

**New Zealand Law Society**

# Annual report

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for the year to 30 June 2019



NZLS EST 1869

NEW ZEALAND  
LAW SOCIETY



Presented to Hon Andrew Little, Minister of Justice,  
for tabling in the House of Representatives under  
s 76 of the Lawyers and Conveyancers Act 2006.

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# Our task

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## The role of the New Zealand Law Society

The Lawyers and Conveyancers Act 2006 requires the New Zealand Law Society to regulate the legal profession.

The Act gives the Law Society powers to achieve its regulatory functions including to:

- Regulate the practice of law;
- Uphold the fundamental obligations imposed on lawyers;
- Monitor and enforce the provisions of the Act and regulations and rules made under it;
- Assist and promote the reform of the law.

Anyone practising as a New Zealand lawyer must obtain a practising certificate issued by the New Zealand Law Society and is regulated in their practice by the Law Society.

Membership of the Law Society has been voluntary since 2008. At 30 June 2019, 97.9% of the holders of a practising certificate were members.

The Law Society's regulatory role is kept separate from the representative services it provides. The representative services provided by the Law Society are aimed at supporting members of the legal profession and ensuring consumers receive high quality legal services.

# President's introduction

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## Tēnā koutou katoa

I became President on 10 April 2019, taking over from Kathryn Beck at the end of her three-year term. As such, this report covers the two parts of a calendar year, the six months from 1 July 2018, and the subsequent six months to 30 June 2019.

2018 marked the 10th anniversary of the Lawyers and Conveyancers Act 2006 coming into force. At the time, the Act introduced major changes to the regulation of lawyers and consolidated, and centralised, regulatory responsibility with the New Zealand Law Society.

The Law Society's discharging of those responsibilities came under intense scrutiny during this last reporting year.

In anyone's terms, 2018 can only be described as a watershed moment for both the New Zealand Law Society and for the profession. It was a period in which the profession's culture, and the Law Society's ability to regulate it under the Act, was heavily scrutinised. The immediate cause was several high-profile media reports, in early 2018, about unacceptable workplace conduct including sexual harassment, bullying and discrimination in legal workplaces.

In response, the Law Society set up a five-person independent working group in March 2018, chaired by the Hon Dame Silvia Cartwright, to prepare a report about ways to enable better reporting, prevention, detection and support in respect of sexual harassment, bullying, discrimination and other inappropriate workplace behaviours.

In May 2018 the then President Kathryn Beck wrote to the profession to announce the release of our Workplace Environment Survey which found:

- Nearly one third of female lawyers had been sexually harassed during their working life; 17% in the last five years
- Two-thirds of lawyers who had experienced sexual harassment reported unwanted physical contact
- 35% of Pacific lawyers and 34% of Māori lawyers reported bullying behaviour in the last six months
- 61% of lawyers who had been bullied at some time in their working life said this affected their emotional and mental wellbeing
- 42% of those bullied said they resigned from their jobs as a direct result, or it affected their career prospects
- 29% of all lawyers, and 40% of lawyers under 30, believed major changes were needed to their workplace culture

These were confronting findings, but evidence we needed as a profession to understand the depth and breadth of the behaviour causing harm.

The Working Group reported to the Board in December 2018 with comprehensive recommendations and a call to action. In addition, a culture change taskforce, comprising a broad cross-section of the profession, was established in late September 2018 with the aim of developing a strategy to support the creation and maintenance of diverse, healthy, safe, respectful and inclusive legal workplaces. Other operational initiatives were developed in response, which are covered in the Chief Executive's report.

I want to thank Kathryn Beck on behalf of the profession and pay tribute to the leadership and fortitude she displayed as President of the Law Society through one of our most challenging periods.

Two important governance changes were made in the reporting year. Firstly, in October 2018, Te Hunga Rōia Māori o Aotearoa was invited to be an independent observer at the bi-annual meeting of the Law Society's Council. Secondly, in March 2019, the Board appointed its first independent observer to apply an external lens to Board matters.

I took over the President's role in April 2019, a year which marked more milestones for the Law Society. I became the 31st President, the fourth woman, one of the youngest, and first President of Pasifika heritage to be elected.

2019 was also the 150th anniversary of the formation of the Law Society. One hundred and fifty years as a profession was a milestone that gave us good cause to reflect.

As incoming President, I was acutely aware of the impact the negative aspects of the culture was having on members' wellbeing across the profession. Not surprisingly, the Workplace Environment Survey found a strong correlation between harassment and bullying, on the one hand, with poor work environments including poor work/life balances, unrealistic time pressures and poor workplace relationships. This was later underlined by research undertaken worldwide by international law organisations.

The few weeks from taking on the Presidency, to the end of the reporting period covered in this report, was an intense period of stakeholder engagement for me as incoming President. I gave many, many speeches to bring awareness to the issues we face, and the need for a balanced platform of voices. I opened the culture change taskforce symposium in May and then spoke of the wider impact of the #MeToo movement on our legal profession to the annual conference of New Zealand Senior Court Judges in early June as well as speaking at many other events before 30 June.

The message I shared as incoming President can be crystallised in the whakataukī composed by my father in law, Dr Apirana Mahuika, which I opened with at the symposium:

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**"E tū ki te kei o te waka, kia pakia koe e nga ngaru o te wā"**

**"Stand at the stern of the canoe and feel the spray of the future biting at your face"**

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This famous whakataukī illustrates the challenge I took on as the incoming President – we are a legal community, and a Law Society, on the cusp of change and poised, if we choose, to make a difference.

As a body that regulates and represents legal professionals, we must acknowledge that we face challenges to:

- Ensure we provide sustained support for members to maintain physical and mental wellbeing
- Take much bigger steps to ensure the profession reflects modern New Zealand
- Ensure the Law Society has the right structure, performs the right functions and has appropriate regulatory powers
- Redouble our efforts to ensure New Zealanders have access to justice, regardless of their income, or social status

The Law Society that marked 150 years when I became President has embarked on a period of major change and the 2019 reporting year will be seen as the beginning of a process of transformation.

Everyone always says "he waka eke noa" (we are all in the same waka) but what really needs to happen, and be said, is "kia kotahi te hoe o te waka" (to literally paddle as one).

It is time to come together.

**Tiana Epati**  
President

# Chief Executive's overview

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The year under review was also marked by change within the Law Society's internal organisation. I was appointed to the role of Executive Director (the role subsequently re-named Chief Executive) effective 9 April 2019, the same week as the new President, Tiana Epati, took office.

For most of the year this report covers, the Law Society's then General Manager Regulatory, Mary Ollivier, was acting Executive Director. I would like to thank Ms Ollivier on behalf of the Board and staff at the Law Society for her leadership during this time.

As outlined in the President's report, 2018 was an extraordinarily challenging period for the Law Society and the legal community in Aotearoa New Zealand. The immediate cause was several high-profile media reports, in early 2018, about unacceptable workplace conduct including sexual harassment, bullying and discrimination in legal workplaces.

In response, the Law Society's operational team supported the President, Board and profession to respond by undertaking a broad range of initiatives.

The most significant of these were:

- The establishment in March 2018 of an independent working group, chaired by the Hon Dame Silvia Cartwright, which reported on the legal profession's capacity to respond to harassment and bullying. The Working Group provided a comprehensive report to the Board in December 2018
- The Colmar Brunton Workplace Environment Survey which was released in May. The high-level results are in the President's report
- The formation of a Culture Change Taskforce, comprising a broad cross-section of the profession, in late September 2018 with the aim of developing a culture-change strategy to support the creation and maintenance of diverse, healthy, safe, respectful and inclusive legal workplaces

Other initiatives that were taken include:

**Stepping Up course review:** this course is a compulsory prerequisite for the approval of any lawyer to practise on their own account. Changes were made following the review to enhance the learning components linked to employer requirements under the Health and Safety at Work Act 2015.

**Specialist standards committee:** a new specialist standards committee to consider complaints about unacceptable behaviour was set up as a pilot in September 2018. Committee members were selected for their experience and received specialist training.

**Law Care:** a Law Care service was developed in April 2018 to put resources in place to support members of the legal community encountering workplace bullying and harassment. As part of this initiative an 0800 phone service with trained staff was available during working hours. In the year to 30 June 2019, 52 calls were received.

**Online reporting tool:** an online reporting tool was developed and launched in April 2018. This enabled



submission of confidential reports to the Law Society from lawyers with reasonable grounds to suspect that another lawyer has been guilty of misconduct or unsatisfactory conduct. Law Society staff also developed a range of online supporting resources and instituted a regular programme of informative articles in the Law Society's monthly *LawTalk* magazine. As well as responding to the unprecedented demands placed on it in 2018, demand for the Law Society's ongoing services continued unabated.

There were 14,673 practising certificates issued in the year under review, about one-third more than in 2010, illustrating the ongoing increase in the number of legal practitioners registered in New Zealand.

The Law Society continued its important role in assisting and promoting the reform of law in New Zealand. In the reporting year, the Law Society made submissions on 20 Bills before Parliament and made submissions on another 60 discussion or consultation documents.

The Law Society is dependent on lawyer volunteers, who make an enormous contribution. I would like to thank members of the 23 standards committees, both lawyers and lay people, and the 16 law reform committees, the section committees, and branch committees for their hard work during the year under review.

Last, but not least, a big thank you must go to Law Society staff who stepped up to the challenges of 2018, and the refocusing of strategy and intent that has occurred as a result, as well as continuing the effective management of day-to-day operations.

**Helen Morgan-Banda**  
Chief Executive

## In the reporting year, the Law Society made submissions on:



**20 Bills before Parliament**

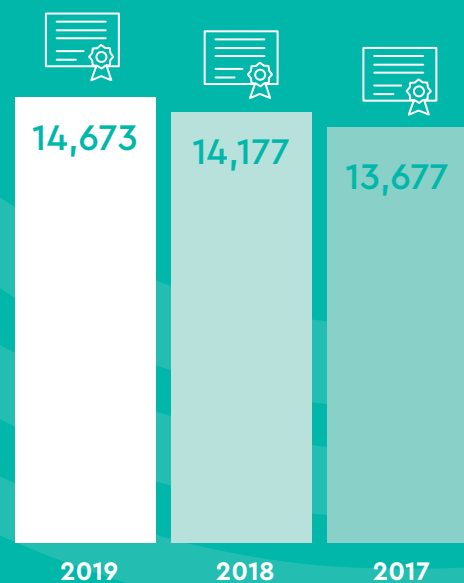


**60 discussion papers or documents**

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# Snapshot of 2018-19

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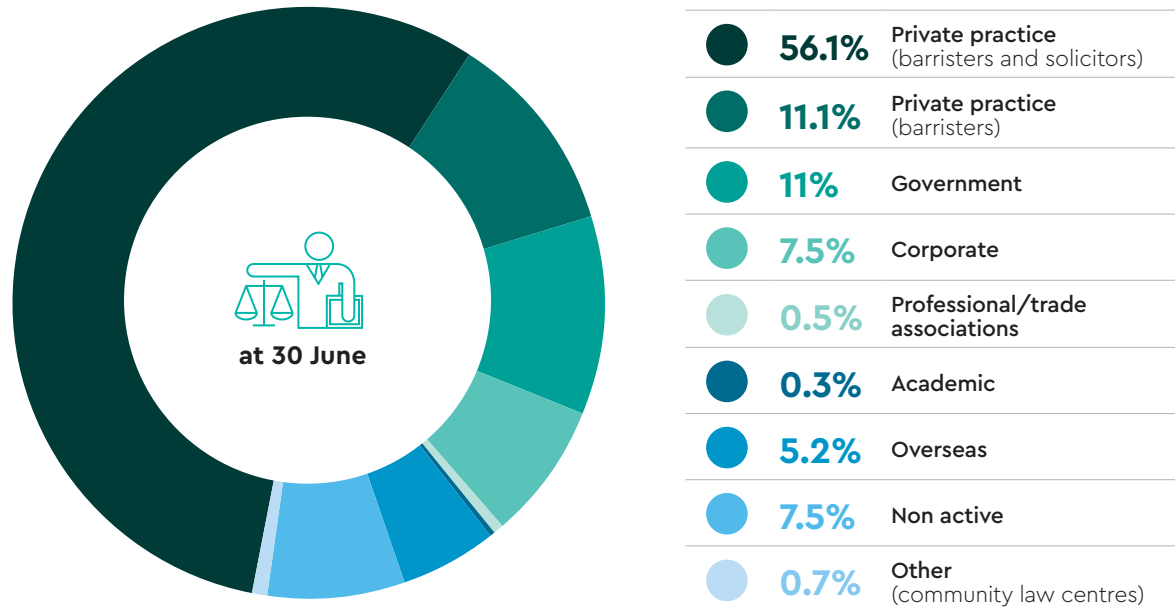


## Practising certificates held, at 30 June

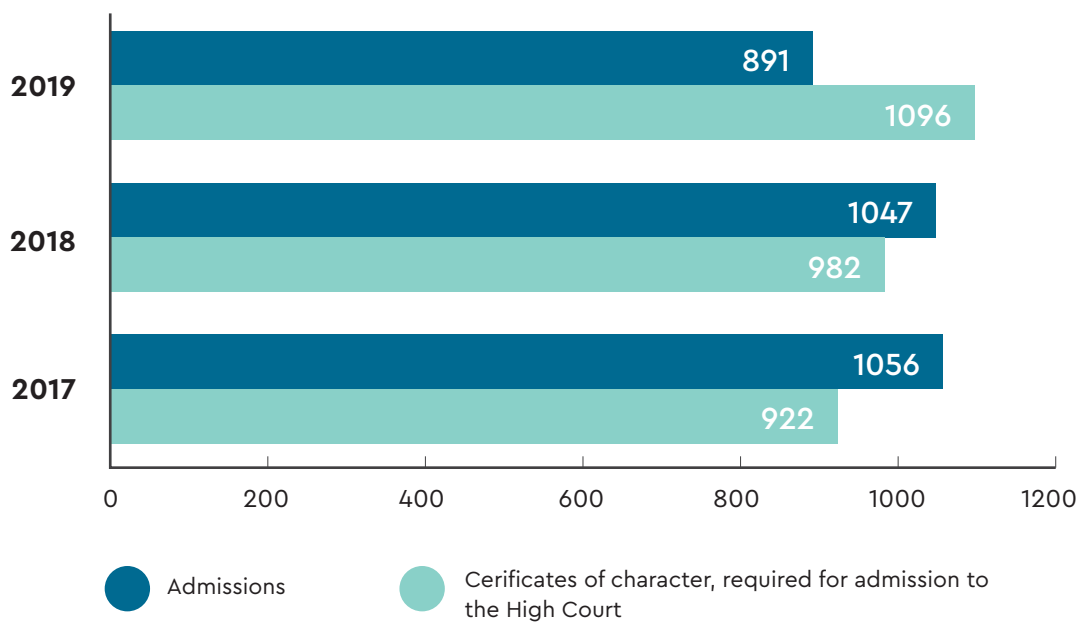
Steady increase in the number of lawyers  
in New Zealand

## Lawyers who hold practising certificates by type of practice

Private practice continues to be the main type of legal practice, followed by in-house



## Admissions to the High Court, and certificates of character to 30 June



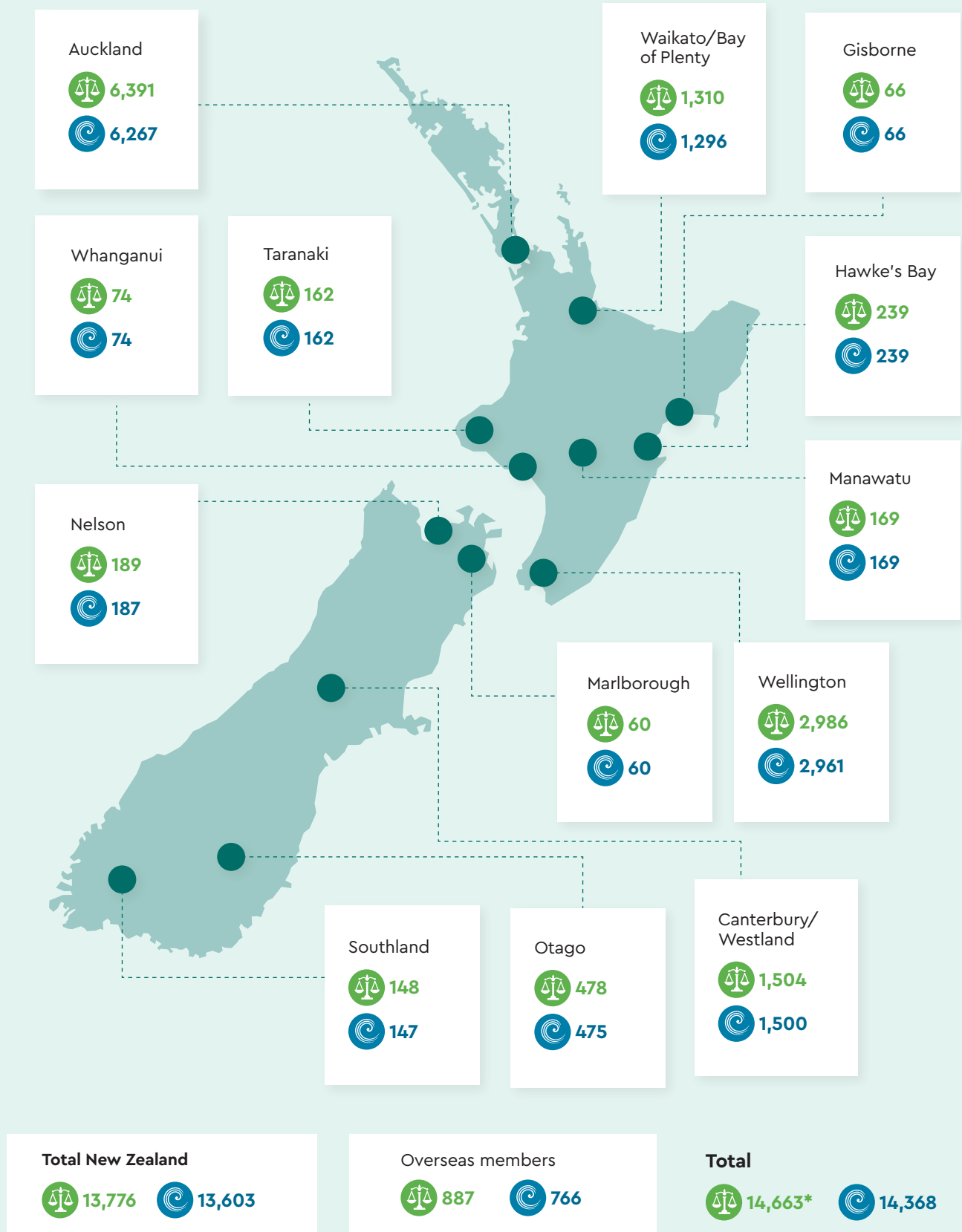
### Lawyers by location (practising certificates by branch, at 30 June)\*



Total Lawyers by branch



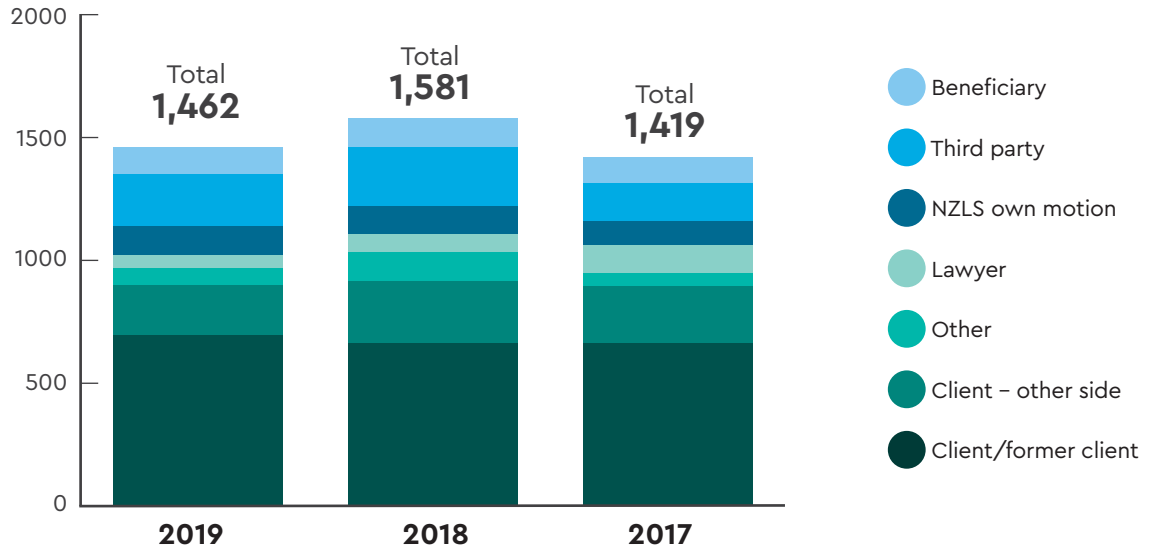
NZLS Members



\*Branch member numbers may not reconcile to the total number of practising certificates on issue, at any one time, due to members leaving and arriving in New Zealand, and/or branch members moving between branches

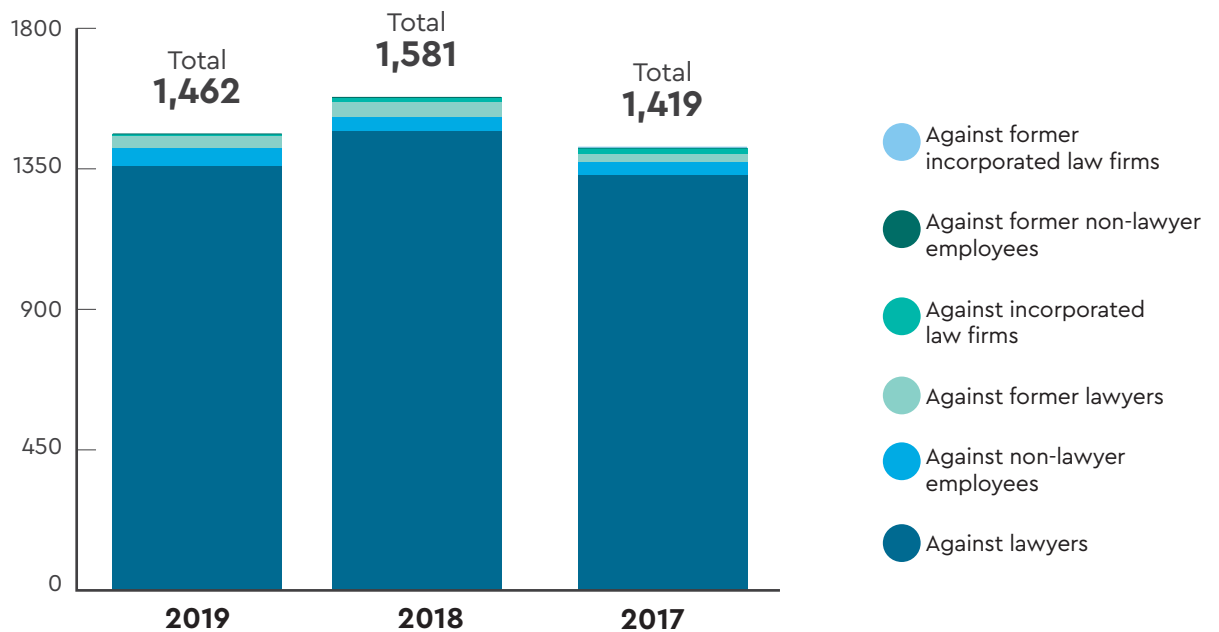
## Main origin of complaints to Lawyers Complaints Service to 30 June by person or body making complaint

Number of complaints remains steady



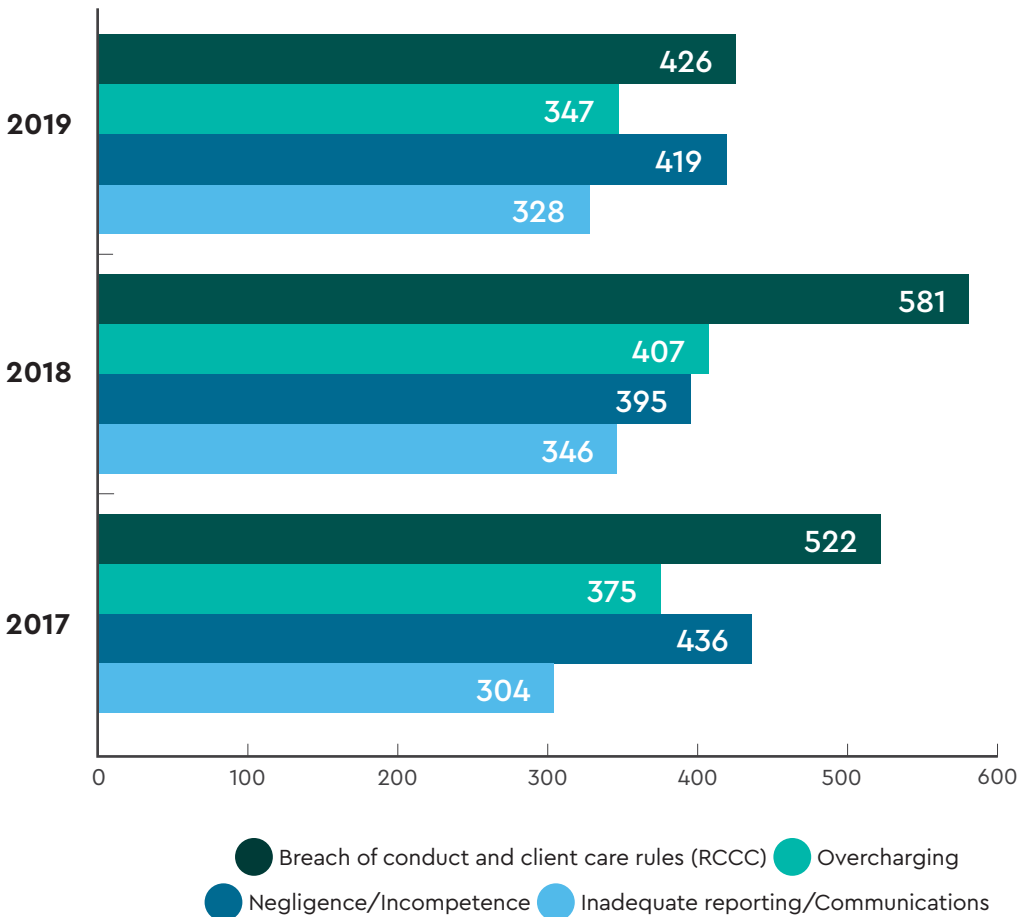
## Direction of complaints received to 30 June

Most complaints are made against individual lawyers



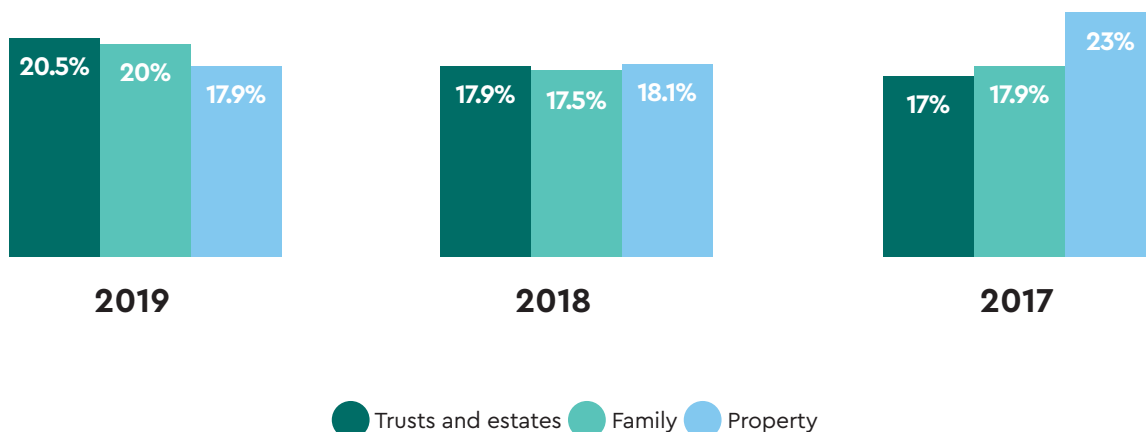
### Type of complaint made to 30 June

Four issues dominate types of complaints (main four categories of complaints)  
 (Note – the number of complaints, by category, may not reconcile with the data on origin of complaints, and direction direction of complaints, as shown on pg 13. Complainants may make complaints in more than one category.)



### Main areas of law in which complaints arose to 30 June

Three areas of law dominate complaints



# Report on activities

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## Regulation

The Lawyers and Conveyancers Act 2006 establishes a framework for complaints and discipline of lawyers and employees of legal practices.

The Law Society is required to ensure that this framework is used to effectively process and resolve complaints against:

- Lawyers and former lawyers
- Incorporated law firms and former incorporated law firms
- Non-lawyers who are employees or former employees of lawyers and incorporated law firms

### Complaints closed to 30 June

Result	2019	2018	2017	2016	2015
Decision to take no further action (not upheld)	1032	1072	1102	1253	1137
Referred to and resolved by negotiation, conciliation or mediation	42	42	116	97	143
Withdrawn, discontinued or settled	23	25	15	45	64
Orders made by standards committee	163	183	183	170	186
Complaints outstanding at 30 June	977	779	516	564	702
Complaints closed during year	1272	1319	1467	1595	1529

### Publication orders

The Act sets strict guidelines on publication of information relating to standards committee decisions. Information on decisions may only be published by direction of a standards committee if it considers it necessary or desirable in the public interest.

Where publication is required, a summary of the decision is published on the Law Society website and in LawTalk. The identity of a lawyer may not be disclosed unless a censure order has been made and the Law Society's Board approves publication.

### Orders by standards committees for publication to 30 June

Order	2019	2018	2017	2016	2015
Publication of facts	32	35	50	41	27
Publication of name	1	7	5	4	4



## Closure rate for complaints

Prompt resolution of complaints is important for all parties involved, while ensuring that everyone receives a fair hearing and the matter receives full consideration. This has been an important focus for the Law Society over the past seven years, and the establishment of the Early Resolution Service was driven by the need to improve. In the year to 30

June 2019, complaints closed by the Service took an average of 67 days. The average early resolution time to close complaints on the standard path was 254 days. The average time for all complaints to be closed was 193 days, up from an average of 153 days in the previous year. Over 90% of complaints were closed within 12 months.

### Complaints closed to 30 June

Measure	2019	2018	2017	2016	2015
Within 1 month	6%	22%	32%	29%	27%
Within 3 months	28%	47%	47%	44%	48%
Within 6 months	57%	70%	71%	66%	73%
Within 9 months	78%	86%	85%	82%	87%
Within 1 year	90%	93%	92%	91%	91%
More than 1 year	10%	7%	8%	9%	9%

### Early Resolution Service to 30 June

Measure	2019	2018	2017	2016	2015
Complaints accepted	516	565	644	679	686
Decision to take no action	373	439	488	495	452
Resolved	41	47	110	120	186
Closed during year	414	486	598	615	638
Outstanding at end of year	132	54	14	20	43
Not resolved and returned to standard process	29	41	52	76	65
Proportion of all complaints received	32.4%	35.7%	45.4%	46.5%	42.6%
Proportion of all complaints closed	32.6%	36.8%	40.8%	38.6%	41.7%

## Standards committees

At 30 June 2019, the Law Society<sup>1</sup> had 23 operational standards committees: 16 regional, two national and five reserve committees. The reserve committees have been established to complement the regional and national committees. They typically fulfil a defined role and provide expertise in dealing with complaints about costs, harassment and bullying, complaints considered appropriate for early resolution and legal aid complaints.

## Legal Complaints Review Officer (LCRO)

The LCRO reviews decisions of standards committees. The office is administered by the Ministry of Justice and the LCRO is someone who is not a practising lawyer and has been appointed to provide an independent review of standards committee decisions. The parties to complaints may ask the LCRO to review a standards committee decision that they disagree with. The LCRO can make any order that a standards committee can make, including confirming or changing a committee's decision. The LCRO can also refer a matter to the New Zealand Lawyers and Conveyancers Disciplinary Tribunal or back to the standards committee.

The LCRO is funded by a levy paid by lawyers and determined by the Minister of Justice.

As required by the Lawyers and Conveyancers Act, the LCRO consulted the Law Society on the rate of levy for the year. The Law Society and the LCRO also met regularly over the year to discuss general issues relating to the approach and manner in which complaints are received and dealt with.

### LCRO levy and payments to 30 June

Measure	2019	2018	2017	2016	2015
Per lawyer	\$130	\$125	\$125	\$125	\$75
Total paid to Ministry (ex GST)	\$1,619,001	\$1,560,805	\$1,321,590	\$1,440,129	\$1,279,500

## Lawyers and Conveyancers' Disciplinary Tribunal

The Tribunal hears and determines the most serious disciplinary charges and other ancillary matters relating to the legal profession. It is administered by the Ministry of Justice and comprises both lawyers and non-lawyers, with a chairperson and deputy chairperson.

The Tribunal can make any orders that the LCRO or standards committees can make, but also has the power to suspend lawyers or strike them off the High Court Roll. For the year to 30 June 2019, some files received from standards committees were more complex and sensitive than in previous years, requiring more time to be spent on them.

## Referrals to the Tribunal from standards committees to 30 June

Matter	2019	2018	2017	2016	2015
Referrals	40	33	47	37	38
Hearings	26	33	21	25	38
Struck off	5	5	4	1	12*
Suspended	5	10	10	6**	14

\* The Court of Appeal also made two striking-off orders using its inherent jurisdiction.

\*\* Two orders of interim suspension were made and one of those lawyers was subsequently struck off.

The Act requires the Law Society to reimburse the Crown for the 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 chairperson.

## Law Society payments for costs of hearings to 30 June (ex GST)

Action	2019	2018	2017	2016	2015
Reimbursement	\$88,744	\$115,291	\$168,962	\$119,350	\$247,645

## Trust accounts

The financial assurance scheme was established in 1998, with the objective of protecting money entrusted to law practices. The Law Society continued the scheme after enactment of the current Act. The scheme has five objectives:

- Protecting client monies held in lawyers' trust accounts.
- Ensuring that lawyers meet the requirements of the Act and regulations in their handling of client funds.
- Uncovering situations where lawyers are not complying with the requirements.
- Discouraging lawyers from handling client funds inappropriately.
- Demonstrating to the legal profession, clients and the public that there is an effective scheme in place.

The Law Society's inspectorate team is at the forefront of operating the financial assurance scheme. There are ten inspectors.

To achieve its objectives, the inspectorate performs the following functions:

- Conducts reviews of lawyers' trust accounts.
- Ensures that lawyers comply with their obligations in respect of trust accounts.
- Conducts investigations of law practices and lawyers in accordance with the regulations.
- Administers the financial assurance scheme.
- Assists in educating lawyers and incorporated law firms and their staff in matters relating to the regulations.
- Assists with interviews of lawyers applying for approval to practise on their own account.

## Reviews of trust accounts to 30 June

Type of review	2019	2018	2017	2016	2015
General	0	4	2	14	16
Limited	361	314	359	379	334
Focus	3	10	6	15	18
Exit	50	30	14	10	11
New practice	41	46	40	37	48
S 109 investigation (no trust account)	0	0	0	0	3
Revisits	0	3	1	0	2
<b>Total</b>	<b>455</b>	<b>407</b>	<b>422</b>	<b>455</b>	<b>432</b>

## In the year to 30 June the inspectorate:



Referred 12 reports from its reviews to the Lawyers' Complaints Service



Delivered seminars on trust account related issues and wrote articles for publication to lawyers



Assisted in the investigation of the affairs of 21 law firms or lawyers/employees under section 144 of the Act. This resulted in eight findings by a standards committee of unsatisfactory conduct and three referrals to the disciplinary tribunal. The other 10 investigations remain open



Assisted Law Society branches in undertaking practice on own account interviews



Assisted lawyers where individual advice was required



Assisted with the development, preparation and delivery of educational courses during the year



## Practising certificates and admissions

### Certificates of character

The Law Society manages applications for certificates of character from people seeking admission as barristers and solicitors of the High Court of New Zealand.

A certificate of character certifies that someone is a fit and proper person to be admitted as a barrister and solicitor and it can be used to seek admission in any High Court during its period of validity.

In the year to 30 June 2019, the Law Society issued 1096 certificates of character (716 female, 378 male, 1 gender diverse, 1 not stated). A total of 891 people were admitted (586 female, 303 male, 1 gender diverse, 1 not stated). There were 32 admissions under the trans-Tasman mutual recognition scheme.



**1,096** certificates of character issued

716 female | 378 male  
1 gender diverse | 1 not stated



**891** people admitted

586 female | 303 male  
1 gender diverse | 1 not stated



**32** admissions under trans-Tasman mutual recognition

### Practising certificates

The Law Society is required to issue a practising certificate after an application is made by any person whose name is on the roll of barristers and solicitors, as long as that person meets the criteria for eligibility.

At 30 June 2019, there were 14,673 current practising certificates. Of those lawyers, 1,722 held barristers' certificates and 12,951 barristers and solicitors' certificates.

**14,673** current practising certificates:



**1,722** barristers' certificates



**12,951** barristers and solicitors' certificates

## Practice Approval Committees

Decisions on non-standard applications for practising certificates are made by the Law Society's two practice approval committees. These operate under delegated authority from the Law Society's Council and Board.

### Applications considered to 30 June

Applications	2019	2018	2017	2016	2015
Certificates of character for admission	6	13	10	19	23
New practising certificate	6	5	18	16	10
Renewal of practising certificate	13	11	6	12	8
Practice on own account as barrister or barrister and solicitor (including practice rule 12(a) applications)	23	40	43	25	39
Recommending practice on own account	0	1	0	2*	2
Consent for operation of power of attorney when practitioner suspended	3	1	1	1	5
Consent for operation of power of attorney when practitioner struck off	1	0	0	1	1
Exemption under rule 20 of trust account regulation	1	1	0	1	1
Consent to employ suspended practitioner	2	0	0	0	1
Review of undertakings	4	6	4	3	0
Approval to take direct instructions	0	1	0	2	0
Other miscellaneous practice issues	3	6	2	2	4

\*Two separate applications from the same person.

Committees declined 8 of the 62 applications they considered in the year to 30 June 2019 (13%).

### Applications declined after consideration by committees to 30 June

Action	2019	2018	2017	2016	2015
Declined	8	11	9	14	10

## Practice 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.

During the year to 30 June 2019, 231 lawyers were approved to practise on their own account as a barrister and solicitor, 66 were approved as barristers sole and 66 barristers sole were approved to take direct instructions.

### Lawyers practising on own account at 30 June

Type	2019	2018	2017	2016	2015
Barrister and solicitor	3,824	3,854	3,883	3,698	3,673
Barrister	1,415	1,469	1,371	1,339	1,256

## Stepping Up

Five sessions of the Stepping Up course were held during the reporting year, attended by 311 practitioners. A total of 2,104 lawyers have attended Stepping Up since it was introduced, in 2012. Overall, the course is about how to manage a practice and deal with clients and instructing solicitors in an ethically responsible manner while, at the same time, running a successful business.

In 2016, NZLS CLE Ltd introduced Topping Up Stepping Up. This is a revision course for practitioners who have previously completed Stepping Up satisfactorily but who have not commenced practice on their own account within the required two years of completing the initial course. In the year to 30 June 2019, there were 17 participants. Since the course started, there have been 73 successful participants.

## Fees, levies and contributions

Lawyers are required to fund all costs associated with the regulation of legal services. The profession is also levied to contribute to the costs of operating the New Zealand Council of Legal Education and the LCRO.

Barristers and solicitors who practise on their own account are required to fund the costs of the Law Society inspectorate and, if they operate a trust account, to contribute to the Fidelity Fund.

The costs of regulation of the legal profession are met by an annual payment in advance of each practising year, from 1 July to 30 June.

Payment of this practising fee is required before the Law Society issues a practising certificate. The amount payable is set by the Law Society's Council. The approval of the Minister of Justice is required for the practising fee and the Fidelity Fund contribution.

The following fees, levies and contributions were set by the Law Society Council:

**Year ended 30 June (ex GST)**

Component	2019	2018	2017	2016	2015
Practising fee	\$1,040	\$1,140	\$1,192	\$1,192	\$1,182
Council of Legal Education Levy	\$22	\$22	\$25	\$25	\$25
LCRO levy	\$130	\$125	\$125	\$125	\$75
<b>Total for barristers and employed lawyers</b>	<b>\$1,192</b>	<b>\$1,287</b>	<b>\$1,342</b>	<b>\$1,342</b>	<b>\$1,282</b>

Inspectorate fee	\$380	\$380	\$385	\$385	\$385
<b>Total for barristers and solicitors practising on their own account without a trust account</b>	<b>\$1,572</b>	<b>\$1,667</b>	<b>\$1,727</b>	<b>\$1,727</b>	<b>\$1,667</b>

Fidelity Fund contribution	\$320	\$320	\$320	\$320	\$320
<b>Total for barristers and solicitors practising on their own account with a trust account</b>	<b>\$1,892</b>	<b>\$1,987</b>	<b>\$2,047</b>	<b>\$2,047</b>	<b>\$1,987</b>





## Healthy, safe and inclusive workplaces

### Regulatory Working Group

A five-member independent Working Group was established in April 2018. Chaired by the Honourable Dame Silvia Cartwright, the Working Group was asked to consider whether the existing regulatory framework, practices and processes enable adequate reporting of harassment or inappropriate behaviour within the legal profession.

The Working Group was also asked to investigate how better support can be provided to those making reports of sensitive issues, and the adequacy of the regulatory framework to enable effective action to be taken where such conduct is alleged.

The Working Group reported to the Law Society in December 2018.

### Culture Change Taskforce

In April and May 2018, the Law Society organised and facilitated meetings with groups across the legal community. These were held in Auckland, Christchurch, Dunedin, Hamilton and Wellington and were attended by representatives from a large number of legal groups and organisations, including law school students and staff.

The discussion, ideas and feedback were used to develop and establish a national taskforce to drive cultural change and address sexual harassment and bullying within the legal profession. The Culture Change Taskforce was formed to deliver an initial draft strategy and action plan to the Law Society Board.

### Counselling service

A nine-month trial of a free and confidential professional counselling service was launched on 17 May 2019. The service is available to anyone in a legal workplace, lawyers and non-lawyers. External provider Vitae was engaged to provide solution-focused counselling by trained and accredited clinicians.



**Between launch and 30 June 2019, there were 107 referrals, mostly self-referrals**

### Health and Safety at Work Act 2015

There has been an increased focus on the requirements of the Health and Safety at Work Act 2015 as they relate to workplace risks in the areas of sexual harassment, bullying and discrimination. Over the year the Law Society met regularly with WorkSafe to discuss establishing programmes to better educate the legal profession on the requirements.

NZLS CLE Ltd seminars – Creating Great Workplaces for Lawyers – were run in June 2019 in Wellington and Auckland and were also live-streamed. A review of the Stepping Up course in relation to the Act also began during the year.

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## Women's Advisory Panel

The panel has been responsible for the development of the voluntary Gender Equality Charter. Wide consultation was carried out through the Law Society's branches and sections, women's

representative legal groups, large law firms and the wider legal profession. The charter was modified as a result of the feedback and launched, in April 2018.

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## Gender Equality Charter

The Gender Equality Charter was launched to the legal profession on 12 April 2018 in the Grand Hall of Parliament. The charter is a set of commitments aimed at improving the retention and advancement of women lawyers. By signing up to the charter, signatories commit to:

- Lead from the top
- Make a plan and take action
- Measure progress

The specific commitments include tackling unconscious bias, encouraging flexible working, closing the gender pay gap and promoting equitable instructions.

Charter signatories are asked to meet these commitments over a two-year period and to report on progress to the Law Society.

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### In June 2019



131 legal workplaces had signed up to the charter, covering more than



3,300 lawyers



24% of lawyers in New Zealand

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## Gender Equitable Engagement and Instruction Policy

This policy is a joint initiative between the Law Society and the Bar Association. It requires lawyers and their clients to commit to increasing the proportion of women lawyers leading court proceedings and other contentious matters. The policy recognises that under-representation at the top of the profession is a visible barrier to women advancing in the law.

The policy was launched on 5 December 2017. At the launch there were 14 client adopters and 12 supporting law firms, barristers' chambers and legal organisations. A further seven clients and 14 law firms and barristers' chambers have adopted the policy.

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## Law Care 0800 phone line

A new phone service went live on 3 April 2018 for people in the legal community to discuss sensitive matters such as workplace harassment and the options and support they could access.

The Law Care line (0800 0800 28) is staffed by five specially trained Law Society employees. At 30 June 2019, the service had received 69 calls.



## Law reform

One of the Law Society's regulatory functions is the requirement to assist and promote the reform of the law for the purpose of upholding the rule of law and facilitating the administration of justice.

To fulfil its law reform role, the Law Society has 16 specialist committees with overall co-ordination by the law reform committee. The committees work alongside Family Law Section and Property Law Section law reform panels, providing expert advice relating to the reform of New Zealand law.

During the year to 30 June 2019, the Law Society made submissions on 20 bills to parliamentary select committees. Law Society representatives appeared at select committee hearings in support of nine of those submissions. The Law Society also made submissions on law reform consultation documents from government departments, the Law Commission and other statutory bodies.

### Submissions included:



Law Commission reviews of relationship property law (Property (Relationships) Act 1976 review: "Dividing relationship property: time for change?") and the use of DNA in criminal investigations



Three-yearly review of Legal Aid



Family justice system (review of the 2014 Family Court changes)



New Zealand's compliance with UN human rights conventions (the Universal Periodic Review, and UNCAT – UN Convention against Torture)



Reforms relating to family violence and sexual violence



Application of the AML/CFT regime to barristers sole (in support of the New Zealand Bar Association application for exemption)



First tranche of firearms legislative reform, following the Christchurch terrorist attacks



Options for reform of the State Sector



Bill to establish a Criminal Cases Review Commission (relating to miscarriages of justice)



Changes to Court rules in relation to representative proceedings (class actions)



## Other regulatory activities

### Council of Legal Education

The Council is an independent statutory body. It is responsible for the quality and provision of legal training required for a person to be admitted as a barrister and solicitor of the High Court of New Zealand. The Law Society is required to fund the Council by imposing an annual levy on all lawyers.

#### Council levy and payments to 30 June (ex GST)

Measure	2019	2018	2017	2016	2015
Levy per lawyer	\$22	\$22	\$25	\$25	\$25
<b>Total paid to fund budget for next practising year</b>	<b>\$278,000</b>	<b>\$278,000</b>	<b>\$276,000</b>	<b>\$275,000</b>	<b>\$272,000</b>

### Lawyers' Fidelity Fund

The Law Society established and maintains the Fund to meet requirements of the Lawyers and Conveyancers Act 2006. The purpose of the Fund is to compensate, in whole or in part, people who suffer pecuniary loss in the circumstances set out in Part

10 of the Act as a result of the actions of a lawyer or incorporated law firm or the agent of a lawyer. At 30 June 2019, there was one claim under investigation or awaiting settlement.

#### Fund payments to 30 June

Measure	2019	2018	2017	2016	2015
Value of claims settled	\$0	\$100,000	\$119,000	\$232,000	\$200,000
Amount set aside*	\$389,000	\$0	\$100,000	\$120,000	\$358,000
Value of funds recovered	\$12,000	\$2,000	\$38,000	\$13,000	\$0

\*For future payments of claims relating to known or suspected thefts.

## Solicitors' Fidelity Guarantee Fund

Established under Part IX of the Law Practitioners Act 1982, the purpose of the Fund is to compensate people in relation to theft by a lawyer which was committed before 1 August 2008. At 30 June 2019, there were no current claims under investigation or awaiting settlement.

### Fund payments to 30 June

Measure	2019	2018	2017	2016	2015
Value of claims settled	\$0	\$103,000	\$0	\$0	\$567,000
Amount set aside*	\$44,000	\$0	\$150,000	\$0	\$250,000
Value of funds recovered	\$5,000	\$0	\$0	\$5,000	\$0

\*For future payments of claims relating to known or suspected thefts.

## Lawyers and Conveyancers Special Fund

New Zealand's 24 community law centres receive a large proportion of their funding from the Special Fund. The Fund collects interest from banks on solicitors' and licensed conveyancers' nominated trust accounts.

### Special fund to 30 June

Measure	2019	2018	2017	2016	2015
Interest received	\$10,935,000	\$9,346,000	\$6,998,000	\$7,333,000	\$6,862,000
Administration	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000

## Statutory regulatory initiatives

Phase 2 of the anti-money laundering and counter financing of terrorism regime was extended to lawyers and conveyancers from 1 July 2018. The supervising agency is the Department of Internal Affairs. The Law Society has assisted the legal profession by continuing to provide a wide range of information and practical resources over the year.

The OECD's Common Reporting Standard came into force through the Taxation (Business Tax, Exchange of Information, and Remedial Matters) Act 2017, on 1 July 2018. It imposed obligations on law firms for collection and verification of client information. The Law Society has worked with the Inland Revenue Department and the Bankers' Association to develop self-certification forms and to communicate information on lawyers' obligations.

# Law Society organisation and structure

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The Act requires the Law Society to have a constitution. This provides for a Council, Board, Officers, and Executive Director.

Approved and adopted by the Council on 10 July 2008, the Constitution has remained unchanged. Under rule 6.3 of the Constitution, the Council may amend the Constitution in such manner as it determines, subject only to the provisions of the Act. Any amendment must be registered at the Companies Office.

## Board

The Board comprises the President and the four vice-presidents. Its main functions are to act as the executive body of the Law Society, to manage its affairs, and to implement its functions. In December 2018 the Law Society created a role of non-lawyer independent observer.

Because of provisions in the Constitution, the role is non-voting, but there is a commitment to make all information accessible to the independent observer, who is also able to speak on any matter.

## Council

The Law Society's Council consists of the President, four vice-presidents, a representative of each branch, the chair/president of each Law Society section (In-House Lawyers, Family Law and Property Law), the President of the New Zealand Bar Association and a representative of the Large Law Firms. The Council meets twice a year, in October and April.

As provided in any Rule 7.11 of the Constitution, the President or any vice-president may invite a person to attend any Council meetings as an observer. With the leave of the meeting, the observer may be given the right to speak. New Zealand Institute of Legal Executives representatives have attended as observers for a number of years, and in October 2018 a representative of Te Hunga Rōia Māori o Aotearoa was invited to be an independent observer at meetings.

All members of the Council are elected by lawyers in the manner required by the Constitution.

The President holds office for a term of one year, with the incumbent eligible for re-election for two further consecutive years.

Vice-presidents are each elected for two-year terms, with the incumbents eligible for re-election for a further consecutive two-year term. Vice-presidents are appointed by the Law Society branches, with one appointed by Auckland branch, one for central North Island (Waikato Bay of Plenty, Gisborne, Taranaki, Whanganui and Manawatu branches), one for Wellington branch, and one for the South Island (Marlborough, Nelson, Canterbury-Westland, Otago and Southland branches).

Each of the Law Society branches is represented on the Council, usually by its President.

The Law Society had 145 full and part-time staff at 30 June 2019.

### Members of the Council during the year to 30 June 2019 were:

<b>President</b>	Kathryn Beck	<i>From 15 April 2016 to 9 April 2019</i>
	Tiana Epati	<i>From 10 April 2019</i>
<b>Vice-Presidents</b>		
<b>Vice-President, Auckland</b>	Timothy Jones	<i>From 15 April 2016</i>
<b>Vice-President, Central North Island</b>	Tiana Epati	<i>From 15 April 2016 to 9 April 2019</i>
	Herman Visagie	<i>From 10 April 2019</i>
<b>Vice-President, Wellington</b>	Nerissa Barber	<i>From 15 April 2016</i>
<b>Vice-President, South Island</b>	Andrew Logan	<i>From 15 April 2016</i>

### Branch Presidents

<b>Auckland</b>	David Campbell	<i>From 22 June 2016</i>
<b>Canterbury-Westland</b>	Grant Tyrell	<i>From 19 June 2018</i>
<b>Gisborne</b>	David Ure	<i>From 10 May 2018</i>
<b>Hawke's Bay</b>	Darren Foster	<i>From 1 May 2019</i>
	Maria Hamilton	<i>From 2 May 2017</i>
<b>Manawatu</b>	Ben Vanderkolk	<i>From 30 October 2015</i>
<b>Marlborough</b>	Kent Arnott	<i>From 17 April 2018</i>
<b>Nelson</b>	Andrew Shaw	<i>From 24 May 2018</i>
<b>Otago</b>	Jo Hambleton	<i>From 12 June 2019</i>
	John Farrow	<i>From 7 June 2017</i>
<b>Southland</b>	Janet Copeland	<i>From 20 June 2019</i>
	Malcolm McKenzie	<i>From 6 May 2017</i>
<b>Taranaki</b>	Caroline Silk	<i>From 28 June 2018</i>
<b>Waikato Bay of Plenty</b>	Terry Singh	<i>From 19 June 2019</i>
	Russell Boot	<i>From 21 June 2017</i>
<b>Whanganui</b>	Rob Goldsbury	<i>From 8 March 2019</i>
	Mark Bullock	<i>From 17 March 2017</i>
<b>Wellington</b>	Annette Gray	<i>From 19 June 2019</i>
	David Dunbar	<i>From 22 June 2016</i>

### Section representatives

#### In-house Lawyers Association New Zealand

<b>President</b>	Sian Wingate	<i>From 17 April 2018</i>
<b>Family Law Section – Chair</b>	Kirsty Swadling	<i>From 11 August 2017</i>
<b>Property Law Section – Chair</b>	Duncan Terris	<i>From 7 May 2015</i>

### Other representatives

<b>New Zealand Bar Association – President</b>	Kate Davenport QC	<i>From 1 October 2018</i>
<b>Large Law Firm Corporation – Representative</b>	Sarah Keene	<i>From 1 April 2019</i>
	Laura O’Gorman	<i>From 24 August 2015 to 9 April 2019</i>

### Observers

<b>New Zealand Institute of Legal Executives</b>	Rebecca Smith	<i>From 19 November 2016</i>
	Necia Parker	<i>From 17 November 2018</i>
<b>Te Hunga Rōia Māori o Aotearoa</b>	Maia Wikaira	<i>From 24 October 2018</i>
<b>Independent Observer</b>	Jason Pemberton	<i>From 14 December 2018</i>

## NZLS CLE Ltd

NZLS CLE Ltd delivers a wide range of professional development training. It is a fully-owned subsidiary of the New Zealand Law Society. NZLS CLE Ltd has a board, which comprises Helen Morgan-Banda (chair), Dr Allan Cooke, Dick Edwards, Peter Fanning, Bob Hollyman QC and Tim Mullins.

The Chief Executive is Hellen Papadopoulos. In the year to 30 June 2019, NZLS CLE Ltd delivered 105 events and 196 professional development programmes.



# Report on NZLS branches and library

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## New Zealand Law Society branches

The Law Society has 13 branches, reflecting the structure of the legal profession in New Zealand prior to the Lawyers and Conveyancers Act 2006.

Branches are in Auckland, Canterbury-Westland, Gisborne, Hawke's Bay, Manawatu, Marlborough, Nelson, Otago, Southland, Taranaki, Waikato Bay of Plenty, Wellington, and Whanganui.

All branches have a programme of organised activities and events. These have the objectives of bringing lawyers together, providing support and development opportunities, and ensuring members are up-to-date with any events or developments which have an impact on legal practice.

The branches play an important role in the regulatory functions of the New Zealand Law Society.

Each branch President is a member of the Law Society's governing Council, and the branches are responsible for appointment of the four Vice-Presidents on the Board.

The branches are also responsible for researching and issuing certificates of character as part of the process of admission to the legal profession. Branches are responsible for managing applications from lawyers who want to practise on their own account (a necessity for appointment to a directorship or partnership in a law firm). They are often the first point of contact for inquiries from lawyers and non-lawyers on a wide range of matters.

Branch councils and committees meet regularly, providing a voice for lawyers in the branch area on matters affecting legal practice and the justice system.



- Auckland
- Waikato Bay of Plenty
- Gisborne
- Hawke's Bay
- Taranaki
- Whanganui
- Manawatu
- Wellington
- Nelson
- Marlborough
- Canterbury-Westland
- Otago
- Southland

## Branch activities

During the year to 30 June 2019, there were more than 15,000 attendances at more than 170 New Zealand Law Society branch events.

These events included: learning sessions delivered by experts in their fields; study groups and discussions; skills development sessions; workshops on managing stress and developing resilience; dinners and formal social occasions; career development sessions; diversity and cultural competence seminars; sports events; new and young lawyer events; arts and cultural events; and health and wellbeing initiatives.

For the year-ended 30 June there were:



**More than 15,000 attendances**



**At more than 170 New Zealand Law Society branch events**



## Law Society library

As regulator of the legal profession the Law Society has an obligation to assist in providing quality legal information. The Law Society's library assets were transferred from district law societies in 2009 and continue to be held for regulatory purposes. The library is funded from practising fees and from charges for services.

The library comprises the three main research libraries located in the Auckland and Wellington High Court buildings, the Christchurch Justice and Emergency Services Precinct, and a smaller library in the Otago branch.

The Ministry of Justice provides the space occupied by the research libraries. As part of this longstanding arrangement, the research libraries are available to the judiciary. The library also maintains 47 kiosks for lawyers, at 34 library and courthouse locations around New Zealand. Contracts with the three main legal publishers, LexisNexis, Thomson Reuters and Wolters Kluwer, provide lawyers with online access to a comprehensive range of legal publications through the kiosks. The services are supported by 21 full and part-time staff.

During the year, the Law Society completed upgrades to the kiosks around New Zealand. The upgrades have resulted in faster processing speeds and the ability to save information to a USB drive, and to email and attach documents using personal webmail accounts.

Surveys indicate that approximately 20% of lawyers use the library services. These are mainly barristers, small law firms and in-house lawyers in the practice areas of litigation, civil, commercial, family and trust law. Overall, an average of 734 document delivery requests are received each month. Just under 300 hours of research are billed out monthly.



**Library services are supported by 21 full and part-time staff**



**Approximately 20% of lawyers use the library services**



**An average 734 document delivery requests are received each month**



**Just under 300 hours of research are billed out monthly**

# Report on NZLS sections

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## New Zealand Law Society sections

The three Law Society sections are interest groups for lawyers who specialise in family law, property law or practise in-house. Almost 40% of the profession are members of these three sections.

Law Society staff support elected committees of practitioners for each section to provide collegial and professional support and contribute to and/or drive development work in their area of interest. This may be through contributions to law reform activity, stakeholder engagement, development of member services and/or contributing to regulatory changes.

Highlights for the year to 30 June 2019 include:

## Family Law Section

### Significant contribution to law reform

This included the Law Commission consultations on relationship property proposing significant change to relationship property legislation and two submissions to the Minister of Justice's independent panel evaluating the 2014 changes to the family justice system. The panel has reported to the minister, including almost all of the recommendations made in the Law Society submission.

### New Zealand relationship property survey

This is a repeat of a survey and subsequent report first carried out in 2017 in partnership with business advisory firm, Grant Thornton.

The focus for the June 2019 survey and report included the timely resolution of cases, the Law Commission's proposals for reform, unequal sharing of relationship property and the use of professionals in relationship property matters.

### Our Stories

This is a new Practising Well initiative for members. Family lawyers share their experiences and practical tips, in a series of video clips, for dealing with difficult and traumatic work situations.

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## In-house Lawyers Association of New Zealand (ILANZ)

### Trends survey

ILANZ conducted an inaugural in-depth survey to examine practices and priorities for in-house legal teams and identify in-house trends. This was undertaken in partnership with Deloitte. Results of the survey were published in July with follow up member events.

### Professional development with in-house focus

ILANZ progressed an initiative to develop skills-based development opportunities specifically for those working in, or new to, in-house roles.

### Pro bono

ILANZ has continued to work alongside Law Society regulatory staff to review in-house lawyers' restrictions in relation to pro bono legal work and changes that could be made for the benefit of the wider community and to allow in-house lawyers to contribute more.

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## Property Law Section

### Review of the Property Transactions and E-dealing Guidelines

This work incorporates a raft of legislative and regulatory change since October 2015 and was published in August 2019.

### Provision of support on AML/CFT changes

The Section has had a strong focus on providing support and a forum for members to discuss challenging aspects of professional practice within the anti-money laundering and counter financing of terrorism regime.

### Significant contributions to law reform

This included contributions to submissions on overseas investment, residential tenancies, post-emergency building access and repair powers, unit titles, trusts and real estate CPD. The Section also participated in consultation on Land Transfer Tax Statements and A&I forms for the new Land Transfer Act that came into force in November 2018.

# Summary financial statements

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Summary financial statements for the following entities, which relate to the exercise of regulatory functions and powers, are provided in accordance with section 76(2) of the Act for the year ended 30 June 2019:

- New Zealand Law Society Regulatory
- New Zealand Law Society Lawyers' Fidelity Fund
- New Zealand Law Society Solicitors' Fidelity Guarantee Fund
- The Lawyers and Conveyancers Special Fund

The summary financial statements also include the summary financial statements for New Zealand Law Society Representative (Group).

# New Zealand Law Society Regulatory

## Reporting entity

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

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

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

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## Basis of preparation and statement of compliance

The summary financial statements have been extracted from the full audited financial statements of NZLS Regulatory for the year ended 30 June 2019, approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.

The full financial statements for NZLS Regulatory have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (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 full financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (Reduced Disclosure Regime). NZLS Regulatory is a public benefit not for profit entity and is eligible to apply Tier 2 PBE

Standards on the basis that it does not have public accountability and is not defined as large.

An unmodified audit opinion was issued on the full financial statements for NZLS Regulatory on 17 October 2019.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of comprehensive revenue and expense, financial position, changes in net assets/equity and cash flows of the above entity.

The presentation currency is New Zealand dollars rounded to the nearest thousand. The following summary financial statements comply with PBE FRS 43: *Summary Financial Statements*.

## New Zealand Law Society Regulatory Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Revenue</b>		
Practising, other service fees and interest	21,838	22,477
<b>Expenses</b>		
Administration and library	21,066	19,548
<b>Surplus before income tax</b>	<b>772</b>	<b>2,929</b>
Income tax expense	262	113
<b>Net surplus for the year</b>	<b>510</b>	<b>2,816</b>
<b>Total comprehensive revenue and expense for the year</b>	<b>510</b>	<b>2,816</b>

## Summary Statement of Changes in Net Assets/Equity

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Equity at beginning of year</b>	<b>15,362</b>	<b>12,546</b>
Total comprehensive revenue and expense for the year	510	2,816
<b>Equity at end of year</b>	<b>15,872</b>	<b>15,362</b>

## Summary Statement of Financial Position

As at 30 June 2019

	2019 \$000	2018 \$000
<b>Assets</b>		
Current assets	34,071	24,576
Non-current assets	4,156	14,260
<b>Total assets</b>	<b>38,227</b>	<b>38,836</b>
<b>Equity and liabilities</b>		
Current liabilities	22,355	23,474
Equity	15,872	15,362
<b>Total equity and liabilities</b>	<b>38,227</b>	<b>38,836</b>



## New Zealand Law Society Regulatory Summary Statement of Cash Flows

For the year ended 30 June 2019

	2019 \$000	2018 \$000
Net cash flows from (used in) operating activities	(838)	2,666
Net cash flows from (used in) investing activities	718	(1,861)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(120)</b>	<b>805</b>
Cash and cash equivalents at beginning of year	7,530	6,725
<b>Cash and cash equivalents at end of year</b>	<b>7,410</b>	<b>7,530</b>

*The full financial statements were approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.*

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



**T Epati**  
President  
Date: 17 December 2019



**H Morgan-Banda**  
Executive Director  
Date: 17 December 2019

## Independent Auditor's Report on the Summary Financial Statements

### To the Members of the New Zealand Law Society Regulatory

#### Opinion

The summary financial statements of the New Zealand Law Society Regulatory (the 'Society'), which comprise the summary statement of financial position as at 30 June 2019, and the summary statement of comprehensive revenue and expense, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the entity for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements, on page 39 to 41, are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Summary financial statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 17 October 2019.

#### Board's responsibilities for the summary financial statements

The Board is responsible on behalf of the Society for the preparation of the summary financial statements in accordance with PBE FRS 43: *Summary Financial Statements*.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised): *Engagements to Report on Summary Financial Statements* ('ISA (NZ) 810').

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

#### 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  
31 January 2020

# New Zealand Law Society Lawyers' Fidelity Fund

## Reporting entity

The New Zealand Law Society Lawyers' Fidelity Fund (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, since 1 August 2008, suffered pecuniary loss arising from theft, as is defined in the Crimes Act, committed by lawyers in public practice.

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## Basis of preparation and statement of compliance

The summary financial statements have been extracted from the full audited financial statements of Lawyers' Fidelity Fund for the year ended 30 June 2019, approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.

The full financial statements for the Lawyers' Fidelity Fund have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (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 full financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (Reduced Disclosure Regime).

The Lawyers' Fidelity 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.

An unmodified audit opinion was issued on the full financial statements for the Lawyers' Fidelity Fund on 17 October 2019.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of comprehensive revenue and expense, financial position, changes in net assets/equity and cash flows of the above entity.

The presentation currency is New Zealand dollars rounded to the nearest thousand. The following summary financial statements comply with PBE FRS 43: *Summary Financial Statements*.

## New Zealand Law Society Lawyers' Fidelity Fund Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Revenue</b>		
Annual contributions, recoveries and interest	1,368	1,307
<b>Expenses</b>		
Claims and other	464	57
<b>Surplus before income tax</b>	<b>904</b>	<b>1,250</b>
Income tax expense	114	98
<b>Net surplus for the year</b>	<b>790</b>	<b>1,152</b>
<b>Total comprehensive revenue and expense for the year</b>	<b>790</b>	<b>1,152</b>

## Summary Statement of Changes in Net Assets/Equity

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Equity at beginning of year</b>	<b>8,547</b>	<b>7,395</b>
Total comprehensive revenue and expense for the year	790	1,152
<b>Equity at end of year</b>	<b>9,337</b>	<b>8,547</b>

## Summary Statement of Financial Position

As at 30 June 2019

	2019 \$000	2018 \$000
<b>Assets</b>		
Current assets	8,158	4,420
Non-current assets	2,617	5,195
<b>Total assets</b>	<b>10,775</b>	<b>9,615</b>
<b>Equity and liabilities</b>		
Current liabilities	1,438	1,068
Equity	9,337	8,547
<b>Total equity and liabilities</b>	<b>10,775</b>	<b>9,615</b>

## New Zealand Law Society Lawyers' Fidelity Fund Summary Statement of Cash Flows

For the year ended 30 June 2019

	2019 \$000	2018 \$000
Net cash flows from operating activities	1,154	990
Net cash flows (used in) investing activities	(1,158)	(1,005)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(4)</b>	<b>(15)</b>
Cash and cash equivalents at beginning of year	218	233
<b>Cash and cash equivalents at end of year</b>	<b>214</b>	<b>218</b>

*The full financial statements were approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.*

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



**T Epati**  
President  
Date: 17 December 2019



**H Morgan-Banda**  
Executive Director  
Date: 17 December 2019

## Independent Auditor's Report on the Summary Financial Statements

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

#### Opinion

The summary financial statements of the New Zealand Society Lawyers' Fidelity Fund (the 'Fund'), which comprise the summary statement of financial position as at 30 June 2019, and the summary statement of comprehensive revenue and expense, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the Fund for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements, on pages 43 to 45, are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Summary financial statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 17 October 2019.

#### Board's responsibilities for the summary financial statements

The Board is responsible on behalf of the Fund for the preparation of the summary financial statements in accordance with PBE FRS 43: *Summary Financial Statements*.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised): *Engagements to Report on Summary Financial Statements* ('ISA (NZ) 810').

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.

#### Restriction on use

This report is made solely to the Fund's Members, as a body. Our audit has been undertaken so that we might state to the Fund's 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 Fund's Members as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Wellington, New Zealand  
31 January 2020

# New Zealand Law Society Solicitors' Fidelity Guarantee Fund

## Reporting entity

The New Zealand Law Society Solicitors' Fidelity Guarantee Fund (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, prior to 1 August 2008, suffered pecuniary loss arising from theft, as is defined in the Crimes Act, committed by lawyers in public practice.

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## Basis of preparation and statement of compliance

The summary financial statements have been extracted from the full audited financial statements of the Fidelity Guarantee Fund for the year ended 30 June 2019, approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.

The full financial statements for the Fidelity Guarantee Fund have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (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 full financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (Reduced Disclosure Regime).

The 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.

An unmodified audit opinion was issued on the full financial statements for the Fidelity Guarantee Fund on 17 October 2019.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of comprehensive revenue and expense, financial position, changes in net assets/equity and cash flows of the above entity.

The presentation currency is New Zealand dollars rounded to the nearest thousand. The following summary financial statements comply with PBE FRS 43: *Summary Financial Statements*.

## New Zealand Law Society Solicitors' Fidelity Guarantee Fund Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Revenue</b>		
Interest and other	487	487
<b>Expenses</b>		
Claims and other	101	25
<b>Surplus before income tax</b>	<b>386</b>	<b>462</b>
Income tax expense	157	158
<b>Net surplus for the year</b>	<b>229</b>	<b>304</b>
<b>Total comprehensive revenue and expense for the year</b>	<b>229</b>	<b>304</b>

## Summary Statement of Changes in Net Assets/Equity

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Equity at beginning of year</b>	<b>13,342</b>	<b>13,038</b>
Total comprehensive revenue and expense for the year	229	304
<b>Equity at end of year</b>	<b>13,571</b>	<b>13,342</b>

## Summary Statement of Financial Position

As at 30 June 2019

	2019 \$000	2018 \$000
<b>Assets</b>		
Current assets	13,666	10,854
Non-current assets	-	2,544
<b>Total assets</b>	<b>13,666</b>	<b>13,398</b>
<b>Equity and liabilities</b>		
Current liabilities	95	56
Equity	13,571	13,342
<b>Total equity and liabilities</b>	<b>13,666</b>	<b>13,398</b>



## New Zealand Law Society Solicitors' Fidelity Guarantee Fund Summary Statement of Cash Flows

For the year ended 30 June 2019

	2019 \$000	2018 \$000
Net cash flows from operating activities	293	156
Net cash flows from (used in) investing activities	(1,198)	579
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(905)</b>	<b>735</b>
Cash and cash equivalents at beginning of year	937	202
<b>Cash and cash equivalents at end of year</b>	<b>32</b>	<b>937</b>

*The full financial statements were approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.*

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



**T Epati**  
President  
Date: 17 December 2019



**H Morgan-Banda**  
Executive Director  
Date: 17 December 2019

## Independent Auditor's Report on the Summary Financial Statements

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

#### Opinion

The summary financial statements of the New Zealand Law Society Solicitors' Fidelity Guarantee Fund (the 'Fund'), which comprise the summary statement of financial position as at 30 June 2019, and the summary statement of comprehensive revenue and expense, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the entity for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements, on pages 47 to 49, are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Summary financial statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 17 October 2019.

#### Board's responsibilities for the summary financial statements

The Board is responsible on behalf of the entity for the preparation of the summary financial statements in accordance with PBE FRS 43: *Summary Financial Statements*.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised): *Engagements to Report on Summary Financial Statements* ('ISA (NZ) 810').

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

#### Restriction on use

This report is made solely to the Fund's Members, as a body. Our audit has been undertaken so that we might state to the Fund's 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 Fund's Members as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Wellington, New Zealand  
31 January 2020

# The Lawyers and Conveyancers Special Fund

## Reporting entity

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

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## Basis of preparation and statement of compliance

The summary financial statements have been extracted from the full audited financial statements of the Special Fund for the year ended 30 June 2019, approved for issue on 27 September 2019 by the Management Committee established under section 292 of the LCA.

The full financial statements for the Special Fund have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (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 full 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.

An unmodified audit opinion was issued on the full financial statements for the Special Fund on 27 September 2019.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of comprehensive revenue and expense, financial position, changes in net assets/equity and cash flows of the above entity.

The presentation currency is New Zealand dollars rounded to the nearest thousand. The following summary financial statements comply with PBE FRS 43: *Summary Financial Statements*.

## The Lawyers and Conveyancers Special Fund

### Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Revenue</b>		
Fund management	28	28
<b>Expenses</b>		
Administration and other	28	28
<b>Net surplus for the year</b>	-	-
<b>Total comprehensive revenue and expense for the year</b>	-	-

### Summary Statement of Changes in Net Assets/Equity

For the year ended 30 June 2019

There were no changes in equity for the year ended 30 June 2019 (2018 – Nil).

### Summary Statement of Financial Position

As at 30 June 2019

	2019 \$000	2018 \$000
<b>Assets</b>		
Current Assets	1,090	1,014
<b>Total assets</b>	<b>1,090</b>	<b>1,014</b>
<b>Equity and liabilities</b>		
Current liabilities	1,090	1,014
Equity	-	-
<b>Total equity and liabilities</b>	<b>1,090</b>	<b>1,014</b>

## The Lawyers and Conveyancers Special Fund Summary Statement of Cash Flows

For the year ended 30 June 2019

	2019 \$000	2018 \$000
Cash received from interest on nominated trust bank accounts and other interest	10,935	9,346
Cash paid to Ministry of Justice and suppliers of services	10,604	9,346
<b>Net cash used in operating activities</b>	<b>331</b>	<b>-</b>
Net cash flows from (used in) investing activities	-	-
<b>Net increase in cash and cash equivalents</b>	<b>331</b>	<b>-</b>
Cash and cash equivalents at beginning of year	1	1
<b>Cash and cash equivalents at end of year</b>	<b>332</b>	<b>1</b>

The full financial statements were approved for issue on 27 September 2019 by the Management Committee established under section 292 of the LCA.

  
Committee Member  
Date: 29. 1. 2020

  
Committee Member  
Date: 29. 1. 2020

## Independent Auditor's Report on the Summary Financial Statements

### To the Members of the Lawyers and Conveyancers Special Fund

#### Opinion

The summary financial statements of the Lawyers and Conveyancers Special Fund (the 'Fund'), which comprise the summary statement of financial position as at 30 June 2019, and the summary statement of comprehensive revenue and expense, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the Fund for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements, on pages 51 to 53, are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Summary financial statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 September 2019.

#### Management Committee's responsibilities for the summary financial statements

The Management Committee is responsible on behalf of the Fund for the preparation of the summary financial statements in accordance with PBE FRS 43: *Summary Financial Statements*.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised): *Engagements to Report on Summary Financial Statements* ('ISA (NZ) 810').

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.

#### 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  
29 January 2020

# New Zealand Law Society Representative (Group)

## Reporting entity

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

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

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

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## Basis of preparation and statement of compliance

The summary consolidated financial statements have been extracted from the full audited consolidated financial statements of the Group for the year ended 30 June 2019, approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.

The full consolidated financial statements for the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (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 full consolidated financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (Reduced Disclosure Regime).

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

An unmodified audit opinion was issued on the full consolidated financial statements of the Group on 17 October 2019.

The summary consolidated financial statements cannot be expected to provide as complete an understanding as provided by the full consolidated financial statements of comprehensive revenue and expense, financial position, changes in net assets/equity and cash flows of the above Group.

The presentation currency is New Zealand dollars rounded to the nearest thousand. The following summary consolidated financial statements comply with PBE FRS 43: *Summary Financial Statements*.

## New Zealand Law Society Representative (Group) Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	2019 \$000	2018 \$000
<b>Revenue</b>		
Membership and other service fees	552	529
Course and booklets	5,009	5,296
Interest, rental and other income	2,158	1,999
<b>Total revenue</b>	<b>7,719</b>	<b>7,824</b>
<b>Expenses</b>		
Administration and occupancy	7,854	7,410
<b>Surplus/(deficit) before income tax</b>	<b>(135)</b>	<b>414</b>
Income tax expense	401	359
<b>Net surplus/(deficit) for the year</b>	<b>(536)</b>	<b>55</b>
Other comprehensive revenue and expense		
Land and building revaluation	(2,870)	155
<b>Total comprehensive revenue and expense for the year</b>	<b>(3,406)</b>	<b>210</b>

## Summary Consolidated Statement of Changes in Net Assets/Equity

For the year ended 30 June 2019

	Revaluation reserve \$000	Retained earnings \$000	Total \$000
<b>Equity at 1 July 2017</b>	<b>2,878</b>	<b>18,206</b>	<b>21,084</b>
Total comprehensive revenue and expense for the year	155	55	210
<b>Equity at 30 June 2018</b>	<b>3,033</b>	<b>18,261</b>	<b>21,294</b>
Total comprehensive revenue and expense for the year	(2,870)	(536)	(3,406)
Fund introduced	-	384	384
<b>Equity at 30 June 2019</b>	<b>163</b>	<b>18,109</b>	<b>18,272</b>



## New Zealand Law Society Representative (Group) Summary Consolidated Statement of Financial Position

As at 30 June 2019

	2019 \$000	2018 \$000
<b>Assets</b>		
Current assets	18,589	8,883
Non-current assets*	2,459	14,384
<b>Total assets</b>	<b>21,048</b>	<b>23,267</b>
<b>Equity and liabilities</b>		
Current liabilities**	2,776	1,972
Equity	18,272	21,295
<b>Total equity and liabilities</b>	<b>21,048</b>	<b>23,267</b>

\* Non-current assets include a decrease in value of \$2.88m of Wellington premises at 26 Waring Taylor St (now valued at \$Nil) following a detailed seismic assessment and assessment of time and costs for remediation.

\*\* Current liabilities include a provision for onerous lease of \$0.6m for the ground lease on 26 Waring Taylor St. The provision has been established to recognise the unavoidable costs being incurred while the asset is not being used and assumes that the outstanding obligation will extend for two years from balance date.

## Summary Consolidated Statement of Cash Flows

For the year ended 30 June 2019

	2019 \$000	2018 \$000
Net cash flows from operating activities	462	47
Net cash flows (used in) investing activities	(767)	(112)
Net cash flows from financing activities	384	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>79</b>	<b>(65)</b>
Cash and cash equivalents at beginning of year	2,002	2,067
<b>Cash and cash equivalents at end of year</b>	<b>2,081</b>	<b>2,002</b>

The full financial statements were approved for issue on 17 October 2019 by the Board of the New Zealand Law Society.

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



**T Epati**  
President  
Date: 17 December 2019



**H Morgan-Banda**  
Executive Director  
Date: 17 December 2019

## Independent Auditor's Report on the Summary Consolidated Financial Statements

### To the Members of the New Zealand Law Society Representative

#### Opinion

The summary consolidated financial statements of the New Zealand Law Society Representative (the 'Society') and its subsidiaries (the 'Group'), which comprise the summary consolidated statement of financial position as at 30 June 2019, and the summary consolidated statement of comprehensive revenue and expense, summary consolidated statement of changes in net assets/equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of the Group for the year ended 30 June 2019.

In our opinion, the accompanying summary consolidated financial statements, on pages 55 to 57, are consistent, in all material respects, with the audited consolidated financial statements, in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

#### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 October 2019.

#### Board's responsibilities for the summary consolidated financial statements

The Board is responsible on behalf of the Group for the preparation of the summary consolidated financial statements in accordance with PBE FRS 43: *Summary Financial Statements*.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) ('ISA (NZ)') 810 (Revised): *Engagements to Report on Summary Financial Statements*.

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

#### 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  
31 January 2020





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