511
Related party payables	1,344	627
Total trade and other liabilities	38,142	32,901

The average credit period on purchases of certain goods and services is 30 days. Financial risk management policies are in place to ensure that all payables are paid within the credit timeframe.

10. Reconciliation of cash flows from operating activities with net surplus for the year

	2024 \$000	2023 \$000
Net (Deficit)/surplus for the year	893	(618)
Add non-cash items:		
Depreciation	696	476
Amortisation	-	-
Provision for Onerous Lease	1,154	-
Fair value movement in financial assets	(1,098)	(778)
	1,645	(302)
Add movements in other working capital items:		
Trade & other receivables	987	(19)
Trade & other payables	4,708	3,411
Tax receivable/(payable)	557	121
	6,252	3,513
Net cash inflow/(outflow) from operating activities	7,897	2,594

11. Leasing arrangements

	2024 \$000	2023 \$000
Non-cancellable operating lease payments		
Not later than 1 year	1,250	1,154
Later than 1 year and not later than 5 years	3,613	3,364
Later than 5 years	312	1,036
	5,175	5,554

The operating lease payments comprise leased premises for the Auckland, Otago and Waikato-Bay of Plenty Branches and the National Office in Wellington. There is no option to purchase the leased assets at the expiry of the lease period.

12. Financial instruments

The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking account of the value of any collateral obtained.

Fair value of financial instruments

The fair value of the financial instruments, financial assets and financial liabilities does not differ materially from the carrying value as reflected in the statement of financial position.

Interest rate risk

NZLS Regulatory is exposed to interest rate risk in that future interest rate movements will affect cash flows and the market value of fixed interest investment assets. NZLS Regulatory does not use any derivative products to manage interest rate risk.

Credit risk

The maximum credit risk associated with the financial instruments held is considered to be the carrying value reflected in the statement of financial position. The risk of non-recovery of these amounts is considered to be minimal given that the investments are made with a variety of NZ registered banks. NZLS Regulatory does not require collateral or other security to support financial instruments with credit risk.

Our trade and other receivables includes aged fines and costs receivables. Management have applied several assumptions to calculate the amount deemed collectable as mentioned in note 5.

Maturity analysis

The maturity tables below provide a breakdown of cash and the contractual non-discounted cashflows relating to financial assets and financial liabilities for the reporting period.

The table includes both interest and principal cashflows:

	Weighted average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 Months to 1 year \$000	1 to 2 years \$000	Over 2 years \$000	Total \$000
30 June 2024							
Cash at bank	2.85%	31,284	-	-	-	-	31,284
Trade/other receivables		-	-	1,766	-	-	1,766
Other financial assets		14,924	-	-	-	-	14,924
Total financial assets		46,208	-	1,766	-	-	47,974
Trade/other liabilities (excluding deferred revenue)		11,351	-	-	-	-	11,351
Total financial liabilities		11,351	-	-	-	-	11,351
	Weighted average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 Months to 1 year \$000	1 to 2 years \$000	Over 2 years \$000	Total \$000
30 June 2023							
Cash at bank	1.00%	15,472	-	-	-	-	15,472
Cash on call	2.70%	2	-	-	-	-	2
Fixed term bank deposits	5.81%	-	2,535	5,649	-	-	8,184
Trade/other receivables		-	-	3,770	-	-	3,770
Other financial assets		-	-	13,825	-	-	13,825
Total financial assets		15,474	2,535	23,244	-	-	41,253
Trade/other liabilities (excluding deferred revenue)		8,390	-	-	-	-	8,390
Total financial liabilities		8,390	-	-	-	-	8,390

13. Related party disclosures

Related parties are considered to be those entities which the Board or key management personnel have the ability to exert significant influence or control over. During the year NZLS Regulatory has undertaken transactions with related parties which comprise the recovery of costs relating to the direct salaries and general administration expenses paid by NZLS Regulatory. As these transactions are not comparable to transactions that would occur through the course of a normal client/supplier relationship all transactions have been disclosed below along with any amounts receivable and payable to related parties at balance date.

	2024 \$000	2023 \$000
Allocation of costs to:		
NZLS Representative	4,933	3,884
NZLS CLE Limited	630	547
NZLS Solicitors' Fidelity Guarantee Fund	33	33
NZLS Lawyers' Fidelity Fund	41	41
The Lawyers and Conveyancers Special Fund	25	25
	5,662	4,431
Depreciation/amortisation costs paid for use of assets:		
NZLS Representative	391	507
NZLS related entity receivables/(payables) at end of year:		
NZLS Representative	(730)	99
NZLS CLE Limited	127	106
NZLS Lawyers' Fidelity Fund	(614)	(627)
NZLS Solicitors' Fidelity Guarantee Fund	3	3
The Lawyers and Conveyancers Special Fund	2	2
	(1,212)	(417)

Key management personnel:

The remuneration of key management personnel during the year was as follows:

	2024 \$000	2023 \$000
Short term employee benefits	1,554	1,454

Short term employee benefits comprise salary and bonus payments attributable to key management personnel during the period.

14. Contingent liabilities

There are no contingent liabilities at 30 June 2024 (2023 - nil). In the ordinary course of business NZLS Regulatory is exposed to legal claims against decisions made by the Legal Complaints Review Officer or the Standards Committee. No provision is made in these financial statements in relation to the possible legal costs and disbursements which may be incurred in defending these decisions.

15. Capital commitments

There are no capital commitments at 30 June 2024 (2023 - nil).

16. Subsequent events

There are no material non-adjusting events after the reporting date (2023 - nil).

Additional information

Registered office / Principal place of operations:	Auditor:	Bankers:
Accuro House 17-21 Whitmore St Wellington	Deloitte Limited Level 12 20 Customhouse Quay Wellington	ASB Bank

Independent Auditor's Report

To the Members of New Zealand Law Society Regulatory

Opinion	<p>We have audited the consolidated performance report of New Zealand Law Society Regulatory (the 'Society'), which comprise the financial statements on pages 61 to 70, and the statement of service performance on pages 59 to 60. The complete set of financial statements comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.</p> <p>In our opinion, the accompanying consolidated performance report presents fairly, in all material respects:</p> <ul style="list-style-type: none"> the consolidated financial position of the Society as at 30 June 2024, and its consolidated financial performance and cash flows for the year then ended; and the consolidated service performance for the year ended 30 June 2024 in accordance with the Society's service performance criteria <p>in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.</p>
Basis for opinion	<p>We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 <i>The Audit of Service Performance Information</i> ('NZ AS 1'). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Consolidated Performance Report</i> section of our report.</p> <p>We are independent of the Society in accordance with Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards)</i> (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Society. These services have not impaired our independence as auditor of the Society.</p>
Other information	<p>The Board is responsible on behalf of the Society for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated performance report and the audit report.</p> <p>Our opinion on the consolidated performance report does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.</p>
Board of Directors responsibilities for the consolidated performance report	<p>The Board of Directors are responsible on behalf of the Society for:</p> <ul style="list-style-type: none"> the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards RDR; service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and such internal control as the Board of Directors determines is necessary to enable the preparation of a consolidated performance report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the consolidated performance report

In preparing the consolidated performance report, the Board of Directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated performance report.

A further description of our responsibilities for the audit of the consolidated performance report is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body, in accordance with Section 19 of the Constitution of the New Zealand Law Society. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

Wellington, New Zealand
7 October 2024

New Zealand Law Society Lawyers' Fidelity Fund

Performance Report for the year ended 30 June 2024

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2024

Purpose and vision

The purpose and vision statements of all Law Society entities are consistent as each entity forms part of the overall operation of the Law Society. These are as follows:

- Our **purpose** is to be the kaitiaki of an exemplary legal profession in Aotearoa.
- Our **vision** is that all people in Aotearoa benefit from a strong, progressive and trusted legal profession.

Why does the entity exist?

The New Zealand Law Society Lawyers' Fidelity Fund (the "Lawyers' Fidelity Fund") is a statutory entity established under Part 10 of the Lawyers and Conveyancers Act 2006. The Fund was established for the purpose of reimbursing persons who have suffered a pecuniary loss arising from theft by lawyers in public practice after 1 August 2008. The Fund protects members of the public in instances of practitioner theft via a self-insurance mechanism that is operated by the Law Society.

Objectives and performance measures

The Lawyers' Fidelity Fund looks to achieve this purpose through the following objectives and associated measures:

Objective 1: Ensure there are sufficient funds on hand to pay potential claims

	2024	2023
% of contributions collected from applicable lawyers	100%	100%
Minimum fund size requirement met	Yes	Yes

The percentage of contributions received show how effective the Law Society has been at collecting contributions from relevant practitioners. Lawyers' Fidelity Fund regulations state that the minimum amount of funds to be maintained in any financial year is to be the less of 10% of the contributions received over the past five years or \$250,000. Both measures ensure that there are sufficient funds on hand to provide protection for members of the public.

Objective 2: Reimburse those that have suffered a pecuniary loss due to theft or misappropriation

	2024	2023
Total number of claims received	7	4
Total number of successful claims	6	1
Number of claims under investigation at balance date	3	5

These measures outline the number of claims received and successful claims made during the reporting period. Providing a pathway for lodging claims ensures that members of the public feel they have a course of action to take in instances of practitioner theft.

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
REVENUE			
Revenue from exchange transactions			
Annual contributions		628	1,021
Claim Recoveries		-	(93)
Interest		650	408
Total revenue		1,278	1,336
EXPENSES			
Change in claims provision	2	487	575
Investigation and other costs		126	99
Audit fee		13	9
Administration	3	41	41
Total expenses		667	724
Surplus before income tax		611	612
Income tax expense	4	210	133
Net surplus for the year		401	479
Total comprehensive revenue and expense for the year		401	479

Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$000	2023 \$000
Equity at beginning of year	11,986	11,507
Total comprehensive revenue and expense for the year	401	479
Total recognised revenue and expense	401	479
Equity at end of year	12,387	11,986

The accompanying notes on pages 76 to 80 form part of and are to be read in conjunction with these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$000	2023 \$000
ASSETS			
Current assets			
Cash at bank		1,755	6,287
Bank deposits		11,127	6,064
Related party receivables	3	747	669
Total current assets		13,629	13,020
Total assets		13,629	13,020
EQUITY AND LIABILITIES			
Current liabilities			
Income in advance		619	631
Claims provision	2	410	290
Income Tax Payable	4	189	100
Trade and Other payables		24	13
Total current liabilities		1,242	1,034
Equity			
Retained earnings		12,387	11,986
Total equity		12,387	11,986
Total equity and liabilities		13,629	13,020

These financial statements were approved for issue on behalf of the Board:



Vice-President
7 October 2024



Chief Executive
7 October 2024

The accompanying notes on pages 76 to 80 form part of and are to be read in conjunction with these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Cash was received from:			
Contributions		629	996
Interest		650	408
Claim Recoveries		-	285
		1,279	1,689
Cash was applied to:			
Claims		367	901
Payments to suppliers		169	172
Income tax paid		212	31
		748	1,104
Net cash flows from operating activities	5	531	585
Cash flows from investing activities			
Cash was received from:			
Investments in term deposits		23,063	15,754
		23,063	15,754
Cash was applied to:			
Investments in term deposits		28,126	11,571
		28,126	11,571
Net cash flows from/(used in) investing activities		(5,063)	4,183

	Note	2024 \$000	2023 \$000
Net increase/(decrease) in cash and cash equivalents		(4,532)	4,768
Cash and cash equivalents at beginning of year		6,287	1,519
Cash and cash equivalents at end of year		1,755	6,287
Comprising:			
Cash at bank		1,335	5,880
Cash on call		420	407
Total cash and cash equivalents		1,755	6,287

The accompanying notes on pages 76 to 80 form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Significant accounting policies

Reporting entity

The New Zealand Law Society Lawyers' Fidelity Fund (the "Lawyers' Fidelity Fund") is the property of the New Zealand Law Society and is held in trust for the purpose of reimbursing persons who have suffered pecuniary loss arising from theft, as is defined in the Crimes Act, by lawyers in public practice.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as applied for a Tier 2 entity ("NZ GAAP"). They comply with Public Benefit Entity Standards ("PBE Standards"). The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied ("RDR").

The Lawyers' Fidelity Fund is a public benefit not for profit entity and has elected to apply Tier 2 PBE Standards on the basis that it does not have public accountability and is not defined as large.

Basis of preparation

The financial statements are presented in New Zealand dollars ("NZD") which is the functional and presentation currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis.

The accounting policies have been applied consistently to all periods in these financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Lawyers' Fidelity Fund and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from exchange transactions:

- *Annual contributions* – Revenue from contributions is recognised on a straight-line basis over the period to which the annual contributions relate.
- *Interest* – Interest revenue is recognised on an accruals basis using the effective interest method.

Receivables

Other receivables are recognised at their estimated realisable value.

Payables

Claims payable are recognised at the best estimate of the expenditure expected to be required to settle the claims and costs notified to the Lawyers' Fidelity Fund.

Other payables are measured at amortised cost.

Goods and services tax

The statement of comprehensive revenue and expense has been prepared on a goods and services tax (GST) exclusive basis. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Income tax

Income tax in the statement of comprehensive revenue and expense comprises current tax on interest income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and any adjustment to tax payable for previous years.

Income in advance

Income in advance comprises annual contributions that are received for the next financial reporting period. The contributions are recorded as a liability and recognised as revenue on a straight line basis over the period to which the annual contributions relate.

Claims Provision

The claims provision comprises claims that are expected to be paid post balance date. A provision is recognised where a claim has been admitted that is likely to result in payment and the amount can be estimated reliably.

Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, and investments in bank term deposits maturing within one month. The following terms are used in the statement of cash flows:

- *Operating activities* are the principal revenue producing activities and other activities that are not investing or financing activities.
- *Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- *Financing activities* are the activities that result in changes in the size and composition of the contributed equity and borrowings.

Critical accounting estimates and assumptions

In preparing these financial statements the Board have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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 made are reviewed on an on-going basis. Revisions to accounting estimates or material judgements are recognised in the period in which the estimate or judgement is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Claims provision

	2024 \$000	2023 \$000
Opening balance at beginning of year	290	616
Amounts settled during year	(286)	(285)
Amounts released during year	(4)	(616)
Amounts recognised through profit or loss during year	410	575
Closing claims provision at end of year	410	290

The Lawyers' Fidelity Fund is available to meet claims of theft committed from 1 August 2008 onwards. A provision is made for claims which have been notified and quantified through investigation at year end, and are expected to be settled in the next financial year. No provision has been made for claims which have not been notified, or having been notified are unable to be quantified pending further investigation, at year end.

3. Related party disclosures

Related parties are considered to be those entities which the Board or key management personnel have the ability to exert significant influence or control over. During the year the Lawyers' Fidelity Fund has a related party relationship with NZLS Regulatory and NZLS Solicitors' Fidelity Guarantee Fund. The transactions with NZLS Regulatory comprise:

- the collection of levies from practising lawyers who operate trust accounts by NZLS Regulatory which are passed onto the Lawyers' Fidelity Fund; and
- a share of costs charged by NZLS Regulatory to cover administrative and accounting services provided to the Lawyers' Fidelity Fund.

The transactions with NZLS Regulatory and and NZLS Solicitors' Fidelity Guarantee Fund are not comparable to transactions that would occur through the course of a normal client/supplier relationship and have been disclosed below along with any amounts receivable and payable to related parties at balance all transactions.

	2024 \$000	2023 \$000
Allocation of administrative and accounting service costs from:		
NZLS Regulatory	41	41
Allocation of net taxation payments to:		
NZLS Solicitors' Fidelity Guarantee Fund	133	42
NZLS related entity receivables at end of year:		
NZLS Regulatory	614	627
NZLS Solicitors' Fidelity Guarantee Fund	133	42
	747	669

4. Taxation

	2024 \$000	2023 \$000
(a) Income tax recognised in surplus or deficit for year		
Tax expense comprises:		
Tax expense for years income	215	134
Adjustments recognised in the current period in relation to tax of prior periods	(5)	(1)
Total tax expense for the year	210	133
(b) The prima facie income tax expense on pre-tax accounting surplus from operations reconciles to the income tax expense in the financial statements as follows:		
Surplus from operations before income tax	611	612
Income tax expense calculated at 33%	202	202
Adjustment for tax on non-assessable income and expenditure	13	(68)
Prior period tax adjustment	(5)	(1)
Income tax expense recognised in surplus or deficit for year	210	133
(c) Current tax payable/(receivable)		
Balance at beginning of year	100	(2)
Taxation paid	(122)	(31)
Refund received	1	-
Prior period tax adjustment	(5)	(1)
Tax expense for years income	215	134
Balance at end of the year	189	100

5. Reconciliation of cash flows from operating activities with net surplus for the year

	2024 \$000	2023 \$000
Net surplus for the year	401	479
Add movements in other working capital items:		
Trade and other receivables	(78)	734
Trade payables and other liabilities	119	(730)
Tax payable/(receivable)	89	102
	130	106
Net cash flows from operating activities	531	585

6. Financial instruments

The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking account of the value of any collateral obtained.

Fair value of financial instruments

The fair value of the financial instruments, financial assets and financial liabilities does not differ materially from the carrying value as reflected in the statement of financial position.

Interest rate risk

NZLS Regulatory is exposed to interest rate risk in that future interest rate movements will affect cash flows and the market value of fixed interest investment assets. The Lawyers' Fidelity Fund does not use any derivative products to manage interest rate risk.

Credit risk

The maximum credit risk associated with the financial instruments held is considered to be the carrying value reflected in the statement of financial position. The risk of non-recovery of these amounts is considered to be minimal given that the investments are made with a variety of NZ registered banks. The Lawyers' Fidelity Fund does not require collateral or other security to support financial instruments with credit risk.

Maturity analysis

The maturity tables below provide a breakdown of cash and the contractual non-discounted cashflows relating to financial assets and financial liabilities for the reporting period.

The table includes both interest and principal cashflows:

	Average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 months to 1 year \$000	1 to 2 years \$000	Over 2 years \$000	Total \$000
30 June 2024							
Cash at bank	2.85%	1,335	-	-	-	-	1,335
Call account deposits	2.90%	420	-	-	-	-	420
Fixed term bank deposits	5.81%	11,127	-	-	-	-	11,127
Trade/other receivables		747	-	-	-	-	747
Total financial assets		13,629	-	-	-	-	13,629
Trade/other liabilities (excluding deferred revenue)		24	-	-	-	-	24
Total financial liabilities		24	-	-	-	-	24
	Weighted average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 months to 1 year \$000	1 to 2 years \$000	Over 2 years \$000	Total \$000
30 June 2023							
Cash at bank	2.61%	5,878	-	-	-	-	5,878
Call account deposits	2.70%	409	-	-	-	-	409
Fixed term bank deposits	5.00%	-	-	6,064	-	-	6,064
Trade/other receivables		669	-	-	-	-	669
Total financial assets		6,956	-	6,064	-	-	13,020
Trade/other liabilities (excluding deferred revenue)		13	-	-	-	-	13
Total financial liabilities		13	-	-	-	-	13

7. Contingent liabilities

During the reporting period, one instance of theft was reported with an indicative liability of \$293k. The matter is currently in the early stages of investigation so the likelihood of an outflow and a reliable estimate of the potential claim liability cannot be determined. (2023 – \$100,000).

8. Commitments

There are no capital or operating lease commitments as at 30 June 2024 (2023 – nil).

9. Subsequent events

There are no material non-adjusting events after the reporting date (2023 – nil).

Additional Information

Registered office / Principal place of operations:

Accuro House
17-21 Whitmore St
Wellington

Auditor:

Deloitte Limited
Level 12
20 Customhouse Quay
Wellington

Bankers:

ASB Bank

Independent Auditor's Report

To the Members of New Zealand Law Society Lawyers' Fidelity Fund

Opinion	<p>We have audited the performance report of New Zealand Law Society Lawyers' Fidelity Fund (the 'Fund'), which comprise the financial statements on pages 73 to 80, and the statement of service performance on page 72. The complete set of financial statements comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.</p> <p>In our opinion the accompanying performance report presents fairly, in all material respects:</p> <ul style="list-style-type: none"> the financial position of the Fund as at 30 June 2024, and its financial performance and cash flows for the year then ended; and the service performance for the year ended 30 June 2024 in accordance with the Fund's service performance criteria <p>in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.</p>
Basis for opinion	<p>We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard NZ AS 1 <i>The Audit of Service Performance Information</i> ('NZ AS 1'). Our responsibilities under those standards are further described in the <i>Auditor's responsibilities for the audit of the performance report</i> section of our report.</p> <p>We are independent of the Fund in accordance with Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Fund. These services have not impaired our independence as auditor of the Fund.</p>
Other information	<p>The Board is responsible on behalf of the Fund for the other information. The other information comprises the information in the Annual Report that accompanies the performance report and the audit report.</p> <p>Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>Our responsibility is to read the other information and consider whether it is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.</p>
Board's responsibilities for the performance report	<p>The Board is responsible on behalf of the Fund for:</p> <ul style="list-style-type: none"> the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR; service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and such internal control as the Board determines is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error. <p>In preparing the performance report, the Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.</p>

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of the performance report is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

Wellington, New Zealand
7 October 2024

New Zealand Law Society Solicitors' Fidelity Guarantee Fund

Performance Statement for the year ended 30 June 2024

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2024

Purpose and vision

The purpose and vision statements of all Law Society entities are consistent as each entity forms part of the overall operation of the Law Society. These are as follows:

- Our **purpose** is to be the kaitiaki of an exemplary legal profession in Aotearoa.
- Our **vision** is that all people in Aotearoa benefit from a strong, progressive and trusted legal profession.

Why does the entity exist?

The New Zealand Law Society Solicitors' Fidelity Guarantee Fund (the "Solicitors' Fidelity Guarantee Fund") is a statutory entity established under Part 9 of the Law Practitioners Act 1982 (LPA), the provisions of which (subject to sections 364 to 369 of the Lawyers and Conveyancers Act 2008 (LCA)) remain in force, despite the repeal of the LPA, until section 370 of the LCA comes into force.

The fund protects members of the public in instances of practitioner theft committed up until 31 July 2008 via a self-insurance mechanism. The last day to make a claim for compensation from the Solicitors' Fidelity Guarantee Fund was 7 February 2023. The process for winding up the SFGF started in February 2022, and as at 30 June 2024, one claim remains outstanding. Once this is resolved, the Law Society will provide a final report to the Minister, who may then recommend to the Governor General that the SFGF be wound up. When this happens, any assets must be distributed in accordance with s 369(2) LCA.

Objectives and performance measures

The Solicitors' Fidelity Guarantee Fund looks to achieve this purpose through the following objectives and associated measures:

Objective 1: Ensure there are sufficient funds on hand to pay potential claims

	2024	2023
% return on average funds held during the period	4.64%	3.21%

This measure shows how effective the Law Society has been at generating a return on capital during the reporting period. This is important as it ensures that there are sufficient funds on hand to protect members of the public.

Objective 2: Reimburse those that have suffered a pecuniary loss due to theft or misappropriation

	2024	2023
Total number of claims received	Nil	8
Total number of successful claims	Nil	Nil
Total number of claims unresolved at balance date	1*	1

*Investigation concluded and engagement with claimant's counsel continuing.

These measures outline the number of claims received and successful claims made during the reporting period. Providing a pathway for lodging claims ensures that members of the public feel they have a course of action to take in instances of practitioner theft.

Key judgements applied when choosing which information to report

No key judgements applied as scope of operations are narrow.

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
REVENUE			
Revenue from exchange transactions			
Interest		681	448
Total revenue		681	448
EXPENSES			
Investigation and other costs		110	87
Audit Fee		13	9
Administration	3	33	33
Total expenses		156	129
Surplus before income tax		525	319
Income tax expense	4	227	148
Net surplus for the year		298	171
Total comprehensive revenue and expense for the year		298	171

Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$000	2023 \$000
Equity at beginning of year	14,028	13,857
Total comprehensive revenue and expense for the year	298	171
Total recognised revenue and expenses	298	171
Equity at end of year	14,326	14,028

The accompanying notes on pages 85 to 89 form part of and are to be read in conjunction with these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$000	2023 \$000
ASSETS			
Current assets			
Cash at bank		14,669	2,063
Bank deposits		-	12,130
Income tax receivable	4	-	-
Total current assets		14,669	14,193
Total assets		14,669	14,193
EQUITY AND LIABILITIES			
Current liabilities			
Payables		-	9
Other payables		11	9
Income Tax Payable	4	196	102
Related party payables	3	136	45
Total current liabilities		343	165
Equity			
Retained earnings		14,326	14,028
Total equity		14,326	14,028
Total equity and liabilities		14,669	14,193

These financial statements were approved for issue on behalf of the Board:



Vice-President
7 October 2024



Chief Executive
7 October 2024

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Cash was received from:			
Interest		681	448
		681	448
Cash was applied to:			
Payments to suppliers		72	91
Income tax paid		133	42
		205	133
Net cash flows from operating activities	5	476	315
Cash flows from investing activities			
Cash was received from:			
Investments in term deposits		59,930	33,187
Cash was applied to:			
Investments in term deposits		47,800	31,635
Net cash flows received from investing activities		12,130	1,552

	Note	2024 \$000	2023 \$000
Net increase in cash and cash equivalents		12,606	1,867
Cash and cash equivalents at beginning of year		2,063	196
Cash and cash equivalents at end of year		14,669	2,063
Comprising:			
Cash at bank		14,640	2,035
Cash on call		29	28
Total cash and cash equivalents at end of year		14,669	2,063

The accompanying notes on pages 85 to 89 form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Significant accounting policies

Reporting entity

The New Zealand Law Society Solicitors' Fidelity Guarantee Fund (the "Solicitors' Fidelity Guarantee Fund") is the property of the New Zealand Law Society and is held in trust for the purpose of reimbursing persons who have suffered pecuniary loss arising from theft, as is defined in the Crimes Act 1961, by lawyers in public practice.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as applied for a Tier 2 entity ("NZ GAAP"). They comply with Public Benefit Entity Standards ("PBE Standards"). The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied ("RDR").

The Solicitors' Fidelity Guarantee Fund is a public benefit not for profit entity and is eligible to apply Tier 2 PBE Standards on the basis that it does not have public accountability and is not defined as large.

Basis of preparation

The financial statements are presented in New Zealand dollars ("NZD") which is the functional and presentation currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis.

The accounting policies have been applied consistently to all periods in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis as management expect the entity to remain in operation for a period of at least 12 months from the date of signing of the financial statements.

For anyone who has experienced theft by a solicitor on or before 31 July 2008, the last day to make a claim for compensation from the Solicitors' Fidelity Guarantee Fund was 7 February 2023. Subsequent to all claims received before this date being fully dealt with, management intend to carry out the wind up procedures for the entity under s.367 of the Lawyers and Conveyancers Act 2006. The actual date of wind up is uncertain at this stage and depends on ministerial approval and the volume of claims received.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Solicitors' Fidelity Guarantee Fund and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from exchange transactions:

- *Interest* – Interest revenue is recognised on an accruals basis using the effective interest method.

Receivables

Other receivables are recognised at their estimated realisable value.

Payables

Claims payable are recognised at the best estimate of the expenditure expected to be required to settle the claims and costs notified to the Solicitors' Fidelity Guarantee Fund.

Other payables are recognised at fair value and subsequently measured at amortised cost.

Goods and services tax

The statement of comprehensive revenue and expense has been prepared on a goods and services tax (GST) basis. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Income tax

Income tax in the statement of comprehensive revenue and expense comprises current tax on interest income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and any adjustment to tax payable for previous years.

Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, and investments in bank

term deposits maturing within one month. The following terms are used in the statement of cash flows:

- *Operating activities* are the principal revenue producing activities and other activities that are not investing or financing activities.
- *Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- *Financing activities* are the activities that result in changes in the size and composition of the contributed equity and borrowings.

Critical accounting estimates and assumptions

In preparing these financial statements the Board has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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. In this entity, estimates may be made in relation to provisioning for claims that have been received but not yet determined as at balance date. This may result in a claims expense in the subsequent financial year which is either less than or more than the claims provision expense. Any over or under provisioning is recognised against the change in claims provision in the Statement of Comprehensive Revenue and Expense.

2. Claims provision

	2024 \$000	2023 \$000
Opening balance at beginning of year	-	-
Amounts released through profit or loss during year	-	-
Amounts recognised through profit or loss during year	-	-
Closing claims provision at end of year	-	-

The Solicitors' Fidelity Guarantee Fund is available to meet claims of theft committed prior to 1 August 2008. A provision is made for claims which have been notified and quantified through investigation at year end and are expected to be settled in the next financial year. No provision has been made for claims which have not been notified, or having been notified are unable to be quantified pending further investigation, at year end.

There were no claims of enough certainty to require provisioning in 2023-24.

3. Related party transactions

Related parties are considered to be those entities which the Board or key management personnel have the ability to exert significant influence or control over. During the year the Solicitors' Fidelity Guarantee Fund had a related party relationship with New Zealand Law Society Regulatory (Regulatory) and New Zealand Law Society Lawyers' Fidelity Fund (Lawyers' Fidelity Fund) due to the entities having the same Board. The transactions with Regulatory comprise a share of costs charged by Regulatory to cover administrative and accounting services provided to the Solicitors' Fidelity Guarantee Fund.

The transactions with Regulatory and the Solicitors' Fidelity Fund are not comparable to transactions that would occur through the course of a normal client/supplier relationship and have been disclosed below along with any amounts receivable and payable to related parties at balance all transactions.

	2024 \$000	2023 \$000
Allocation of administrative and accounting service costs from:		
NZLS Regulatory	33	33
Allocation of net taxation payments from:		
NZLS Lawyers' Fidelity Fund	133	42
NZLS related entity payables at end of year:		
NZLS Regulatory	3	3
NZLS Lawyers' Fidelity Fund	133	42
	136	45

4. Taxation

	2024 \$000	2023 \$000
(a) Income tax recognised in surplus or deficit for year		
Tax expense comprises:		
Tax expense for year's income	225	148
Adjustments recognised in the current period in relation to tax of prior periods	2	-
Total tax expense for the year	227	148
(b) The prima facie income tax expense on pre-tax accounting surplus from operations reconciles to the income tax expense in the financial statements as follows:		
Surplus from operations before income tax	525	320
Income tax expense calculated at 33%	173	106
Adjustment for tax on non-assessable income and expenditure	53	43
Nonprofit organisation exemption	(1)	(1)
Prior period tax adjustment	2	-
Income tax expense recognised in surplus or deficit for year	227	148
(c) Current tax payable/(receivable)		
Balance at beginning of year	102	(4)
Taxation paid	(135)	(42)
Taxation refunded	2	-
Prior period tax adjustment	2	-
Tax expense for year's income	225	148
Balance at end of the year	196	102

5. Reconciliation of net cash flows from operating activities with net surplus for the year

	2024 \$000	2023 \$000
Net surplus for the year	298	171
Add movements in other working capital items:		
Trade payables and other liabilities	84	38
Tax payable	94	106
	178	144
Net cash flows from operating activities	476	315

6. Financial instruments

The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking account of the value of any collateral obtained.

Fair value of financial instruments

The fair value of the financial instruments, financial assets and financial liabilities does not differ materially from the carrying value as reflected in the statement of financial position.

Interest rate risk

The Solicitors' Fidelity Guarantee Fund is exposed to interest rate risk in that future interest rate movements will affect cash flows and the market value of fixed interest investment assets. The Solicitors' Fidelity Guarantee Fund does not use any derivative products to manage interest rate risk.

Credit risk

The maximum credit risk associated with the financial instruments held is considered to be the carrying value reflected in the statement of financial position. The risk of non-recovery of these amounts is considered to be minimal given that the investments are made with a variety of NZ registered banks. The Solicitors' Fidelity Guarantee Fund does not require collateral or other security to support financial instruments with credit risk.

Maturity analysis

The maturity tables below provide a breakdown of cash and the contractual non-discounted cashflows relating to financial assets and financial liabilities for the reporting period.

The table includes both interest and principal cashflows:

	Average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 Months to 1 year \$000	1 to 2 years \$000	Total \$000
30 June 2024						
Cash at bank	2.85%	14,640	-	-	-	14,640
Call account deposits	2.90%	29	-	-	-	29
Total financial assets		14,669	-	-	-	14,669
Trade/other liabilities		147	-	-	-	147
Total financial liabilities		147	-	-	-	147
	Average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 Months to 1 year \$000	1 to 2 years \$000	Total \$000
30 June 2023						
Cash at bank	2.61%	2,036	-	-	-	2,036
Call account deposits	2.70%	28	-	-	-	28
Fixed term bank deposits	5.31%	-	12,162	-	-	12,162
Total financial assets		2,064	12,162	-	-	14,226
Trade/other liabilities		63	-	-	-	63
Total financial liabilities		63	-	-	-	63

7. Contingent liabilities

In the 2023 financial year, one claim was received which is unquantified but is likely in the range of \$600,000 – \$1,000,0000. Investigation of the claim has concluded; however, the matter remains under dispute. It is deemed not probable that payment will materialise and is therefore disclosed as a contingent liability as at 30 June 2024. The same claim was under investigation as at 30 June 2023.

8. Commitments

There are no capital or operating lease commitments at 30 June 2024 (2023 – nil).

9. Subsequent events

There are no material non-adjusting events after the reporting date (2023 – nil).

Additional Information

Principal place of operations:

Accuro House
17-21 Whitmore St
Wellington

Auditor:

Deloitte Limited
Level 12
20 Customhouse Quay
Wellington

Bankers:

ASB Bank

Independent Auditor's Report

To the Members of the New Zealand Law Society Solicitors' Fidelity Guarantee Fund

Opinion

We have audited the general purpose financial report ('financial report') of the New Zealand Law Society Solicitor's Fidelity Guarantee Fund (the 'Fund'), which comprise the financial statements on pages 83 to 89, and the statement of service performance on page 82. The complete set of financial statements comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial report presents fairly, in all material respects:

- the financial position of the Fund as at 30 June 2024 and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 30 June 2024 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard NZ AS 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Fund in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Fund. These services have not impaired our independence as auditor of the Fund.

Other information

The Board is responsible on behalf of the for the other information. The other information comprises the information in the Annual Report that accompanies the financial report and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Board's responsibilities for the financial report

The Board is responsible on behalf of the Fund for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Board determine is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

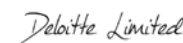
Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.



Wellington, New Zealand
7 October 2024

The Lawyers and Conveyancers Special Fund

Performance Report for the year ended 30 June 2024

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2024

Purpose and vision

The purpose and vision statements of all Law Society entities are consistent as each entity forms part of the overall operation of the Law Society. These are as follows:

- Our **purpose** is to be the kaitiaki of an exemplary legal profession in Aotearoa.
- Our **vision** is that all people in Aotearoa benefit from a strong, progressive and trusted legal profession.

Why do we exist?

The New Zealand Law Society Lawyers and Conveyancers Special Fund (“the Special Fund”) is a statutory entity established under Part 9 of the Lawyers and Conveyancers Act 2006. The Special Fund collects interest from banks who have received interest from practitioners nominated trust accounts. All money collected by the Special Fund (net of administration and audit fees) is paid over to the Ministry of Justice (MoJ) for the purpose of funding community law centres to assist the public with receiving access to quality legal services.

Objectives and Performance Measures

The Special Fund looks to achieve this purpose through the following objectives and associated measures:

Objective 1: Ensure funds are received from banks in a timely manner

	2024	2023
Percentage of interest payments collected within 30 days of month end	100%	100%

This measure demonstrates how effective the Special Fund is at monitoring interest receipts to ensure that they are received in a timely manner. This then in turn ensures that funds are subsequently passed on to the MOJ in a timely manner.

	2024	2023
Percentage of payments made to MoJ in time	100%	92%

Section 298 requires that all money collected by the Special Fund net of any administration and audit fees must be paid to the MOJ on the last working day of each month following the month that the interest is accrued. This ensures that funds are received by the MOJ for distribution to Community Law Centres (CLCs) in a timely manner.

Key judgements applied when choosing which information to report

No key judgements applied as scope of operations is narrow and the entity exists for the sole purpose of collecting such funds and passing them on to the MoJ.

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
REVENUE			
Revenue from exchange transactions			
Fund management	2	39	35
Total revenue		39	35
EXPENSES			
Audit fees		14	10
Fund management and processing costs	6	25	25
Total expenses		39	35
Net surplus for the year		-	-
Total comprehensive revenue and expense for the year		-	-

Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2024

There were no changes in net assets/equity for the year ended 30 June 2024 (2023 – nil).

Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$000	2023 \$000
ASSETS			
Current assets			
Cash at bank		7	7
Other receivables	3	3,374	4,150
Total current assets		3,381	4,157
Total assets		3,381	4,157
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	4	3,379	4,155
Payable to related party	6	2	2
Total current liabilities		3,381	4,157
Equity			
Retained earnings		-	-
Total equity		-	-
Total equity and liabilities		3,381	4,157

The accompanying notes on pages 94 to 96 form part of and are to be read in conjunction with these financial statements.

The performance report was approved for issue by the Management Committee established under section 292 of the Lawyers and Conveyancers Act 2006 ('LCA'):



Committee Member
19 August 2024



Committee Member
19 August 2024

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Cash was received from:			
Interest on Nominated Trust Accounts		44,690	38,133
		44,690	38,133
Cash was applied to:			
Payments to Ministry of Justice		44,654	38,100
Payments to suppliers		36	26
		44,690	38,126
Net cash flows from operating activities	5	-	7

	Note	2024 \$000	2023 \$000
Net cash used in investing activities		-	-
Net increase in cash and cash equivalents		-	7
Cash and cash equivalents at beginning of year		7	-
Cash and cash equivalents at end of year		7	7
Comprising:			
Cash at bank		7	7

The accompanying notes on pages 94 to 96 form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Significant accounting policies

Reporting entity

The Lawyers and Conveyancers Special Fund (the “Special Fund”) was originally established as the New Zealand Law Society Special Fund under the Law Practitioners Act 1982 (the “LPA”). The LPA was repealed on 1 August 2008 by the Lawyers and Conveyancers Act 2006 (the “LCA”) and the Special Fund was renamed to The Lawyers and Conveyancers Special Fund at that date.

The Special Fund receives income in the form of interest earned on moneys held in lawyers and conveyancers nominated trust accounts kept at New Zealand registered banks in accordance with the provisions of the LCA. The income, after deduction of allowed expenditure, is distributed to the Ministry of Justice for the purpose of funding Community Law Centres.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity Standards (“PBE Standards”). The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (“Reduced Disclosure Regime”). The Special Fund is a public benefit not for profit entity and is eligible to apply Tier 2 PBE Standards on the basis that it does not have public accountability and is not defined as large.

Basis of preparation

The financial statements are presented in New Zealand dollars (“NZD”) which is the functional and presentation currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis.

The accounting policies have been applied consistently to all periods in these financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Special Fund and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from exchange transactions:

- *Fund Management* – Revenue from the fund management fee is recognised once the services have been rendered, taking into account contractually defined terms of payment, net of discounts and GST, and when the amount of revenue can be reliably measured.

Receivables

Other receivables are recognised at their estimated realisable value.

Payables

Other payables are recognised at cost.

Goods and services tax

The Special Fund is not registered for goods and services tax (GST) and therefore the financial statements are prepared on a GST inclusive basis.

Income tax

The Special Fund is not liable for income tax as it is a trustee and agent of beneficiaries who are not liable for income tax.

Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash in banks, and investments in bank term deposits maturing with original maturity of less than three months. The following terms are used in the statement of cash flows:

- *Operating activities* are the principal revenue producing activities and other activities that are not investing or financing activities.
- *Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- *Financing activities* are the activities that result in changes in the size and composition of the contributed equity and borrowings.

Critical accounting estimates and assumptions

In preparing these financial statements the Management Committee have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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 made are reviewed on an on-going basis. Revisions to accounting estimates or material judgements are recognised in the period in which the estimate or judgement is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Changes in accounting policies

There have been no changes in accounting policies this financial year.

2. Fund management

The Special Fund is required to collect interest earned on nominated trust accounts held by lawyers and conveyancers at the major trading banks and pass these funds to the Ministry of Justice. A deduction is made from the interest received to reimburse the Special Fund for the cost of managing the fund and administering the monthly collection and payment process.

The reimbursement of the Special Fund has been calculated as follows:

	2024 \$000	2023 \$000
Interest collected from:		
ANZ	13,846	13,478
ASB	19,377	16,440
BNZ	4,381	4,274
TSB	1	1
Westpac	6,309	6,327
	43,914	40,520
Payments to Ministry of Justice	43,875	40,485
	39	35

3. Other receivables

	2024 \$000	2023 \$000
Interest receivable	3,374	4,150
Total other receivables	3,374	4,150

4. Other payables

	2024 \$000	2023 \$000
Audit fee	12	9
Payment to Ministry of Justice	3,367	4,146
Total other payables	3,379	4,155

5. Reconciliation of cash flows from operating activities with net surplus for the year:

	2024 \$000	2023 \$000
Net surplus for the year	-	-
Add movements in other working capital items:		
Other receivables	776	(2,387)
Other payables	(776)	2,394
	-	7
Net cash flows from operating activities	-	7

6. Related party transactions

Identity of related parties

The Special Fund has a related party relationship with New Zealand Law Society Regulatory (Regulatory). Both entities are governed by the same Board. In accordance with the Lawyers and Conveyancers Act 2006, the Board appoints two representatives to the Management Committee responsible for the managing the Special Fund.

Related party transactions

The transactions with Regulatory comprise service fees charged by Regulatory for administrative and accounting services provided to the Special Fund.

	2024 \$000	2023 \$000
Allocation of costs from:		
New Zealand Law Society Regulatory	25	25
New Zealand Law Society related entity payables at end of year:		
New Zealand Law Society Regulatory	2	2

7. Contingent liabilities

There are no contingent liabilities as at 30 June 2024 (2023 – nil).

8. Commitments

There are no capital or operating lease commitments as at 30 June 2024 (2023 – nil).

9. Subsequent events

There are no events after the reporting date (2023 – nil).

Additional information

Principal place of operations:	Auditor:	Bankers:
Accuro House 17-21 Whitmore St Wellington	Deloitte Limited Level 12 20 Customhouse Quay Wellington	ASB Bank

Independent Auditor's Report

To the Members of The Lawyers and Conveyancers Special Fund

Opinion

We have audited the performance report of The Lawyers and Conveyancers Special Fund (the 'Fund'), which comprise the financial statements on pages 92 to 96, and the statement of service performance on page 91. The complete set of financial statements comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying performance report presents fairly, in all material respects:

- the financial position of the Fund as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 30 June 2024 in accordance with the Fund's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard NZ AS 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

We are independent of the Fund in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Other information

The Management Committee is responsible on behalf of the Fund for the other information. The other information comprises the information in the Performance Report that accompanies the performance report and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Management Committee's responsibilities for the performance report

The Management Committee is responsible on behalf of the Fund for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Management Committee determines is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Management Committee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

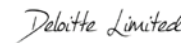
A further description of our responsibilities for the audit of the performance report is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.



Wellington, New Zealand
19 August 2024

New Zealand Law Society Representative (Group)

Performance Report for the year ended 30 June 2024

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2024

Purpose and vision

The purpose and vision statements of all Law Society entities are consistent as each entity forms part of the overall operation of the Law Society. These are as follows:

- Our **purpose** is to be the kaitiaki of an exemplary legal profession in Aotearoa.
- Our **vision** is that all people in Aotearoa benefit from a strong, progressive and trusted legal profession.

Why do we exist?

The New Zealand Law Society Representative function exists to promote the profession, represent its members and serve their interests.

Objectives and Performance Measures

The Representative function looks to achieve this purpose through the following objectives and associated measures:

Objective 1: Provide member services and support for lawyers

	2024	2023
Number of members	16,702	16,470
Number of associate members	627	701
Number of special interest group members	6,229	6,505
Number of branch events held	293	261

The Law Society provides education, networking and support and wellbeing events and opportunities for lawyers. Special interest groups provide opportunities for education and networking for lawyers practising in the same area.

Objective 2: Provide education, training and networking opportunities for lawyers via NZLS CLE

	2024	2023
Number of educational events held	172	178
Number of learning on demand courses	225	194
Number of publications and seminar papers produced	71	71

NZLS CLE is a fully-owned subsidiary of the Law Society which specialises in providing continuing legal education and professional development opportunities for lawyers.

Consolidated Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
REVENUE			
Revenue from exchange transactions			
Practising, registration and other service fees		542	541
Interest income		207	126
Other income		1,861	1,362
Courses and booklets		5,030	4,840
Total revenue		7,640	6,869
EXPENSES			
Administration and occupancy	2	11,039	9,723
Total expenses		11,039	9,723
Net finance income	3	418	139
Deficit before income tax		(2,981)	(2,715)
Income tax expense	4	420	212
Net deficit for the year		(3,401)	(2,927)
Other comprehensive revenue and expense			
Items that may not be reclassified to surplus/deficit:			
Land and building revaluation	6	-	175
Total comprehensive revenue and expense for the year		(3,401)	(2,752)

Consolidated Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Revaluation reserve \$000	Retained earnings \$000	Total \$000
Equity at 1 July 2022	253	15,478	15,731
Total comprehensive revenue and expense for the year	175	(2,927)	(2,752)
Equity at 30 June 2023	428	12,551	12,979
Total comprehensive revenue and expense for the year	-	(3,401)	(3,401)
Equity at 30 June 2024	428	9,150	9,578

The accompanying notes on pages 102 to 110 form part of and are to be read in conjunction with these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$000	2023 \$000
ASSETS			
Current assets			
Cash and cash equivalents		2,947	2,761
Bank term deposits		1,011	3,267
Financial assets	8	6,201	6,864
Trade and other receivables	5	1,666	1,025
Current tax receivable	4	-	9
Total current assets		11,825	13,926
Non-current assets			
Property, plant and equipment	6	2,141	1,890
Intangible assets	7	22	300
Total non-current assets		2,163	2,190
Total assets		13,988	16,116

	Note	2024 \$000	2023 \$000
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and other liabilities	9	4,120	3,137
Current tax payable	4	290	-
Total liabilities		4,410	3,137
Equity			
Revaluation reserve		428	428
Retained earnings		9,150	12,551
Total equity		9,578	12,979
Total equity and liabilities		13,988	16,116

These financial statements were approved for issue on behalf of the Board:



Vice-President
7 October 2024



Chief Executive
7 October 2024

The accompanying notes on pages 102 to 110 form part of and are to be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$000	2023 \$000
Cash flows from operating activities			
Cash was received from:			
Practising, registration and other service fees		1,141	585
Courses and booklets		4,996	5,077
Other income		1,861	1,362
Interest received		207	126
		8,205	7,150
Cash was applied to:			
Payments to suppliers and employees		10,727	9,740
Income tax paid		121	493
		10,848	10,233
Net cash flows used in operating activities	10	(2,643)	(3,083)
Cash flows from investing activities			
Cash was received from:			
Redemption of bank term deposits		8,768	3,750
Disposals of intangibles		-	2
Withdrawal from financial assets		1,081	3,359
		9,849	7,111

	Note	2024 \$000	2023 \$000
Cash was applied for:			
Investment in bank term deposits		6,511	7,017
Investment in financial assets		-	-
Purchase of property, plant and equipment		509	20
		7,020	7,037
Net cash from investing activities		2,829	74
Net increase/(decrease) in cash and cash equivalents		186	(3,009)
Cash and cash equivalents at beginning of year		2,761	5,770
Cash and cash equivalents at end of year		2,947	2,761
Comprising:			
Cash at bank		2,435	2,613
Cash on call		512	148
Total cash and cash equivalents		2,947	2,761

The accompanying notes on pages 102 to 110 form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Significant accounting policies

Reporting entity

The New Zealand Law Society (“NZLS”) is governed by the Lawyers and Conveyancers Act 2006 (the “LCA”). The LCA came into effect on 1 August 2008, replacing the Law Practitioners Act 1982 (the “LPA”). The LCA requires that the representative and regulatory functions of the NZLS are maintained separately and that separate financial statements are prepared for each category. These financial statements have been prepared for the NZLS representative function (“NZLS Representative”).

NZLS Representative’s functions are set out in section 66 of the LCA. The primary functions are to represent members and to serve their interests. NZLS Representative includes the Family Law, Property Law, and In-house Lawyers sections of NZLS.

The NZLS Representative Group (the “Group”) consists of NZLS Representative and its subsidiary, NZLS CLE Limited (“NZLS CLE”).

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as applied for a Tier 2 entity (“NZ GAAP”). They comply with Public Benefit Entity Standards (“PBE Standards”) and Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) that have been authorised for use by the External Reporting Board for Not-For-Profit entities. The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied

(“RDR”). NZLS Representative is a public benefit not for profit entity and is eligible to apply Tier 2 PBE Standards on the basis that it does not have public accountability and is not defined as large.

Basis of preparation

The financial statements are presented in New Zealand dollars (“NZD”) which is the functional and presentation currency, rounded to the nearest thousand. The financial statements are prepared on the historical cost basis modified by the revaluation of the land and buildings as identified in the accounting policy below.

The accounting policies have been applied consistently to all periods in these financial statements.

The preparation of financial statements in conformity with PBE Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

Judgements made by management in the application of PBE Standards that have a significant effect on the financial statements include the valuation of land and buildings, the assessment of impairment of assets and the determination of deferred revenue. The

particular accounting policies record the basis of judgements made.

Basis for consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being NZLS Representative (the “Parent”) and its subsidiary NZLS CLE. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

NZLS CLE is a for profit entity and has elected to report on a standalone basis in accordance with Tier 2 For-profit Accounting Standards on the basis it does not have public accountability and is not defined as large. On a standalone basis, NZLS CLE has elected to apply New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (“NZ IFRS (RDR)”).

For the purpose of the consolidated financial statements under PBE Standards, consistent accounting policies have been employed. There are no material adjustments required on consolidation of the financial statements of NZLS CLE.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the

consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from exchange transactions:

- *Courses and booklets* – Revenue from the provision of products or services in the normal course of business is recognised once the services have been rendered or the products have been sold, taking into account contractually defined terms of payment, net of discounts and GST. The Group recognises revenue when the amount of revenue can be reliably measured.
- *Practising, registration and other service fees* – Revenue from a transaction to provide services is recognised by reference to the stage of completion of the transaction at balance date.
- *Interest* – Interest income is recognised on an accruals basis using the effective interest method.
- *Other income* – Other income includes event and advertising related income. This income is recognised once the services have been rendered or the event has been held, and the amount of revenue can be reliably measured

Financial instruments

Financial instruments are those contracts entered into by the Group which result in the creation of either a financial asset or liability

for both the Group and the other contracting entity or individual. Financial instruments result in the recognition of financial assets and liabilities for the Group at the point where the Group becomes party to the contractual provisions of the instrument.

Financial assets

The Group only holds financial assets classified as short-term receivables, term deposits and managed funds.

Short-term receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL. In measuring ECL, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due. Short-term receivables are written off when there is no reasonable expectation of recovery.

Term deposits

Term deposits are initially measured at the amount invested, as this reflects fair value for these market-based transactions. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Managed fund

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is measured at fair value through surplus/deficit. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Financial liabilities

Financial liabilities are classified either 'at fair value through surplus or deficit', or 'at amortised cost'. The Group only holds financial liabilities at amortised cost which is comprised of trade and other payables. These are initially recognised at fair value less transaction costs and are thereafter carried at amortised cost using the effective interest method.

Property, plant and equipment

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses. The building revaluations are performed by an independent valuer with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The buildings are depreciated using an assumed useful life of 50 years between the two yearly valuations.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or loss as an impairment.

All other property, plant and equipment are stated at cost less accumulated depreciation and any subsequent impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

Depreciation of property, plant and equipment, other than land, is calculated on a straight-line ("SL") basis so as to write off the cost or fair value amount of each asset, less any residual value, over its estimated remaining useful life. Management have used judgement to determine the depreciation rates that best approximate the remaining useful lives and residual values and reviews the depreciation rates and residual values at the end of each annual reporting period.

The following estimated rates are used in the calculation of depreciation:

Class	Method	Rate
Computer hardware	SL	20–36%
Buildings	SL	2%
Furniture and equipment	SL	6–48%
Plant	SL	5–20%

Intangible assets

Intangible assets comprise computer software applications and capitalised developer time that have a finite useful life and are recorded at cost less accumulated amortisation and subsequent impairment losses. The assets are amortised on a straight-line basis from the date they are in the location and condition for use over their useful lives of 2 years.

Impairment of assets

The Group's assets are considered to be non-cash generating as they are not held for the primary purpose of generating a commercial return.

At each reporting date, a review is undertaken of the carrying amounts of the tangible and intangible assets to determine whether there

is any indication of impairment. If any such indication exists, the recoverable service amount of the asset (as defined in PBE IPSAS 21: Impairment of non-cash generating assets) is estimated in order to determine the extent of the loss (if any).

The recoverable service amount is calculated as the higher of the assets 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 entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. Any impairment loss is recognised immediately in profit or loss.

A reversal of an impairment loss in subsequent periods is recognised immediately in profit or loss. However, any reversal must not result in the carrying amount of the asset exceeding its carrying amount had no impairment losses been recognised in prior years.

Deferred revenue

Deferred revenue comprises membership and other service fees which have been received but relate to services that have not yet been delivered. If revenue is received before services are rendered, then it is recorded as a liability and recognised as revenue over the period for which the services are delivered.

Accounts payable

Accounts payable are recognised where there is an obligation to make payments for purchases

of goods and services. They are recognised at fair value initially then subsequently at amortised cost.

Employee benefits

Provision is made for accrued salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made for employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at time of settlement.

Goods and services tax

The statement of comprehensive revenue and expense has been prepared on a goods and services tax ("GST") exclusive basis. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets and liabilities are offset only when the Group has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis.

Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in bank term deposits maturing within one month.

The following terms are used in the statement of cash flows:

- *Operating activities* are the principal revenue producing activities and other activities that are not investing or financing activities.
- *Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- *Financing activities* are the activities that result in changes in the size and composition of the contributed equity and borrowings.

Critical accounting estimates and assumptions

Valuation of land and buildings:

Land and buildings owned by the Group are held at fair value. Revaluations are carried out, by independent valuers, with sufficient regularity to ensure that the carrying amount does not differ from the fair value at balance date. The determination of fair value at the time of the revaluation requires estimates and assumptions based on market conditions at that time, these assumptions have been discussed further within note 6.

Changes in accounting policies

There were no changes in accounting policies applied during the period.

2. Total expenses

	2024 \$000	2023 \$000
Audit fees – audit of the performance report	54	40
Depreciation	258	319
Disposal of fixed assets	-	6
Amortisation of intangible assets	278	278
Employee benefit expenses	4,136	3,739
Presidents' honoraria*	160	201
Courses and booklets	2,008	1,833
Other administration and occupancy costs	4,145	3,307
	11,039	9,723

*The Presidents' honoraria line includes Branch President honoraria payments.

3. Net finance expense

	2024 \$000	2023 \$000
Managed fund gain on investments	450	193
Management fee	(32)	(54)
	418	139

4. Taxation

	2024 \$000	2023 \$000
(a) Income tax recognised in surplus or deficit for year		
Tax expense comprises:		
Tax expense for years income	429	205
Adjustments recognised in the current period in relation to the current tax of prior periods	(9)	7
Total tax expense for the year	420	212
(b) The prima facie income tax expense on pre-tax accounting surplus from operations reconciles to the income tax expense in the financial statements as follows:		
Deficit from operations and investment before income tax	(2,981)	(2,715)
Income tax credit calculated at 28%	(835)	(760)
Adjustment for tax on non-assessable income and non-deductible expenditure	1,264	965
Non-profit organisation exemption	-	-
Under/(over) provision of tax in previous periods	(9)	7
Income tax expense recognised in surplus for year	420	212
c) Current tax (receivable)/payable		
Balance at beginning of year	(9)	272
Taxation paid	(121)	(493)
Tax expense for years income	429	205
(Over)/under provision of tax in previous periods	(9)	7
Balance at end of the year	290	(9)

5. Trade and other receivables

	2024 \$000	2023 \$000
Trade receivables from exchange transactions	845	1,025
Related party receivables	821	-
Total trade and other receivables	1,666	1,025

6. Property, plant and equipment

	Land \$000	Buildings \$000	Furniture and equipment \$000	Plant \$000	Computer hardware \$000	Total \$000
GROSS CARRYING AMOUNT						
Balance at 30 June 2022	300	900	4,263	786	1,764	8,013
Revaluations	-	175	-	-	-	175
Additions	-	-	2	-	17	19
Disposals	-	-	(2,593)	(744)	(713)	(4,050)
Balance at 30 June 2023	300	1,075	1,672	42	1,068	4,157
Additions	-	-	495	-	14	509
Revaluations	-	-	-	-	-	-
Balance at 30 June 2024	300	1,075	2,167	42	1,082	4,666
ACCUMULATED DEPRECIATION						
Balance at 30 June 2022	-	-	3,770	764	1,461	5,995
Depreciation	-	-	106	3	210	319
Disposals	-	-	(2,589)	(744)	(714)	(4,047)
Balance at 30 June 2023	-	-	1,287	23	957	2,267
Depreciation	-	22	145	3	88	258
Balance at 30 June 2024	-	22	1,432	26	1,045	2,525
NET BOOK VALUE						
As at 30 June 2023	300	1,075	385	19	111	1,890
As at 30 June 2024	300	1,053	734	16	38	2,141

Land and buildings carried at fair value

Christchurch, Level 1, 307 Durham Street:

Christchurch land and building (share): Hayden Doody, ANZIV; SPINZ; BCom (VPM), Registered Valuer, of Telfer Young, Independent Valuers, valued the Law Society share of the Christchurch land and building at \$1,375,000 as at 30 June 2023. Accordingly, the value of the asset and the asset revaluation reserve was increased by \$175,000 at that date. The valuer utilised the capitalised income approach for the valuation of the Christchurch property. This approach involves capitalising the actual or potential net income at an appropriate market derived rate of return of 6.0%. A rate of return of 6.0% was used when the building was last valued as at 30 June 2021. The building is depreciated using an assumed useful life of 50 years between the two-yearly valuations.

7. Intangible assets

	Computer software \$000
GROSS CARRYING AMOUNT	
Balance at 30 June 2022	3,574
Disposals	(2,220)
Balance at 30 June 2023	1,354
Additions	-
Disposals	-
Balance at 30 June 2024	1,354
ACCUMULATED AMORTISATION	
Balance at 30 June 2022	2,994
Amortisation	278
Elimination on disposal	(2,218)
Balance at 30 June 2023	1,054
Amortisation	278
Elimination on disposal	-
Balance at 30 June 2024	1,332
NET CARRYING VALUE	
As at 30 June 2023	300
As at 30 June 2024	22

8. Other financial assets

	2024 \$000	2023 \$000
Cash and cash equivalents	4,383	1,090
Shares	729	1,969
Bonds	1,089	3,805
Total other financial assets	6,201	6,864

The investment portfolio was transferred from ANZ to Milford Asset Management in December 2022.

9. Trade payables and other liabilities

	2024 \$000	2023 \$000
Trade payables	434	572
GST payable	89	189
Employee benefits	137	146
Deferred revenue	3,233	2,025
Onerous lease provision	100	-
Related party payables	127	205
Total	4,120	3,137

The average credit period on purchases of certain goods and services is 30 days. Financial risk management policies are in place to ensure that all payables are paid within the credit timeframe. All trade payables have short term contractual maturities and therefore no interest is charged over a term.

10. Reconciliation of cash flows from operating activities with net surplus for the year

	2024 \$000	2023 \$000
Net deficit for the year	(3,401)	(2,752)
Add non-cash items:		
Depreciation and amortisation	536	597
Profit/(loss) on disposal of assets	-	6
Fair value movement in PPE	-	175
Fair value movement in financial assets	(418)	(139)
	(3,283)	(2,463)
Add movements in other working capital items:		
Trade and other receivables	(643)	(626)
Trade and other payables	984	287
Current tax payable	299	(281)
Net movement in working capital	640	(620)
Net cash flows used in operating activities	(2,643)	(3,083)

11. Financial instruments

The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking account of the value of any collateral obtained.

Fair value of financial instruments

The fair value of the financial instruments, financial assets and financial liabilities does not differ materially from the value as reflected in the statement of financial position.

Interest rate risk

The Group is exposed to interest rate risk in that future interest rate movements will affect cash flows and the market value of fixed interest and investment assets. The Group does not use any derivative products to manage interest rate risk.

Credit risk

The maximum credit risk associated with the financial instruments held by Group is considered to be the carrying value reflected in the statement of financial position. The risk of non-recovery of these amounts is considered to be minimal given that the investments are made with a variety of NZ registered banks. The Group does not require collateral or other security to support financial instruments with credit risk.

Maturity analysis

The maturity tables below provide a breakdown of cash and the contractual non-discounted cashflows relating to financial assets and financial liabilities for the reporting period.

The table includes both interest and principal cashflows:

	Weighted average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 Months to 1 year \$000	1 to 2 years \$000	Total \$000
30 June 2024						
Cash at bank	2.85%	2,435	-	-	-	2,435
Cash on call account	2.90%	512	-	-	-	512
Fixed term bank deposits	5.61%	1,011	-	-	-	1,011
Other Financial Assets		6,201	-	-	-	6,201
Trade/other receivables		1,666	-	-	-	1,666
Total financial assets		11,825	-	-	-	11,825
Trade/other liabilities (excluding deferred revenue)		887	-	-	-	887
Total financial liabilities		887	-	-	-	887
	Weighted average effective interest rate	Within 1 month \$000	1 to 3 months \$000	3 Months to 1 year \$000	1 to 2 years \$000	Total \$000
30 June 2023						
Cash at bank	2.85%	2,613	-	-	-	2,613
Cash on call account	2.90%	148	-	-	-	148
Fixed term bank deposits	5.60%	-	1,002	2,265	-	3,267
Other Financial Assets		6,864	-	-	-	6,864
Trade/other receivables		1,025	-	-	-	1,025
Total financial assets		10,650	1,002	2,265	-	13,917
Trade/other liabilities (excluding deferred revenue)		1,112	-	-	-	1,112
Total financial liabilities		1,112	-	-	-	1,112

12. Investment in subsidiaries

Entity Name	Country of Incorporation	Ownership Interest		Principal Activity
		2024 %	2023 %	
NZLS CLE Limited	NZ	100	100	Development and provision of legal education services to members of NZLS

All entities within the group have 30 June balance dates.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Parent in the form of cash distributions or to repay loans or advances.

13. Related party disclosures

Related parties are considered to be those entities which the Board or key management personnel have the ability to exert significant influence or control over. During the year the Group has undertaken transactions with related parties which comprise a share of direct salaries and general administration expenses paid by NZLS Regulatory and a recovery of depreciation and amortisation costs incurred by NZLS Representative. As these transactions are not comparable to transactions that would occur through the course of a normal client/supplier relationship all transactions have been disclosed below along with any amounts receivable and payable to related parties at balance date.

	2024 \$000	2023 \$000
Allocation of costs from:		
NZLS Regulatory	5,563	3,884
Recovery of depreciation and amortisation costs received for use of assets:		
NZLS Regulatory	391	507
NZLS related entity net receivables/ (payables) at end of year:		
NZLS Regulatory	694	(205)

Compensation of key management personnel:

The remuneration of key management personnel during the year was as follows:

	2024 \$000	2023 \$000
Short term employee benefits	1,475	1,364

Short term employee benefits comprise salary and bonus payments attributable to key management personnel during the period.

14. Contingent liabilities

There are no contingent liabilities for the Parent or Group at 30 June 2024 (2023: nil)

15. Capital commitments

There are no capital or lease commitments for the Parent or Group at 30 June 2024 (2023: nil).

16. Subsequent events

There are no material non-adjusting events after the reporting date (2023: nil).

Additional Information

Registered office / Principal place of operations:

Accuro House
17-21 Whitmore St
Wellington

Auditor:

Deloitte Limited
Level 12
20 Customhouse Quay
Wellington

Bankers:

ASB Bank

Independent Auditor's Report

To the Members of New Zealand Law Society Representative

Opinion	<p>We have audited the consolidated performance report of New Zealand Law Society Representative (the 'Society') and its subsidiary ('the group'), which comprise the consolidated financial statements on pages 99 to 110, and the statement of service performance on page 98. The complete set of consolidated financial statements comprise the statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.</p> <p>In our opinion, the accompanying consolidated performance report presents fairly, in all material respects:</p> <ul style="list-style-type: none"> the consolidated financial position of the group as at 30 June 2024, and its consolidated financial performance and cash flows for the year then ended; and the consolidated service performance for the year ended 30 June 2024 in accordance with the group's service performance criteria <p>in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.</p>
Basis for opinion	<p>We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 <i>The Audit of Service Performance Information</i> ('NZ AS 1'). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Consolidated Performance Report</i> section of our report.</p> <p>We are independent of the group in accordance with Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>Our firm carries out other assignments for the group in the area of taxation advice and sponsorship agreement. These services have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the Society or any of its subsidiaries.</p>
Other information	<p>The Board is responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated performance report and the audit report.</p> <p>Our opinion on the consolidated performance report does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>Our responsibility is to read the other information, and consider whether it is materially inconsistent with the consolidated performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.</p>
Board of Directors responsibilities for the consolidated performance report	<p>The Board of Directors are responsible on behalf of the group for:</p> <ul style="list-style-type: none"> the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards RDR; service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and such internal control as the Board of Directors determines is necessary to enable the preparation of a consolidated performance report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated performance report, the Board of Directors are responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated performance report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated performance report.

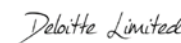
A further description of our responsibilities for the audit of the consolidated performance report is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body, in accordance with Section 19 of the Constitution of the New Zealand Law Society. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.



Wellington, New Zealand
7 October 2024

