

# Regulatory Systems (Occupational Regulation) Amendment Bill

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Submission of the New Zealand Law Society Te Kāhui  
Ture o Aotearoa

31 March 2025

## 1 Introduction

- 1.1 The New Zealand Law Society Te Kāhui Ture o Aotearoa (**Law Society**) welcomes the opportunity to comment on the Regulatory Systems (Occupational Regulation) Amendment Bill (**Bill**).
- 1.2 This submission, which has been prepared with input from the Law Society's Professional Standards Team, focusses on the proposed amendments to the Lawyers and Conveyancers Act 2006 (**Act**).
- 1.3 The Law Society supports the proposed amendments to the Act for the reasons set out in this submission.
- 1.4 The Law Society wishes to be heard.

## 2 Background to the proposed amendments

### *Independent Review*

- 2.1 In 2021, the Law Society commissioned an independent review of the statutory framework for legal services in New Zealand. The review was launched in response to a need to ensure the framework is fit for purpose for a modern profession and organisation.
- 2.2 The recommendations received from the Independent Review Panel in 2023 were wide-ranging and many will require substantial statutory changes. While this larger reform remains a priority for the Law Society, we recognise that significant regulatory reform takes time and is subject to the Government's policy work programme. In the meantime, the Law Society welcomes the more confined amendments to the Act that are contained in the Bill.

### *Amendments contained in the Bill*

- 2.3 In late 2021 and early 2022, the Law Society consulted the profession on possible amendments to the Act that would improve the transparency and efficiency of the complaints process for lawyers. The Law Society then wrote to the Minister of Justice and Ministry of Justice requesting proposed amendments to the Act be considered, in line with the consultation. Three of the proposed amendments sought are contained in this Bill.
- 2.4 The amendments contained in the Bill are aimed at better protecting consumers of legal services and lawyers, enabling the more efficient use of Law Society resources, and addressing inconsistencies in the existing legislation. The proposed amendments are in line with legislation applying to other regulatory bodies and are an important step for modernisation and reform of the regulatory regime for lawyers. The amendment to introduce administrative triaging of complaints is consistent with the Independent Review Panel's recommendation.
- 2.5 The Ministry of Justice consulted the Law Society during policy development and the initial drafting. The Bill, as introduced, reflects the Law Society's feedback during the Ministry of Justice's consultation.

### 3 Clause 4 - repeal of savings provision

3.1 This amendment repeals a transitional provision in respect of lawyers practising on own account under the Law Practitioners Act 1982. There are no longer any lawyers practising under this provision and it has no future application.

### 4 Clauses 6, 7, 10 and 11 - administrative triaging of complaints

4.1 The proposed amendment to the Act, and to regulation 9 of the Lawyers and Conveyancers Act (Lawyers: Complaints Service and Standards Committees) Regulations 2008 (**Regulations**) will allow the Lawyers Complaints Service to, for specified reasons, make an administrative decision not to refer a complaint to a Lawyers Standards Committee (**Standards Committee**).

4.2 The Act and Regulations currently require all complaints received by the complaints service to be referred to a Standards Committee. Only a Standards Committee can determine that no action or no further action should be taken on a complaint. A consistently high proportion of complaints investigated by Standards Committees (over 80% in 2024 or 915 individual complaints<sup>1</sup>) are not upheld, which means no action or no further action is taken. Of these, some complaints:

- (a) are genuinely frivolous or vexatious;
- (b) should be referred to another agency; or
- (c) have been resolved to the satisfaction of the complainant at the point they are considered by the complaints service.

4.3 Requiring those complaints to be dealt with by a Standards Committee is administratively burdensome and takes away finite complaints service resource from dealing with substantive complaints. Empowering the complaints service to, for specified reasons, make an administrative decision to take no action on these complaints is consistent with other regulatory and disciplinary regimes and their relevant decision-making bodies, such as the Real Estate Authority, Teaching Council, and health practitioners' authorities.

4.4 Enabling the complaints service to use its resources more efficiently, as other regulatory bodies do, will result in the complaints service better serving complainants and lawyers alike. All parties stand to benefit from a more responsive complaints service.

4.5 90% of respondents in the consultation previously conducted by the Law Society agreed or strongly agreed with an amendment to allow limited administrative triaging of complaints by the complaints service. Respondents described it as a 'practical' and 'sensible' change, which is necessary to ensure the prioritisation of resources and timely complaints handling.

### 5 Clause 8 - persons providing regulated services

5.1 This amendment clarifies that Standards Committee lawyer members, as well as complaints service staff and investigators appointed under section 144 of the Act who

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<sup>1</sup> New Zealand Law Society *Annual Report 2023/24* at page 52.

hold practising certificates, are not providing regulated services when performing duties or functions under Part 7 of the Act.

- 5.2 This amendment confirms the Legal Complaints Review Officer's position that Standards Committee lawyer members are not providing regulated services when sitting as members.<sup>2</sup>
- 5.3 80% of submitters who participated in the Law Society's 2021/2022 consultation agreed or strongly agreed with this proposed amendment, and 14% were neutral or did not respond.
- 5.4 Complaints about Standards Committee members and complaints service staff will be dealt with as a complaint against the complaints service itself (provided for under section 124 of the Act), rather than incurring the time and resource of Standards Committees.

## 6 Clause 9 - revocation of sole directors' powers of attorney

- 6.1 This clause amends Schedule 1 of the Act to automatically revoke sole directors' powers of attorney (**POA**) when entering into partnership or commencing practice as a co-director.
- 6.2 Currently, if a sole practitioner goes into partnership, their POA is automatically revoked. However, if a sole director enters into partnership or commences practice as a co-director, they must manually revoke their POA. This amendment seeks to automate this process, remove an administrative burden, and eliminate an inconsistency in the Act.



Frazer Barton  
**President**

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<sup>2</sup> *AB v DE & Ors*, LCRO75/2014, 11 July 2016, at [54].