



*Annual Report 2024/25*

# **A strong, progressive and trusted legal profession**





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# President's message

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Tēnā koutou katoa

It gives me great pleasure to reflect on the achievements of the Law Society over the past 12 months.

One of the most of those significant achievements was the release of our *Strengthening the rule of law in Aotearoa New Zealand* report which highlights the ongoing and emerging challenges that are having an impact on trust and confidence in the rule of law in Aotearoa. Our report, which you can read more about on page 13, calls for sustained action from government, legal professionals and the public. While New Zealand's global rule of law ranking is currently sixth in the world, we must remain vigilant. To continue to hold this position we need to address issues that have an impact on citizens' ability to access justice including, for example, deficiencies in legal aid.

Our report makes 78 recommendations including specific actions for government, the Law Society, and lawyers. We will focus our efforts on the changes we can make and call on the profession and the government to also play their part in protecting and enhancing the rule of law in Aotearoa.

We are continuing to advocate for regulatory reform to the Lawyers and Conveyancers Act 2006 to positively enhance the current regulatory environment for the benefit of both consumers and lawyers.

## Legal aid

The Law Society has long been advocating for improvements to New Zealand's legal aid scheme. Our submission to the 2025 Triennial Legal Aid Review drew attention to these longstanding concerns and argued that greater investment in legal aid is needed to facilitate access to justice while ensuring the long-term sustainability of the scheme. Our submission included analysis by Deloitte Access Economics that included cost-benefit and economic analyses. More detail about our submission can be found on page 14.

## Governance changes

Another significant change for us in the past year has been amendments to our organisation's governance. The Law Society Council passed amendments to its Constitution following consultation with the profession. The amendments, which aim to modernise the Law Society's governance structure, came into force on 1 July 2025. They include amendments to the Board size and composition (including the introduction of Independent Board members), the tenure of Board members, how the President/Chair is appointed, and the ability to remove Board members. The changes we have made provide better continuity and improve our ability to plan for the long term.

When I attended the International Bar Association Annual Bar Leaders' Conference in Milan in May, there were extensive discussions about the governance challenges other jurisdictions face, including presidents'

**FRAZER BARTON**  
PRESIDENT





## “I continue to be impressed by the strength of our profession and the collegiality we show towards each other”

— FRAZER BARTON, PRESIDENT

short-term appointments, Boards that do not reflect the diversity of the profession and the complexity of having more than a hundred law societies in one country. I realised that we have made important steps when compared to our international counterparts.

### Strong membership

As I enter my third and final one year term as Law Society President, I am heartened by the number of lawyers choosing to retain their membership as we enter our second year of a paid membership subscription. We were in a critical financial situation and the feedback we received was that the membership services we provide were widely respected and lawyers wanted them to continue.

I am proud of the efforts of our team who have been, and will continue to be, responsive to our members' needs. As with many areas of our work, this part of our organisation continues to be a work in progress. While we are in a better financial position than we were, there is still more to be done for our representative function to be financially sustainable.

Our focus and attention on in-house lawyers continues to grow in response to them making up more than 30 percent of the profession. Not only are they an important subgroup of the profession, but many lawyers in private practice work closely with, and benefit hugely from, their in-house colleagues. Close working relationships are vital to ensuring the best

outcome for clients and client relationships can be enhanced by working with their in-house legal team. I had the privilege of attending the ILANZ conference in Auckland in May and it was another great example of collegiality in action. There were some excellent speakers, and I valued the opportunity to meet with attendees to discuss the issues that they are dealing with.

I continue to be impressed by the strength of our profession and the collegiality we show towards each other. I have been involved as a faculty member in CLE's litigation skills programme for the past 30 years. Every year, I see many senior people giving back to the profession by being faculty members and supporting their junior colleagues as they progress their careers. During the year, I have had the privilege of attending law dinners through the country and have seen people coming together to not only have a good time, but also to support each other.

Connection is critical for all lawyers, but particularly for new lawyers. Referrals from colleagues can be the best source of work and opportunities. The representative side of our organisation provides many and varied ways for lawyers at all stages of their career to connect and interact with others across the profession.

### Diversity

It's vital that our profession reflects the society that we live in so that we can provide the best representation.



Law Society President Frazer Barton at the Law Society's Inaugural Annual Breakfast June 2025.

We need people in our profession who can genuinely act for and represent all people to the best of their ability. The profession needs to be able to represent everyone who lives in this country and relate to them whatever their backgrounds are.

It is pleasing to see progress in the Law Schools and in firms where, over time, we are seeing increasing numbers of Māori, Pacific and Asian people, and more gender diversity. This is an area which will need our continued focus.

I would like to take this opportunity to thank the Board for their continued support and commitment. I would also like to express my gratitude to everyone who works at the Law Society. They are a team of dedicated people who do great work.

Ngā manaakitanga

**Frazer Barton**

President

# Chief Executive's review

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The Law Society continued its transformation in the 2024-25 year. We need to continue to adapt and evolve to be able to meet the needs of the profession and the public.

In the past 12 months, we have continued to review our regulatory functions and have added new services such as a conference for new lawyers and workshops on AI to our membership offer. Our commitment to upholding the rule of law and improving access to justice is reflected in our *Strengthening the rule of law in Aotearoa New Zealand* report and our submission to the 2025 Triennial Legal Aid Review. While there is always more to do, I look back on the year with pride for what our team has achieved.

## Representative

It has been hugely pleasing to see the transformation of our representative function. It's also been rewarding to see membership numbers remain high as we moved into the second year of our new membership

**KATIE RUSBATCH**  
CHIEF EXECUTIVE OFFICER

subscription model and improved value proposition. The profession's support reflects the confidence they have in the Law Society and the services we offer.

This year we started work on developing a strategy for our libraries with a focus on how we respond to emerging technologies such as artificial intelligence. We also started implementing our wellbeing strategy which included raising the profile of our wellbeing services and expanding them to ensure we continue to meet the needs of the profession. We continue to encourage people who need it to seek help.

During the year, I took part in a panel discussion about mental health in New Zealand's legal profession hosted at Parliament by Minister for Mental Health Hon Matt Doocey, the Life Squared Trust and the Law Society. I reiterated that wellbeing continues to be one of our organisation's top priorities and we will continue to build on the depth and range of services we provide. We are looking to our international counterparts to see what they are doing to support their professions.

Overall, our representative team has become strong and united with increasing internal alignment about how we deliver our services.

## Regulatory

Our Regulatory Reform Programme continues to be the focus for our regulatory function. This year we achieved several milestones in our efforts to advance the recommendations of the Independent Review without wholesale legislative reform.

**“We will be guided by our values to ensure that both we and the legal profession reflect the communities that we serve”**

— KATIE RUSBATCH, CHIEF EXECUTIVE OFFICER

A statute amendment Bill with provisions amending the Lawyers and Conveyancers Act was reported back in July. This includes the introduction of triage amendment powers for vexatious and frivolous complaints which will be implemented when the Bill becomes law. We started consultation with the profession and the public on further amendments.

We completed a review of the Lawyers Complaints Service with the aim of making the service as efficient and effective as it can be, and we are considering changes to the operating model in the coming year.

We published a practice briefing providing information to help lawyers engage with tikanga effectively. It is timely given tikanga is now a requirement of legal education. In addition, for the first time, this year the profession had the opportunity to have their practising certificate in Te Reo Māori.

This year we saw the impact of the improvements we are continuing to make in managing complaints. Our new case management system has helped us to focus on resolving concerns at an earlier stage. This has resulted in 338 concerns being closed during the year. Previously these concerns would have become formal complaints taking up additional time and resources.

We continue to focus on educating consumers of legal services by providing resources translated into several languages that provide advice and guidance on what to expect when they engage a lawyer.

### **Rautaki Māori**

This year we released our Rautaki Māori (Māori strategy). The strategy was developed by a group of staff and in consultation with other stakeholders and Te Hunga Rōia Māori o Aotearoa. The strategy outlines our commitment to honouring Aotearoa New Zealand's bicultural foundations including meeting our obligations by reflecting Māori cultural values, equity and inclusion and recognising the constitutional status of Te Tiriti o Waitangi. The strategy sets out a practical pathway for the Law Society to meet that commitment as we develop our organisation, enhance our regulatory impact, and bring value to our profession and Aotearoa New Zealand.

Our Rautaki Māori is directly aligned with our Strategic Plan 2023-2026, which calls for increasing organisational capability in te ao Māori and aspires to having a bicultural perspective across our work. In addition, our Rautaki Māori aligns with our regulatory strategy – Navigating into the Future 2022-2025 – which

includes the objective to make our regulatory approach more responsive to Māori. We will be guided by our values to ensure that both we and the legal profession reflect the communities that we serve. You can read more about our strategy on page 16.

### **Law reform and advocacy**

Our law reform and advocacy work has been particularly busy in the past 12 months with a 59 per cent increase in the number of submissions. We have been increasing the promotion of this work to improve the public and the profession's understanding of the important work we do in this area.

The release of our *Strengthening the rule of law in Aotearoa New Zealand* report and our comprehensive submission on the 2025 Triennial Legal Aid Review, which was supported by economic impact analysis by Deloitte Access Economics, were significant pieces of work in the last year. Overall, the team made 55 submissions on Bills, 91 other submissions and two interventions. The team, along with our sections, provides advocacy and high-quality advice on law reform and issues affecting justice. We are fortunate that this work is supported by a raft of committees, made up with volunteer lawyers across a range of specialities. I would like to thank them all for the invaluable contribution they make to our law reform and advocacy work. We also work closely with justice officials around courts, access to justice and other issues impacting the legal profession.



## Financial performance

The financial performance of the Law Society in 2024/25 year reflects the hard work and ongoing organisational transformation we have undertaken over the past few years.

Our regulatory function generated an operating surplus of \$5.2 million after tax in the 2024/25 year. This compares to \$893,000 in the previous year. Key contributors to our operating surplus included our regulatory investment income exceeding expectations, increased fines and costs recovery, increased revenue and decreased costs with some IT costs being carried over into the following financial year. In addition, there was a significant over provision of tax made in the previous financial year. More detail on this can be found in the accounts commentary. In the coming year, we are continuing to invest reserves in strategic projects, including our registry system and ongoing regulatory reform.

A combination of the introduction of our paid membership subscription and a focus on cost management for representative has resulted in a much-improved financial position compared to the previous year.

The operating deficit in our representative function has reduced from \$3.4 million in the 2023/24 year to \$939,000 this year. This shows that the introduction of our membership subscription has been a success, not only financially but also in terms of the value the profession sees in the services we offer. The Law Society will continue to work on improving the financial position in representative to ensure it is sustainable into the future.



## Organisational changes

This year Continuing Legal Education, formerly a fully owned subsidiary of the Law Society, was integrated into the Law Society. The move is providing us with an opportunity to connect our learning services for the profession across our organisation, including through CLE, and to reconsider how learning is delivered while maintaining the excellent reputation we already hold.

We restructured our Marketing and Communications function to support the delivery of all our work, and to ensure it could meet the changing needs of our representative function following last year's shift to a paid membership subscription.

We have implemented the 23 recommendations of our 2023 Health and Safety audit and continued to modernise our IT systems. It was exciting to open our new Hamilton office this year and to work on overdue improvements to our Auckland office.

For staff, we have had a focus on leadership development supporting people to become leaders and upskilling those who already are.

It has been another rewarding 12 months for our organisation. While there is always more to be done, we continue to make excellent progress as we evolve and adapt to ensure we can continue to meet the changing needs and increasing diversity of both the public and the profession. I would like to thank our Board, Council and hundreds of volunteers who make our work possible. Thank you also to our staff whose work and commitment is reflected in the achievements of the past 12 months.

Ngā mihi

**Katie Rusbatch**

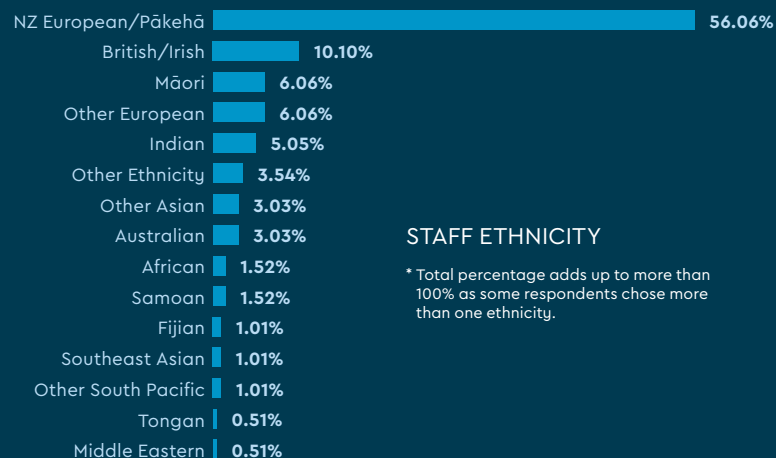
Chief Executive Officer

# 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
Auckland	56	45	11
Canterbury	21	18	3
Hawkes Bay	2	2	0
Otago	2	2	0
Southland	1	1	0
Waikato	6	4	2
Wellington	100	73	27
<b>Totals</b>	<b>188</b>	<b>145</b>	<b>43</b>



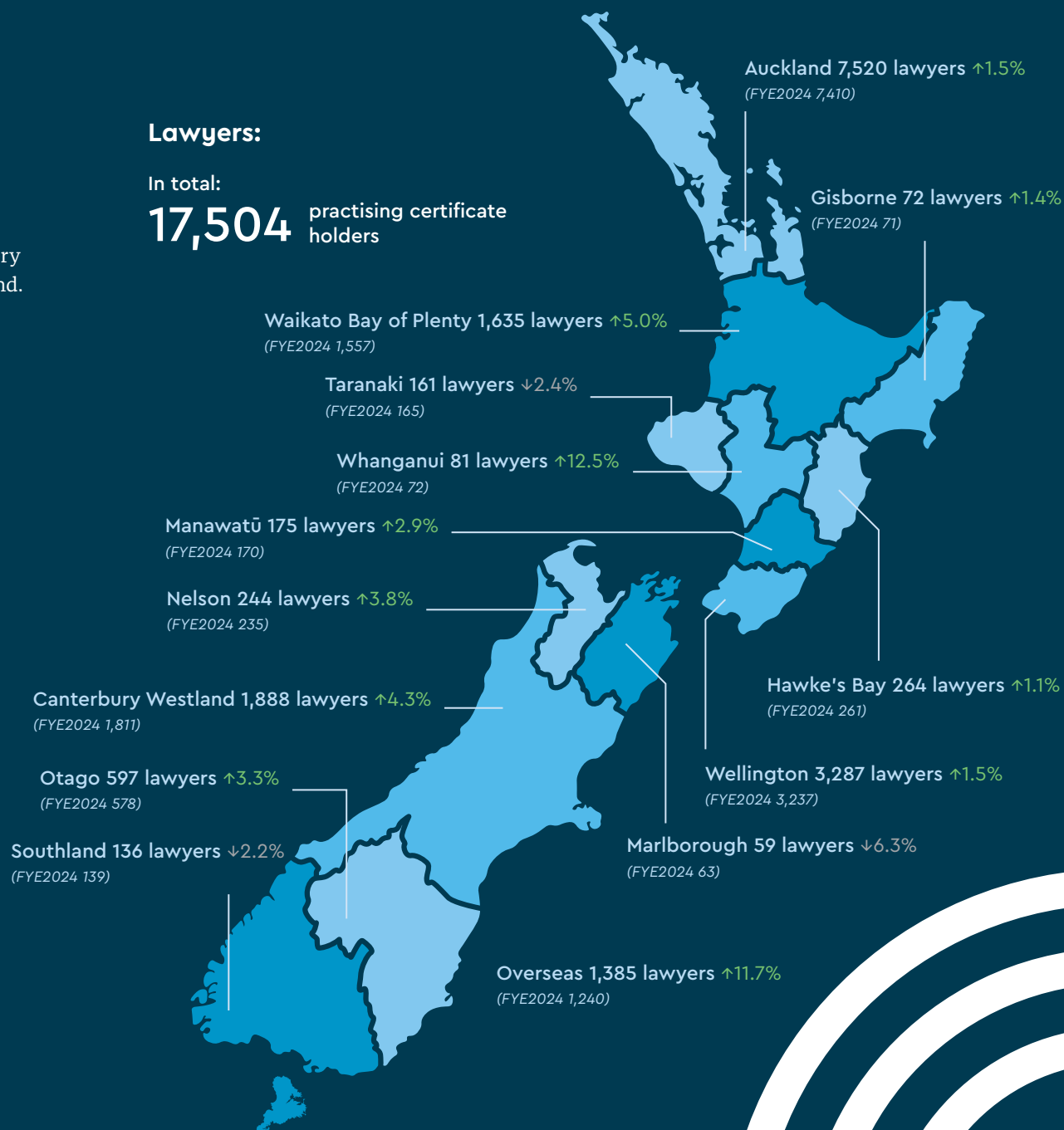
### STAFF ETHNICITY

\* Total percentage adds up to more than 100% as some respondents chose more than one ethnicity.

## Lawyers:

In total:

**17,504** practising certificate holders





# Highlights at a glance

Maintained strong membership numbers after implementing membership subscription

Progressed updates to the Lawyers and Conveyancers Act 2006. When enacted, this will enable the Lawyers Complaints Service to administratively triage complaints.

Implemented governance structure changes

Integrated Continuing Legal Education back into the Law Society

## PUBLISHED

- Strengthening the rule of law in Aotearoa New Zealand report
- Consumer guidance material on topics such as working with a lawyer, translated into six languages
- Rautaki Māori (Māori strategy)
- Practice briefing on Tikanga Māori

1,365 1,386\*

Complaints opened Complaints closed

## DISCIPLINARY TRIBUNAL DECISIONS

- 31 decisions of 38 matters closed – one charge dismissed under s240A, and six resolved without a Tribunal decision.
- 7 lawyers struck off

Completed 146 law reform submissions

ILANZ conference attracted a record 450 attendees

## IT MODERNISATION

- Started work on new member management system
- Implemented complaints case management system
- Launched audit assistant secure portal for inspectorate

\*includes Early Resolution Service complaints

## Lawyer numbers

Growth in practising lawyers over the last 5 years

↑10.5%

Lawyers in the profession for seven or fewer years

5,808

0-7 PQE Lawyers†	YE 2025	YE 2024
Māori	10.4%	10.5%
Pacific	5.6%	5.7%
Asian	19.0%	19.4%

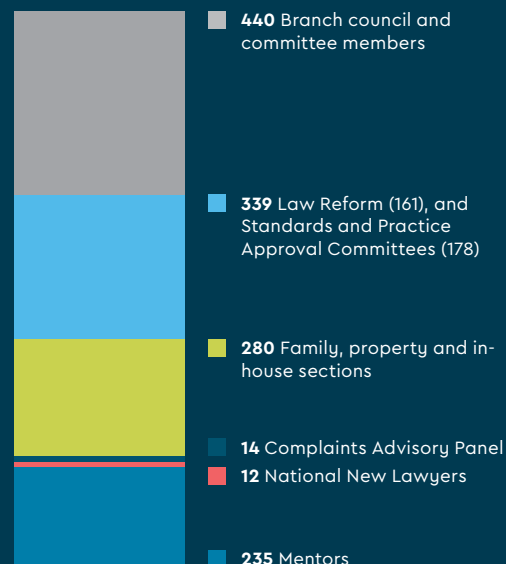
† Numbers vary depending on how many people complete their ethnicity data. More than one ethnicity may be selected.

## Law Society Volunteers

Number of volunteers

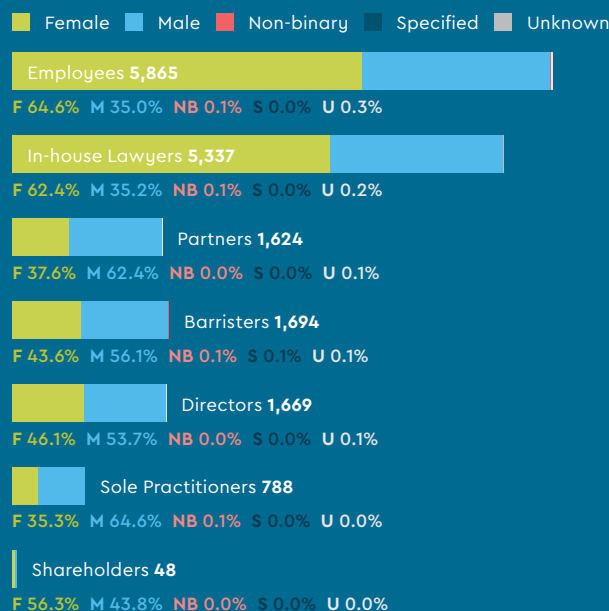
1,320

## Roles performed

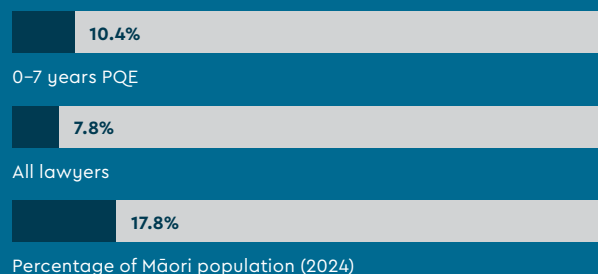


# About the profession

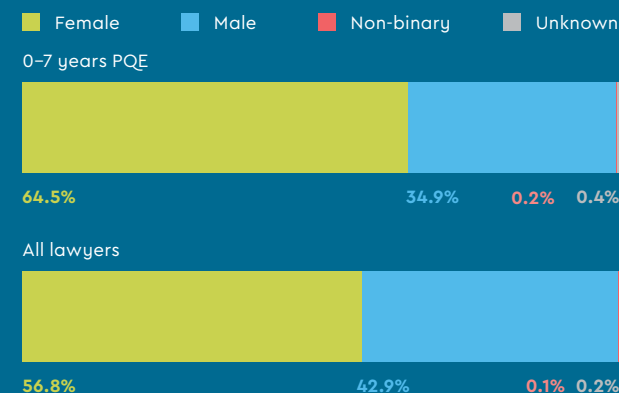
## Employment types



## Māori lawyers



## New lawyers



## Practising lawyers

2025	2024	2023	2022	2021
17,504	17,009	16,735	16,394	15,835

## Admissions to the High Court

2025	2024	2023	2022	2021
1,357	1,231	1,073	1,145	1,178

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

## Practising on own account

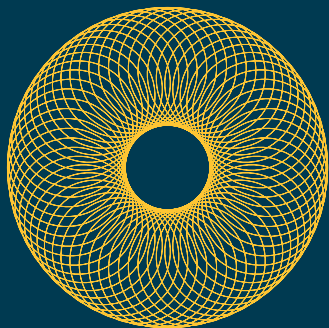
2025	2024	2023	2022	2021
261	296	286	323	310

# Te kāpehu whētu

## Our purpose, vision and values

### Design concept

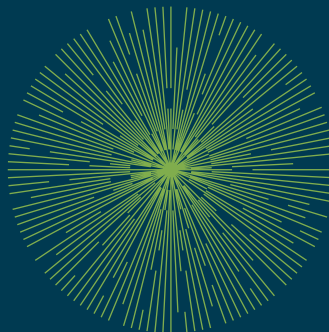
The inspiration of the design was drawn from the circular nature of our brand's koru symbol to graphically represent the purpose, vision and values.



### Our purpose

Kaitiaki of an exemplary legal profession in Aotearoa

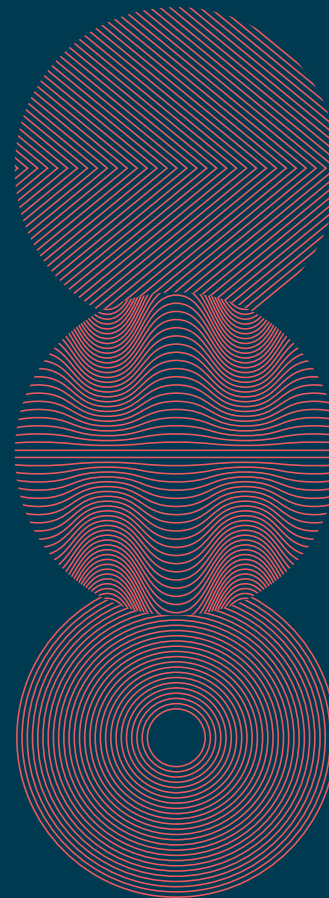
Kaitiaki is the defining concept in this statement. It serves as a pillar that gives meaning to the Law Society's work, and captures the value the organisation contributes. The multiple circles represent members working together, connecting, guarding and nurturing the legal profession.



### Our vision

All people in Aotearoa benefit from a strong, progressive and trusted legal profession

The vision statement is highly aspirational as it talks about 'all people'. It is carefully and deliberately chosen to capture a description of a desired future state that we are striving to achieve. The lines move into the future, representing a unified vision.



### Our values

#### Kaitiakitanga – tāria te wā

Support, nurture, think progressively

Kaitiakitanga – tāria te wā reinforces our commitment to support the profession and consumers responsively and effectively, and to nurture and embed best practice while thinking progressively. The arrows in the design represent the profession and consumers coming together, effectively moving forward and progressing with support.

#### Pono

Trustworthy, standing strong, doing what's right

Pono is about being true, honest, genuine, trustworthy and sincere. It means we do what's right and what we say we will. We take ownership of what we do and stand strong when needed. The straight lines in the middle signal that harmony, trust and clarity is established in the centre of the circle, standing strong and remaining true.

#### Manaakitanga

Generosity, working together, listening well

Manaakitanga means that we work together with a spirit of generosity and respect for all. We listen well and show care for the people and communities we interact with. The design depicts an image of a sense of generosity emanating from the centre of the circle, working in harmony.



# Strengthening the rule of law in Aotearoa New Zealand

## *A landmark report*

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The Law Society has a statutory function “to assist and promote, for the purpose of upholding the rule of law and facilitating the administration of justice in New Zealand, the reform of the law.”

In 2024 the Law Society surveyed the legal profession, seeking to understand how lawyers regard the rule of law, and what they identify as the most significant challenges to the rule of law in Aotearoa New Zealand.

Our *Strengthening the rule of law in Aotearoa New Zealand* report is the result. It outlines some of the main challenges as identified by those who participated in the 2024 survey, supplemented by the Law Society’s observations and law reform submissions over the years, as well as the work of academics, judges, and other organisations.

The report outlines that while Aotearoa New Zealand may not face challenges of the same magnitude as other nations, we do face challenges. For the rule of law to remain strong, the report outlined that we must remain vigilant and be proactive in responding to challenges as they emerge.

The report calls for sustained action from government,

legal professionals, and the Law Society to address ongoing and emerging challenges that are impacting trust and confidence in the rule of law in New Zealand. It outlines 78 recommendations to address these challenges.

Barriers to access to justice are identified as one of the most pressing threats, along with poor legislative and policy-making processes, threats to judicial independence and the growing use of automated decision-making systems.

The barriers to access to justice include unaffordability of legal services, underfunded legal aid and duty lawyer schemes, and delays in courts, tribunals and other decision-making bodies.

The report also identifies risks in the growing use of automated decision-making (ADM) systems by government, particularly where these systems lack transparency or human oversight. Without safeguards, ADM could be undermining fairness, accountability, and the ability to challenge decisions – which are core tenets of the rule of law.

Another key concern identified is the increase in rushed legislative processes, including the use of urgency, as well as the use of Amendment Papers

to make significant changes to law, which limit public consultation and select committee scrutiny. The Law Society report outlines that these practices can undermine transparency in the law-making process, reduce the quality of legislation, and weaken democratic accountability.

### **Specific action required**

To address the range of challenges identified, the report includes specific actions for government, the Law Society, and lawyers, including increased funding for legal aid, improvements to legislative processes, increased public education about the rule of law, and stronger safeguards around the use of ADM.

While New Zealand remains a strong democracy, the report finds we are not immune to the pressures and challenges that have weakened civic and democratic institutions elsewhere.

The Law Society report calls for bipartisan support to uphold and strengthen the rule of law. It identifies that this is an issue for all governments.

The full report is available on the Law Society’s website at [Law Society | Strengthening the rule of law in Aotearoa New Zealand](#).

# 2025 Triennial Legal Aid Review

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The Law Society made a submission on the 2025 Triennial Legal Aid Review,<sup>1</sup> calling for increased and ongoing funding of the legal aid system, and for any reform to be evidence-based.<sup>2</sup>

The submission drew attention to longstanding concerns about the legal aid scheme and argued that greater investment in legal aid is needed to facilitate access to justice while ensuring the long-term sustainability of the scheme. While there are improvements that can be made to administration, quality assurance, and the commissioning of specialist reports, addressing remuneration is critical. The submission was clear that at present, remuneration is inadequate and unfair. It has effectively reduced over the past 15 years, and the system has become reliant on the goodwill of lawyers, many of whom are struggling to continue this work.

The Law Society put forward its view that any decisions taken following the 2025 review, and at the next Budget,

must be evidence-based and take a long-term, systems-wide focus, and acknowledge the social and economic benefits of legal aid.

The submission also made clear that if funding was decreased, or remained stagnant, the effects of that funding shortage would be felt across the justice system. For example, the courts could see an increase in self-represented parties who are ineligible for legal aid, which will contribute to delays and backlogs in the courts.

## About legal aid

Legal aid is an essential feature of our justice system and facilitates access to justice for those who cannot obtain free legal services or afford to pay for those services. It provides much-needed legal assistance to a range of individuals – from those charged with offences, to those who are experiencing family violence, refugees, workers experiencing employment problems, and those whose ACC entitlements have been wrongly decided.

## Economic analysis

The Law Society's submission also includes cost-benefit and economic analyses commissioned from Deloitte Access Economics. This work was commissioned by the Law Society to help provide greatly needed evidence, and support our decision-making. The Deloitte report highlighted that:

- The cost of accessing legal services has outpaced both general inflation and real wage growth, making legal services increasingly unaffordable to many individuals and households across New Zealand. This unaffordability of legal services is likely to persist into the future.
- Lawyers are experiencing sector-specific cost pressures. Input costs for providing legal services have grown significantly faster than both general consumer prices and wages. This indicates that legal providers have been experiencing growing cost pressures that are not experienced by consumers or other sectors (on average).



## Benefit Cost Ratio

\$1

invested in legal aid

\$2.06

benefits generated

**“Legal aid is an essential feature of our justice system and facilitates access to justice for those who cannot obtain free legal services or afford to pay for those services”**

- There is a consistent theme of legal aid fees increasing at a rate far below the input costs for providing legal services. Given this stagnant growth in legal aid fees, real remuneration for legal aid providers has deteriorated considerably over the past 15 years.

The Deloitte report highlights that the estimated Benefit Cost Ratio (BCR) is 2.06, which indicates that for every \$1 invested in legal aid, at least \$2.06 in benefits are generated.

The Deloitte Access Economics, which informed the Law Society’s submission, also provided an economic impact analysis which found that, relative to a scenario without legal aid, the expected economic impact of legal aid services between 2025 and 2030 is \$2.2 billion in NPV GDP terms. In annual terms, the New Zealand economy is \$664 million (in 2025 NZD) larger in 2030 relative to a scenario without legal aid, which equates to approximately 0.1% of New Zealand’s annual GDP. This is additional to the benefits quantified in the cost-benefit analysis.

Because there is limited data in New Zealand on the performance of the justice system, this impacts the ability to quantify and monetise all benefits arising from legal aid. The cost-benefit analysis therefore accounts for all costs associated with legal aid, but not all benefits. This means the cost-benefit and economic impact analyses are conservative and likely materially understate the true net benefits of legal aid. If more information were available, it would only increase the BCR.

These analyses indicate that greater investment in legal aid is a responsible financial decision which can result in economic benefits and efficiencies for the justice sector, as well as wider government and societal outcomes.

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1. Our submission was made in August 2025 but most of the work was undertaken in the current reporting year
  2. Read the [full submission on our website](#) and the [economic analysis](#)

# Rautaki Māori (Māori Strategy)

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*“He tawhiti kē tō tātou haerenga ki te kore e haere tonu,  
he tino nui rawa tā tātou mahi ki te kore e mahi tonu”*

*We have come too far not to go further,  
we have done too much not to do more.*

— TĀ JAMES HENARE

Our Rautaki Māori (Māori Strategy) articulates our commitment to honouring the bicultural foundations of Aotearoa and meeting the current and future needs of our legal profession. This includes meeting our obligations as a modern regulator and representative body by reflecting Māori cultural values, equity and inclusion, and recognising the unique and enduring constitutional significance of Te Tiriti o Waitangi.

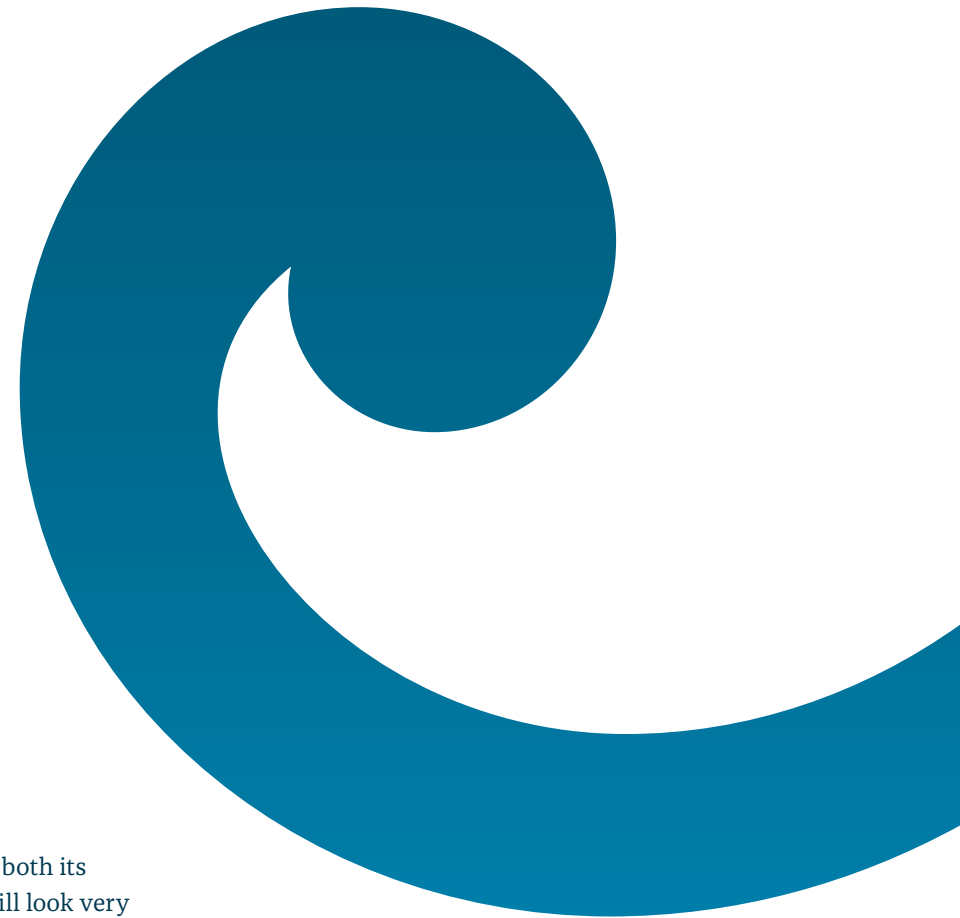
Our Rautaki Māori sets out a practical pathway for the New Zealand Law Society Te Kāhui Ture o Aotearoa to meet that commitment as we develop our organisation, enhance our regulatory impact, and bring value to our profession and Aotearoa.

As a kaitiaki for an exemplary legal profession in Aotearoa New Zealand, we will be guided by our values of kaitiakitanga – tāria te wā, manaakitanga, and pono – to ensure that both we and the legal profession reflect the communities that we serve.

We know the future for the Law Society in both its representative and regulatory capacities will look very different from the past, including a growing, youthful Māori population and a more diverse tauwiwi (non-Māori) population. Future law students and graduates will be more knowledgeable about tikanga Māori, te reo Māori, and Māori cultural values. Our Rautaki Māori will help us provide strong leadership within the profession and the legal sector in this evolving landscape.

Our journey to embed te ao Māori into our organisation to strengthen it, support our profession and our communities will take your support and will make us stronger in the future.

Read our [rautaki](#).





# Regulatory

# Regulatory

## *Working towards becoming a modern regulator*

### Introduction

As a regulator, the Law Society is focused on monitoring, regulating and enforcing the rules that apply to lawyers and the way they practise law. We regulate more than 17,000 lawyers to ensure consumers of legal services can have confidence in the provision of legal services.

The past 12 months have been significant for our regulatory function with the progress of updates to the Lawyers and Conveyancers Act 2006 and consultation on potential further amendments which we commenced in August 2025. We also completed an independent operational review of the Lawyers Complaints Service (LCS) to identify improvements that could enhance the effectiveness and efficiency of the service. In addition, for the first time we offered lawyers the opportunity to download their practising certificate in Te Reo Māori, and published guidance for lawyers on the relevance of tikanga Māori in meeting competence and client service obligations.

### Regulatory Strategy

Our 2022-25 Regulatory Strategy, (published in December 2022), remains the focus of our efforts to support our regulatory teams to modernise, prioritise, and work collaboratively together. Following a strategy review by MartinJenkins in early 2025, there is now a

dedicated resource to monitor and manage reporting to our Board and executive leadership team. Strategy actions completed during the 2024/25 year include:

- Embedding new technology for the LCS and Inspectorate.
- Translating consumer education resources on the website into six languages.
- Making practising certificates available in te reo Māori.

As we head towards the end of the current strategy's timeframe, we have started to consider our strategy for the period 2026-29.

### Regulatory Reform and Response programme

The Regulatory Reform and Response programme was established to consider how the Law Society could progress the recommendations made by the Independent Review panel in 2023, without wholesale legislative reform, which the Government has said is not a priority in the current term.

This year's milestones include:

- A statute amendment Bill with provisions amending the Lawyers and Conveyancers Act was reported back in July. If enacted, this will enable the LCS to administratively triage complaints that meet certain criteria.

**“The past 12 months have been significant for our regulatory function with the progress of updates to the Lawyers and Conveyancers Act 2006 and consultation on further changes which started in August 2025”**

- Consultation with the profession and the public on further amendments to the LCA.<sup>1</sup>
- Conducting an operational review of the LCS.
- Guidance on the interaction between tikanga Māori and the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 (Rules).

More information on each of these is below.

### Amendment to the LCA

Following consultation with the profession in late 2021 and early 2022, a statute amendment Bill, currently before Parliament, would amend the LCA to enable the LCS to administratively triage complaints, among other things. The Bill was reported back from the select



committee with no changes made to the proposed LCA amendments. While we wait for this Bill to likely become law, we are busy preparing for these changes which will help us prioritise the most serious complaints and take no action on those that are, for example frivolous or vexatious. We anticipate this will improve timeliness as a result.

## Consultation on further changes

In August 2025, the Law Society began consultation on potential further amendments to the LCA which would increase efficiencies in the regulation of the legal profession and better protect consumers of legal services and lawyers. The proposed amendments include changes to the minimum legal experience required before lawyers can be approved to practise on own account. This proposal is intended to make experience requirements more flexible for lawyers, and proportionate to the risk posed by their intended mode of practice.

The proposed amendments also include a power for the Law Society as regulator to impose bespoke conditions on practising certificates to respond more proportionately and flexibly to risk, similar to legal regulators in other jurisdictions. This is intended to mitigate some risks without unnecessarily inhibiting legal practice. Further minor amendments to the Act to improve the efficiency of the regulatory environment are also included in the consultation.

The proposed amendments arise from work being undertaken by the Law Society to identify changes that can be made to the rules and regulations we operate under, and to our systems and processes that could positively enhance the current regulatory environment.

## Lawyers Complaints Service review

This year, in response to the Independent Review panel's recommendations about the Lawyers Complaints Service, we undertook our own independent operational review to identify changes we could make to improve the service without legislative reform. Our review found operational and structural improvements that could be made, including:

- Improving the effectiveness of screening and triaging.
- Allocating complaints to subject matter experts to enable committees to become more specialised.
- Differentiating between consumer and conduct complaints.
- Shifting the ERS to focus more on resolution.
- Developing capability to offer tikanga-based resolution processes.

We expect to implement any changes in mid-2026. Between now and then we will be working on new processes to ensure a smooth transition.

## Guidance on tikanga Māori

The Law Society published guidance for lawyers on the relevance of tikanga Māori in meeting competence and client service obligations under the Rules.

The practice briefing is intended to provide practical information to assist lawyers engage with tikanga effectively, including how they may approach meeting professional obligations in circumstances where tikanga is relevant.

Developed in collaboration with Te Hunga Rōia Māori o Aotearoa and relevant experts, it is also a timely

resource due to the introduction of tikanga as a required element of legal education.

This practice briefing was released at the same time as the Law Society's Rautaki Māori (Māori Strategy), which articulates the Law Society's commitment to honouring the bicultural foundations of Aotearoa New Zealand and meeting the current and future needs of the profession.

## Growth in practitioners

The number of lawyers increased to 17,504 by the end of the 2024/25 year, an increase of 2.9 per cent on the previous year's total. Just over 25 per cent (1,284) of practising certificates downloaded have been downloaded in Reo Māori; the first year that this option has been available to lawyers.

## Early resolution service

Complaints considered by the early resolution service (ERS) are those assessed as unlikely to require a disciplinary response. Examples include complaints which may be resolved (including if a lawyer has complied with a request), that involve low fee amounts, or that allege delay, conflict, inadequate communication or discourtesy.

More than half of complaints received by the LCS are considered suitable for the ERS, and many concerns are resolved without referral to a standards committee. Due to the volume of complaints assessed as suitable for the ERS, the Nelson Standards Committee joined the ERS in February 2025. An additional committee is due to join in August.

The ERS closed 763 matters, approximately 55 per cent of all the matters closed by the LCS for the 2024/25 year.



## **“We have started a Registry Requirements Project which aims to identify possible improvements to the registry system, or a replacement”**

If enacted later in 2025, implementation of triage powers will assist the ERS with closing complaints and to track certificate of character, practising certificate, and section 30 (practice on own account) applications, which are currently done manually.

### **Complaints management system (CMS)**

The CMS launched on 22 July 2024 and provides a dynamic tool for LCS staff to track, monitor, and complete tasks associated with complaint processes. It enables staff to work together more effectively and provides better visibility of where complaints sit within the handling process. It also provides easier identification of where additional resources may be needed and enables the LCS to monitor complaint data more closely.

In the early stages of implementation there was a temporary reduction in productivity as staff adapted, and processes were refined. Ongoing updates will ensure the LCS optimises its use of the CMS. Phase two, starting in late 2025, expects to address issues such as compiling files, which were complex with the initial CMS implementation.

### **Registry requirements project**

The Registry system is the database that holds all the public register information the Law Society is required to keep under the Act. It contains contact information for lawyers' workplaces, links to our finance software, and routine compliance data such as CPD and fit and proper declarations. It is also used to track certificate of character, practising certificate, and section 30 (Practice on Own account) applications, which are currently done manually.

The Registry requirements project aims to identify possible improvements to the registry system, or a replacement. We are intending to move some or all of our existing manual application processes online and provide lawyers with better information and self-service capabilities through an enhanced lawyer's portal.

### **Winding up the Solicitors' Fidelity Guarantee Fund (SFGF)**

The wind up of the SFGF has progressed in accordance with the prescribed statutory process. The final

remaining claim on the SFGF was declined by the SFGF Management Committee in August 2024 and the claimant was notified in early September 2024. The Law Society submitted its final report and final audited accounts in respect of the SFGF to the Minister of Justice in May 2025.

### **Audit assistant**

The Audit Assistant software tool, enabling law practices to upload trust account documents and request information via a secure portal for review by the Inspectorate team, launched on 1 July 2024. It has enabled greater visibility of workflow and utilises template processes for trust account reviews, improving consistency.

### **Overdue trust accounts**

As in previous years, the number of overdue trust accounts remains a concern, continuing to pose risks to consumers of legal services, and a reputational risk to the Law Society. To address this, and to consider the performance of the Inspectorate function, we engaged PwC to undertake a review of the Inspectorate Risk

**“The Audit Assistant software tool has enabled greater visibility of workflow and utilises template processes for trust account reviews, improving consistency”**

### **Lawyers and Conveyancers Disciplinary Tribunal**

The Lawyers and Conveyancers Disciplinary Tribunal is an independent body that sits under the Ministry of Justice. The Tribunal hears and determines disciplinary charges against members of the legal and conveyancing professions.

These charges are referred to the Tribunal by standards committees of the New Zealand Law Society, which investigate complaints about lawyers' conduct, and are administered by the Lawyers Complaints Service. The Tribunal, established under the Lawyers and Conveyancers Act 2006, is not part of the Law Society.

The Tribunal also decides applications regarding suspension, striking off, revocation of orders and restoration of practitioners to the roll or register.

Framework to identify gaps in our risk management. Simultaneously, we reviewed other Inspectorate processes to identify barriers to workflow, analyse staff performance, and consider team structure. This has led to a series of initiatives aimed at improving consistency, capability and oversight within the team.

Both the current PwC review, and our internal review, highlighted the need for enhanced risk identification practices, improved use of data analytics, and greater consistency in trust account review execution. These insights provide a strong foundation for reforms in procedure and risk management.

### **Consumer education**

Throughout the 2024/25 year, we continued to prioritise education for both consumers and the profession. This

included translating the complaints website content into six languages and developing consumer resources for use by external stakeholders, such as Community Law Centres.

Our efforts to raise awareness within the profession about complaint procedures, emerging trends and how lawyers can avoid the most common types of complaints have progressed, with presentations delivered to branch councils and several articles underway.

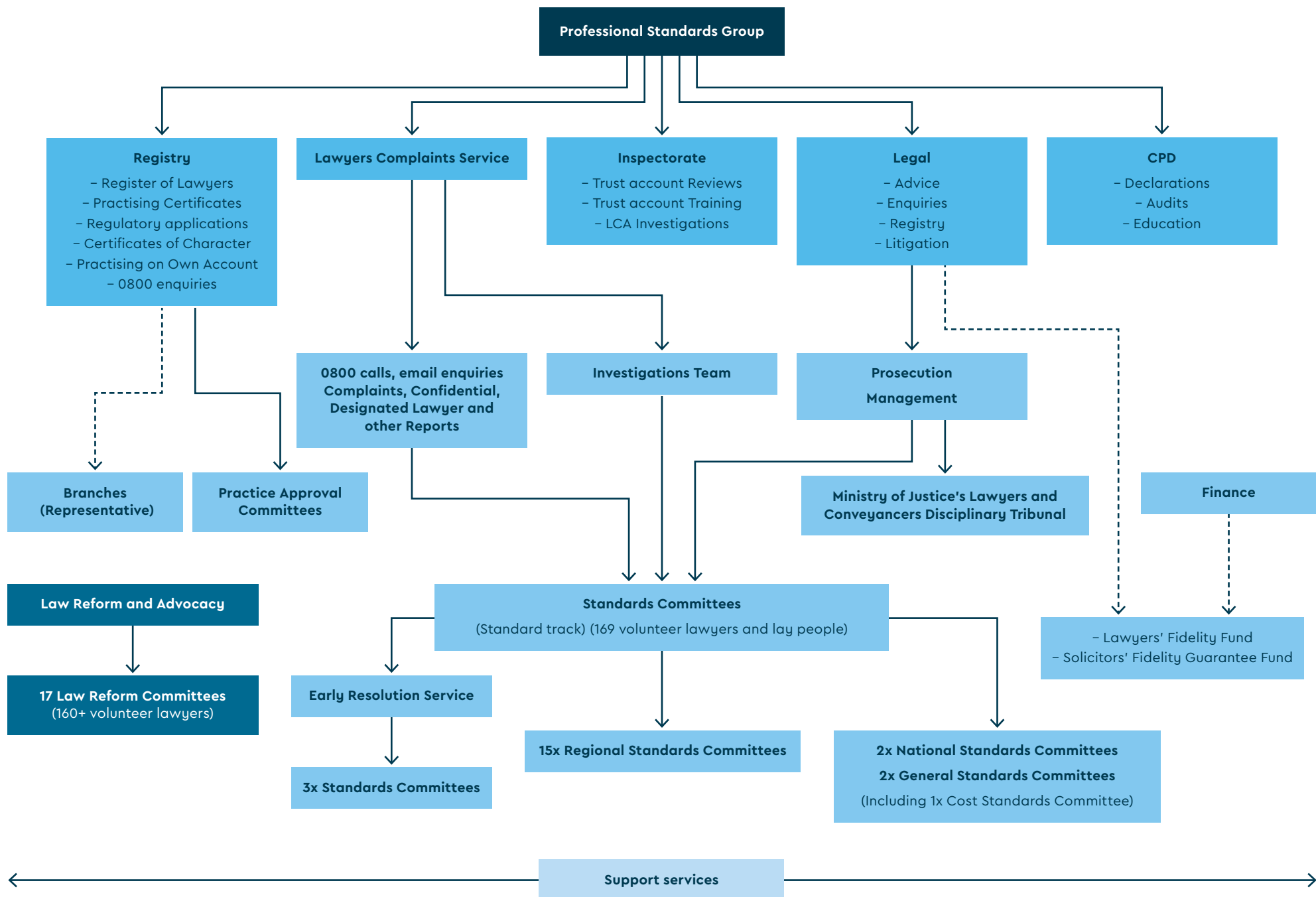
We expanded our regulatory content in *LawTalk* and *LawPoints*, publishing articles on topics such as lawyers' obligations when speaking to the media, confidentiality and expert witness engagement. We also drafted guidance on procedural issues in relation to adverse comments in decisions to take no further action and

publication of decisions, and professional vs personal conduct and rehabilitative orders in the Tribunal.

### **Summary**

The 2024/25 year saw significant progress in our ongoing work to deliver on our Regulatory Strategy. We continue to modernise and work to improve the effectiveness and efficiency of our processes, especially in the LCS, and the Inspectorate. External reviews have provided independent expert advice and stimulated ideas for shifts in approach, process, and outcomes. We are proud to be facilitating this modernisation so that the legal community, the public, and consumers of legal services, can have trust and confidence in the legal profession.

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1. The consultation began in August 2025.





## CAROL ZHONG

### AUCKLAND STANDARDS COMMITTEE

Carol Zhong was appointed to a standards committee after responding to a Law Society advertisement looking for lawyers to volunteer.

Principal at Auckland firm Duthie Whyte, Carol says it was a good opportunity to turn her hand to an area of work she was interested in but hadn't done before.

"I wanted to try and do what I could to contribute," she says.

Carol calls on her extensive estate and property experience to assist with her work on complaint files. Her Chinese language ability is particularly helpful when a complaint involves Chinese speaking parties.

"Having language ability can help the committee to understand the context about why a lawyer or complainant may have done certain things."

As a Chinese speaking lawyer her expertise is called on when required.

She admits it can be hard to keep up with the amount of work it requires, but it is not a commitment she shies away from.

"It is helpful to the profession and clients to have

someone who is bilingual and can contribute and explain the context to other committee members," she says.

### Miscommunication

Many of the complaints Carol has been involved in so far have been about overcharging of fees and issues of communication.

Carol says communication can be carried out in diverse ways with some Chinese clients.

**"It is helpful to the profession and clients to have someone who is bilingual and can contribute and explain the context to other committee members"**

“WeChat is a forum that is used by Chinese lawyers and clients as a way to give and take instructions as well as to send and record communications,” she says. “It’s not the traditional way that we would expect.”

It is this that can lead to misunderstandings and record-keeping issues, Carol explains. “If a complaint is made, it can be difficult to find instructions and communications if they have taken place on WeChat.”

Yet it is a channel that is becoming increasingly relevant.

“Chinese clients want to communicate on this forum that suits them,” Carol says. And so, lawyers need to adapt their record keeping ensuring that they are complying with their regulatory requirements.

### **Builds public confidence**

Carol describes the role and responsibilities of the Standards Committees as important work.

“It helps to build the general public’s confidence in our profession. The committees help the public in holding lawyers to account when they break the rules of the Lawyers and Conveyancers Act.”

Carol has been impressed by the calibre of her committee colleagues, and while describing herself as a “rookie”, she has endeavoured to be as helpful as she can.

Being on the committee has also been good for her own learning.

“I have learnt more than I give,” she says. “I know more about what gives rise to a complaint, what the common pitfalls are and how to avoid them.”

She thoroughly enjoys the work and talking to fellow practitioners.

Carol also values the lay members who she says contribute significantly and provide a different perspective. “They are instrumental in how decisions are made.”





## TARAH NIKORA

LAY MEMBER - NATIONAL  
STANDARDS COMMITTEE 2

Wellington-based professional Tarah Nikora is a Communications Specialist at Te Mātāwai, where she focuses on strategic and cultural communications. Of Ngāti Maniapoto descent, her background spans strategic communication, cultural creative work, business innovation, programme development and revenue generation.

### Motivation to join

Tarah's decision to join the committee was shaped by her previous career experience. "I had previously worked in professional membership organisations which involved disciplinary boards, representative bodies, codes of conduct and professional practice, independent review panels etc. When I saw the advertisement, I was interested in being part of the committee, the disciplinary process, communications and education outcomes."

She recognised the unique opportunity the role presented. "With the special nature of the position, I knew it would be a rare opportunity to participate and contribute, allowing me to make a distinctive impact."

### The most rewarding aspect

For Tarah, the committee itself has been the highlight of her role. "The committee members are a very diverse

group who I enjoy engaging with each month. They are an intellectually stimulating group that challenge one's mind, prompting new perspectives and deeper thinking from me."

She values the mix of backgrounds and insights that the committee brings, and the opportunity it gives her to contribute from a lay member's perspective.

### Skills and perspectives

Tarah brings a background rooted in communications and community advocacy. "I am a strategic communications and creative specialist in the area of social and cultural change. Most of my professional career I have worked for flax root communities advocating for whānau and their hapori."

This grounding gives her a strong awareness of how disciplinary processes are perceived outside the legal profession, and how communications can contribute to building public trust.

### Challenges of the committee

The committee's work involves confronting some of the profession's most difficult issues. "It is a challenge to discuss lawyer conduct and disciplinary matters, particularly when it is allegations of bullying, harassment and overt racism. At every meeting, you

**“With the special nature of the position, I knew it would be a rare opportunity to participate and contribute, allowing me to make a distinctive impact”**

need to contribute constructively to discussions on some quite complex issues. Be prepared.”

Tarah emphasises the importance of contributing thoughtfully to every discussion, however challenging.

### **Positive change and impact**

From her perspective, the committee plays an important role in strengthening public trust. “The committee is tackling challenging complaints. Ultimately, it’s about actively engaging with the information and acting as a committee in a way that promotes exemplary professional conduct, consistent ethical behaviour, transparent communication and sharing for educational purposes the committee outcomes with expected behaviours for the profession.”

Ensuring that outcomes are communicated transparently and used to reinforce professional standards is one of the most meaningful aspects of the committee’s work for Tarah.

### **Advice to other lay members**

Tarah is clear that prospective lay members should understand the demands of the role before applying. “Do some research about the role, around the demands and the published outcomes from the committee. There is some complexity around the monthly meetings, the nature of the complaints from a non-lawyer perspective. You need to possess strong judgement and analytical skills and be able to read a very large pack of papers – you do have to dedicate time to prepare!”

She also highlights the importance of perspective. “You won’t know the ins and outs of the New Zealand legal system, that is not for you to know as the primary role

of a lay member is to represent the public’s interest in the regulation of lawyers, ensuring that decisions made by the committees have a broad societal viewpoint.”

### **Looking ahead**

Tarah continues to bring her expertise in communications, cultural strategy and community engagement to her role on the National Standards Committee. As she reflects on her contribution, she points to the combination of challenge, responsibility and privilege that comes with being part of a body dedicated to professional conduct.

Her time on the committee has reinforced the importance of clear communication, accountability and diverse perspectives in strengthening the profession’s standards. It has also provided her with an avenue to make a distinctive impact: “With the special nature of the position, I knew it would be a rare opportunity to participate and contribute, allowing me to make a distinctive impact.”

### **About Tarah**

Tarah Nikora is based in Wellington and works as a Communications Specialist at Te Mātāwai, with a focus on cultural and strategic communications. She is of Ngāti Maniapoto descent and brings experience across strategic communication, creative cultural projects, business innovation, programme design and revenue development. Tarah has contributed to the New Zealand Law Society’s National Standards Committee 2 for close to two years.

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 more than 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.

This year has been particularly busy with submissions made on significant pieces of legislation and other consultations, including the 2025 Triennial Legal Aid review.<sup>1</sup> We also released our landmark *Strengthening the rule of law in Aotearoa New Zealand* report. There are more detailed articles about both of these pieces of work in this report. In addition, we began our bi-annual Advocacy in Action webinar series to keep the profession informed about our law reform and advocacy work.

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 Milan.

New Zealand is well respected internationally and, while we attend a very limited number of international events face-to-face, we regularly engage remotely.

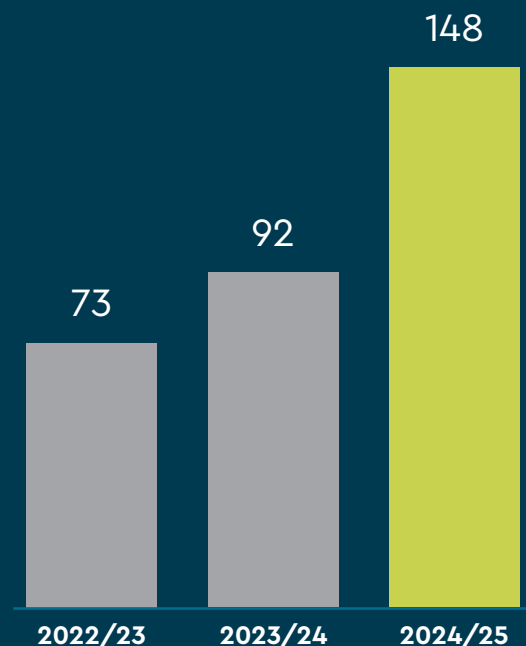
### Key submissions

The 2024/25 year was busy with 55 submissions on Bills, 91 other submissions and two interventions. The increased pace of policy and legislation saw consultation periods shortened and overall, the team's work increased 58.7 per cent.

Submissions were made on high profile legislation including the Principles of the Treaty of Waitangi and Regulatory Standards Bills. In both cases, the Law Society opposed the Bills and recommended that they did not proceed. The Regulatory Standards Bill, which proposes principles that must be considered in regulation design, was opposed because it was contrary to established principles of legislative design and unlikely to improve the quality of legislation. The Law Society recommended the Treaty Principles Bill, which sought to define in law the principles of Te Tiriti o Waitangi, not proceed because it proposed to unilaterally impose principles which did not reflect the terms of Te Tiriti, and would introduce uncertainty and significant constitutional change.

Other significant public law submissions included the Marine and Coastal Area (Takutai Moana) Amendment

### Number of submissions







Bill, the Social Security Amendment Bill and the Term of Parliament Bill (Enabling 4-year Term) Legislation Amendment Bill.

There has also been ongoing criminal law reform. The Law Society submitted on the Sentencing (Reinstating Three Strikes) Amendment Bill and the Sentencing (Reform) Amendment Bill, both of which raised concerns about the restriction of judicial discretion in the sentencing process, and the risk of unjust sentencing outcomes. Amendment Papers added to the Sexual Violence (Strengthening Legal Protections) Amendment Bill raised similar concerns, by removing the ability of a judge to grant permanent name suppression to those convicted of sexual offences, unless the victim consents.

The programme of reform for the Anti-Money Laundering and Countering Financing of Terrorism Act 2023, is continuing. This is aimed at making structural changes to the regime, as well as providing relief from the compliance burden that some sectors, including

lawyers, face. In 2024/25, that work involved Law Society submissions on the:

- Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill. The Law Society welcomed clarification of the Enhanced Customer Due Diligence settings for low risk trusts, but did not support changes to the definition of ‘designated non-financial business or profession’, which will broaden the activities for which the legal sector is captured and create uncertainty.
- AML/CFT industry levy – initial levy design consultation. The Law Society submitted that law firm reporting entities should not be liable for the industry levy, on the basis that the legal sector already incurs compliance cost for limited private benefit, and because the proposal to levy off all law firm earnings, rather than AML/CFT related earnings, shows that the levy cannot be equitably and proportionately applied to the sector.

There have also been a wide range of consultations on discussion documents, practice guidelines, and Bills relating to the courts and court procedure. In 2024/25 the Law Society submitted on the Review of the Courts (Remote Participation) Act 2010, protocols for the use of remote participation in the District and High Courts and remote appearance by defendants in custody, and the Judicature (Timeliness) Legislation Amendment Bill. While welcoming initiatives to improve efficiency in the courts, the Law Society emphasised that efficiency should not be pursued at the expense of important principles such as the right to a fair trial, access to justice, and public confidence in the justice system, and drew attention to the practical challenges of inadequate technology in the Courts and prisons.

### Other advocacy

Members of the profession and the law reform committees regularly provide information about current issues and concerns, and the

**“Supported by 17 committees with more than 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”**

Law Reform and Advocacy team monitors issues that could impact lawyers and the administration of justice.

In 2024/25, this work has involved advocacy across a broad range of areas including:

- Continuing work with the Ministry of Justice and the Courts on courthouse security, including on processes for lawyers to receive priority security screening at courthouse entry.
- Working with the Ministry of Justice on Te Au Reka – the new digital case management system for the courts and tribunals. This has involved regular meetings with the Ministry and the ongoing provision of feedback. Te Au Reka will be piloted in the Family Court first, and the Family Law Section has undertaken significant work to assist with this.
- Raising concerns with police, Oranga Tamariki and the Minister for Children, about young people being held in Police cells.
- Escalating issues raised by the profession around court staffing and courthouse facilities.

- Continuing to advocate for the profession throughout the AML/CFT programme.
- With the Principal Youth Court Judge, starting work on a project to develop best practice guidelines for youth advocates. This work has commenced with a survey of current youth advocates.
- Meeting with the Employment Relations Authority to address systems issues raised by lawyers, and working with MBIE Mediation Services to address process issues.
- Alongside members of our Civil Litigation and Tribunals Committee, working with judges to create a commercial list in Auckland, to improve access to justice.
- Engaging with Immigration NZ to improve compliance practices.

The Law Society also organised a series of 11 workshops across the country and online, for the Legal Services Commissioner and her team to meet with providers throughout the country. The workshops were set up to

discuss improvements that could be made to the legal aid system within the current financial constraints, as well as some proposals from the Commissioner.

Following the workshops, the Commissioner implemented her proposal to automatically approve junior counsel for all Provider Approval Level Three Sexual Violence matters, and made a series of administrative improvements, including the use of email rather than post to correspond with clients, enabling caller ID so providers know it is the Ministry of Justice calling and improving communication with grants officers.

Larger proposals arising from these workshops, such as improving the approvals process and streamlining amendments to grants were consulted on in the 2025 Triennial Legal Aid Review.

## 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.

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1. Submission was made in August 2025 but most of the work was completed in this reporting year





## RABIAH KHAWAJA

### IMMIGRATION AND REFUGEE LAW COMMITTEE

Rabiah Khawaja is a Senior Associate at Cavell Leitch, where she leads the immigration law practice. She specialises in immigration and refugee law, with a strong focus on complex visa matters, corporate immigration, family violence visas, and tribunal appeals. With 17 years of combined experience in the immigration field across New Zealand and Australia – including time working directly with Immigration New Zealand – Rabiah brings a depth of experience to her role.

She has been a member of the New Zealand Law Society's Immigration and Refugee Law Committee since 2023 and also serves on the Law Institute of Victoria's Migration Law Committee.

#### Motivation to join

Rabiah's pathway into committee work was shaped by her time in Australia. "I was prompted to join the Immigration and Refugee Law Committee after my time on the Migration Law Committee of the Law Institute of Victoria. That experience highlighted how valuable it is for practitioners to contribute to law reform and professional discussions in immigration law. When I returned to New Zealand, I wanted to continue that involvement through the Law Society. Having worked across both Australia and New Zealand, I've seen

firsthand the impact of immigration policies on people's lives, and the committee provides a meaningful way to feed that experience into shaping the system here."

#### Practice and alignment with the committee

Rabiah's practice is focused on immigration law covering everything from corporate migration and employer accreditation to refugee claims, special direction ministerial and tribunal appeals. "Much of my work involves navigating the intersection between law, policy, and real-world outcomes, which directly aligns with the committee's role in providing feedback on proposed changes and advocating for fair, workable solutions."

#### Rewarding aspects of committee work

"The most rewarding aspect has been the opportunity to contribute to conversations that actually influence change. It's also been a privilege to collaborate with like-minded colleagues from across the profession who bring such a wide range of expertise and perspectives. Nilu Ariyaratne (Senior Law Reform and Advocacy Advisor) and the committee gave me a very warm welcome to the New Zealand immigration field, and it's been great to be part of a team that shares similar values and goals."

**“I’ve seen a clear shift towards more open consultation and dialogue, which not only builds public confidence but also leads to better outcomes for migrants and the wider community”**

### **Submissions and initiatives**

Rabiah has been active in the committee’s submissions. “Over the past couple of years, I’ve had the opportunity to contribute to feedback on changes to the Accredited Employer Work Visa scheme, employer compliance, the student visa stream, partnership-based applications, and the job check stage. This was an area where I’d been actively advising clients, so I was able to bring real-time insights from practice into the committee’s submission. A recent highlight was working with the committee to provide a response on the Law Society’s behalf on the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill, which mirrored themes I had also seen emerging in Australia.”

### **Challenges**

“One of the challenges is balancing the pace of law reform with the urgency of what’s happening on the ground. Clients and communities often feel the effects of policy shifts immediately, while the actual systemic change takes longer. Nilu has been incredibly supportive in helping me navigate my contributions and ensuring the feedback we provide is both principled and workable in practice.”

### **Positive changes**

The increased willingness of Immigration New Zealand to engage with the legal profession has been a positive change. “I’ve seen a clear shift towards more open consultation and dialogue, which not only builds public confidence but also leads to better outcomes for migrants and the wider community. I’ve seen a positive shift in the dialogue between Immigration New Zealand and the profession towards a more

collaborative and engaging approach. This not only benefits Immigration New Zealand and us as lawyers, but also the clients and communities we work within.”

### **Advice for others**

Rabiah believes the committee experience is one that every lawyer should consider taking part in. “I would say don’t underestimate the value of being part of a committee or the perspective you can bring, no matter what stage you’re at in your career. The Law Society’s committees are niche in their areas, so the committees create a community of professionals who share common goals and interests, and the work is impactful. Your voice as a professional is heard, and even if your input isn’t always implemented, it can leave a lasting effect. Diversity of experience is what makes committees thrive, and it is incredibly rewarding to be part of shaping the future of the law.”

### **About Rabiah**

Rabiah Khawaja is a Senior Associate at Cavell Leitch, where she leads the immigration law practice. Her work spans corporate immigration, refugee law, tribunal appeals, and family violence visas, with a focus on complex and sensitive matters. She has 17 years of experience in immigration across both New Zealand and Australia, including time spent working directly with Immigration New Zealand, giving her a broad and practical understanding of the field.





## MAYHAKA MENDIS

OTAGO BRANCH COUNCIL –  
QUEENSTOWN REPRESENTATIVE

Establishing her own legal practice, Mayhaka Mendis Law, in May last year has allowed Mayhaka to focus on areas that particularly interest her – Privacy Law, AI Governance and the tertiary education sector.

Mayhaka's practice builds on her experience as General Counsel and Acting Registrar at the University of Otago and, before that, in both large law firms and in-house roles. "The Otago Branch serves a wide range of local members. I have broad legal experience spanning across both the private and public sectors, including working in large law firms and more recently as an in-house lawyer. This experience has given me an appreciation of the different challenges lawyers face and an understanding of how to better serve the needs of our local members, e.g. ensuring that events and initiatives are relevant to both private practice and in-house practitioners."

### Path into committee work

Mayhaka has been part of the Otago Branch Council for four years and is now the Queenstown representative member after relocating from Dunedin to Arrowtown.

Her first step into committee work came from encouragement: "A friend and former member of the Otago Branch Council suggested that I join the

committee when I moved to Dunedin from Wellington. She suggested that this would be a good way of meeting other lawyers and integrating into Dunedin. So, the motivation was largely for social interaction; however, during my time on the committee I have valued the governance experience I have gained and the insight into the important work that the Law Society does."

### Rewarding experiences

"The most rewarding aspect has been working alongside some highly motivated and experienced colleagues and working together to host a number of collegial events including thought-provoking CPD sessions," she says.

Her committee role has also opened doors to cornerstone events. "Being on the committee has also given me the opportunity to regularly attend a number of special occasions such as the past presidents' dinner, the 40-year lunch and the annual lunch with Oamaru members."

When she first joined, she was given the Commercial and Property Law portfolios. "My task was to try to increase the engagement of the local commercial law and property law practitioners. Through this work, I

**“Contributing to law reform and professional regulation reinforces our shared responsibility to improve both the law and the profession – to uphold the rule of law, strengthen public trust in the profession, and ensure the legal system remains fair and accessible”**

formed valuable relationships with many commercial and property lawyers. I am now looking forward to strengthening engagement with our Queenstown members.”

### **Initiatives and wellbeing**

While working at the University of Otago, Mayhaka organised several successful “Town and Gown” CPD sessions featuring both academics and practitioners. Highlights included Emerita Professor Nicola Peart and Stephanie Pettigrew presenting on *Preston v Preston*, and Associate Professor Simon Connell with Jenna Riddle on the Supreme Court’s Bathurst decision.

She also introduced a wellbeing initiative. “I organised weekly indoor tennis sessions for local members at Otago Boys’ High School’s air dome. This wellbeing initiative attracted a broad mix of practitioners – from junior lawyers to a prominent KC, as well as lawyers from Ngāi Tahu Māori Law Centre and in-house counsel from the University.”

### **Broader impact and outlook**

Mayhaka says being on the Council has strengthened her governance skills and widened her legal horizons. “It has also broadened my understanding of areas of law outside of my own practice, such as criminal and family law. This has also deepened my appreciation of the challenges faced by practitioners in these areas and the need to improve the access to justice.”

She points to increased engagement of commercial and property lawyers in Dunedin, financial assistance for new practitioners, and coordinated submissions on the Independent Review recommendations as examples of the Council’s achievements.

For her, committee work is about collective responsibility. “Committees provide a forum where diverse perspectives can be considered, and where potential unintended consequences of new laws or regulatory changes can be identified before they take effect. Contributing to law reform and professional regulation reinforces our shared responsibility to improve both the law and the profession – to uphold the rule of law, strengthen public trust in the profession, and ensure the legal system remains fair and accessible.”

And her advice to others? “Go for it! But only if you are willing to commit time and energy. Committee work is most rewarding when members actively contribute and support each other.”

### **About Mayhaka**

Mayhaka is the Principal of her own practice, Mayhaka Mendis Law, which offers in-house legal contractual services with a focus on Privacy Law, AI Governance and the tertiary education sector. She was previously General Counsel and Acting Registrar at the University of Otago and Deputy General Counsel (Regulation) at the Commerce Commission, and has experience across both private practice and in-house roles, including in large law firms.





# Representative



# Representative

## *Delivering what the profession values*

### Introduction

The Law Society is proud that more than 10,000 lawyers chose to retain their membership again this year. We thank those lawyers who continue to see value in the services we offer.

The focus of the past 12 months has been to build on our membership offer and maintain our priority of helping lawyers in the moments that matter.

We have focused on those new to the profession. This work included delivering our inaugural new lawyers conference in August, ramping up our wellbeing services, and adding a wellbeing webinar series. For the first time this year we offered an in-person roadshow on artificial intelligence at 14 locations around the country which were attended by more than 500 lawyers.

We are now in the second year of our five-year representative strategy that began in 2023 with the introduction of a paid membership subscription with an enhanced member offer. The objective of our strategy is to ensure the long-term financial sustainability of member services, which for many years had been delivered at a substantial loss to the organisation and funded through member reserves.

We are working towards our goal of moving 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, wherever and wherever they are. One simple example of this is changes we are making to our newsletters to make it easy for the profession to find out what is on offer. Our newsletters now include information about branch, section, local and nationwide events and CLE offerings so that they can be aware of everything that is happening and choose to attend what is most relevant to them, whether that be by topic or by location.

As a representative organisation, we are cognisant of the issues that lawyers are grappling with and know that lawyers are looking to us for technical guidance, support in the moments that matter, and connection. We work hard to make our services as available as possible so that lawyers can access them regardless of where they work and what area of law they work in.

We also continue to develop material that has relevance to a particular part of the profession such as sole practitioners and small firms.

Our advocacy work by both the family and property law sections remains important. The Family Law Section (FLS) made 27 submissions in the past 12 months and remains a trusted voice for family lawyers. The Property Law Section (PLS) has worked closely with Land Information New Zealand to ensure that as they developed their new online system, Landonline, it met lawyers' needs. When the system went down in May, PLS offered vital support. The In-house Lawyers' Association (ILANZ) had an incredibly successful conference in Auckland that more than 450 in-house lawyers attended. Our new in-house lawyer career development framework was launched at the conference.

Our representative function would not exist without the profession's ongoing support for which we are grateful.





We are particularly thankful of those who support us by volunteering their time on our branch and section councils. We acknowledge that this is a considerable time commitment without which we would not be able to deliver our services.

## Technology improvements

This year we also began work on our new member management portal which will not only provide improved services for our members but also equip us with better insights which will help us to deliver more of what the profession values. The introduction of a member management portal is a key part of our representative strategy.

The Law Society has selected the iMIS platform as our membership management system, which is used by many of our counterparts in Australia. Causeis is our implementation partner, and we are working closely with them to configure and implement our system. It will seamlessly integrate with the Registry to ensure data fields are automatically kept up to date. The new system is expected to go live in October 2025.

## 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, the Pacific Lawyers Association, and the Asian Lawyer Association. During the year, we held two events with the New Zealand Asian Lawyers, including one in Auckland with the Minister of Justice. This year we also co-hosted an event at Parliament on the topic of mental health in partnership with Life Squared Trust, a

trust established by lawyers with a focus on delivering mental health support across Aotearoa.

We also work closely with our 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.

## Gender Equality Charter

The Law Society's Gender Equality Charter aims to improve the retention and advancement of women in the legal profession. Organisations that sign the Gender Equality Charter commit to a range of practical actions aimed at achieving gender equality for lawyers in their organisation. The Charter is open to the whole legal profession. Law firms, in-house legal teams, sole practitioners (including barristers sole) and barristers' chambers can all sign up to demonstrate their commitment to gender equality and inclusion. Equitable briefing is also a key part of being gender equitable. This includes the processes lawyers follow to instruct colleagues to make sure there is no unconscious bias.

The Charter provides a framework to help improve gender equality and inclusion workplaces and the wider legal profession. One hundred and forty firms are currently signatories. Firms which are signatories and meet their annual obligations, receive a Gender Equality Charter logo to use in their branding.

Gender equality is critical to the success and sustainability of the legal profession, yet women remain underrepresented in senior legal roles in the legal profession. Women represent 65 per cent of new lawyers (0-7 PQE) and 57 per cent of the legal profession. Our latest survey showed that women make up more

than 50 per cent of lawyers in law firms with more than one practitioner, yet they make up less than 34 per cent of partners or directors in those firms.

This year we promoted the Gender Equality Charter to increase the number of Charter signatories overall and before the biennial survey of signatories which started in September 2025. This included highlighting the efforts of Anderson Lloyd, one of the first firms to sign the Charter, which reached a significant milestone in its journey toward gender equity with 50 per cent of its equity partners being women, one of the highest proportions in New Zealand's legal profession. The firm has also achieved the Charter's 50 per cent equitable briefing target for instructing external lawyers.

## Support in the moments that matter

The Law Society is committed to supporting lawyers' wellbeing. This year we continued working on our multi-year Lawyer Wellbeing Strategy which aims to increase greater awareness of the resources available, 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.

In March, Law Society Chief Executive Katie Rusbatch was part of a panel discussion about mental health in New Zealand's legal profession held at Parliament. Hosted by Minister for Mental Health Hon Matt Doocey and the Life Squared Trust, in association with the Law Society, Ms Rusbatch was joined by clinical psychologist Jacqui Maguire, Buddle Findlay partner Susan Rowe, and partner at Kāhui Legal, Lynell Tuffery Huria. Ms Rusbatch told attendees that the wellbeing of lawyers in Aotearoa was an important topic and one

**Right:**  
Auckland branch event

of the Law Society's top priorities. Wellbeing issues are often uncovered in the regulatory space, and the complaints process can be a fairly blunt tool to deal with mental health issues. The Law Society prefers to prevent these outcomes and encourages lawyers to take advantage of the Practising Well initiatives that the Law Society offers.

The organisation is doing as much as it can to help with lawyer wellbeing despite being constrained by the current regulatory legislation. The Law Society is working on an education programme around cognitive decline which is challenging to deal with as lawyers are often reluctant to come forward with concerns about friends or colleagues who continue to practise despite experiencing cognitive decline. The organisation encourages people to come forward so that support can be provided.

Our December issue of *LawTalk* featured interviews with six leaders in their field; a lawyer and wellbeing author, heads of professional membership organisations and the head of a large firm to hear how they manage their personal wellbeing and how this influences their actions and others. Read the [interviews on our website](#).

This year we also offered the profession a suite of wellbeing webinars about Optimising Performance and Wellbeing. Designed in partnership with workplace wellbeing services provider Optimally, this series tackles the wellbeing crisis and empowers legal practitioners to thrive in their roles with greater confidence, balance, and psychological sustainability.

Recognising the challenges those practising family law face, the FLS provides support through its network and branches support people in need locally, including the FLS Friends Panel.



## Law Society Sections

The Law Society has three specialist law sections – in-house, family and property.

### 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 and currently make up 30 per cent of the legal profession.

#### Key achievements for 2024/25

- The ILANZ committee was delighted with a strong Law Society membership renewal of in-house lawyers, reflecting the regard in which ILANZ is held by the profession. As membership of ILANZ had previously been free, providing ongoing value for in-house lawyers and their organisations has been a key focus for the ILANZ committee and Law Society staff.
- More than 40 face-to-face and online events were held during the year, including the annual ILANZ

Conference. For the first time in 37 years the conference was held in Tāmaki Makaurau, Auckland. Record numbers of delegates attended the two-day, three-night 2025 conference at the Viaduct Events Centre in May. The feedback received has been excellent.

- The Development Framework for In-house Lawyers was launched at the 37th annual ILANZ conference. Lead by Bram van Melle, with key committee members, each ILANZ event invitation is now connected to the skills in-house lawyers will develop when they attend a particular CPD event. ILANZ has received positive feedback from members on the framework and will continue to look for opportunities to help lawyers grow and learn through this valuable resource.
- A 'member only' section of the ILANZ website has been established to include resources such as the Development Framework, with recordings of CPD webinars and other resources planned.
- All four of ILANZ's Valued Partners have been retained and work continues to strengthen



relationships and provide value. Separately, sponsorship of the annual ILANZ conference continues to grow.

- ILANZ continued to develop satellite networks regionally and practice-based networking and educational events. Active satellites include Bay of Plenty, Waikato, Taranaki, Nelson, Canterbury, Otago, Gisborne, Sole Counsel, General Counsel and our Navigate Satellite (for members of global organisations), with work underway to establish a new group in Hawke's Bay.

### Family Law Section

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. The 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 2024/25

- Increased the FLS membership by 615 members resulting in a quarter of FLS members with a PQE of 0-7 years: this is a welcome achievement as over the past four years FLS has been focusing on how to attract new lawyers to practise in family law.
- Prepared 24 submissions on behalf of the Law Society, the most significant being: Improving Arrangements for Surrogacy Bill, Mental Health Bill, Legal Aid Triennial Review, the Law Commission's



**Top:**  
37th Annual ILANZ Conference  
in Auckland, May 2025

**Bottom:**  
Property Law Section  
Hall of Fame event 2024

Review of the Law of Adult Decision-Making Capacity and numerous proposed changes to the Family Court Rules 2002 to implement various pieces of legislation.

- 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 a junior's guide to relationship property, situational safety and tactical communication for family lawyers, the role of child specialists in FDR, home for life, a beginner's guide to the Mental Health Act, demystifying appeals, and a number of lawyer for child forums.
- Organised various functions for members, including welcome functions for Family Court judges in various regions and two dinners in 2025 to acknowledge the retirement of Family Court Judges Burns and Mahon who are both past chairs of the FLS.

### Property Law Section

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

### Key achievements in 2024-25

- Provided input to ensure the profession's needs were reflected throughout Toitū Te Whenua LINZ's Landonline modernisation programme, culminating in the successful decommissioning of legacy Landonline in March. Commented on LINZ's consultation on fees and charges for survey and titles services and proposals for Digitally Visualised Survey Plans.
- Responded to a significant Landonline outage in May that disrupted property law practices nationwide, working with the Registrar-General of Land to align guidance and committing to improved joint communications for future system disruptions.
- Delivered well-attended educational seminars and webinars on key practice updates, including the 'Updated A & I Requirements for E-dealing Standard and Guideline 2024', in collaboration with LINZ and Legal Executives New Zealand. A follow-up session on digital signing was hosted with industry partner, LawHawk and LINZ.
- Contributed to law reform submissions including to the Ministry of Justice on a targeted review of probate thresholds; Ministry of Business, Innovation and Employment to develop a practical solution for Residents' Associations under the Incorporated Societies Act 2022; and Department of Internal Affairs consultation on draft regulations for natural hazard information in Land Information Memoranda.
- Following targeted consultation, PLS welcomed the Regulatory Systems (Justice) Amendment Bill, which will make conveyancing practitioners' undertakings enforceable in the same manner as those from lawyers, and streamline settlements in practice.

### 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 and education 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). Some branches also undertake the processing of Certificate of Character and Section 30 (Practice on Own Account) applications on behalf of Registry.

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. The Law Society is grateful for their hands-on support.

### Key achievements in 2024-25

- A total of 240 events were held by branches attended by 9,923 lawyers.
- Well attended branch events held throughout the year included:
  - Te Reo Māori classes (in-person and online)
  - Regional conference for Otago/Southland that attracted members from across Aotearoa
  - Wellbeing programmes including Stepping Forward and the Optimising Performance and Wellbeing webinar series



## **“Our libraries continue to support the profession, especially sole practitioners and small firms. There has been a 26 per cent increase in research requests over the past 12 months”**

- New lawyer events for 0–7 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.

### **Libraries**

Library services are funded by the regulatory arm of the Law Society through practising certificates; however, the libraries 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 legal information to all legal practitioners. The library maintains three staffed research libraries (in Auckland, Wellington, and Christchurch). There are also Wi-Fi and/or kiosks in 33 locations enabling online access to subscription databases.

The Law Society library offers research and document delivery services and creates the LINX database which offers access to New Zealand case law and journal article references.

Our libraries continue to support the profession, especially sole practitioners and small firms. There has been a 26 per cent increase in research requests over the past 12 months. The increase can in part be attributed to increased promotion of the services our libraries provide and to the high value placed upon this service by the profession. Small firms and sole practitioners tend to use the libraries more than medium and large firms as the larger firms often have their own libraries. However, those firms also use our libraries for more complex cases or to source material not held in their own collections.

Early in 2026, we undertook research with the profession about what their needs are so that we can ensure our services remain relevant and support the rule of law. The introduction and ongoing development of AI tools for legal research means that we need to make sure our services remain relevant to the profession. This year, we added Lexis Argument Analyser to our suite of online resources, accessible to all practising lawyers via the libraries and kiosks within court-based lawyers' rooms. With the use of AI becoming more prevalent, we have noticed a significant increase in requests for AI generated cases and have extended our service offerings to include verifying AI generated citations.

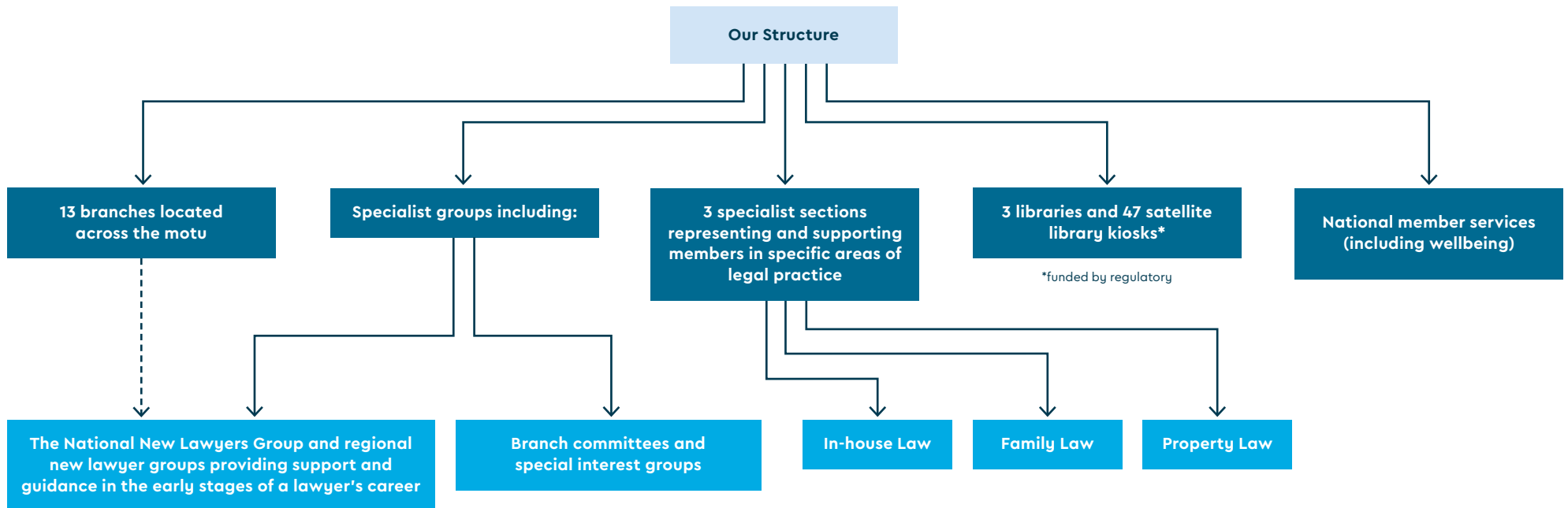
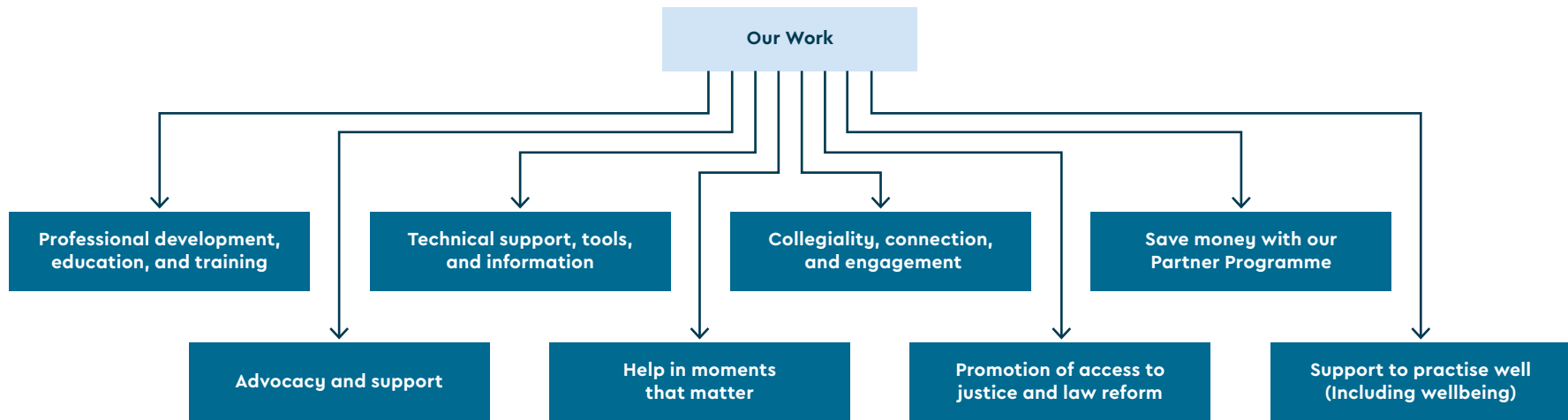
In the past year, our libraries have run events and training on research skills, including a webinar targeting 0–3 PQE lawyers.

### **Key achievements in 2024/25**

- The national law librarian was appointed in October.
- Demand for library research services increased considerably in this financial year with total research revenue for the period being \$474,733; this is an increase of \$97,097 from the 23/24 FY (a 26% increase).
- Extensive engagement with the profession, through an online survey and follow up focus groups, around their use of library services, and their future requirements from the library.
- Feedback from the engagement work, along with findings from the 2024 Library Analysis, fed into the development of a new Library Strategy. The strategy, covering the period 2025–2028, defines goals, priorities and activities pertaining to library services.
- 4,573 judgments and 2,842 articles were added to LINX.
- Due to earthquake strengthening work being carried out in the Wellington High Court, the Wellington library moved to 126 Lambton Quay. The library is likely to remain there for up to three years.
- The Otago library collection was downsized to a core collection of New Zealand texts and current seminar papers.

### **Summary**

In the past year we have made significant progress on our representative strategy and our goal of making our member services financially sustainable. While we have more to do, it was pleasing that so many members renewed their membership in the second year of our membership subscription. We remain strongly committed to continuing to deliver services to meet the needs of our profession.



# Continuing Legal Education

*Delivering high quality legal education*

CLE has been the leading provider of Continuing Legal Education for lawyers and their staff in Aotearoa New Zealand for more than 40 years. This year CLE, formerly a fully owned subsidiary of the Law Society, was integrated back into the Law Society.

The shift will streamline governance, technology, and financial processes, as well as aligning learning strategies across the Law Society. NZLS CLE staff transferred to the Law Society as a CLE team.

The former Chief Executive of NZLS CLE left on 31 March 2025 after 21 years with the Law Society, the last 12 leading the NZLE CLE team. We are very grateful to Hellen Papadopoulos for the contribution she made to continuing legal education for the profession in New Zealand. Dr Michael Fraser was appointed to a new role as General Manager CLE. Michael formerly led the learning and commercial teams at the Institute of Directors New Zealand.

The move provides an opportunity to look at learning across the organisation rather than just through CLE. Work has begun on a learning strategy which will look at how learning can be reimagined while maintaining the Law Society's position as a trusted authority and building on a proud tradition of providing high quality education for the legal profession.

The strategy will draw on international and national best practices and will consider how the profession

accesses training opportunities across all parts of the Law Society including branches and sections.

CLE aims to move beyond the view of only learning to satisfy CPD compliance. It aims to deliver learning that gives attendees the most value while also being enjoyable, providing opportunities for connection and reflection to further enrich the profession.

In the coming year our members can expect to see our learning strategy come to life in the form of several pilot projects where we explore new ways of delivering our learning and cover a range of contemporary legal issues.

## The past year

The team has had a challenging but successful 12 months delivering high-quality educational experiences across a rich and varied programme of speakers. The highlights of the year were the biennial Employment Law Conference held in Auckland and live online, as well as the inaugural Human Rights Law Trans-Tasman Conference held in Queenstown and live online.

**DR MICHAEL FRASER**  
GENERAL MANAGER, CLE



**“The team has had a challenging but successful 12 months delivering high-quality educational experiences across a rich and varied programme of speakers”**

#### **Other highlights for the year included:**

- A Ministry of Justice sponsored complimentary live stream on Te Ao Mārama Courts, featuring a judicial update. This session attracted over 1,000 lawyers and aimed to deepen practitioners’ understanding of the skills essential for working in Te Ao Mārama courts, guided by the Te Ao Mārama Best Practice Framework.
- The annual Litigation Skills Programme was proud to welcome two faculty members and six participants from the Pacific Islands, supported by the Pacific Justice Sector Programme. The observing faculty plan to facilitate similar training initiatives elsewhere in the Pacific.
- Collaboration with the Pacific Justice Sector Programme continued as the team provided resources and guidance for the Introduction to Civil Litigation Skills in the Solomon Islands and the PJSP Litigation Skills Programme in Wellington. The programme was a success with 40 participants from around the Pacific completing the Wellington programme.
- During the year, we delivered 67 online and hybrid events, 21 workshops as well as ten one and two day in-person conferences. In addition, 198 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 deliver 88 programmes made up of 153 sessions during the year covering a full range of topics and practice areas.
- The flagship “Stepping Up” workshop, a two-and-a-half-day course designed for lawyers aspiring to practise on their own account, saw 316 participants in 2024/25.
- Finally, we produced 63 publications, serving as both training and reference resources for the legal profession.

#### **Delivering high quality legal education**

Until CLE’s integration, effective from 1 April 2025, the NZLS CLE Limited Board members were Frazer Barton, David Campbell, and Katie Rusbatch. We would like to acknowledge Tim Mullins, who resigned as Director and Chair at the end of 2024, having been on the Board since incorporation in August 2008. We appreciate Tim’s commitment to the delivery of continuing legal education for the benefit of the profession.



The background of the page features a close-up photograph of a flax plant (Phormium tenax) with its characteristic long, narrow, green leaves that have reddish-brown edges. Overlaid on this image are several 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.

<b>President</b>	Frazer Barton*	From 14 October 2022
<b>Vice-Presidents</b>		
<b>Vice-President, Central North Island</b>	Jesse Savage†	From 12 April 2024
<b>Vice-President, Wellington</b>	Ataga'i Esera	From 8 April 2022
<b>Vice-President, Auckland</b>	David Campbell	From 8 April 2022
<b>Vice-President, South Island</b>	Taryn Gudmanz	From 14 October 2022 to 11 April 2025
	Mark Sherry‡	From 11 April 2025
<b>Board Observers</b>		
	Michael Mills	From 1 September 2023
	Baden Vertongen	From 15 September 2023
	Anna Fox	From 28 March 2025
<b>Branch Presidents</b>		
<b>Auckland</b>	Misha Henaghan	From 8 April 2022
<b>Canterbury-Westland</b>	Lana Paul	From 15 June 2023 to 11 March 2025
	Amy Keir	From 11 March 2025
<b>Gisborne</b>	Michael Gordon	From 4 May 2023 to 23 May 2025
	Daniel Berry	From 23 May 2025
<b>Hawke's Bay</b>	Pamela Fairbrother	From 29 June 2023 to 26 June 2025
	Angela Davis	From 26 June 2025
<b>Manawatū</b>	Cailin Broadley	From 24 August 2023
<b>Marlborough</b>	Rob Harrison	From 30 May 2024
<b>Nelson</b>	Andrea Halloran	From 23 April 2024

\* Frazer Barton took a leave of absence from 26 July 2024 until 5 February 2025.

† Jesse Savage became a Board member for the unexpired 2-year term of Central North Island Vice President previously held by Caroline Silk. His first 2-year term in his own right commenced on 11 April 2025.

‡ Mark Sherry became a Board member for the unexpired 2-year term of South Island Vice President previously held by Taryn Gudmanz which commenced on 12 April 2024.

### Branch Presidents continued

Otago	Dale Lloyd	From 7 February 2023 to 18 June 2025
	Will Martin	From 18 June 2025
Southland	Richard Smith	From 23 March 2023 to 14 March 2025
	Chris Peddie	From 14 March 2025
Taranaki	Sean Maskill	From 16 May 2023
Waikato Bay of Plenty	Melissa Campbell	From 2 May 2024
Whanganui	Megan Kennard	From 24 March 2023
Wellington	Julius Maskell	From 21 June 2023 to 11 June 2025
	Saar Cohen-Ronen	From 11 June 2025

### Section representatives

In-house Lawyers Association of New Zealand President	Benjamin Jacobs	From 23 May 2024
Family Law Section Chair	Lauren Pegg	From 5 May 2023 to 31 March 2025
	Richard Smith	Interim from 31 March 2025 to 27 June 2025 Elected From 27 June 2025
Property Law Section Chair	Mark Sherry	From 27 April 2021 to 29 May 2025
	Kristine King	From 29 May 2025

### Other representatives

New Zealand Bar Association President	Maria Dew KC	From 1 October 2022 to 1 October 2024
	Paul David KC	From 1 October 2024
Large Law Firm Corporation Representative	Martin Thomson	From 28 April 2021
Te Hunga Rōia Māori o Aotearoa Representative	Tai Ahu	From 26 August 2023
Pacific Lawyers Association Representative*	Arti Chand	From 3 July 2024 to 3 July 2025
	Salavalasi Su'a	From 22 July 2024 to 23 June 2025

### Observers

Legal Executives New Zealand	Carmen Franich	From 19 November 2022
	Jo Buckton	
NZ Bar Association	Jacqui Thompson	
Secretariat	Katie Rusbatch	From 20 December 2022

\* A new Pacific Lawyers Association Representative started after the current reporting period.

# 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 at the start of 2021, 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.





## Gareth Smith

### GENERAL MANAGER PROFESSIONAL STANDARDS

Gareth oversees the Law Society's regulatory operations, which include the Lawyers Complaints Service, Registry, Inspectorate and in-house Legal teams. His work is centered on improving the consistency, transparency, and overall effectiveness of the Law Society's regulatory responsibilities. A key focus this year has been advancing process improvements within the existing legislative framework and reviewing the Lawyers Complaints Service. Since joining the Law Society in 2014, Gareth has held a range of positions, including Professional Standards Officer, Manager of Legal and Registry Services, and Chief Legal Counsel (Professional Standards), prior to his current appointment.



## Michael Fraser

### GENERAL MANAGER, CONTINUING LEGAL EDUCATION

Michael joined the Law Society in April 2025 in a new role as General Manager Continuing Legal Education (CLE). Michael leads the CLE team to provide valued, accessible, high-quality education for the profession which enhances and grows competency at all stages of a lawyer's career, assisting them to provide high quality legal services. Prior to joining the Law Society, he led the learning and commercial teams at the Institute of Directors. He has a diverse background with experience across education and thought leadership in professional bodies. Michael is also a Chartered Accountant and holds a PhD in accounting.



## Amanda Woodbridge

### GENERAL MANAGER REPRESENTATIVE (MEMBER) 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.



## 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 included a 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.

# Branch Managers

<b>National Branch Manager</b>	Colin McDougall
<b>North Island</b>	
<b>Auckland</b>	Gaylene Douglas
<b>Waikato Bay of Plenty* Hawke's Bay† Gisborne</b>	Megan Toner
<b>Taranaki</b>	Rachael Webb
<b>Whanganui Manawatū Wellington Marlborough Nelson</b>	Antony McFelin
<b>South Island</b>	
<b>Canterbury Westland</b>	Colin McDougall
<b>Otago</b>	Charlotte Washington
<b>Southland</b>	Janine McMurdo

\* After 11 years, former branch manager Katie Robb left in June 2025.

† After three years, former branch manager Jo Ollerenshaw left in June 2025.

Canterbury Westland  
Gala Dinner 2024





# 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 can be 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 fund is also set by Council, with the approval of the Minister of Justice.

## Fees, levies and contributions

YEAR TO 30 JUNE 2025, EXCLUDING GST

Component	2025	2024	2023	2022	2021
Practising fee	\$1,500	\$1,430	\$1,290	\$1,140	\$1,040
Council of Legal Education Levy	\$19	\$19	\$19	\$22	\$22
LCRO Levy	\$100	\$100	\$120	\$130	\$130
Total for barristers and employed lawyers	\$1,619	\$1,549	\$1,429	\$1,292	\$1,192
Inspectorate fee	\$482	\$460	\$430	\$380	\$380
Total for barristers and solicitors practising on their own account without a trust account	\$2,101	\$2,009	\$1,859	\$1,672	\$1,572
Fidelity Fund contribution	\$200	\$200	\$320	\$320	\$320
Total for barristers and solicitors practising on their own account with a trust account	\$2,301	\$2,209	\$2,179	\$1,992	\$1,892

## Registry

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

The number of certificates of character issued by the Law Society increased by 5 per cent in the 2024/25 year compared to the previous year. The number of admissions also increased by 7 per cent compared with the previous year. The total number of admissions (1,354) was higher than any other year since our records began in 2008. While the exact reason for this is not yet apparent, we understand that in the past few years there have been a considerable number of law students across the six law schools (more than 13,000 this year, including first year law students) which must inevitably translate into certificate of character applications and admissions.

### Admissions to the High Court and Certificates of Character

YEAR TO 30 JUNE 2025

Pre-PC applications	2025	2024	2023	2022	2021
Total Admitted (to the High Court)	1,357	1,272	1,073	1,145	1,178
TTMRA Admissions (subset of Total admitted)	39	46	44	25	45
Certificates of Character Issued	1,332	1,269	1,041	1,129	1,185

The proportion of admissions who are women (64 per cent) has remained consistent over the past five years.

## Practising certificates

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 2024/25 year was 17,504; a 2.9 per cent increase from the previous year. Overall, there has been an increase in lawyers each year since 2008. The proportion of women lawyers has continued to rise steadily since 2018, when it first reached 50 per cent of the profession. There has been almost a 1 per cent increase in the proportion of women lawyers each year since the 2017/18 year. For the 2024/25 year the proportion of women lawyers was 57 per cent.

## 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 2024/25 year:

- 261 lawyers were approved to practise on their own account
- 64 were approved to practise as a barrister sole
- 67 barristers sole were approved to take direct instructions.

Overall, the number of applications to practise on own account as a barrister and solicitor decreased in the 2024/25 year; 12 per cent less than the 2023/24 year. This may be a flow on from the 12 per cent decrease in lawyers completing the Stepping Up course in the 2023/24 year.



## Stepping Up

The Stepping Up course must be undertaken by all those who want to be approved 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 2024/25 year:

- 310 practitioners completed Stepping Up courses
- 24 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 on ‘non-standard’ applications.

Applications are referred to the PAC for a variety of reasons. In the 2024/25 year, the most common reasons were concerns around suitability, the extent of the applicant’s experience, and/or convictions, disciplinary or compliance issues. This is consistent with the reasons in previous years. There does not seem to be a specific reason for this, i.e., the concerns reflect the applications received in any given year. However, this does reinforce the need for further education around the current minimum requirements (three years New Zealand legal experience in the past five years) and the additional 12(5) “suitability” requirement under which some applicants fail even with sufficient legal experience. Further information on these requirements is to be drafted in the first quarter of 2025/26.

There were 53 applications considered by the PAC in the 2024/25 year; 13 per cent more compared with the 2023/24 year. As in previous years, the majority were practice on own account applications (15 in total).

## Applications to Practice Approval Committees considered

YEAR TO 30 JUNE 2025

Practice Approval Committees	2025	2024	2023	2022	2021
Certificates of character	9	2	8	4	4
Practising certificates	13	9	4	9	10
Practice on own account	15	14	12	20	6
Special circumstances (subset of practice on own account)	6	8	4	13	4
Miscellaneous	10	14	11	10	12
Total	53	47	39	56	36

NB: As at 30 June 2025, there were 11 pending applications still under review. They are not included in this table.

## Applications declined after consideration by committees

YEAR TO 30 JUNE 2025

Applications declined	2025	2024	2023	2022	2021
Of the total – declined	16	15	7	14	6

The 16 applications declined were certificates of character (2); practice on own account (4); practice on own account under reg 12A (4);<sup>1</sup> practising certificates, including renewals (4); release from undertaking (1); and direct instructions (1).

1. None related to parental leave.

## 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 2024/25 continued to be high at 99 per cent. Lawyers with outstanding CPD requirements must declare their non-compliance when they apply to renew their practising certificate in June each year. Those who declare

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 LCS for investigation under the LCA.

### Percentage of practitioners who have completed a CPD declaration

YEAR TO 30 JUNE 2025

CPD (%)	2025	2024	2023	2022	2021
By end of year (31 March) %	<b>79</b>	73	71	55	69
By 5-working-day deadline %	<b>96</b>	95	92	90	87
By end of renewals period (30 June) %	<b>99.8</b>	99.0	99.5	99.3	99.0
Deferments granted (not percentage)	<b>21</b>	21	26	38	39

## Complaints and discipline

The LCA establishes a co-regulatory framework for complaints and disciplinary process of 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 regional and/or focus on certain types of complaints by providing expertise in areas such as costs, bullying and harassment, and early resolution.

In the 2024/25 year, the Law Society had 22 standards committees comprising 170 volunteers:

- 32 new members joined the standards committees
- Nine of these were lay persons
- Ten members completed the full nine-year term
- Seven new convenors were appointed.

## Complaints

Following the introduction of the new Case Management System (CMS) for complaints, the LCS changed the way it refers to complaints when they are at different stages of the process. This change in terminology allows the LCS to differentiate between, and accurately report on, matters that are in the initial assessment stage (concerns) and those that have been referred to (and are being considered by) a standards committee (complaints). Concerns that are considered resolvable remain with the Early Resolution Service (ERS) while attempts to facilitate a resolution between the parties are undertaken. Any concerns that are unable to be resolved become formal complaints and are referred to a standards committee for review and consideration.

We are now able to report on concerns which were closed before becoming formal complaints – 338 for the 2024/25 year. Closing concerns early enables resources to be used more effectively for more complex complaints. In previous years those concerns would have become complaints, so we have included these in our ‘Complaints closed’ statistics, to be consistent with previous years.

The LCS Frontline and ERS received 1,722 concerns during the 2024/25 year. A total of 609 concerns remained open on 30 June 2025. This is the first year of reporting incoming concerns; as such we are unable to provide a comparison of previous years.

During the 2024/25 year, 1,366 complaints were referred for standards committee consideration. This is an increase of 11 per cent compared to the previous year. Including concerns that were closed early, 1,386 matters were closed by the LCS (1,048 through the standards committee process, and 338 through early resolution). This is an increase of 23 per cent for complaints closed compared to the previous year.

As of 30 June 2025, the average age of all open complaints had decreased to 194 days, down from a peak of 321 days as of 30 June 2022, and from 209 days as of 30 June 2024. The average age of all closed complaints through standards committees in the 2024/25 year was 283 days (including 183 complaints which closed at over 365 days old). This is substantially less than the 427 days in the 2022/23 year, but higher than the average 232 days in 2023/24. This demonstrates the continued commitment of the LCS to close complaints, where possible, in a timely manner, despite an increase in the number of matters raised with the service.

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

## Focus of complaints

YEAR TO 30 JUNE 2025

Focus of complaints	2025	2024	2023	2022	2021
Lawyer	1,246	1,121	889	1,116	1,255
Non-lawyer employee	53	59	37	44	43
Former lawyer	41	34	21	24	69
Incorporated law firm	21	10	7	9	6
Former non-lawyer employee	4	6	3	5	0
Former incorporated law firm	0	1	0	0	0
Non-lawyer	1	0	0	0	0
Total	1,365	1,231	957	1,198	1,373

## Origin of complaints received

YEAR TO 30 JUNE 2025

Origin of complaints	2025	2024	2023	2022	2021
Client/former client	643	561	417	470	596
Client other side	320	296	214	286	191
Third party	119	66	84	122	267
Beneficiary	114	115	90	92	125
NZ Law Society/LCS – own motion	66	67	58	74	90
Lawyer	64	52	31	57	45
Other	37	65	61	90	56
Regulatory authority	3	8	2	5	1
Court	0	1	0	2	2
Total	1,365	1,231	957	1,198	1,373

## Complaints Closed (ERS and Standard Track)

In March 2022, KPIs were implemented in the LCS; we have now had three full years to measure our timeliness for both ERS and standard track complaint processes. While we saw improvement across some of our KPIs in the 2024/25 year, these are yet to be met. We note that this year the percentage of ERS matters closed within 90 days decreased compared to the 2023/24 year. This is likely due to concerns being closed early through ERS. These matters would previously have been considered by a standards committee and contributed to ERS KPIs. An additional standards committee is expected to transition from standard track to ERS in the 2025/26 year.

## KPI achievement

YEAR TO 30 JUNE 2025

YEAR TO 30 JUNE 2025	KPI	Full year achieved	
		2025	2024
ERS			
Complaints closed within 90 days	40%	6%	18%
Complaints closed within 180 days	90%	41%	80%
Standard Track			
Complaints closed within 180 days	40%	29%	21%
Complaints closed within 270 days	60%	41%	48%
Complaints closed within 365 days	80%	71%	65%

## Areas of law in which complaints arose

YEAR TO 30 JUNE 2025

Area	2025	2024	2023	2022	2021
Family	271	260	216	256	229
Trusts and Estates	261	211	176	203	269
Property	221	247	181	224	326
Criminal	143	117	85	107	123
Total Count Complaints Opened*	1,365	1,231	957	1,198	1,373

\*Only main areas of law are included.



## Type of complaints

YEAR TO 30 JUNE 2025

Complaint type	2025	2024	2023	2022	2021
Negligence/incompetence	566	511	298	352	419
Breach of RCCC Rules	499	838	423	600	607
Overcharging	349	295	228	252	366
Inadequate reporting/communications	191	254	144	180	238
Bullying	53	76	45	81	79
Harassment	28	46	33	52	44
Discrimination	15	26	7	16	11
Sexual harassment	8	6	2	-	-

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

This year, 338 concerns that were closed early are included in the 'Complaints closed' numbers for consistency with previous reporting years.

## Complaints closed

YEAR TO 30 JUNE 2025

Breakdown of outcomes	2025	2024	2023	2022	2021
No (further) action	1172*	915	831	1081	1004
Orders made	120	111	140	145	161
Withdrawn	76*	18	24	20	20
Mediation	13	56	21	51	47
Complaints open as of 30 June	1080	759	701	797	925
Total	1386*	1123	1053	1326	1276

## Early Resolution Service (ERS)

YEAR TO 30 JUNE 2025

	2025	2024	2023	2022	2021
Complaints accepted by ERS	752	468	404	427	539
Complaints closed by ERS	763*	525	284	465	435
ERS complaints still open at 30 June	459	99	190	66	181
<b>ERS proportion of all complaints (%)</b>					
ERS accepted out of all allocated	55	42	38	35	39
ERS closed out of all closed	45	47	27	35	34

## Proportion of complaints closed (%)

YEAR TO 30 JUNE 2025

	2025	2024	2023	2022	2021
Within one month	0.38	1	1	0.45	0.16
Within three months	5	10	10	12	24
Within six months	30	49	35	49	35
Within nine months	71	72	58	72	71
Within one year	82	81	72	84	81
More than one year	17	19	28	16	19

## Time taken to conclude complaints

YEAR TO 30 JUNE 2025

Average number of days	2025	2024	2023	2022	2021
All complaints	283	232	346	246	235
Standard Track	352	353	427	304	308
Early Resolution Service (ERS)	194	139	127	137	93

## Time taken to conclude complaints by early resolution service

YEAR TO 30 JUNE 2025

ERS Outcomes and average age (days)	2025	2024	2023	2022	2021
Complaints not resolved – returned to Standard Track	6	9	25	32	29
<b>ERS Outcomes</b>					
No (further) action	705*	486	266	429	394
Mediation	6	25	10	28	38
Withdrawn	53*	12	8	8	3
<b>ERS Outcomes and average age (days)</b>					
All ERS closed complaints	194	139	127	137	93
ERS outcome – no (further) action	189	138	128	137	93
ERS outcome – resolved	160	148	111	139	100

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 ordered by a standards committee, 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 2025

Orders for publication	2025	2024	2023	2022	2021
Publication of facts only	20	18	20	32	34
Publication of name	3	3	2	0	2

## Referrals to the Lawyer and Conveyancing Disciplinary Tribunal

The Lawyers and Conveyancers Disciplinary Tribunal (Tribunal) is an independent body supported by the Ministry of Justice. Standards committees file charges in 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. Standards committees will often seek recovery of these costs from the respondent if the prosecution is successful.

## Referrals to the Tribunal from Standards Committees

YEAR TO 30 JUNE 2025

	2025	2024	2023	2022	2021
Referrals	34	34	38	31	38
Closed	38	28	35	20	35
Hearings	46	25	32	20	29
Struck off	7	2	4	4	2
Suspended	5	8	10	4	11

For the year to 30 June 2025:

- One charge was dismissed under s240A
- Six prosecutions were resolved without a Tribunal decision\*
- 39 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 2025

Average number of days	2025	2024	2023	2022	2021
Reimbursement	\$295,729*	\$91,510	\$75,433	\$92,426	\$97,066

\* This figure represents an increase from the previous year contributed to by the greater number of hearings in the 2025 year and inclusion of a portion of costs relating to the 2024/25 year.

## Financial Assurance Scheme

The Financial Assurance Scheme is primarily in place to protect client money held in lawyers' trust accounts. The Inspectorate's role is to ensure lawyers are meeting the requirements of the LCA and associated 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 of 30 June 2025, 1,260 law practices administered trust accounts. This has decreased compared to the peak in 2021/22 year's number of 1,339. Over the past three years there has been an increase in the number of trust account closed, and a decline in the proportion of new trust accounts. 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 2025

	2025	2024	2023	2022	2021
New	19	36	50	43	49
Focus (including desktop in 2021)	83	195	87	106	176
Limited	98	45	115	84	95
Desktop	1	3	83	34	0
Revisits	0	1	2	2	0
Exit	56	73	80	47	54
Investigations	6	1	3	5	6
Total	263	354	420	321	380

Two hundred and sixty-three reviews were completed in the 2024/25 year. This has decreased from the 354 reviews completed in the 2023/24 year. This is attributable to several factors including staff resources. This issue is unfortunately compounded as new Inspectors are unable to undertake reviews independently until they are assessed as competent and a warrant issued (on the Inspectorate Manager's recommendation).



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 page 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 2025*

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## Introduction

We have included our financial statements in the Annual Report. We are required to report on our regulatory functions, including our financial statements, under the Act. In the interests of transparency and consistency, we also publish financial statements for our representative functions.

The Act requires that income from our regulatory activity cannot subsidise the provision on our representative services.

## Regulatory Services

Our Regulatory function remains in a strong financial position, with total revenue increasing to \$33.3 million, up from \$31.2 million in 2024.

The revenue growth is primarily driven by an increase in the number of practising lawyers and a modest inflationary adjustment to our practising fees compared to the previous year. Investment income and library income also increased.

Expenditure decreased by \$1 million compared to the previous period. Lease costs reduced by \$1.1 million as the prior year included a provision for an onerous lease and levies expenditure decreased by \$0.8 million relating to the Legal Complaints Review Officer levy. Regulatory operating costs increased by \$0.9 million. In addition, a \$0.4 million tax credit arose from changes in our tax accounting approach over the past year.

Overall, the net surplus for the year stands at \$5.2 million, compared with the \$0.9 million surplus recorded last year. This has enabled us to continue building strong financial reserves, which are being strategically reinvested into the organisation, particularly through ongoing advancements in our technology modernisation programme. Additionally, we have sustained investment in regulatory staff resources and the regulatory reform programme, to enhance our role as an effective regulator of the legal profession.

## Representative Services

Representative (Members') Services, which continues to work towards long-term financial sustainability, shows improved financial performance for the 2024/25 year. The net loss for the year was \$982,000 compared to a loss of \$3.4 million in 2023/24.

This improved result is primarily due to the introduction of the Representative membership subscription leading to increased income which totalled \$9.2 million (including Law Society CLE), up from \$7.6 million in 2024.

Expenditure reduced by \$0.8 million compared to the previous period, largely a reflection of additional costs in the prior year relating to the investment in our Representative strategy and the onerous rent provision.

## Lawyers' Fidelity Fund

Income for the Fund was \$1.1 million for the year, down from \$1.3 million in 2023/24, due to declining term deposit interest rates. The majority of the fund's reserves (\$12.6m) are routinely invested in term deposits to maximise returns, with a small amount typically retained in an on-call account to cover any claims. Claims settled during the year totalled \$697,000 compared to \$286,000 in 2023/24. Claims on the fund can vary considerably year-to-year.

## Solicitors' Fidelity Guarantee Fund (to 31 January 2025)

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. The fund is in the process of being wound up, and outstanding claims have been resolved. The closure of the fund is now pending ministerial approval.

## Lawyers and Conveyancers Special Fund

We received \$34.0m in interest from nominated trust accounts (a decrease on the \$44.7m received last year). This is due to a significant decrease 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 2025

### Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2025

#### 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 a 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

	2025	2024
Number of practising lawyers as at 30 June	17,505	17,009
Number of practising certificates issued during year	18,407	17,892
Number of practising certificates declined during the year	4	1

A practising certificate certifies that the holder is a fit and proper person to practice 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

	2025	2024
CPD declaration rate during the year	95.6%	94.5%

Lawyers are required to undertake 10 CPD hours annually and declare that CPD has been completed. Lawyers who 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.

	2025	2024
Number of trust account reviews completed	261	353
Number of overdue reviews	603	509

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

The Inspectorate completed 261 reviews in FYE 2025 (2024: 353). While the number of reviews undertaken has decreased, this is attributable to several factors, including staff resources over the course of the year. New Inspectors are unable to undertake reviews independently until they are assessed as competent and a warrant issued (on the Inspectorate Manager's recommendation).

The number of overdue reviews also increased to 603 in FYE 2025, although this also includes new firms (61) which have not previously been included in these numbers. The Inspectorate's focus remains on those law practices that are considered to pose a higher risk to consumers of legal services, with these firms assessed based on current information available to the Inspectorate, and assigned to an Inspector for review as soon as their current risk rating expires. Unfortunately, this can mean that those law practices with a low risk rating may wait longer before they are reviewed.



	2025	2024	Key Performance Indicators
ERS: % of complaints closed within 90 days	6%	18%	40%
ERS: % of complaints closed within 180 days	41%	80%	90%
Standard track: % of complaints closed within 180 days	20%	21%	40%
Standard track: % of complaints closed within 270 days	49%	48%	60%
Standard track: % of claims closed within 365 days	68%	65%	80%

Since the new Early Resolution Service & Frontline team was introduced in 2022, over half of all complaints received are now assessed as suitable for the ERS process – either because they can be resolved or because they should be considered by an ERS standards committee. Though additional resource has been added to the ERS since this time, the volume of complaints being managed by the ERS has impacted on timeliness and complaints are taking longer to close. This was exacerbated over the 2024/25 year after concerns were raised about the exchange of lawyer responses during the assessment process. Progress on complaints slowed as a new process was implemented and retrospective exchange was completed for a large number of complaints. Improving timeliness in the ERS remains a focus for the complaints service.

#### Objective 3: Assist and promote law reform matters in NZ

	2025	2024
Number of formal submissions made	146	92
Number of interventions	2	3

The formal submissions made by the Law Reform team typically involves written submissions on either a Bill or consultation document. The increase in submissions reflects increased legislative activity by Parliament. 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

	2025	2024
Number of counselling sessions provided	758	782
Number of participants in mentoring programme	799	755
Mentoring Quality Score	3.87	4.0

The Law Society provides lawyers with a counselling service to ensure health and wellbeing support is available to the profession. 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 2025

	Note	2025 \$000	2024 \$000
<b>REVENUE</b>			
Revenue from exchange transactions			
Practising fees, levies and other revenue		32,707	30,667
Interest income		592	521
<b>Total revenue</b>		<b>33,299</b>	<b>31,188</b>
<b>EXPENSES</b>			
Administration and library	2	29,855	30,890
<b>Total expenses</b>		<b>29,855</b>	<b>30,890</b>
Net Investment Income	3	1,313	1,098
<b>Surplus/(deficit) before income tax</b>		<b>4,757</b>	<b>1,396</b>
Income tax (credit)/expense	4	(423)	503
<b>Net surplus/(deficit) for the year</b>		<b>5,180</b>	<b>893</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>5,180</b>	<b>893</b>

## Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
<b>Equity at beginning of year</b>	<b>11,950</b>	<b>11,057</b>
Total comprehensive revenue and expense for the year	5,180	893
<b>Equity at end of year</b>	<b>17,130</b>	<b>11,950</b>

The accompanying notes on pages 66 to 74 form part of and are to be read in conjunction with these financial statements.

## Statement of Financial Position

AS AT 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		28,369	31,284
Bank term deposits		3,000	-
Trade and other receivables	5	3,842	2,162
Other financial assets	6	14,913	14,924
<b>Total current assets</b>		<b>50,124</b>	<b>48,370</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	2,003	2,255
Intangible assets	8	-	-
<b>Total non-current assets</b>		<b>2,003</b>	<b>2,255</b>
<b>Total assets</b>		<b>52,127</b>	<b>50,625</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other liabilities	9	34,222	37,161
Tax Payable	4	40	533
<b>Total current liabilities</b>		<b>34,262</b>	<b>37,694</b>
<b>Non-current liabilities</b>			
Onerous lease provision		735	981
<b>Total non-current liabilities</b>		<b>735</b>	<b>981</b>
<b>Total liabilities</b>		<b>34,997</b>	<b>38,675</b>
<b>Equity</b>			
Retained earnings		17,130	11,950
<b>Total equity</b>		<b>17,130</b>	<b>11,950</b>
<b>Total equity and liabilities</b>		<b>52,127</b>	<b>50,625</b>

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



President  
10 October 2025



Chief Executive  
10 October 2025

## Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Cash was received from:			
Practising and other service fees		32,876	32,760
Interest		581	541
Income tax received		-	54
		33,457	33,355
Cash was applied to:			
Payments to suppliers and employees		34,402	25,458
Income tax paid		70	-
		34,472	25,458
<b>Net cash flows from operating activities</b>	10	(1,015)	7,897
<b>Cash flows from investing activities</b>			
Cash was received from:			
Investment in bank term deposits		51,500	46,559
Investment in other financial assets		1,324	-
		52,824	46,559

	Note	2025 \$000	2024 \$000
Cash was applied to:			
Investment in bank term deposits		54,500	38,559
Investment in other financial assets		-	-
Payments for property, plant and equipment, and intangible assets		225	87
		54,725	38,646
<b>Net cash from/(used in) investing activities</b>		(1,901)	7,913
<b>Net increase/(decrease) in cash and cash equivalents</b>		(2,915)	15,810
Cash and cash equivalents at beginning of year		31,284	15,474
<b>Cash and cash equivalents at end of year</b>		28,369	31,284
<b>Comprising:</b>			
Cash at bank		28,367	31,284
Cash on call account		2	-
<b>Total cash and cash equivalents</b>		28,369	31,284

The accompanying notes on pages 66 to 74 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 2025

## 1. Significant accounting policies

### Reporting entity

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

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

Regulatory incorporates lawyer registration, professional standards functions, including the Lawyers 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").

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 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:

- *Practicing 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 Regulatory which result in the creation of either a financial asset or liability for both Regulatory and the other contracting entity or individual. Financial instruments result in the recognition of financial assets and

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

### Financial assets

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'. 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

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 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

	2025 \$000	2024 \$000
Audit fees – audit of the financial statements	38	39
Other fees paid to auditors – taxation and other services	58	17
Depreciation of property, plant and equipment	477	696
Amortisation of intangible assets	-	-
Employee benefit expenses	17,235	16,401
Legal Complaints Review Office	1,697	2,537
New Zealand Council of Legal Education	330	310
Lease costs	981	2,114
Legal opinions and prosecution costs	1,235	1,200
Presidents' honoraria*	243	236
Library resource costs	1,981	1,842
IT costs	2,239	2,643
Other administration costs	3,341	2,855
	29,855	30,890

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

## 3. Net Investment Gain/(Expense)

	2025 \$000	2024 \$000
Realised and unrealised gains/(losses) on investments	1,408	1,190
Management fees	(94)	(92)
	1,313	1,098

## 4. Taxation

	2025 \$000	2024 \$000
<b>(a) Income tax recognised in surplus or deficit for year</b>		
Tax expense comprises:		
Tax expense on current year income	70	533
Adjustments recognised in the current period in relation to tax of prior periods	(493)	(30)
<b>Total tax expense for the year</b>	<b>(423)</b>	<b>503</b>
<b>(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:</b>		
(Deficit)/Surplus from operations and investment before income tax	4,757	1,396
Income tax (credit)/expense calculated at 28%	1,332	391
Adjustment for tax on non-assessable income and expenditure	(1,262)	142
Under/(over) provision of tax in previous periods	(493)	(30)
<b>Income tax expense recognised in surplus or deficit for year</b>	<b>(423)</b>	<b>503</b>
<b>(c) Current tax payable/(receivable)</b>		
Balance at beginning of year	533	(24)
Taxation paid	(569)	(105)
Taxation refunded	499	159
Tax expense for years income	70	533
Under/(over) provision of tax in previous periods	(493)	(30)
<b>Balance at end of the year</b>	<b>40</b>	<b>533</b>

## 5. Trade and other receivables

	2025 \$000	2024 \$000
Trade receivables from exchange transactions	1,073	1,275
Prepayments and accrued income	637	755
GST Receivable	243	-
Related party receivables	1,889	132
<b>Total trade and other receivables</b>	<b>3,842</b>	<b>2,162</b>

Related party receivables of \$1,889,398 (2024: \$131,873) 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 \$1,149,948 (FY24: \$1,274,504) includes an historic fines and cost order receivable amounting to \$280,352 (2024: \$480,341). 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 2025. 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 20% 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	10%

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

	2025 \$000	2024 \$000
Cash and cash equivalents	1,630	1,616
Shares	5,094	5,335
Bonds	8,189	7,973
<b>Total other financial assets</b>	<b>14,913</b>	<b>14,924</b>

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
<b>GROSS CARRYING AMOUNT</b>				
<b>Balance at 30 June 2023</b>	<b>232</b>	<b>238</b>	<b>5,883</b>	<b>6,353</b>
Additions	67	2,431	-	2,498
Disposals	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>298</b>	<b>2,669</b>	<b>5,883</b>	<b>8,851</b>
Additions	58	144	-	202
Disposals	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>356</b>	<b>2,813</b>	<b>5,883</b>	<b>9,053</b>
<b>ACCUMULATED DEPRECIATION</b>				
<b>Balance at 30 June 2023</b>	<b>(168)</b>	<b>(137)</b>	<b>(5,883)</b>	<b>(6,188)</b>
Depreciation expense	(47)	(360)	-	(407)
Elimination on disposal	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>(216)</b>	<b>(496)</b>	<b>(5,883)</b>	<b>(6,596)</b>
Depreciation expense	(68)	(387)	-	(455)
Elimination on disposal	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>(284)</b>	<b>(883)</b>	<b>(5,883)</b>	<b>(7,051)</b>
<b>NET BOOK VALUE</b>				
<b>As at 30 June 2024</b>	<b>82</b>	<b>2,173</b>	<b>-</b>	<b>2,255</b>
<b>As at 30 June 2025</b>	<b>72</b>	<b>1,930</b>	<b>-</b>	<b>2,003</b>

## 8. Intangible assets

	Computer Software \$000
<b>GROSS CARRYING AMOUNT</b>	
<b>Balance at 30 June 2023</b>	<b>65</b>
Disposals	-
<b>Balance at 30 June 2024</b>	<b>65</b>
Disposals	-
<b>Balance at 30 June 2025</b>	<b>65</b>
<b>ACCUMULATED AMORTISATION</b>	
<b>Balance at 30 June 2023</b>	<b>65</b>
Amortisation	-
Elimination on disposal	-
<b>Balance at 30 June 2024</b>	<b>65</b>
Amortisation	-
Elimination on disposal	-
<b>Balance at 30 June 2025</b>	<b>65</b>
<b>NET CARRYING VALUE</b>	
<b>As at 30 June 2024</b>	<b>-</b>
<b>As at 30 June 2025</b>	<b>-</b>



## 9. Trade payables and other liabilities

	2025 \$000	2024 \$000
Trade payables	892	985
Other liabilities and accrued expenses	3,789	3,871
Onerous Lease Provision	170	173
GST Payable	-	3,712
Employee benefits	1,160	1,080
Deferred revenue	27,589	25,996
Related party payables	622	1,344
<b>Total trade and other liabilities</b>	<b>34,222</b>	<b>37,161</b>

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

	2025 \$000	2024 \$000
<b>Net surplus for the year</b>	<b>5,180</b>	<b>893</b>
Add non-cash items:		
Depreciation	477	696
Amortisation	-	-
Provision for Onerous Lease	(249)	1,154
Fair value movement in financial assets	(1,313)	(1,098)
	<b>4,095</b>	<b>1,645</b>
Add movements in other working capital items:		
Trade & other receivables	(1,680)	987
Trade & other payables	(2,936)	4,708
Tax receivable/(payable)	(493)	557
	<b>(5,109)</b>	<b>6,252</b>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,015)</b>	<b>7,897</b>

## 11. Leasing arrangements

	2025 \$000	2024 \$000
<b>Non-cancellable operating lease payments</b>		
Not later than 1 year	923	1,250
Later than 1 year and not later than 5 years	2,804	3,613
Later than 5 years	-	312
	<b>3,726</b>	<b>5,175</b>

The operating lease payments comprise leased premises for the Auckland, Otago and Waikato-Bay of Plenty Branches and 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

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. 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. 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
<b>30 June 2025</b>							
Cash at bank	0.65%	28,367	-	-	-	-	28,367
Cash on call	0.70%	2	-	-	-	-	2
Fixed term bank deposits	3.58%	-	-	3,000	-	-	3,000
Trade/other receivables		3,842	-	-	-	-	3,842
Other financial assets		14,913	-	-	-	-	14,913
<b>Total financial assets</b>		<b>47,124</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>50,124</b>
Trade/other liabilities (excluding deferred revenue)		6,633	-	-	-	-	6,633
<b>Total financial liabilities</b>		<b>6,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,633</b>
	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
<b>30 June 2024</b>							
Cash at bank	2.85%	31,284	-	-	-	-	31,284
Cash on call		-	-	-	-	-	-
Fixed term bank deposits		-	-	-	-	-	-
Trade/other receivables		-	-	2,162	-	-	2,162
Other financial assets		14,924	-	-	-	-	14,924
<b>Total financial assets</b>		<b>46,208</b>	<b>-</b>	<b>2,162</b>	<b>-</b>	<b>-</b>	<b>48,370</b>
Trade/other liabilities (excluding deferred revenue)		11,165	-	-	-	-	11,165
<b>Total financial liabilities</b>		<b>11,165</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,165</b>

### 13. Fees paid to auditor

	2025 \$000	2024 \$000
<b>Audit and review of performance report</b>		
Audit and review of performance report	38	39
<b>Other services</b>		
Tax services	38	17
Consultancy services	20	-
<b>Total other services</b>	<b>58</b>	<b>17</b>
<b>Total fees paid to auditor</b>	<b>96</b>	<b>56</b>

Tax services expenditure includes the review of tax returns, calculating provisional tax obligations and the provision of specialist tax advice on other ad-hoc matters.

Consultancy expenditure relates to the review of submissions and valuation services.

### 14. 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. Regulatory has a related party relationship with the entities listed below as the entities have the same Board. During the year Regulatory has undertaken transactions with related parties which comprise the recovery of costs relating to the direct salaries and general administration expenses paid by 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.

	2025 \$000	2024 \$000
<b>Allocation of costs to:</b>		
Representative	4,290	4,933
NZLS CLE Limited	638	630
Solicitors' Fidelity Guarantee Fund	21	33
Lawyers' Fidelity Fund	45	41
The Lawyers and Conveyancers Special Fund	27	25
	<b>5,021</b>	<b>5,662</b>
<b>Depreciation/amortisation costs paid for use of assets:</b>		
Representative	82	391
<b>Allocation of net taxation payments/(refunds) to:</b>		
Representative	394	(6)
<b>Related entity receivables/(payables) at end of year:</b>		
Representative	1,887	(730)
NZLS CLE Limited*	-	127
Lawyers' Fidelity Fund	(622)	(614)
Solicitors' Fidelity Guarantee Fund	-	3
The Lawyers and Conveyancers Special Fund	2	2
	<b>1,267</b>	<b>(1,212)</b>

\*NZLS CLE Limited was amalgamated into Representative on 1 April 2025.

## Key management personnel

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

	2025 \$000	2024 \$000
Short term employee benefits	1,743	1,554

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

## 15. Contingent liabilities

There are no contingent liabilities at 30 June 2025 (2024 – nil). In the ordinary course of business 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.

## 16. Capital commitments

There are no capital commitments at 30 June 2025 (2024 – nil).

## 17. Subsequent events

There are no material non-adjusting events after the reporting date (2024 – 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 Regulatory

**Opinion**

We have audited the performance report of New Zealand Law Society Regulatory (the 'Society'), which comprise the financial statements on pages 64 to 74, and the statement of service performance on pages 62 to 63. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, 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 Society as at 30 June 2025, and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 30 June 2025 in accordance with the Society'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 ('ISAs'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 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 Society 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, the provision of taxation advice and reviews, and consultancy services performed, we have no relationship with or interests in the Society. These services have not impaired our independence as auditor of the Society.

**Other information**

The Board is responsible on behalf of the Society for the other information. The other information comprises the information in the performance report that accompanies the financial statements 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.

**Board of Directors responsibilities for the performance report**

The Board of Directors are responsible on behalf of the Society for:

- the preparation and fair presentation of the financial statements and 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 performance report that is free from material misstatement, whether due to fraud or error.

In preparing the 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.

**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 economic 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 at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/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, 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  
10 October 2025

# New Zealand Law Society Lawyers' Fidelity Fund

## Performance Report for the year ended 30 June 2025

### Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2025

#### 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

	2025	2024
% 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

	2025	2024
Total number of claims received	32	7
Total number of successful claims	26	6
Number of claims under investigation at balance date	6	3

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 2025

	Note	2025 \$000	2024 \$000
<b>REVENUE</b>			
Revenue from exchange transactions			
Annual contributions		624	628
Interest		481	650
<b>Total revenue</b>		<b>1,105</b>	<b>1,278</b>
<b>EXPENSES</b>			
Change in claims provision	2	594	487
Investigation and other costs		131	126
Audit fee	7	11	13
Administration	3	45	41
<b>Total expenses</b>		<b>781</b>	<b>667</b>
<b>Surplus before income tax</b>		<b>324</b>	<b>611</b>
Income tax expense	4	159	210
<b>Net surplus for the year</b>		<b>165</b>	<b>401</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>165</b>	<b>401</b>

## Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
<b>Equity at beginning of year</b>	<b>12,387</b>	<b>11,986</b>
Total comprehensive revenue and expense for the year	165	401
<b>Total recognised revenue and expense</b>	<b>165</b>	<b>401</b>
<b>Equity at end of year</b>	<b>12,552</b>	<b>12,387</b>

The accompanying notes on pages 80 to 84 form part of and are to be read in conjunction with these financial statements.

## Statement of Financial Position

AS AT 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank		6,763	1,755
Bank deposits		6,109	11,127
Income Tax Receivable	4	12	-
Related party receivables	3	622	747
<b>Total current assets</b>		<b>13,506</b>	<b>13,629</b>
<b>Total assets</b>		<b>13,506</b>	<b>13,629</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Income in advance		626	619
Claims provision	2	307	410
Income Tax Payable	4	-	189
Trade and Other payables		21	24
<b>Total current liabilities</b>		<b>954</b>	<b>1,242</b>
<b>Equity</b>			
Retained earnings		12,552	12,387
<b>Total equity</b>		<b>12,552</b>	<b>12,387</b>
<b>Total equity and liabilities</b>		<b>13,506</b>	<b>13,629</b>

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



President  
10 October 2025



Chief Executive  
10 October 2025

The accompanying notes on pages 80 to 84 form part of and are to be read in conjunction with these financial statements.



## Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Cash was received from:			
Contributions		623	629
Interest		481	650
		1,104	1,279
Cash was applied to:			
Claims		697	367
Payments to suppliers		190	169
Income tax paid		227	212
		1,114	748
<b>Net cash flows from operating activities</b>	5	(10)	531
<b>Cash flows from investing activities</b>			
Cash was received from:			
Investments in term deposits		30,628	23,063
		30,628	23,063
Cash was applied to:			
Investments in term deposits		25,610	28,126
		25,610	28,126
<b>Net cash flows from/(used in) investing activities</b>		5,018	(5,063)

	Note	2025 \$000	2024 \$000
<b>Net increase/(decrease) in cash and cash equivalents</b>		5,008	(4,532)
Cash and cash equivalents at beginning of year		1,755	6,287
<b>Cash and cash equivalents at end of year</b>		6,763	1,755
<b>Comprising:</b>			
Cash at bank		335	1,335
Cash on call		6,428	420
<b>Total cash and cash equivalents</b>		6,763	1,755

The accompanying notes on pages 80 to 84 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 2025

## 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.

### Receivable

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

	2025 \$000	2024 \$000
Opening balance at beginning of year	410	290
Amounts settled during year	(697)	(286)
Amounts released through profit and loss during year	(112)	(4)
Amounts recognised through profit or loss during year	706	410
Closing claims provision at end of year	307	410

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. The Lawyers' Fidelity Fund has a related party relationship with Regulatory and Law Society Solicitors' Fidelity Guarantee Fund as the entities have the same Board. The transactions with Regulatory comprise:

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

The transactions with Regulatory and Law Society 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.

	2025 \$000	2024 \$000
Allocation of administrative and accounting service costs from:		
Regulatory	45	41
Allocation of net taxation payments to:		
Solicitors' Fidelity Guarantee Fund	225	133
Related entity receivables at end of year:		
Regulatory	622	614
Solicitors' Fidelity Guarantee Fund	-	133
	622	747

#### 4. Taxation

	2025 \$000	2024 \$000
<b>(a) Income tax recognised in surplus or deficit for year</b>		
Tax expense comprises:		
Tax expense for years income	159	215
Adjustments recognised in the current period in relation to tax of prior periods	-	(5)
<b>Total tax expense for the year</b>	<b>159</b>	<b>210</b>
<b>(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:</b>		
Surplus from operations before income tax	324	611
Income tax expense calculated at 33%	107	202
Adjustment for tax on non-assessable income and expenditure	52	13
Prior period tax adjustment	-	(5)
<b>Income tax expense recognised in surplus or deficit for year</b>	<b>159</b>	<b>210</b>
<b>(c) Current tax payable/(receivable)</b>		
Balance at beginning of year	189	100
Taxation paid	(360)	(122)
Refund received	-	1
Prior period tax adjustment	-	(5)
Tax expense for years income	159	215
<b>Balance at end of the year</b>	<b>(12)</b>	<b>189</b>

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

	2025 \$000	2024 \$000
Net surplus for the year	165	401
Add movements in other working capital items:		
Trade and other receivables	125	(78)
Trade payables and other liabilities	(99)	119
Tax payable/(receivable)	(201)	89
	(175)	130
<b>Net cash flows from operating activities</b>	<b>(10)</b>	<b>531</b>



## 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 Lawyers' Fidelity 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 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
<b>30 June 2025</b>							
Cash at bank	0.65%	335	-	-	-	-	335
Call account deposits	0.70%	6,481	-	-	-	-	6,481
Fixed term bank deposits	3.78%	-	-	6,056	-	-	6,056
Trade/other receivables		622	-	-	-	-	622
<b>Total financial assets</b>		<b>7,438</b>	<b>-</b>	<b>6,056</b>	<b>-</b>	<b>-</b>	<b>13,494</b>
Trade/other liabilities (excluding deferred revenue)		328	-	-	-	-	328
<b>Total financial liabilities</b>		<b>328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>328</b>

	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
<b>30 June 2024</b>							
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
<b>Total financial assets</b>		<b>13,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,629</b>
Trade/other liabilities (excluding deferred revenue)		434	-	-	-	-	434
<b>Total financial liabilities</b>		<b>434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>434</b>

## 7. Fees paid to auditor

	2025 \$000	2024 \$000
Audit and review of performance report	11	13
<b>Total fees paid to auditor</b>	<b>11</b>	<b>13</b>

## 8. Contingent liabilities

There were no contingent liabilities as at 30 June 2025 (2024 – \$293,000).

## 9. Commitments

There are no capital or operating lease commitments as at 30 June 2025 (2024 – nil).

## 10. Subsequent events

There are no material non-adjusting events after the reporting date (2024 – 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**

We have audited the performance report of New Zealand Law Society Lawyers' Fidelity Fund (the 'Fund'), which comprise the financial statements on pages 77 to 84, and the statement of service performance on page 76. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, 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 2025, and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 30 June 2025 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 Board is responsible on behalf of the Fund for the other information. The other information comprises the information in the performance report that accompanies the financial statements 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.

**Board's responsibilities for the performance 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 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 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.

**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  
10 October 2025

# New Zealand Law Society Solicitors' Fidelity Guarantee Fund

## Performance Statement for the period ended 31 January 2025

### Statement of Service Performance

FOR THE PERIOD ENDED 31 JANUARY 2025

#### 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 2006 (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.

### 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

	31 January 2025	30 June 2024
% return on average funds held during the period	4.11%	4.64%

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

	31 January 2025	30 June 2024
Total number of claims received	Nil	Nil
Total number of successful claims	Nil	Nil
Total number of claims under investigation at end of reporting period	Nil	1

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. The claim under investigation as at 30 June 2024 is now deemed to be fully dealt with as it was declined, and no objection was received in accordance with s.368(1)(b)(i) of the Lawyers and Conveyancers Act 2006.

### 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 PERIOD ENDED 31 JANUARY 2025

	Note	31 January 2025 \$000	30 June 2024 \$000
<b>REVENUE</b>			
Revenue from exchange transactions			
Interest		354	681
<b>Total revenue</b>		<b>354</b>	<b>681</b>
<b>EXPENSES</b>			
Investigation and other costs		44	110
Audit Fee		17	13
Administration	3	21	33
<b>Total expenses</b>		<b>82</b>	<b>156</b>
<b>Surplus before income tax</b>		<b>272</b>	<b>525</b>
Income tax expense	4	117	227
<b>Net surplus for the period/year</b>		<b>155</b>	<b>298</b>
<b>Total comprehensive revenue and expense for the period/year</b>		<b>155</b>	<b>298</b>

## Statement of Changes in Net Assets/Equity

FOR THE PERIOD ENDED 31 JANUARY 2025

	31 January 2025 \$000	30 June 2024 \$000
<b>Equity at beginning of period/year</b>	<b>14,326</b>	<b>14,028</b>
Total comprehensive revenue and expense for the period/year	155	298
<b>Total recognised revenue and expenses</b>	<b>155</b>	<b>298</b>
<b>Equity at end of period/year</b>	<b>14,481</b>	<b>14,326</b>

The accompanying notes on pages 89 to 93 form part of and are to be read in conjunction with these financial statements.

## Statement of Financial Position

AS AT 31 JANUARY 2025

	Note	31 January 2025 \$000	30 June 2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank		14,831	14,669
<b>Total current assets</b>		<b>14,831</b>	<b>14,669</b>
<b>Total assets</b>		<b>14,831</b>	<b>14,669</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables		35	11
Income Tax Payable	4	87	196
Related party payables	3	228	136
<b>Total current liabilities</b>		<b>350</b>	<b>343</b>
<b>Equity</b>			
Retained earnings		14,481	14,326
<b>Total equity</b>		<b>14,481</b>	<b>14,326</b>
<b>Total equity and liabilities</b>		<b>14,831</b>	<b>14,669</b>

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



President  
2 May 2025



Chief Executive  
2 May 2025

## Statement of Cash Flows

FOR THE PERIOD ENDED 31 JANUARY 2025

	Note	31 January 2025 \$000	30 June 2024 \$000
<b>Cash flows from operating activities</b>			
Cash was received from:			
Interest		354	681
		354	681
Cash was applied to:			
Payments to suppliers and related parties		192	205
		192	205
<b>Net cash flows from operating activities</b>	5	162	476
<b>Cash flows from investing activities</b>			
Cash was received from:			
Investments in term deposits		36,000	59,930
Cash was applied to:			
Investments in term deposits		36,000	47,800
<b>Net cash flows received from investing activities</b>		-	12,130

	Note	31 January 2025 \$000	30 June 2024 \$000
<b>Net increase in cash and cash equivalents</b>		162	12,606
Cash and cash equivalents at beginning of year		14,669	2,063
<b>Cash and cash equivalents at end of year</b>		14,831	14,669
<b>Comprising:</b>			
Cash at bank		14,831	14,640
Cash on call		-	29
<b>Total cash and cash equivalents at end of year</b>		14,831	14,669

The accompanying notes on pages 89 to 93 form part of and are to be read in conjunction with these financial statements.

# Notes to the Financial Statements

For the period ended 31 January 2025

## 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 financial statements have been prepared for the 7-month period ended 31 January 2025 due to the winding up of the Solicitors' Fidelity Guarantee Fund. The comparative figures are for the 12 months ended 30 June 2024.

The accounting policies have been applied consistently to all periods in these financial statements, unless otherwise stated.

### Other than going concern basis

The financial statements have been prepared on other than going concern basis due to the Management Committee resolving to wind up the Solicitors' Fidelity Guarantee Fund as all outstanding claims have now been addressed. Under the other than going concern basis, the financial statements were prepared on the basis of all assets and liabilities stated at their net realisable value.

### 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 net realisable value, therefore aligned to the other than going concern basis.

### 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

	31 January 2025 \$000	30 June 2024 \$000
Opening balance at beginning of year	-	-
Amounts released through profit or loss during year	-	-
Amounts recognised through profit or loss during year	-	-
<b>Closing claims provision at end of year</b>	<b>-</b>	<b>-</b>

The Solicitors' Fidelity Guarantee Fund is available to meet claims of theft committed prior to 1 August 2008. No further claims will be accepted therefore there are no claims that require provisioning for the period ended 31 January 2025.

## 3. Related party transactions

Related parties are those entities which the Board or key management personnel have the ability to exert significant influence or control over. During the period 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 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.

	31 January 2025 \$000	30 June 2024 \$000
Allocation of administrative and accounting service costs from:		
Regulatory	21	33
Allocation of net taxation payments from:		
Lawyers' Fidelity Fund	226	133
Related entity payables at end of year:		
Regulatory	3	3
Lawyers' Fidelity Fund	225	133
	<b>228</b>	<b>136</b>



#### 4. Taxation

	31 January 2025 \$000	30 June 2024 \$000
<b>(a) Income tax recognised in surplus/ deficit for period/year</b>		
Tax expense comprises:		
Tax expense for periods'/year's income	117	225
Adjustments recognised in the current period in relation to tax of prior periods	-	2
<b>Total tax expense for the period/year</b>	<b>117</b>	<b>227</b>
<b>(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:</b>		
Surplus from operations before income tax	271	524
Income tax expense calculated at 33%	89	173
Adjustment for tax on non-assessable income and expenditure	29	53
Nonprofit organisation exemption	(1)	(1)
Prior period tax adjustment	-	2
<b>Income tax expense recognised in surplus/deficit for period/year</b>	<b>117</b>	<b>227</b>
<b>(c) Current tax payable/(receivable)</b>		
Balance at beginning of period/year	196	102
Taxation paid by related party	(226)	(135)
Taxation refunded	-	2
Prior period tax adjustment	-	2
Tax expense for periods'/year's income	117	225
<b>Balance at end of the period/year</b>	<b>87</b>	<b>196</b>

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

	31 January 2025 \$000	30 June 2024 \$000
<b>Net surplus for the period</b>	<b>155</b>	<b>298</b>
Add movements in other working capital items:		
Trade payables and other liabilities	116	84
Tax payable	(109)	94
	7	178
<b>Net cash flows from operating activities</b>	<b>162</b>	<b>476</b>

## 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
<b>31 January 2025</b>						
Cash at bank	1.65%	14,831	-	-	-	14,831
Call account deposits	-	-	-	-	-	-
Fixed term bank deposits	-	-	-	-	-	-
<b>Total financial assets</b>		<b>14,831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,831</b>
Trade/other liabilities		263	-	-	-	263
<b>Total financial liabilities</b>		<b>263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263</b>
	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
<b>30 June 2024</b>						
Cash at bank	2.85%	14,640	-	-	-	14,640
Call account deposits	2.90%	29	-	-	-	29
<b>Total financial assets</b>		<b>14,669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,669</b>
Trade/other liabilities		147	-	-	-	147
<b>Total financial liabilities</b>		<b>147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>

## 7. Contingent liabilities

There were no contingent liabilities as at 31 January 2025.

As at 30 June 2024, one claim remained under investigation and was disclosed as a contingent liability due to it being deemed not probable that payment of the claim would materialise. The claim was unquantifiable but was likely in the range of \$600,000 – \$1,000,000.

The claim is now considered to be fully dealt with as it was declined, and no objection was received in accordance with s.368(1)(b)(i) of the Lawyers and Conveyancers Act 2006.

## 8. Commitments

There are no capital or operating lease commitments at 31 January 2025 (30 June 2024 – nil).

## 9. Subsequent events

After the reporting date, in line with s.367 of the Lawyers and Conveyancers Act 2006, the final audited financial statements will be submitted to the Minister who will then recommend to the Governor-General that the fund be wound up. The exact timing and benefactors of the distribution of the funds remains uncertain at the time of preparation.

There were no material non-adjusting events after the reporting date for the previous reporting period of 30 June 2024.

## 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 New Zealand Law Society Solicitors' Fidelity Guarantee Fund

**Opinion**

We have audited the Performance Statement of New Zealand Law Society Solicitor's Fidelity Guarantee Fund (the 'Fund'), which comprise the financial statements on pages 87 to 93, and the Statement of Service Performance on page 86. The complete set of financial statements comprise the Statement of Financial Position as at 31 January 2025, the Statement of Comprehensive Revenue and Expense, the Statement of Changes in Net Assets/Equity, the Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

- the financial position of the Fund as at 31 January 2025, and its financial performance and cash flows for the period then ended; and
- the service performance for the period ended 31 January 2025 in that the service performance information is appropriate and meaningful and in accordance with the Fund's measurement bases or evaluation methods

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 (Revised) *The Audit of Service Performance Information* ('NZ AS 1 (Revised)'). 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.

**Emphasis of matter – Basis other than going concern**

Without qualifying our opinion, we draw your attention to note 1 which confirms the Fund is being wound up as all outstanding claims have now been addressed. Accordingly as disclosed in note 1, the financial statements have been prepared on other than a going concern basis and in accordance with the accounting policies outlined in note 1.

**Other information**

The Board is responsible on behalf of the Fund for the other information. The other information comprises the Additional Information in the Performance Statement 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;
- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards RDR;
- the preparation and fair presentation of service performance information in accordance with the Fund's measurement bases or evaluation methods, in accordance with PBE Standards RDR;
- the overall presentation, structure and content of the service performance information in accordance with PBE Standards RDR; and
- such internal control as the Board determine is necessary to enable the preparation of a financial report that is 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 Fund 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 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 and ISAs (NZ) 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 these financial statements.

As part of an audit in accordance with ISAs and ISAs (NZ), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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



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

**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.

*Deloitte Limited*

Wellington, New Zealand  
2 May 2025



# The Lawyers and Conveyancers Special Fund

## Performance Report for the year ended 30 June 2025

### Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2025

#### 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

	2025	2024
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.

	2025	2024
Percentage of payments made to MoJ in time	100%	100%

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 2025

	Note	2025 \$000	2024 \$000
<b>REVENUE</b>			
Revenue from exchange transactions			
Fund management	2	39	39
<b>Total revenue</b>		<b>39</b>	<b>39</b>
<b>EXPENSES</b>			
Audit fees	7	12	14
Fund management and processing costs	6	27	25
<b>Total expenses</b>		<b>39</b>	<b>39</b>
<b>Net surplus for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>-</b>	<b>-</b>

## Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2025

There were no changes in net assets/equity for the year ended 30 June 2025 (2024 – nil).

## Statement of Financial Position

AS AT 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank		1	7
Other receivables	3	1,977	3,374
<b>Total current assets</b>		<b>1,978</b>	<b>3,381</b>
<b>Total assets</b>		<b>1,978</b>	<b>3,381</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	4	1,976	3,379
Payable to related party	6	2	2
<b>Total current liabilities</b>		<b>1,978</b>	<b>3,381</b>
<b>Equity</b>			
Retained earnings		-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>1,978</b>	<b>3,381</b>

The accompanying notes on pages 99 to 101 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  
28 August 2025



Committee Member  
28 August 2025

## Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Cash was received from:			
Interest on Nominated Trust Accounts		34,050	44,690
		34,050	44,690
Cash was applied to:			
Payments to Ministry of Justice		34,017	44,654
Payments to suppliers		39	36
		34,056	44,690
<b>Net decrease in cash flows from operating activities</b>	5	(6)	-

	Note	2025 \$000	2024 \$000
<b>Net cash used in investing activities</b>		-	-
<b>Net decrease in cash and cash equivalents</b>		(6)	-
Cash and cash equivalents at beginning of year		7	7
<b>Cash and cash equivalents at end of year</b>		1	7
<b>Comprising:</b>			
Cash at bank		1	7

The accompanying notes on pages 99 to 101 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 2025

## 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:

	2025 \$000	2024 \$000
Interest collected from:		
ANZ	11,234	13,846
ASB	13,614	19,377
BNZ	3,181	4,381
TSB	1	1
Westpac	4,624	6,309
	<b>32,654</b>	<b>43,914</b>
Payments to Ministry of Justice	<b>32,615</b>	43,875
	<b>39</b>	<b>39</b>

## 3. Other receivables

	2025 \$000	2024 \$000
Interest receivable	1,977	3,374
<b>Total other receivables</b>	<b>1,977</b>	<b>3,374</b>

## 4. Other payables

	2025 \$000	2024 \$000
Audit fee	12	12
Payment to Ministry of Justice	1,964	3,367
<b>Total other payables</b>	<b>1,976</b>	<b>3,379</b>

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

	2025 \$000	2024 \$000
<b>Net surplus for the year</b>	-	-
Add movements in other working capital items:		
Other receivables	1,397	776
Other payables	(1,403)	(776)
	(6)	-
<b>Net cash flows from operating activities</b>	<b>(6)</b>	<b>-</b>



## 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.

	2025 \$000	2024 \$000
<b>Allocation of costs from:</b>		
New Zealand Law Society Regulatory	27	25
<b>New Zealand Law Society related entity payables at end of year:</b>		
New Zealand Law Society Regulatory	2	2

## 7. Fees paid to auditor

	2025 \$000	2024 \$000
Audit and review of performance report	12	14
<b>Total fees paid to auditor</b>	<b>12</b>	<b>14</b>

## 8. Contingent liabilities

There are no contingent liabilities as at 30 June 2025 (2024 – nil).

## 9. Commitments

There are no capital or operating lease commitments as at 30 June 2025 (2024 – nil).

## 10. Subsequent events

There are no events after the reporting date (2024 – nil).

## Additional information

<b>Principal place of operations:</b>	<b>Auditor:</b>	<b>Bankers:</b>
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

<b>Opinion</b>	<p>We have audited the performance report of The Lawyers and Conveyancers Special Fund (the 'Fund'), which comprise the financial statements on pages 97 to 101, and the statement of service performance on page 96. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, 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"> <li>the financial position of the Fund as at 30 June 2025, and its financial performance and cash flows for the year then ended; and</li> <li>the service performance for the year ended 30 June 2025 in accordance with the Fund's service performance criteria</li> </ul> <p>in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.</p>
<b>Basis for opinion</b>	<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, we have no relationship with, or interests in, the Fund.</p>
<b>Other information</b>	<p>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.</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>
<b>Management Committee's responsibilities for the financial performance report</b>	<p>The Management Committee is responsible on behalf of the Fund for:</p> <ul style="list-style-type: none"> <li>the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;</li> <li>service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and</li> <li>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.</li> </ul>

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  
28 August 2025

# New Zealand Law Society Representative

## Performance Report for the year ended 30 June 2025

### Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2025

#### 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 a 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

	2025	2024
Number of members*	10,649	16,702
Number of associate members	611	627
Number of special interest group members	6,401	6,229
Number of branch events held	260	293

\* Only lawyers can become members.

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 CLE

	2025	2024
Number of educational events held	153	172
Number of learning on demand courses	195	225
Number of publications and seminar papers produced	63	71

CLE is a business unit 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 2025

	Note	2025 \$000	2024 \$000
<b>REVENUE</b>			
Revenue from exchange transactions			
Practising, registration and other service fees		2,006	542
Interest income		105	207
Other income		2,204	1,861
Courses and booklets		4,895	5,030
<b>Total revenue</b>		<b>9,210</b>	<b>7,640</b>
<b>EXPENSES</b>			
Administration and occupancy	2	10,199	11,039
<b>Total expenses</b>		<b>10,199</b>	<b>11,039</b>
Net finance income	3	390	418
<b>Deficit before income tax</b>		<b>(599)</b>	<b>(2,981)</b>
Income tax expense	4	383	420
<b>Net deficit for the year</b>		<b>(982)</b>	<b>(3,401)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
Items that may not be reclassified to surplus/deficit:			
Land and building revaluation	6	(175)	-
<b>Total comprehensive revenue and expense for the year</b>		<b>(1,157)</b>	<b>(3,401)</b>

## Consolidated Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2025

	Revaluation reserve \$000	Retained earnings \$000	Total \$000
<b>Equity at 1 July 2023</b>	<b>428</b>	<b>12,551</b>	<b>12,979</b>
Total comprehensive revenue and expense for the year	-	(3,401)	(3,401)
<b>Equity at 30 June 2024</b>	<b>428</b>	<b>9,150</b>	<b>9,578</b>
Total comprehensive revenue and expense for the year	(175)	(982)	(1,157)
<b>Equity at 30 June 2025</b>	<b>253</b>	<b>8,168</b>	<b>8,421</b>

The accompanying notes on pages 107 to 115 form part of and are to be read in conjunction with these financial statements.

## Statement of Financial Position

AS AT 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,276	2,947
Bank term deposits		-	1,011
Financial assets	8	6,590	6,201
Trade and other receivables	5	349	1,666
<b>Total current assets</b>		<b>12,215</b>	<b>11,825</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	1,854	2,141
Intangible assets	7	-	22
Capital Work in Progress		212	-
<b>Total non-current assets</b>		<b>2,066</b>	<b>2,163</b>
<b>Total assets</b>		<b>14,281</b>	<b>13,988</b>

	Note	2025 \$000	2024 \$000
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and other liabilities	9	5,707	4,120
Current tax payable	4	153	290
<b>Total liabilities</b>		<b>5,860</b>	<b>4,410</b>
<b>Equity</b>			
Revaluation reserve		253	428
Retained earnings		8,168	9,150
<b>Total equity</b>		<b>8,421</b>	<b>9,578</b>
<b>Total equity and liabilities</b>		<b>14,281</b>	<b>13,988</b>

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



President  
10 October 2025



Chief Executive  
10 October 2025

The accompanying notes on pages 107 to 115 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 2025

	Note	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Cash was received from:			
Practising, registration and other service fees		3,223	1,141
Courses and booklets		5,040	4,996
Other income		2,204	1,861
Interest received		105	207
		10,572	8,205
Cash was applied to:			
Payments to suppliers and employees		8,495	10,727
Income tax paid		520	121
		9,015	10,848
<b>Net cash flows/(used) in operating activities</b>	10	1,557	(2,643)
<b>Cash flows from investing activities</b>			
Cash was received from:			
Redemption of bank term deposits		9,511	8,768
Withdrawal from financial assets		-	1,081
		9,511	9,849

	Note	2025 \$000	2024 \$000
Cash was applied to:			
Investment in bank term deposits		8,500	6,511
Purchase of property, plant and equipment		27	509
Capital work in progress		212	-
		8,739	7,020
<b>Net cash from investing activities</b>		772	2,829
<b>Net increase in cash and cash equivalents</b>		2,329	186
Cash and cash equivalents at beginning of year		2,947	2,761
<b>Cash and cash equivalents at end of year</b>		5,276	2,947
<b>Comprising:</b>			
Cash at bank		5,275	2,435
Cash on call		1	512
<b>Total cash and cash equivalents</b>		5,276	2,947

The accompanying notes on pages 107 to 115 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 2025

## 1. Significant accounting policies

### Reporting entity

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

Representative's functions set out in section 66 of the Act are to represent members and to serve their interests. Representative includes the Family Law, Property Law, and In-house Lawyers sections of the Law Society.

Formerly, the New Zealand Law Society Representative Group consisted of Law Society Representative and its subsidiary, NZLS CLE Limited ("CLE"). CLE was merged into Representative as a business unit from 1 April 2025.

### 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"). 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 comprised the Group for the 9 months to 31 March 2025, being Representative (the "Parent") and its subsidiary NZLS CLE Limited. 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 were eliminated in full.

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 Limited.

NZLS CLE Limited was amalgamated into Representative as a business unit from 1 April 2025. The previous year's Group accounts are provided as comparators to the new merged entity's accounts.

### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Representative 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. Representative 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 Representative which result in the creation of either a financial asset or liability for both Representative and the other contracting entity or individual. Financial instruments result in the recognition of financial assets and liabilities for Representative at the point where the entity becomes party to the contractual provisions of the instrument.

## Financial assets

Representative 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'. Representative 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

Representative'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 Representative 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 Representative 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 7.

## Changes in accounting policies

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

## 2. Total expenses

	2025 \$000	2024 \$000
Audit fees – audit of the performance report	51	54
Depreciation	138	258
Disposal of fixed assets	-	-
Amortisation of intangible assets	22	278
Employee benefit expenses	4,565	4,136
Presidents' honoraria*	155	160
Courses and booklets	1,766	2,008
Other administration and occupancy costs	3,502	4,145
	10,199	11,039

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

## 3. Net finance income

	2025 \$000	2024 \$000
Managed fund gain on investments	416	450
Management fee	(26)	(32)
	390	418

#### 4. Taxation

	2025 \$000	2024 \$000
<b>(a) Income tax recognised in surplus or deficit for year</b>		
Income tax expense comprises:		
Tax expense for years income	372	429
Adjustments recognised in the current period in relation to the current tax of prior periods	11	(9)
<b>Total tax expense for the year</b>	<b>383</b>	<b>420</b>
<b>(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:</b>		
Deficit from operations and investment before income tax	(599)	(2,981)
Income tax credit calculated at 28%	(168)	(835)
Adjustment for tax on non-assessable income and non-deductible expenditure	540	1,264
Non-profit organisation exemption	-	-
Under/(over) provision of tax in previous periods	11	(9)
<b>Income tax expense recognised in surplus for year</b>	<b>383</b>	<b>420</b>
<b>c) Current tax (receivable)/payable</b>		
Balance at beginning of year	290	(9)
Taxation paid	(520)	(121)
Tax expense for years income	372	429
(Over)/under provision of tax in previous periods	11	(9)
<b>Balance at end of the year</b>	<b>153</b>	<b>290</b>

#### 5. Trade and other receivables

	2025 \$000	2024 \$000
Trade receivables from exchange transactions	349	845
Related party receivables	-	821
<b>Total trade and other receivables</b>	<b>349</b>	<b>1,666</b>

#### 6. Fees paid to auditor

	2025 \$000	2024 \$000
<b>Audit and review of performance report</b>		
Audit and review of performance report	51	54
<b>Other services</b>		
Tax services	13	3
<b>Total other services</b>	<b>13</b>	<b>3</b>
<b>Total fees paid to auditor</b>	<b>64</b>	<b>57</b>

Tax and consultancy services expenditure includes the review of tax returns, calculating provisional tax obligations and the provision of specialist advice in relation to the merger of NZLS CLE Limited into Representative.



## 7. Property, plant and equipment

	Land \$000	Buildings \$000	Furniture and equipment \$000	Plant \$000	Computer hardware \$000	Total \$000
<b>GROSS CARRYING AMOUNT</b>						
<b>Balance at 30 June 2023</b>	<b>300</b>	<b>1,075</b>	<b>1,672</b>	<b>42</b>	<b>1,068</b>	<b>4,157</b>
Revaluations	-	-	-	-	-	-
Additions	-	-	495	-	14	509
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>300</b>	<b>1,075</b>	<b>2,167</b>	<b>42</b>	<b>1,082</b>	<b>4,666</b>
Additions	-	-	19	-	8	27
Disposals	-	-	(1)	-	-	(1)
Revaluations	-	(175)	-	-	-	(175)
<b>Balance at 30 June 2025</b>	<b>300</b>	<b>900</b>	<b>2,185</b>	<b>42</b>	<b>1,090</b>	<b>4,517</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>23</b>	<b>957</b>	<b>2,267</b>
Depreciation	-	22	145	3	88	258
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>22</b>	<b>1,432</b>	<b>26</b>	<b>1,045</b>	<b>2,525</b>
Depreciation	-	-	141	3	17	161
Adjustment on revaluation	-	(22)	-	-	-	(22)
Disposals	-	-	(1)	-	-	(1)
<b>Balance at 30 June 2025</b>	<b>-</b>	<b>-</b>	<b>1,572</b>	<b>29</b>	<b>1,062</b>	<b>(138)</b>
<b>NET BOOK VALUE</b>						
<b>As at 30 June 2024</b>	<b>300</b>	<b>1,053</b>	<b>734</b>	<b>16</b>	<b>38</b>	<b>2,141</b>
<b>As at 30 June 2025</b>	<b>300</b>	<b>900</b>	<b>613</b>	<b>13</b>	<b>28</b>	<b>1,854</b>

### 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 \$1,200,000 as at 30 June 2025. Accordingly, the value of the asset and the asset revaluation reserve was decreased 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 5.95%. A rate of return of 6.0% was used when the building was last valued as at 30 June 2023. The buildings are depreciated using an assumed useful life of 50 years between the two-yearly valuations.

## 8. Intangible assets

	Computer software \$000
<b>GROSS CARRYING AMOUNT</b>	
Balance at 30 June 2023	1,354
Disposals	-
Balance at 30 June 2024	1,354
Additions	-
Disposals	-
Balance at 30 June 2025	1,354
<b>ACCUMULATED AMORTISATION</b>	
Balance at 30 June 2023	1,054
Amortisation	278
Elimination on disposal	-
Balance at 30 June 2024	1,332
Amortisation	22
Elimination on disposal	-
Balance at 30 June 2025	1,354
<b>NET CARRYING VALUE</b>	
As at 30 June 2024	22
As at 30 June 2025	-

## 9. Other financial assets

	2025 \$000	2024 \$000
Cash and cash equivalents	4,601	4,383
Shares	763	729
Bonds	1,226	1,089
<b>Total other financial assets</b>	<b>6,590</b>	<b>6,201</b>

## 10. Trade payables and other liabilities

	2025 \$000	2024 \$000
Trade payables	354	434
GST payable	67	89
Employee benefits	37	137
Deferred revenue	3,276	3,233
Onerous lease provision	86	100
Related party payables	1,887	127
<b>Total</b>	<b>5,707</b>	<b>4,120</b>

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.

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

	2025 \$000	2024 \$000
<b>Net deficit for the year</b>	<b>(1,157)</b>	<b>(3,401)</b>
Add non-cash items:		
Depreciation and amortisation	161	536
Profit/(loss) on disposal of assets	-	-
Fair value movement in PPE	175	-
Fair value movement in financial assets	(390)	(418)
	<b>(1,211)</b>	<b>(3,283)</b>
Add movements in other working capital items:		
Trade and other receivables	1,319	(643)
Trade and other payables	1,586	984
Current tax payable	(137)	299
<b>Net movement in working capital</b>	<b>2,769</b>	<b>640</b>
<b>Net cash flows used in operating activities</b>	<b>1,557</b>	<b>(2,643)</b>

## 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 value as reflected in the statement of financial position.

### Interest rate risk

Representative 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. Representative does not use any derivative products to manage interest rate risk.

### Credit risk

The maximum credit risk associated with the financial instruments held by Representative 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. Representative 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
<b>30 June 2025</b>						
Cash at bank	0.65%	5,275	-	-	-	5,275
Cash on call account	0.70%	1	-	-	-	1
Other Financial Assets		6,590	-	-	-	6,590
Trade/other receivables		349	-	-	-	349
<b>Total financial assets</b>		<b>12,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,215</b>
Trade/other liabilities (excluding deferred revenue)		2,431	-	-	-	2,431
<b>Total financial liabilities</b>		<b>2,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,431</b>
	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
<b>30 June 2024</b>						
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
<b>Total financial assets</b>		<b>11,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,825</b>
Trade/other liabilities (excluding deferred revenue)		887	-	-	-	887
<b>Total financial liabilities</b>		<b>887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>887</b>

### 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. Representative has a related party relationship with the entities listed below as the entities have the same Board. During the year Representative has undertaken transactions with related parties which comprise a share of direct salaries and general administration expenses paid by Law Society Regulatory and a recovery of depreciation and amortisation costs incurred by Law Society 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.

	2025 \$000	2024 \$000
<b>Allocation of costs from:</b>		
Regulatory	4,920	5,563
<b>Recovery of depreciation and amortisation costs received for use of assets:</b>		
Regulatory	82	391
<b>Allocation of net taxation payments/ (refunds) received from:</b>		
Regulatory	394	(6)
<b>NZLS related entity net receivables/ (payables) at end of year:</b>		
Regulatory	(1,887)	694

### Compensation of key management personnel

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

	2025 \$000	2024 \$000
Short term employee benefits	1,471	1,475

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 2025 (2024: nil)

### 15. Capital commitments

There are no capital or lease commitments at 30 June 2025 (2024: nil).

### 16. Subsequent events

There are no material non-adjusting events after the reporting date (2024: nil).

### Additional Information

<b>Registered office / Principal place of operations:</b>	<b>Auditor:</b>	<b>Bankers:</b>
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 Representative

**Opinion**

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 104 to 115, and the statement of service performance on page 103. The complete set of consolidated financial statements comprise the statement of financial position as at 30 June 2025, 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.

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

- the consolidated financial position of the Group as at 30 June 2025, and its consolidated financial performance and cash flows for the year then ended; and
- the service performance for the year ended 30 June 2025 in accordance with the Group'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 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 *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 Consolidated Performance Report* section of our report.

We are independent of the Group 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.

Our firm carries out other assignments for the Group in the area of taxation advice and reviews 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.

**Other information**

The Board is responsible on behalf of the Group for the other information. The other information comprises the information in the performance report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated 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 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.

**Board of Directors responsibilities for the consolidated performance report**

The Board of Directors are responsible on behalf of the Group for:

- the preparation and fair presentation of the consolidated financial statements and 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 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.

*Deloitte Limited*

Wellington, New Zealand  
10 October 2025

