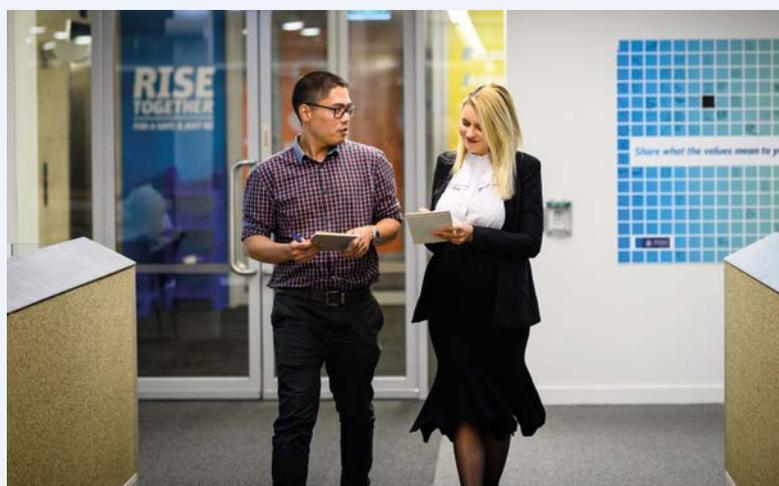


TĀHŪ O TE TURE ANNUAL REPORT

1 July 2018 to 30 June 2019



Tāhū o te Ture Ministry of Justice

Te Tāhū o te Ture is the Māori name for the Ministry of Justice.

This name was bestowed to our Ministry by respected kaumātua Tā John Clarke.

Tāhū: is the ridge pole that is the main support structure of a whareniui or house.

Ture: is the law.

Our name touches on the connection between the ridge pole that supports a house and the role our Ministry plays in supporting democracy and the rule of law in Aotearoa.

Te Tāhū o te Ture as a name was developed after Tā John Clarke talked with a number of kaumātua. It was adopted by the Ministry of Justice in 2003, following the merge of the old Ministry and Department of Courts.

Cover photos: These show our people, including the co-chairs of the Tātou Tātou Rainbow Network (top-left), see page 51 for the story.

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Introduction from the Secretary for Justice



This is my first Annual Report as the Secretary for Justice. It has been a fascinating and challenging first seven months getting to know the business, our people, and the wider sector's challenges and opportunities.

There has been a lot of change in leadership around the justice system in recent times. Apart from my arrival, there is a new Chief Justice and there have been changes in leadership in the District Court and at the Department of Corrections.

I acknowledge the service of all those leaders who moved on to new opportunities in the year just completed, but in particular want to mention the contribution made by the Rt Hon Dame Sian Elias, Chief Justice from 1999 to 2019, the Hon Justice Doogue, Chief District Court Judge from 2011 to 2019 and now a judge of the High Court, and my immediate predecessor, Andrew Bridgman. Ki a koutou ngā pou arataki, he mihi tēnei ki a koutou.

As I have been learning about the sector, I have been struck by the Ministry's unique position in the wider system of government. As well as serving the government of the day – the executive, and providing advice to the legislature, we are also privileged to carry the responsibility of supporting New Zealand's third branch of the state – the independent judiciary.

Strong courts and democratic institutions are fundamental to the wellbeing of our society. A well-functioning justice sector helps ensure New Zealanders can trust each other and trust the state. Consider what a loss of confidence in our justice system would mean for our society, how it behaves and how we might resolve disputes and protect the public.

The courts and tribunals resolve more than a quarter of a million cases each year. If that is multiplied by the number of victims, complainants, accused, witnesses, families and others affected, it gives some perspective of the scale of the services we deliver for New Zealanders to help them to get on with their lives and restore their wellbeing. The Ministry of Justice and our 3800 staff are at the centre of delivering the services and support for these people.

Justice in Aotearoa is administered by a range of institutions, groups and individuals. Each of these participants is dependent on others and they work together in a complex system. As Secretary for Justice, one of my responsibilities is to coordinate and lead the government departments in the justice sector.

Across the justice sector, especially within the criminal justice system, these agencies work closely together at operational, policy and strategic levels. Individual agencies have their own reporting and accountability lines, however the construction of the justice system and the nature of the agencies' business means effective outcomes can only be achieved through close cooperation.

One of the issues we have been facing as a sector is the growing remand population – the number of people in prison who are awaiting a hearing or sentencing. All participants in the system have a role to play in ensuring the system works as effectively as possible in the interests of justice.

Te Tiriti o Waitangi is a foundation of the democracy of Aotearoa. We are on a journey to better give effect to the Treaty partnership, enabling and developing engagement with Māori. The disproportionate representation of Māori in the criminal justice system has been especially evident in the work happening in the Hāpaitia te Oranga Tangata: Safe and Effective Justice work programme.

The recent changes have made it a good time to review how we go about our business. We have established some new ways of working in partnership with the judiciary, including a formal Courts Strategic Partnership Group, co-convened by the Chief Justice and myself.

It has been an incredibly busy year for our high performing policy team providing advice, supporting the development of new legislation and overseeing 145 pieces of existing legislation. There is a heavy work agenda for the foreseeable future with an extremely busy legislative programme.

The year in review has also seen the establishment of the Joint Venture Business Unit addressing Family Violence and Sexual Violence, and Te Arawhiti, the Māori Crown Relations departmental agency. Both of these entities have started well and are already fashioning a proud record of achievement. We are pleased to host them and support them.

I have, over the past few months, made it a point to visit as many of our people and sites as possible and this will continue.

Like a number of other ministries, we face challenges with our corporate infrastructure that need to be addressed. There are well-publicised issues with the quality of our buildings and facilities in some locations. Our information systems are, for the most part, not of the standard people would expect in this digital age. The Ministry will need to address these issues in coming years.

While property and infrastructure, processes and systems are important foundations for our business, it is our people who deliver the services. 2018/19 was a difficult year for staff relations in the Ministry with significant industrial action eventually leading to a pay settlement in December 2018. Our focus now is very much on re-building trust and looking to the future. We have a strong base to build on. The fact that the people who work for the Ministry care deeply about the purpose and work of the Ministry came through clearly in our recent Working for Justice staff engagement survey.

The survey gave us an overall engagement score of 59%. This is a significant increase from 2016, when our overall engagement score was 50.1%, but still lower than the comparable state sector benchmark (70%) and lower than where we want to be.

The Strategic Leadership Team is committed to working with our people to build a positive workplace culture.

I can see there is a lot of work ahead of us to achieve our goals and deliver on our ambitions, but the people I have met and seen in action give me confidence that we are capable of achieving special things through the justice sector for the people of Aotearoa.

Nō reira, anei te ripoata ā-tau mō Te Tāhū o te Ture. He mihi tēnei ki a tātou katoa i runga i ngā tini āhuatanga o te ao hurihuri.

Andrew Kibblewhite

Tumu Whakarae
Secretary for Justice

A photo of some of our people observing two minutes of silence as tribute to the victims and families affected by the Christchurch tragedy, see page 18 for details of the response.



Who we are and what we do

2018/19 milestones



We are **3,795** people working across the country.

We have six business groups:
Corporate and Digital Services
Operations and Service Delivery
Policy Group
Sector Group
Strategy, Governance and Finance
Joint Venture Business Unit



Our National Service Delivery provides a range of justice services to people around Aotearoa assisting with administering collections, legal aid, judicial libraries, centralised services, national transcription services.
\$190 million was collected in fines



We lead the justice sector to collectively reduce crime and reoffending.



We administer legal aid – helping people who can't afford a lawyer to get legal advice and representation.
61,963 legal aid applications were granted

We carry out criminal conviction history checks.
We processed 543,000 requests



We support and manage the Public Defence Service – New Zealand's largest criminal law practice.
15,051 PDS cases were accepted



We contract with **over 2,000** community-based and non-governmental service providers to support people moving through the justice system.



We develop justice policy – we advise on legislation and support our Ministers.

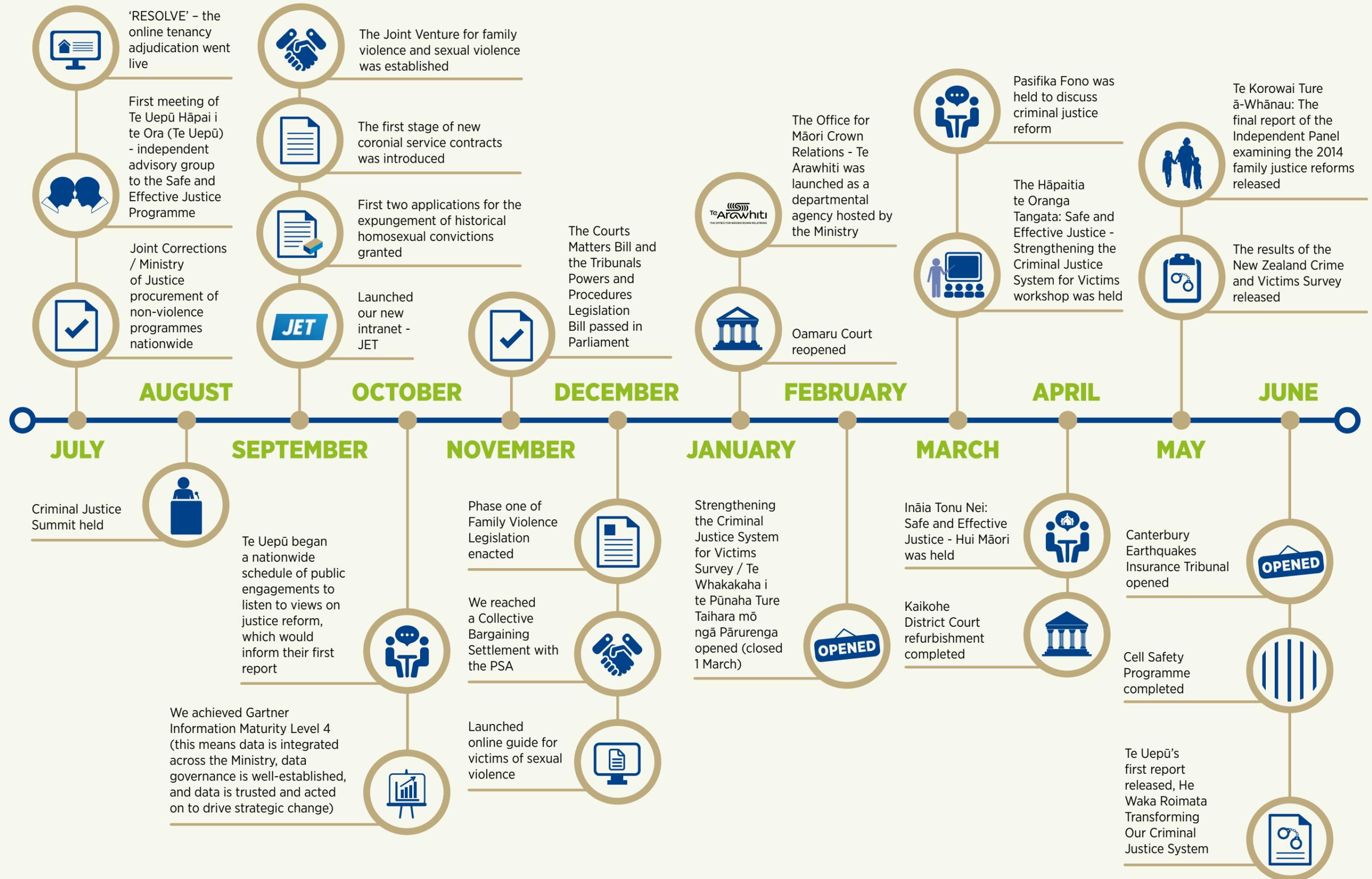
We host a departmental agency:
The Office for Māori Crown Relations – Te Arawhiti



We support the judiciary to deliver court services for the Supreme Court, Court of Appeal, High Court, District Courts and Specialist Courts. We support 29 tribunals, authorities and committees that help New Zealanders resolve disputes.



Timeline 2018/19 milestones



Our Strategy



DELIVERING ON OUR STRATEGY

Our new strategy sets out our strategic intentions that will enable us to achieve our purpose of working together for a fair and safe Aotearoa.

In May 2019, it was agreed that our Ministry’s strategy would be refreshed to reflect our new strategic direction. This year, we are reporting on the strategic intentions outlined in our 2018-23 Statement of Intent, while also aligning the Annual Report to our refreshed strategy (our previous strategy can be found on page 74). In particular, we’re aligning to:

- Our enduring priorities, which are the areas that will remain fundamentally important to the Ministry over the long-term.
- Our transformational opportunities, which reflect the particular opportunities and challenges we face today, and are what will make Aotearoa a better place for everyone.

Sector leadership and policy stewardship

We lead an integrated justice sector through strong sector governance, and shared ambition and knowledge. We identify solutions to improve the contribution of the justice system to New Zealanders’ wellbeing.

Everyone has a stake in our justice system and we all benefit when it works effectively. We work with each other, our ministers and across the public sector to ensure our policies and laws allow us to deliver critical services and improve the wellbeing of people who live in Aotearoa.

We support our ministers and the Government’s priorities. We also develop and support our capacity to give free and frank advice to future ministers and governments. We design policies and programmes to improve the long-term wellbeing of New Zealanders. This means anticipating future issues, and proactively offering advice on the issues that matter most.

In this section:

- How we contribute to the Government’s priorities
- How we lead the justice sector
- How we provide stewardship and support to the justice sector
 - › Developing policy and advising on legislation
 - › Response to the Christchurch mosque attacks tragedy

Justice Sector



We support the three branches of Government



How we contribute to the Government's priorities

We lead **Hāpaitia te Oranga Tangata: Safe and Effective Justice**, the cross-sector initiative to transform the criminal justice system. Over the past year, the independent advisory group **Te Uepū Hapai i te Ora** travelled throughout the country listening to New Zealanders' views about the current system. As a result of these forums, the group released a report recommending transformational change to the principles and processes underpinning our criminal justice system.

We also support the Government's work programme to transform our response to family violence and sexual violence, through the cross-government joint venture, which was launched in September 2018. The joint venture model is an integrated approach to addressing family violence and sexual violence across Aotearoa.

Māori are heavily overrepresented in the criminal justice system. Most people entering the criminal justice system have been victims of crime themselves. Many have mental health issues, difficulty with literacy, alcohol and drug addiction issues, and may have experienced childhood trauma.

This means that, in addition to looking at how we can better meet people's needs when they enter the criminal justice system, we need to look beyond the justice system for solutions.

We want to work with Māori to design a system that builds and supports community wellbeing and security. We're focused on successfully reintegrating people back into their communities, not just on locking them away.

How we lead the justice sector

We lead and support an integrated justice sector through strong sector knowledge and governance, shared goals and identifying solutions to improve criminal justice sector outcomes. We recognise the need to work together across the criminal justice sector to make Aotearoa safer, and to deliver justice services that are fair and accessible for all New Zealanders.

The Secretary for Justice chairs the Justice Sector Leadership Board, which comprises the chief executives of justice sector agencies. The Board oversees justice sector performance and outcomes.

We'll continue to share our data, evidence, and what we've learned to increase collaboration and integration across the justice system. These shared insights will help us make better decisions, increase transparency, improve our responses to crime and reduce harm.

It's critical that justice sector agencies work together to achieve shared outcomes and improve the wellbeing of New Zealanders. The governance mechanism supports the collective ambition of justice sector ministers and provides leadership and direction for the justice sector.

The Government's wellbeing objectives and ambition to reform the criminal justice system requires a whole-of-sector approach. Collectively, justice sector agencies have established and will continue to progress significant programmes of work, including Hāpaitia te Oranga Tangata: Safe and Effective Justice and the High Impact Innovation Programme — a cross-agency programme making operational improvements to reduce the number of people being sent to prison, the time they spend there and an increased focus on rehabilitation and reintegration.

How we support the justice sector

We support justice sector leadership in the following ways:

- Producing 6-monthly statistics reports, which are published on the Stats NZ website (stats.govt.nz/topics/crime-and-justice). At the same time, summaries and more detailed data tables are published on our website to improve the transparency and availability of justice information for the public.
- Knowledge Products is a cross-sector work programme. It uses data and evidence to support initiatives that improve wellbeing and build resilience, to support a fair and safe Aotearoa. These products include:
 - › Evidence Briefs, which summarise New Zealand and international research, the provision of current services, and tell us how well an intervention reduces crime
 - › Performance Reports and insights, which combine our datasets to tell a consistent, end-to-end criminal justice story

- › Research and Development Briefs, which discuss existing and emerging interventions that don't yet have a comprehensive evidence base, but show potential as valuable opportunities for research and development
- › Cohort Insights Reports, which collate evidence for specific communities to support decision-making at a local level
- › The Population Report, which details findings from a microsimulation model. The model uses New Zealand's population data to estimate the likelihood of a crime being committed. It can support further investigation into how to reduce crime in New Zealand communities.
- We also run the **New Zealand Crime and Victims Survey (NZCVS)**, which represents a national picture of the experience of crime in Aotearoa for those aged 15 years and over. The survey is designed to collect annual data and is the only comprehensive source of crime data covering both unreported crime and crime reported to Police. The survey helps inform future policy development, including the Hāpaitia te Oranga Tangata: Safe and Effective Justice initiative.



New Zealand's largest ever survey of crime has been released

In May 2019, the results of the New Zealand Crime and Victims Survey (NZCVS) were released.

The survey provides valuable insight into New Zealanders' experiences of crime in the past 12 months.

NZCVS is the most comprehensive report ever produced about the nature of crime in Aotearoa.

Our research and evaluation team coordinated the survey in conjunction with CBG Public Sector Surveying (an independent public sector research provider) and summarised its key findings.

One of the survey's key findings is that 71% of New Zealanders had not experienced crime in the last year. However, another key finding was the extent of what's known as 'shadow crime', which is the amount of crime that goes unreported.

The 148-page report is the first of three annual surveys, with the next round of interviews already underway for the 2020 report.

The survey has been a major achievement for all our people involved.

More details about the survey can be found here: justice.govt.nz/justice-sector-policy/research-data/nzcvsv/



Developing policy and advising on legislation



Our Policy Group has played a significant role in supporting Parliament and ministers to consider matters of high public interest, which involve personal ethics and value judgments for members of parliament and the public, including:

- supporting consideration of the End of Life Choice Bill. We analysed just under 40,000 public submissions on the End of Life Choice Bill.
- the Abortion Legislation Bill. We provided advice to the Minister of Justice on matters discussed in the Law Commission's Briefing Paper on Alternative Approaches to Abortion Law, and assisted the Minister in the development of the Abortion Legislation Bill
- preparations for the 2020 Cannabis Referendum, including development of the proposed regulatory regime.

Our Policy Group also provided in-depth advice to ministers in preparing policy and legislative settings for Election 2020, including:

- the Electoral Amendment Bill, which improves voter rights and implements technical improvements to assist the smooth running of elections
- the Referendums Framework Bill, which provides a statutory framework for the Cannabis referendum
- and (if required) a referendum on the End of Life Choice Bill.



We supported the Government's response to the Christchurch terror attacks, including:

- working with the Human Rights Commission to look at how we can stop the spread of hate speech in New Zealand
- expediting advice on counter-terrorism legislation. This builds on work that was underway to explore a range of changes to counter-terrorism legislation to ensure it was effective in the face of ongoing changes to terrorism settings
- responding to requests for meetings and information from the Royal Commission of Inquiry into the Attack on Christchurch Mosques on 15 March 2019.

We provided advice to ministers and Parliament on the Canterbury Earthquakes Insurance Tribunal Bill, to support the enactment of the Bill and establishment of the new Tribunal.

- the Tribunal's purpose is to provide speedy, flexible, and cost-effective services to help resolve insurance claims between policyholders and insurers, and insured persons and the Earthquake Commission under the Earthquake Commission Act 1993
- the Canterbury Earthquakes Insurance Tribunal officially opened on 10 June 2019.



At some point in their lives, every New Zealander is affected by Justice-administered legislation. We have supported the Government in progressing work that will support New Zealanders seeking help to resolve challenging matters, through:

- policy advice and legislation for the Criminal Cases Review Commission
- supporting the Independent Panel's report into the 2014 family justice reform
- policy advice on the evaluation of the Alcohol and Other Drug Treatment Courts.



We supported parliamentary processes to update and modernise legislation including: Trusts Bill, Courts Matters Bill and Tribunals Powers and Procedures Legislation Bill, Crimes Amendment Bill, Family Violence Bill (as part of the joint venture), Privacy Bill, Coroners (Access to Body of Dead Person) Amendment Bill, District Court (District Court Judges) Amendment Bill, Contempt of Court Bill, Criminal Cases Review Commission Bill. We also carried out policy work and advice on several Law Commission reports including those relating to National Security Information, the Evidence Act, and the Property Relationships Act.



In addition, the Ministry takes the lead on constitutional policy matters, including Te Tiriti o Waitangi, New Zealand Bill of Rights Act 1990, Human Rights Act 1993, Parliamentary and court matters. We provide advice to other agencies on offences and penalties, access to justice, the rule of law and constitutional matters. In 2018/19, we:

- worked to uphold human rights by vetting over 80 Bills for compliance with New Zealand Bill of Rights Act 1990
- vetted approximately 150 proposed offences and penalties to ensure that they are proportionate and consistent across the statute book.



We supported the Minister of Justice to lead the delegation to the United Nations on the Universal Periodic Review (UPR) and reported to the United Nations on the Government response to the recommendations. The UPR is a five-yearly review of the human rights record of every UN member state by all other countries with recommendations from those other countries on steps to take to further strengthen human rights protections and address emerging issues. We also represented Aotearoa at other international bodies, including Financial Action Taskforce and the OECD Working Group on Bribery in International Business Transactions, and prepared for New Zealand's mutual evaluation (in late 2019 – early 2020) under the Financial Action Taskforce.

Response to the Christchurch mosque attacks tragedy

Friday 15 March 2019 was a tragic day for Aotearoa. Like the rest of the country, we were deeply affected by the acts of terror in Christchurch.

On the day of the attack, our National Incident Management team was activated to coordinate our efforts and work with central government's incident management following the tragedy.

We coordinated staff resources across our business groups and deployed them to Christchurch and other parts of the country to support our people. We also delivered wellbeing guidance to our people across the country in the wake of the tragedy.

Many of our people were tasked with providing expedited policy and legislative advice to the Minister of Justice. We also prioritised supporting other agencies in the whole-of-government response during March and April.

During this time, we played a dual role in both leading the justice sector and contributing to justice services. Our work on different aspects of the response is ongoing.



Honouring our responsibilities to Māori

Honouring our responsibilities to Māori begins with more involvement of whānau, hapū and iwi in the day-to-day business of justice. We are enabling and developing engagement with Māori in the justice system in a way that reflects Te Tiriti o Waitangi partnership and addresses the overrepresentation of Māori in our justice system.

We're building partnerships with Māori, community groups and businesses so we can collaborate and design long-term solutions that work for future generations. We'll challenge the sector to do better in our engagement with and service to Māori.

In this section:

- How we're delivering culturally responsive justice services for Māori
 - › Te Haerenga
 - › Providing specialist courts
 - › Restorative justice
 - › Non-violence and safety programmes
- What was achieved in 2018/19



nationally, providing services related to non-violence programmes for perpetrators and safety programmes for adult and child victims of family violence



200+
people
attended the Hui Māori –
Ināia Tonu Nei: Safe and
Effective Justice

72
of our people
attended an
internal Hui
Māori



Delivering culturally responsive justice services for Māori

Māori are affected by the justice system more than any other group within Aotearoa, so our justice services must be culturally responsive.

We want to be in the best position possible to provide improved justice services for Māori. Te Haerenga (The Journey) is our strategy for achieving this.

Te Haerenga

As set out in Te Haerenga, we will lift the cultural capability of our people by:

- establishing and communicating the expectation that all our employees will have at least a basic understanding of te reo Māori, tikanga Māori and the Treaty
- encouraging all employees to access training in te reo Māori and tikanga Māori and the Treaty through different mediums
- encouraging the use of te reo Māori, tikanga Māori and the practical application of the principles of the Treaty in our everyday work
- having a framework in place that allows us to understand, measure and improve the level of our organisation's cultural capability

- supporting Māori employees' development through a range of initiatives.

Te Haerenga demonstrates our commitment to building resilient relationships with whānau, hapū and iwi and our desire to work together with our Treaty partner for mutual benefit. With Te Haerenga as our overarching strategy, and through the Hāpaitia te Oranga Tangata initiative, Te Uepū Hāpai i te Ora advisory group, and our partnerships and engagement, we're listening to the voices of Māori. Together, we'll provide justice services that are informed by Māori to bring about improved outcomes for Māori.



Hui Whakapiripiri Kaimahi Māori

Hui Whakapiripiri Kaimahi Māori, was held on 20-21 June 2019. This was the first National Hui for our Māori employees in 15 years.

The hui took place at Hungahungatoroa Marae under the leadership of Tony Fisher, Director, Māori Strategy, and with the active support of the Public Service Association.

We're exploring how we can take our engagement with Māori forward, to make honouring our responsibilities to Māori a foundational priority. Both Hāpaitia te Oranga Tangata and the Family Court reforms directly challenge the justice sector to do better in our engagement with, and service to, Māori.

72 Māori employees made the trip to Tauranga and were joined by Secretary for Justice Andrew Kibblewhite for an overnight stay at the marae, followed by robust and hard-hitting conversations on where we are and where we need to get to, so we can embed tikanga Māori and te reo Māori in our work.

There were specific recommendations on how we can deliberately and directly enable more training in te ao Māori, and on the need to respect and acknowledge the cultural contribution our people make as an integral part of their work.

Providing specialist cultural courts

We continue to support specialist cultural courts. Some of these use kaupapa Māori, which emphasises the involvement of whānau, hapū and iwi in the court process. Such courts include:

- Ngā Kōti Rangatahi – Rangatahi Courts: These courts aim to reduce youth reoffending and enable Māori communities to be more involved in each step of the youth justice process. Courts are held on marae and encourage strong cultural connections by using te reo Māori, culture and protocols. 2018 marked the 10-year anniversary of Ngā Kōti Rangatahi. There are 15 Rangatahi Courts around the country, which support tikanga Māori, but are open to all ethnicities.
- Matariki Court: This Court was established in Kaikohe to address the overrepresentation of Māori in the criminal jurisdiction of the adult court, and increase the involvement of Māori perspectives, in the justice system. It aims to engage the offender's whānau, hapū and iwi in the sentencing process and to encourage the use of te reo and tikanga Māori.

Managing third party specialist service providers

We continue to support specialist programme providers who use kaupapa Māori which emphasises the involvement of whānau, hapū and iwi. There are:

- 8 restorative justice contracts with iwi or kaupapa Māori organisations that provide services to 18 courts.
- 24 kaupapa Māori programme providers for the delivery of non-violence programmes for perpetrators and safety programmes for adult and child victims of family violence.
- A kaupapa Māori provider that provides services for the Matariki Court.

What we've achieved in 2018/19

Police Safety Orders co-design



A prototype Police Safety Order (PSO) risk and needs assessment service was co-designed with Māori as part of the implementation of the Family Violence Act 2018. The prototype is being tested in Counties Manukau, Christchurch and Hastings, with tauiwi and specialist Māori NGO providers.

At the core of the service is a Kaitakawaenga (mediator) who works with the person named in the PSO to assess risk, develop a plan to improve safety for the victims, and identify what's needed to engage the person to change violent behaviour.



Te reo Māori resources

The child witness video resource has been translated into te reo Māori, and the English version can be viewed with te reo Māori subtitles. This video is available for Court Victim Advisors to share with child witnesses going through the court system. The online guide for victims of sexual violence is available in te reo Māori, including all text and dialogue in embedded videos.

Whenua Māori programme



In May 2019, the Government announced a strategic investment into the development of whenua, Māori freehold landowners and their whānau. Budget 2019 allocated \$56.1 million between Te Puni Kōkiri (the Ministry of Māori Development) and the Ministry of Justice over four years towards implementing the Whenua Māori programme.

We jointly lead the programme with Te Puni Kōkiri.

The programme will deliver:

- new and improved Māori Land Court Services
- new and enhanced Māori Land Court Technology
- amendments to Te Ture Whenua Māori Act 1993
- Regional Whenua Advisory Services
- a Whenua Knowledge Hub and website.



Waitangi Tribunal Unit staff noho marae – August 2018

Waitangi Tribunal Unit staff, together with their colleagues from the Chief Judge's Chambers and Business Support team, spent two days at Hongoeka Marae in Plimmerton. In line with the Unit's commitment to improving cultural confidence, the two-day noho marae (marae live-in) allowed the teams to:

- strengthen their knowledge of te ao Māori
- foster whanaungatanga (working collaboratively), and
- engage with the judiciary and our leadership team.

Hosting Waitangi Tribunal hearings at local marae is one of our key roles at the Unit, so the opportunity was taken to nurture a relationship with one of the local iwi, Ngāti Toa Rangatira.

The noho marae is an example of the Unit's commitment to developing te reo Māori and the cultural confidence of its staff and strengthening team connections and engagement, while also establishing a genuine relationship with local iwi. The noho marae was a well-organised, successful and enjoyable event thanks to the hard work of the organising committee and the hospitality of the hau kāinga (the hosts).

Maintaining the integrity of the courts and tribunals

Trust in our institutions is vital for the wellbeing of New Zealanders. A strong court system ensures laws are upheld and allows people to live their lives in the confidence they're safe and their rights will be protected.

Courts and tribunals need to provide services that are easy to access and navigate, are simple to understand and don't create unnecessary delay or stress.

We work in partnership with the judiciary and solve issues together to ensure each is able to meet their responsibilities for the Courts of New Zealand.

In this section:

- We support the independent judiciary
- Modernising the courts and tribunals

Courts Matters Bill and Tribunals Powers and Procedures Legislation Bill

Passed



He Puna, our business intelligence tool, was rolled out to the Senior Courts for criminal and civil cases in the High Court and the Court of Appeal



279 ideas

received through the Court Improvement Hub resolved

• **140** for improvements to core systems

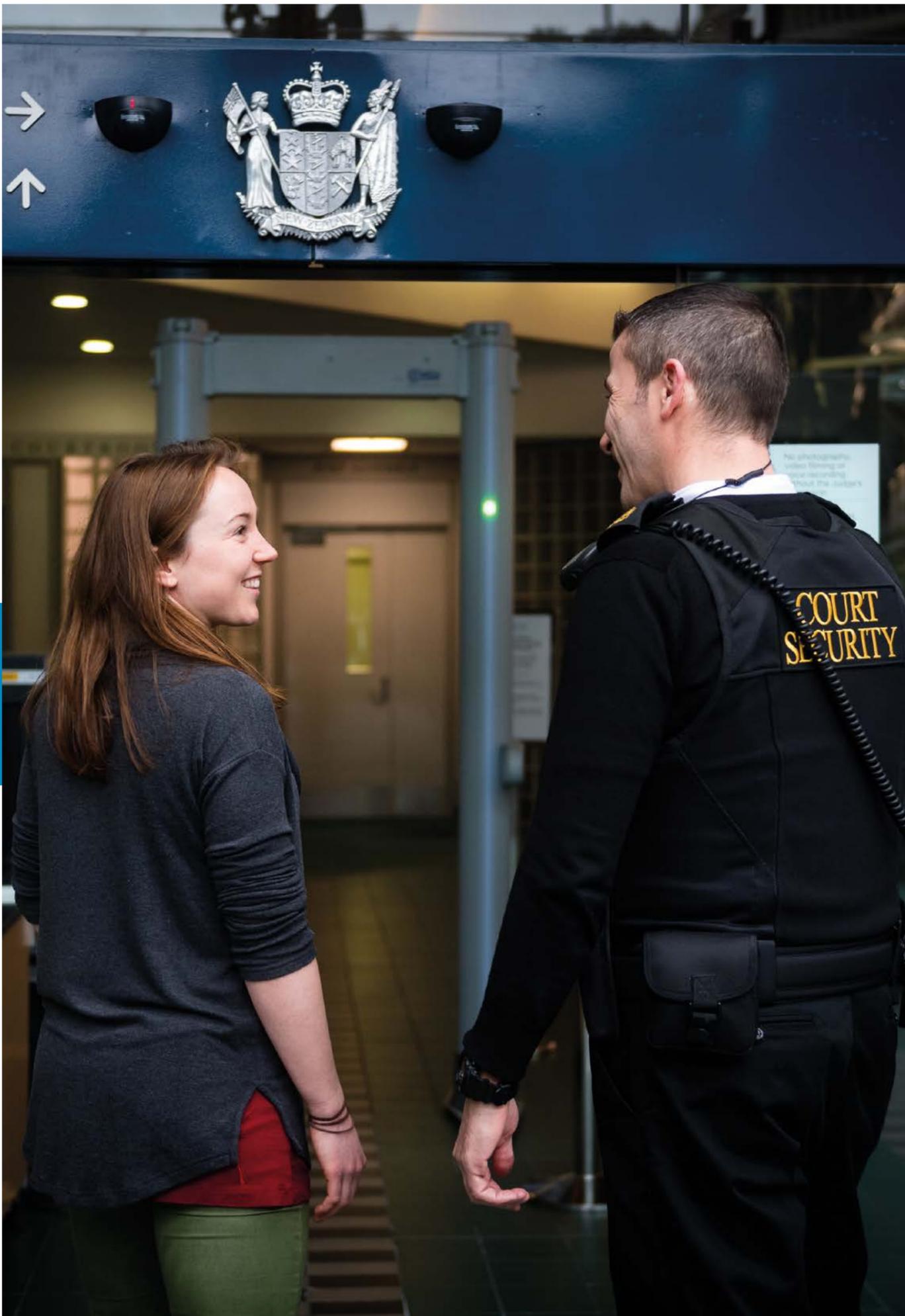
• **92** for internal efficiencies

• **47** relating to improving the customer experience



4,300

 pages of knowledge base content migrated to the new platform, to support our people to deliver court services



We support the independent judiciary

Our key operational role is to support the judiciary and the courts. We provide registry and administrative services necessary to support judicial administration of the court system and to support judicial decision-making. Administrative support includes providing staff in the registries, transcription services, finance, ICT, human resources and funding for continuing legal education and development for judges.

In delivering services, we recognise the importance of the constitutional requirements of the independence of the judicial function, and support the judiciary to ensure this is preserved and maintained. The courts must be, and must be seen to be, separate from and independent of the Executive – this serves to uphold the rule of law.

Employees, such as court registrars who exercise quasi-judicial functions, do so as officers of the court. The Ministry does not direct employees when they are exercising these functions.

As well as daily contact with the judiciary on operational matters, the Judicial Office for Senior Courts is the official conduit for communications. We seek judicial input into our operational changes that affect the courts, for example improvements to court processes and service design.

A memorandum of understanding titled Principles observed by the Judiciary and Ministry of Justice in the Administration of the Courts was signed in November 2018 and guides the relationship between the Ministry, the judiciary and the courts. The document sets out the separate and joint roles of the Ministry and judiciary, judicial responsibilities, Ministry responsibility for court support, and shared responsibilities.

In 2019, The Rt Hon Dame Helen Winkelmann took office as the new Chief Justice and Andrew Kibblewhite started as the Secretary for Justice and Chief Executive of the Ministry of Justice. The Chief Justice and Secretary for Justice have agreed a new structure for engagement between the judiciary and the Ministry on matters of strategic importance. That engagement is now carried out via the Courts Strategic Partnership Group, which enables senior judges and leaders in the Ministry to commit to building an effective partnership between the two branches of government.



Modernising the courts and tribunals

Modernisation encompasses every aspect of what we do and how we do it – from our culture and how we support our people to the buildings we work in and how we support court administration and other services. Modernising the courts and tribunals improves access to justice by making it possible for people to move through the court system as quickly and easily as possible.

Through modernisation, we aim to make it easier for people to access, engage and resolve matters and minimise the impact on those most at risk. A significant part of this journey is moving away from viewing cases as a series of individual steps and instead thinking about them in the context of people's lives.



Ensuring laws are fit for purpose

We supported the passage of legislation and implemented changes to ensure the legal framework enables the modernisation of our courts and tribunals. In November 2018, the Courts Matters Bill and the Tribunals Powers and Procedures Legislation Bill were enacted. 38 Acts have been amended to make our services fairer and more effective and will improve people's interactions with the courts. Amendments include:

- allowing deputy chairpersons to be appointed to the Human Rights Review Tribunal. The new deputy chairpersons (4 Full-time Equivalents) have now been appointed, and this will improve the rate at which the Tribunal can hear and determine cases
- making it easier for people to arrange to pay their fines in affordable instalments
- allowing audio-visual link technology to be used appropriately in criminal proceedings

The remaining provisions of both Acts come into effect on 29 October 2019. Amendments include:

- increasing the financial threshold for the Disputes Tribunal from \$20,000 to \$30,000, so more disputes can be resolved
- authorising the Real Estate Agents Disciplinary Tribunal to award compensation of up to \$100,000 for financial losses arising from the unsatisfactory conduct of real estate agents
- changing Criminal and Family Court procedures to improve effectiveness.



Improving how we schedule and manage court events

People often engage with us at important or stressful times in their lives. If someone needs to appear in court, they may need to take time off work or school, or arrange childcare, which can add more stress. We want people to be certain that we value their time and that if court event is scheduled, it will go ahead that day.

We established a National Scheduling Team to improve how we schedule and manage District Court events. In 2018/19, we introduced dedicated scheduling roles nationwide and a new rostering and scheduling application to replace the previous courts and tribunals scheduling tool. By having a national scheduling perspective, we are using data and information to provide more consistent services, which don't cause unnecessary disruption.



Making it easier for people to do things themselves

The Courts Case Portal Pilot was run in the Court of Appeal to understand the impacts of implementing online services. This pilot enabled us to test how to support the electronic filing of documents and the payment of court fees. From this pilot, we learned how better to support people to work with us digitally and will inform our future decisions.



Understanding how we can do things better

We need good data and analytics to assess the effectiveness of our services. We're giving our people the right tools to help them lead their teams, manage their resources, and improve performance through accessible, timely and reliable data.

In 2018/19, we continued to roll out He Puna, our business intelligence tool across the courts and tribunals.



Improving how we deliver our services and administer cases

Better processes and caseflow management mean that cases can be resolved more quickly and efficiently. We're improving how we manage cases and applications right from when they start through to resolution.

We're supporting two judicial initiatives to ensure our people are well prepared to help participants in the justice system:

- Electronic casebooks minimise the reliance on paper records, which can be damaged or lost. The casebooks are compiled versions of court documents, like submissions of evidence used on-screen by judicial parties and other parties during a hearing. It enables the judiciary and others involved to share a 'single source of truth', and the casebooks can be easily searched and annotated throughout the hearing.

Electronic casebooks were piloted in the Court of Appeal in 2018/19 and have started to be piloted in the Family Court.

- iJudgment enables judges to review their judgments on-screen, listen to relevant audio at their work station, and authorise that judgment without the need to print and sign the document.

iJudgment is rolled out in the District Court criminal jurisdiction nationally.



Improving accessibility of information

In 2017, courts had 17 different knowledge bases stored on a variety of outdated technologies. All had different structures, formats and styles and only some had a search function.

We now have one master knowledge base that contains over 4,300 pages of key information on a new intranet platform.

Our people in the courts have a single platform to access information on how to do their work. This enables them to successfully deliver frontline services in a more consistent way.



Enhancing court proceedings through the use of te reo Māori

By direction of the Chief Justice, the President of the Court of Appeal and the Chief High Court Judge, the opening/adjournment/closing of Court sessions in all the Senior Courts will commence using both te reo Māori and English.

The use of both te reo Māori and English is a practical way in which the Senior Courts can give effect to te reo Māori as an official language of Aotearoa. The use of the Māori language in Courts

is already established in the District Court, courts of special jurisdiction, such as the Māori Land Court and the Waitangi Tribunal, and is part of proceedings in the Rangatahi Youth Courts.

The introduction of te reo Māori in the Senior Courts will enhance proceedings and demonstrate a due regard for the cultural significance of the language in the court environment.

Leading the transformation of the criminal justice system

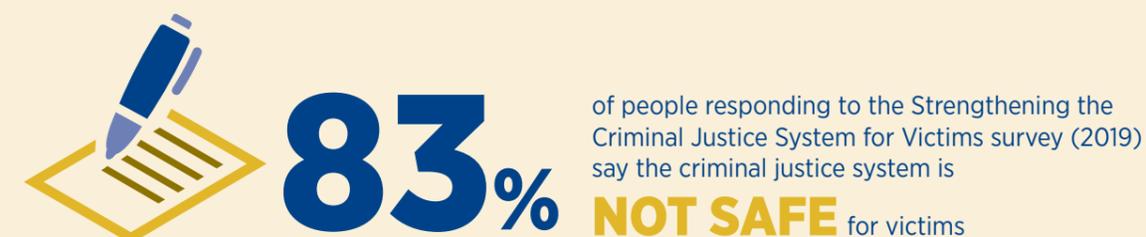
We support the Minister of Justice in leading the transformation of the criminal justice system to deliver safe and effective justice for the people of Aotearoa. Hāpaitia te Oranga Tangata: Safe and Effective Justice initiative is the 'arrowhead' to this transformation. It's charting the path to a renewed purpose for the criminal justice system, principles for reform, and a plan for transformation.

Continuing our new way of working, modelled by our engagement-led process, this work will be done collaboratively with all the criminal justice agencies. In addition to working across government, we're partnering and engaging with NGOs, whānau, hapū, iwi, and with the community.

In this section:

- Working towards a safe and effective criminal justice system

There are many reasons for transforming the justice sector, here are just a few:



Working towards a safe and effective criminal justice system

The Government is committed to creating a criminal justice system that's more effective and keeps people in Aotearoa safe. This is why, in mid-2018, Minister of Justice Hon Andrew Little launched Hāpaitia te Oranga Tangata: Safe and Effective Justice (Hāpaitia te Oranga Tangata) to drive reform. The focus is on developing long-term solutions, which will keep people safe, allow communities to thrive and build a criminal justice system of which the people in Aotearoa can be proud.

Minister Little also established Te Uepū Hāpai i te Ora – Safe and Effective Justice Advisory Group (Te Uepū) to find out what New Zealanders want from our criminal justice system and to canvass ideas about how it can be improved.



Who we engaged with in 2018/19



Starting at the Criminal Justice Summit in August 2018, the Hāpaitia te Oranga Tangata engagement team supported Te Uepū to listen to people from all over Aotearoa. The Summit brought many people together to hear their experiences and ideas for change, and to develop a way forward.

We continued to support public engagement throughout the year to inform the vision and objectives of Hāpaitia te Oranga Tangata. Engagement included:

- **Strengthening the Criminal Justice System for Victims workshop** – in March 2019, approximately 160 people gathered together for a two-day workshop, hosted by the Government's Chief Victims Advisor.
- **Pacifika Fono** – in March 2019, approximately 150 Pacific people attended the Fono to discuss their experiences and ideas for criminal justice.
- **Hui Māori: Ināia Tonu Nei – Now is the time: We lead, you follow** – in April 2019, a hui was held to discuss Māori experiences with the justice system and their aspirations for criminal justice reform.

In 2018/19, Te Uepū attended over 220 hui across 13 regions, talked directly with hundreds of people and received over 200 online or emailed submissions – effectively hearing from thousands of people across Aotearoa.

What we've heard so far

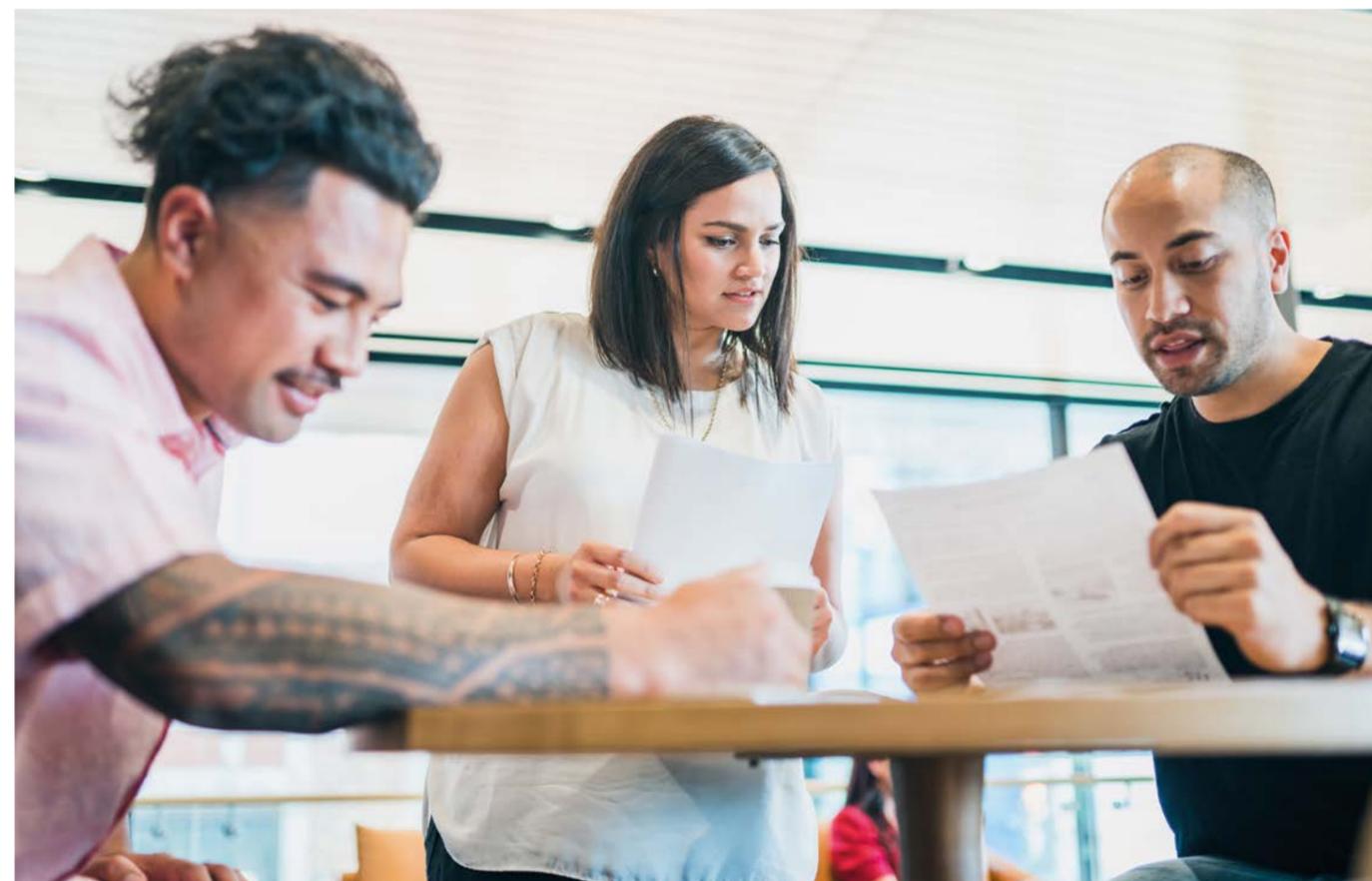
Te Uepū heard many diverse views including from people harmed by crime and people who have offended. They also heard from their whānau, their communities and those who provide services within the system. The group's first report He Waka Roimata – Transforming Our Criminal Justice System ([the report can be viewed here](https://safeandeffectivejustice.govt.nz/about-this-work/te-uepu-report), safeandeffectivejustice.govt.nz/about-this-work/te-uepu-report) was published in June 2019 and shared key themes emerging from the public discussion:

- Too many people who have been harmed by crime feel unheard, misunderstood and re-victimised.
- The number of Māori in the system is a crisis.
- Violence is an enormous problem, particularly for families and children.
- Formal justice processes fail us too often.
- The system is too focused on punishment and neglects prevention, rehabilitation, reconciliation and repair of the harm done by crime.
- Individuals and whānau feel unsupported and disempowered by the system, and the ability of whānau, hapū, iwi, communities, NGOs and others to provide support is constrained by the siloed nature of government structures and funding arrangements.

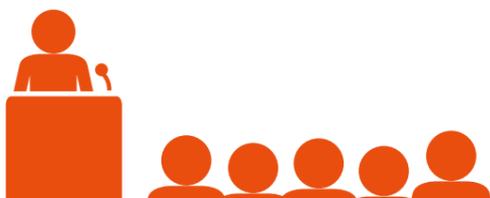
- People experiencing mental distress lack the support they need.

An independent report was released following the national Hui Māori: Ināia Tonu Nei – Now is the time: We lead, you follow (the report can be viewed here, safeandeffectivejustice.govt.nz/about-this-work/hui-maori/). This report captures the kōrero and the recommendations that came out of the Māori justice hui.

Recommendations from Te Uepū, the Chief Victims Advisor, and the Hui Māori: Ināia Tonu Nei, as well as ongoing work by Hāpaitia te Oranga Tangata, will inform the development of a core purpose and guiding principles for the criminal justice system. We'll also continue to work in partnership with justice sector agencies and the wider social sectors, Māori, community groups, and our young people as we create a plan for transformation.



Examples of how we supported public engagement during the year



Criminal justice summit 21-22 August 2018

The Criminal Justice Summit was the beginning of a national conversation on how we can work together to improve our criminal justice system.

The summit allowed the justice sector to engage and collaborate with international experts and people who have a lived experience in the criminal justice system. Importantly, it has signalled a new approach and partnership with Māori to address the over-representation of Māori in the criminal justice system.

Described by international attendees as 'unprecedented' and 'world leading in its approach', the summit was attended by more than 600 people from a diverse range of backgrounds. Victims, community advocates and people who have offended participated in conversations alongside members of the judiciary, public sector officials and Members of Parliament. The summit focused on co-design and partnership, and was designed to be interactive and promote a collaborative approach. Everyone who attended was encouraged to participate and take ownership of a proposal to reform the criminal justice system.

The ideas generated at the event are being developed through Hāpaitia Te Oranga Tangata, Safe and Effective Justice initiative.



Ināia Tōnu Nei – Now is the time: we lead, you follow

Hui Māori took place from 5-7 April 2019 in Rotorua, attracting over 200 people from all around the motu to reflect, korero and waiata about Inamata (our past), Onamata (our present), and Anamata (our future) of the criminal justice system in relation to Māori and te ao Māori.

This was the first time the Ministry of Justice had engaged in a co-design and delivery approach with Māori (Te Ohu Whakatika) on reform to the criminal justice system.

There were significant challenges in learning how to partner with Māori in the delivery of this hui, particularly in reaching a mutual understanding on how to work together early on. These challenges required us to change the way we worked to deliver a significant and meaningful event.

The investment in the approach proved worthwhile, with commentary from the hui reflecting the foundations laid for an ongoing partnership between Māori and the Crown. Feedback following the hui included:

"It has provided some pathways which if actioned could be transformational, ināia tonu nei – ki hikoi te korero."

"Very positive, we have never seen decision makers so open to transformative change."

Justice sector chief executives have committed to ongoing engagement and establishing a governance structure that enables Māori voices to continue to inform the reform of the criminal justice system.

Addressing family violence and sexual violence

We're working across government to prevent and eliminate the unacceptable rates of family violence and sexual violence in Aotearoa.

We are one of the ten agencies that make up the Joint Venture for Family Violence and Sexual Violence and host the Joint Venture Business Unit that supports the Joint Venture to operate.

We are working to improve the justice system response to victims of sexual violence and family violence and provide corporate support for the business unit.

In this section:

- Reducing crime, victimisation and harm
- The Joint Venture for Family Violence and Sexual Violence
- Interim Te Rōpū Māori advisory group
- Improving the justice response to address family violence and sexual violence



The **Joint Venture** was established in 2018 to lead the prevention and reduction in family violence and sexual violence

We support  **DOMESTIC VIOLENCE PROGRAMME PROVIDERS**
83 FROM KAITAIA TO INVERCARGILL



1388 people supported by **sexual violence court victim advisors**

Family Violence Act 2018 and Family Violence (Amendments) Act 2018

TAKE EFFECT



2159 people were helped through the **Whānau Protect National Home Safety Service**



Reducing crime, victimisation and harm

Too many people in Aotearoa know through personal experience the devastating impact family violence and sexual violence has on whānau and communities. We are a key agency in a cross-government effort to prevent and eliminate these forms of violence. Our responsibilities are:

- leading the implementation of the new family violence legislation
- being a member of the Joint Venture for Family Violence and Sexual Violence (Joint Venture)
- hosting the Joint Venture Business Unit, which supports the Joint Venture
- being defined as a Family Violence Agency under the Family Violence Act 2018.

Our other critical work in this area ranges from initiating new policies and legislative reform to providing targeted programs to support victims of family violence and sexual violence.

The Joint Venture for Family Violence and Sexual Violence

Joint Venture

Eliminating family violence and sexual violence

In 2018/19, we continued to host the Multi-Agency Team on Family Violence and Sexual Violence, which became the Joint Venture Business Unit in September 2018.

The Joint Venture Business Unit is working to support the ten Chief Executives on the Joint Venture of the Social Wellbeing Board. The Board includes the Chief Executives of the Department of Prime Minister and Cabinet, Oranga Tamariki – Ministry for Children, Ministry of Health, Te Puni Kōkiri, Ministry of Social Development, Ministry of Education, Ministry of Justice, New Zealand Police, Accident Compensation Corporation and Department of Corrections.

So far, the Joint Venture Business Unit has:

- delivered the first Joint Venture package of Budget initiatives in Budget 2019 and led a collective Estimates Review for the Joint Venture, focused on these Budget 2019 initiatives, as well as leading the work on the implementation of several of the initiatives (e.g. Integrated Community Response)

- supported the establishment of Interim Te Rōpū to work in partnership with government to develop the National Strategy and led preparation of advice to the Government on an enduring Māori Crown partnership
- set up a governance and decision-making structure of Chief Executives and Deputy Chief Executives, advised by a cross-government Business Change Leaders' Group and supported by a Secretariat shared across the State Services Commission and the Joint Venture Business Unit
- drafted organisational standards for the specialist family violence workforce, in partnership with a Progressive Design Group of non-governmental representatives
- established strong networks with the FVSV sector, and supported the Parliamentary Under-Secretary to the Minister of Justice (Domestic and Sexual Violence Issues) in her engagement with the family violence and sexual violence sector
- led work with Joint Venture agencies and non-government organisations to build collective insights on requirements for a national strategy and action plan.

Interim Te Rōpū Māori advisory group

In September 2018, the Cabinet Social Wellbeing Committee agreed that the dedicated agent be established as a joint venture of the Social Wellbeing Board. The Committee further agreed to establish an Interim Te Rōpū (the Māori partnership group) to assist the Crown, Ministers and The Board.

The main functions of the Interim Te Rōpū, include:

- working in partnership with the Crown on setting the strategy, priorities, specific actions and resourcing levels needed to reduce family violence and sexual violence, and violence within whānau, facilitating solutions by Māori for Māori
- advising the government on the effectiveness of the whole-of-government response to family violence and sexual violence, and violence within whānau and the performance of the dedicated agent (the Joint Venture)
- engaging with and reporting back to iwi, hapū and whānau.

The group had their first meeting in December 2018 and have met once per month since then. The core focus of the Interim Te Rōpū at present, is working with the Joint Venture Business Unit to develop the national strategy and action plan – ensuring that it reflects Māori aspirations, and that they are in support of the final strategy before it is presented to Cabinet.

Improving the justice response to address family violence and sexual violence

New family violence legislation

We're responsible for implementing the new family violence laws, which took effect in two stages. Many of our people have been involved in the planning, drafting and implementation of the new laws for the last five years.

The Family Violence Act 2018 and the Family Violence (Amendments) Act 2018

These Acts introduced new criminal offences and strengthened family law. In preparation for the full implementation of the law, we updated our processes, practices and publications. The new legislation is one part of the whole-of-government work programme to transform the response to family violence.

The first phase of legislation, which came into effect on 1 December 2018:

- introduced three new family violence offences
- makes victim safety the primary consideration in bail decisions
- makes it easier for complainants to give evidence by video recording.

The second phase of legislation, which came into effect on 1 July 2019, includes:

- a new modern definition of family violence, which gives greater emphasis to coercive and controlling behaviour that's used over time to frighten a victim and undermine their autonomy
- principles to guide decision-making, such as recognising that children are particularly vulnerable to family violence
- information-sharing provisions to clarify who can share information and when
- codes of practice to help guide the delivery of family violence-related services.

Our role as a Family Violence Agency

We have a responsibility to ensure our processes and practices keep people safe from family violence. This has been formally recognised through being named as a Family Violence Agency under the Family Violence Act 2018. Family Violence Agencies are expected to collaborate to identify, stop, prevent and respond to family violence. This includes sharing appropriate information that will help keep victims safe. However, it's important to note that the guidance and information laws don't apply to court information.

One of the ways we keep people safe from family violence is providing support and training to our people. We already have support in place for our people affected by family violence through the Workplace Family Violence Programme. The next phase of training is around our frontline people's understanding of the impact of family violence and sexual violence on people going through the justice system, knowing how to respond and where to refer them for support in the community.

From early 2019/20, we'll be offering the Family Violence and Sexual Violence Customer Service Response training. The training involves a two-hour workshop to be delivered regionally by a family violence specialist and a sexual violence specialist.

Supporting better programmes to address family violence

In 2018/19, we supported 83 providers of family violence programmes from Kaitiāia to Invercargill. The programmes included:

- Non-violence programmes for perpetrators of family violence. 6,535 perpetrators were referred to non-violence programmes in 2018/19.
- Safety programmes for people protected by a Protection Order, including needs identification and safety planning. 5,112 adults and children who suffered or witnessed family violence were referred to safety programmes in 2018/19. An additional 904 adults were referred to the Strengthening Safety Service for help and support.

The Strengthening Safety Service provides free, confidential and immediate assistance to victims of family violence. The service recognises that people can be at their most vulnerable at the start of court proceedings and refers people waiting for a protection order, and victims of family violence whose case is before the criminal court, to a safety service provider.

We commissioned an independent evaluation of Ministry-contracted family violence safety and non-violence programmes for victims and perpetrators. The evaluation found that these programmes reduce offending and help victims to feel safer. The report captured insights into what helps perpetrators change their behaviour and what helps victims feel safe and supported. The report was released in 2019.

Read the full report: An evaluation of the Ministry of Justice-funded domestic violence programmes, here: justice.govt.nz/justice-sector-policy/research-data/evaluation-of-domestic-violence-programmes/.

Supporting judicial initiatives to address family violence and sexual violence

We support the implementation of the Sexual Violence Courts pilot, led by the Chief District Court Judge. The pilot began in December 2016 in Whangārei and Auckland and aims to improve the court experience for victims. It reduces delays in sexual violence cases getting to trial and encourages cohesive and consistent application of existing law. The pilot brings similar cases together, helps ensure sexual violence cases are dealt with effectively and consistently, and improves how judges, court staff and lawyers work together. A central part of the

pilot is trial judges undertaking a sexual violence education programme.

The pilot's final evaluation (prepared by research company Gravitas and the Ministry of Justice) was completed in June 2019. It showed that pilot cases are proceeding to jury trial about a third faster on average than previously. It also showed that most complainants feel the trials under the pilot are managed in a way that does not cause them to feel retraumatised by the process. One of the report's findings is that there is wide support among stakeholders for the pilot model to be extended to other courts around the country.

We also continue to support the Family Violence Bail Report pilot. It was launched in 2015 in the Porirua and Christchurch District Courts and has expanded to include 13 District Court locations. It aims to keep victims safe by ensuring judges have relevant, timely and consistent information to assess risk when determining bail applications. Before a family violence bail hearing, judges receive a pack that includes information about a defendant's criminal and family violence history, Family Court information about the existence of a current Protection Order, and information about whether there are any proceedings in progress under the Care of Children Act 2004.

We support the Family Violence Courts initiative, led by the Chief District Court Judge. This judicially-led initiative was established in Waitakere in 2001 and has since expanded to eight District Courts. It aims to get offenders to take responsibility and keep victims safe by using a range of innovative approaches, including Victim Advocates, judicial monitoring, and community organisations providing specialist services to the courts.



Website launched for sexual violence victims

In December 2018, a new website was created to support victims of sexual violence. The website explains the justice process in plain and simple language and is available in both English and te reo Māori. It aims to reduce secondary victimisation for victims and survivors and help them make informed choices about the actions they can take after they've experienced sexual violence.

The website was developed in partnership with victims, specialist sexual violence services, the New Zealand Police, and our people. It was informed by the Law Commission report: The Justice Response to Victims of Sexual Violence along with the Ministry's own research. The new website provides a resource for victims and their whānau and supporters to

understand what is happening throughout the court process and feel more prepared for navigating the system. Features include a glossary of commonly used terms heard in court, links to specialist organisations and support networks, and a series of videos that describe the court process including the roles of various people in court.

The website was launched in December 2018 by Jan Logie, Parliamentary Under-Secretary to the Minister of Justice (Domestic and Sexual Violence Issues), and has since received positive feedback from frontline staff, non-governmental organisations and other user groups.

sexualviolence.victiminfo.govt.nz

Improving access to justice

People access the justice system in different ways and have different needs. We want to ensure that everyone has access to justice and receives the support they need, regardless of the diversity of their needs and financial situation.

Improving access to justice requires us to partner with the judiciary, as well as support and implement legislative reform.

In this section:

- Providing great service to the public everyday
- Responding to the needs of victims
- Providing access to justice
- Supporting solutions-focused courts



15,051 Public Defence Service cases accepted
61,963 legal aid applications granted (excluding PDS)



345,588 calls answered for the Collections contact centre



629,403 calls answered for courts contact centre

TOTAL CALLS ANSWERED
974,991

\$77 million was spent on

162 contracts with community-based providers



Processed **543,000** requests for criminal conviction history checks



31,540 calls to our Victims Information Line

Providing great service to the public everyday

We put New Zealanders front and centre of the work we do. We're committed to continuously improving the way we deliver services to help New Zealanders get through the justice system more easily and fairly. We want people to have the same high quality of service, regardless of where they are or how they interact with us.



Administering the courts and tribunals

We support the judicial administration of courts, tribunals, and authorities, including:

- the Supreme Court, Court of Appeal and High Court
- the District Court, including the Family Court and Youth Court
- specialist courts like the Environment Court, Employment Court and Coronial Services
- the Māori Land Court – Te Kooti Whenua Māori
- the Waitangi Tribunal
- 29 Tribunals, Authorities and Committees with over 400 judicial officers and certifying consultants.

We also provide other essential services, including:

- technical and judiciary security, which provides a secure and safe environment for the judiciary, court users, our people and the New Zealand public
- the National Transcription Service, which transcribes proceedings across all jurisdictions and in other areas of the wider justice sector
- the Judicial Libraries team, which provides library and information services to the judiciary and judicial support teams and advise on the management and administration of court records. It also publishes judicial decisions
- Customer Contact and Centralised Services, which includes call centres and the Central Processing Unit (CPU), whose primary focus is delivering quality services quickly, each and every day.



Investing in courts security

Our 232 Court Security Officers (CSOs) are the first point of contact for people visiting the courts and are an integral part of our services we provide to court users. Court users have told us they find our CSOs approachable and feel safe when using the courts.



Collecting fines and reparations

We collect unpaid infringements lodged in court and court-imposed fines. We also collect reparations and enforce civil debts on behalf of judgement creditors where the court is instructed to do so. In this way, we help ensure the credibility of monetary sanctions as a sentencing option. In 2018/19, we collected \$190 million, compared to \$185 million in 2017/18.

We also collect the Offender Levy. This is a \$50 levy imposed on all offenders when they're sentenced, regardless of the offence, which helps fund services for victims of serious crime.



Small changes, big results

Behavioural insights play a key role in delivering a humane and effective justice system. Almost everything that happens within the justice sector is behaviour related, from arranging for people to pay their fines to crime prevention strategy.

In 2019, we set up a Behavioural Insights Unit to support the Ministry of Justice, New Zealand Police, Department of Corrections, Oranga Tamariki and the Serious Fraud Office. The team applies evidence from behavioural science to improve the design of services and policy and achieve better outcomes for people going through the justice system. They do this by making tweaks to our processes that take into account the factors and biases that influence human behaviour in practice, and combining this with human-centred design and robust evaluations.

Although the team is still in the process of setting up, so far, they have been working on supporting people on bail to stick to their conditions; increasing attendance at community work; and fine payments.

A couple of the most notable achievements in using behavioural insights to date are:

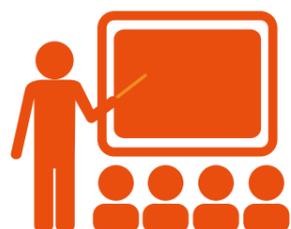
- Our National Service Delivery team added 16 words to its template letter to people reminding them to pay their fines. This simple change in language resulted in a 7.2 percent increase in fine payments, with an annual financial benefit of up to \$1.7 million.
- Reducing the text of the District Registrar Summons letter and adding a diagram, which showed that people were at the last warning stage of the fine process increased the percentage of people making a payment or setting up an arrangement by 11 to 17 percent. Every year, this change is expected to lead to an additional 6,700 to 10,200 people paying or setting up an arrangement, with an additional \$600,000 to \$960,000 being paid within the 28-day payment window.



Responding to the needs of victims

We aim to make the justice system more responsive and easier to navigate for all victims of crime. **The Victims Code** sets out how victims can expect to be treated and what support services are available to them. In 2018/19, we supported victims by:

- running the first annual New Zealand Crime and Victims Survey (NZCVS). The predecessor to this survey was the New Zealand Crime and Safety Survey (NZCSS), but significant improvements were made to the design. The NZCVS interviews more people, covers more types of offences, and uses an offence coding system that's closer to the Police coding approach
- holding a two-day Victims Workshop to ensure victims play a key role in ongoing work to deliver a safer and more effective justice system for Aotearoa.



The Victims Workshop

Victims of crime, their advocates, judiciary, government officials and victim experts gathered together on 4-5 March 2019 to ensure victims play a key role in the ongoing work to deliver a safer and more effective justice system for Aotearoa.

The Hāpaitia te Oranga Tangata: Safe and Effective Justice - Strengthening the Criminal Justice System for Victims workshop included the initial results of a comprehensive survey of New Zealanders, many of whom had experiences in the justice system.

The Government's Chief Victims Advisor, Dr Kim McGregor, hosted the two-day workshop. She says the discussions and survey results clearly shows that efforts must continue to ensure victims feel supported, heard and respected.

The event is part of Hāpaitia te Oranga Tangata and all the information will help inform the Minister of Justice in efforts to reform the justice system to make it safer and more effective.

"When victims' voices are heard throughout the justice system, everyone benefits."
-Dr Kim McGregor



Supporting the Chief Victims Advisor (CVA)

Dr Kim McGregor was appointed as the inaugural Chief Victims Advisor in November 2015. The Chief Victims Advisor is a ministerial advisor to the Minister of Justice and provides contestable, independent advice on sector-wide strategy and coordination relevant to victims, including identifying themes and promoting system improvements.

The Ministry provides advisory and secretariat support to the CVA in the delivery of her work programme. In February 2019, she ran the 'Strengthening the Criminal Justice System for Victims' survey and in March 2019, she ran a two-day workshop on victims' issues.

Supporting the Victims Information Service

The **Victims Information** service is a valuable resource, which includes a comprehensive website (victimsinfo.govt.nz) and a 24/7 toll-free information line (0800 650 654).

It gives people affected by crime quick and easy access to information about the criminal justice system and support services. It also helps connect victims with the most suitable agency for their needs.

In 2018/19, the service received more than 31,540 calls compared to 28,580 calls in 2017/18.

Learning from victims' complaints

The **Victims Code** explains how victims can make a complaint if they believe they haven't been treated fairly. It's important for us to know when victims' rights aren't being met, so we can identify what went wrong and ensure their concerns are addressed. Together with other justice sector agencies, we use this information to identify and address areas for improvement.

In 2018/19, we received five complaints from victims of crime alleging a breach of rights under the Victims' Rights Act 2002. This was a decrease of 20 complaints from 2017/18. All were resolved in-house.

Helping victims of cyberbullying

Hundreds of people have been helped by cyberbullying laws over the past three years. The Harmful Digital Communications Act 2015 includes a range of measures to prevent and reduce the impact of cyberbullying and other modern forms of harassment and intimidation. The Act protects people from online abuse and serious emotional distress.

Netsafe (New Zealand's independent, non-profit online safety organisation) has received 6,877 requests for help since November 2016. This year, they received more than 3,377 requests for help. The courts have received 114 civil cases requesting Harmful Digital Communications Orders, 111 of which have been completed.

Providing access to justice

We want to make sure that everyone, no matter their needs or their financial means, can easily access justice and receive the support they need. Often people use our services when they are at their most vulnerable and each person's experiences and needs of the justice system may be diverse, so our services have to be genuinely responsive.



Providing legal aid

Legal aid is available for people who need a lawyer but can't afford one. People can receive legal aid for civil or criminal proceedings. In this way, New Zealanders aren't denied access to the courts because they can't afford legal help.

In 2018/19, we processed 83,745 applications for legal aid. This compares with 85,162 in 2017/18. The amount spent was \$179.6 million in 2018/19 compared to \$160.1 million in 2017/18.



Supporting the Public Defence Service

The **Public Defence Service (PDS)** is the largest employer of criminal defence lawyers in the country and provides high quality and independent criminal defence and duty lawyer services in 10 major metropolitan centres throughout Aotearoa. PDS provides legal advice and representation to defendants who've been granted legal aid in criminal cases. They also oversee the duty lawyer services in the courts where they operate.

In 2018/19, PDS accepted 15,051 new cases. This compares to 16,245 in 2017/18.



Working with Community Law Centres

Community Law Centres (CLCs) deliver free legal services and law-related education around Aotearoa. CLCs ensure people who can't afford a lawyer have access to legal services, directly through walk-in centres, or indirectly through a national website or phone number. They also undertake community engagement and deliver specialised legal services.

In 2018/19, CLCs helped 44,865 clients with legal advice and saw 29,961 participants in law-related education. We also completed a review of CLC services in conjunction with CLCs and their national body – Community Law Centres o Aotearoa. The review aimed to develop evidence-informed options for a sustainable future service and funding model, so we can provide New Zealanders with better access to justice.



Working with community-based providers

We help people in need by developing, funding, procuring and managing contracts with community-based and non-governmental providers. These services include family violence programmes, restorative justice services, victims' services and the Victims Centre, Family Dispute Resolution mediation, and Parenting Through Separation programmes. In this way, we help to:

- keep people safe and minimise the impact of harm
- reduce offending and reoffending
- uphold people's rights
- make it easier for people to access, understand and interact with the justice system.

\$77 million was spent on 162 contracts with community-based providers and non-governmental organisations, in 2018/19.



Restorative justice

Restorative justice conferences are face-to-face meetings where victims can tell offenders how the crime affected them and offenders can take personal responsibility for their actions. This gives victims a stronger voice in the criminal justice system and holds offenders to account for their crimes. Restorative justice has been effective in reducing the frequency of offending and the number of people reoffending. Most victims of crime who take part in restorative justice conferences are satisfied with the process.

- 86% of victims who took part in the 2018 Victim's Satisfaction Survey were satisfied with the restorative justice conference they took part in, up from 80% in 2016.
- 84% of victims would likely recommend restorative justice to others in similar circumstances, up from 81% in 2016.

Restorative justice services are strongly aligned with Māori values and culture and are responsive to Māori needs.



Non-violence and safety programmes

Non-violence programmes are provided under legislation and are designed for people who perpetrate family violence. The Ministry of Justice and the Department of Corrections jointly manage 46 non-violence provider contracts.

Participants in non-violence programmes are:

- respondents to a protection order who are required to undertake an assessment and attend a programme as directed by the court on the making of a protection order, or
- offenders of domestic violence offences who have pleaded guilty in the District Court and are attending an assessment and programme as part of pre-sentence adjournment.

Safety programmes are provided under legislation to adult and child victims of family violence.

Participants in safety programmes are:

- protected people where the court has made a protection order
- adult applicants for a protection order where an application for a protection order has been made, but the protection order has not yet been granted, or
- adult victims of family violence offences where a charge has been filed in the criminal court and the police charging sheet identifies the charge as 'family violence'.

There's a total of 83 providers, including 24 kaupapa Māori providers contracted to deliver non-violence programmes for perpetrators, and safety programmes for adult and child victims of family violence. In 2018/19, more than 12,500 victims (including children) and perpetrators were referred to the programmes.

Supporting solutions-focused courts

People who use our services have diverse needs, which we work to address. Some courts aim to deal with specific social problems by improving the experience of users and creating a less intimidating environment than more formal courts. Solution-focused courts include the following judicially-led courts:



8 Family Violence Courts, in eight locations around the country, the District Court schedules block sittings of family violence cases so that appropriate social services, support and programmes are all on hand to connect with whānau under court guidance.



2 Sexual Violence Courts, this pilot is led by the Chief District Court Judge and takes place in Auckland and Whangārei. It uses best practice case management and specialist judicial education to reduce delays in bringing sexual violence cases to trial and improve the court experience of victims of sexual violence.



Te Kooti o Timatanga Hou – New Beginnings Court in Auckland and the Special Circumstances Court in Wellington. These courts address persistent low-level offending by people who are homeless and whose ability to make decisions is impaired. They may also be dealing with addiction and mental illness.



Christchurch Youth Drug Court, this Court provides an enhanced Youth Court process to address the alcohol and drug dependency issues of young people appearing in court and facilitates better service delivery in an effort to reduce their offending.



Alcohol and Other Drug Treatment Courts pilot in Auckland and Waitakere District Courts. This pilot is designed to supervise offenders whose offending is driven by their alcohol and other drug dependency. It provides judicial oversight of their engagement with treatment programmes and rehabilitation support services before they're sentenced.



2 Pasifika Courts are based at community venues in Auckland that specifically address youth offending. They enable Pasifika communities to be more involved in each step of the youth justice process.



15 Ngā Kōti Rangatahi and the **Matariki Court** in Kaikohe. These courts put te ao Māori and tikanga Māori at the forefront of their services.

Milestones and achievements in 2018/19:

The Canterbury Earthquakes Insurance Tribunal opened on 10 June 2019, providing homeowners with a fair, speedy, flexible and cost-effective way to resolve their long-standing claims arising from the 2010 and 2011 earthquakes. The Tribunal is fully operational. The first application was received on 13 June 2019.

Court hearings resumed at the historic Oamaru courthouse in January 2019 following strengthening and refurbishment work. The 135-year-old courthouse was closed in December 2011 after being deemed earthquake-prone. Along with construction work, we upgraded security and technology to create a modern, accessible courthouse facility.

New coronial service contracts have been introduced. Coronial pathologist and mortuary services are now provided under a coherent contractual framework. Forensic pathology services are provided by three suppliers in separate regions. A new coronial transport services contract is also in place.

On 31 October 2018, the Ministry of Justice re-signed a formal contract for services agreement with the Royal Federation of New Zealand Justices Association Inc. for three years to ensure Justice of the Peace services can be provided to a high standard. The Royal Federation effectively takes full responsibility for ensuring its members receive the training and resources required to deliver these services.

We completed the victims' services review. The review built an evidence base about what works for victims of crime, assessed current service delivery and identified opportunities for improvement.

On 2 July 2018, our new tenancy online adjudication system, RESOLVE, went live. This provides a single system to manage tenancy disputes across two government agencies, Ministry of Business, Innovation and Employment and the Ministry of Justice. People now receive a consistent service across both agencies, faster communication about the outcome of their hearing and the ability to engage digitally with the Tenancy Tribunal.



Expungement of historical homosexual convictions

Former Secretary for Justice and Chief Executive of the Ministry of Justice Andrew Bridgman granted the first two applications for the expungement of historical homosexual convictions in October 2018.

In 2018, we announced that people (or their families if they have passed away) can apply to have historical homosexual convictions wiped from their criminal history.

The application scheme was launched in April 2018 when Parliament passed the Criminal Records (Expungement of Convictions for Historical Homosexual Offences) Act 2018. This means that people who were convicted of specific offences that were decriminalised by the Homosexual Law Reform Act 1986, can apply to be treated as if they had never been convicted. Applications are required to be determined by the Secretary for Justice, who acts independently in considering them.

The process to grant the applications has been complex and taken some time and involved considerable work by our Office of Legal Counsel team.



R RESPECT

WE VALUE OTHERS AND THEIR CONTRIBUTIONS

- We share our knowledge and experience generously.
- We work together towards shared goals.
- We respect diversity and support one another.

I INTEGRITY

WE ARE HONEST AND OPEN

- We take personal responsibility.
- We have high professional standards.
- We are fair and impartial.

S SERVICE

WE DELIVER RESULTS

- We understand and meet the needs of those to whom we provide services.
- We take good care of relationships.
- We meet timeframes we have agreed to.

E EXCELLENCE

WE FOCUS ON QUALITY

- We focus on finding solutions.
- We encourage innovation to achieve better results.
- We acknowledge our achievements and successes.

Organisational health and capability

We want the Ministry to be a place where our people feel valued, connected and part of a strong and positive culture. Our people are encouraged to reach their potential and feel motivated to play their part in our Ministry's successes.

In this section:

- Demographics
- Making the Ministry a great place to be
 - › Diversity and inclusion
 - › Health, safety and wellbeing
- Supporting our people to succeed
- Building capability to engage and partner with Māori
- Using data insights to deliver better results
- Governance and risk management



of **our people** have completed the
'Disability Awareness in the Workplace'
online module



down from
13.2% last year

*indicative figure

Launched
new and
improved
JET intranet

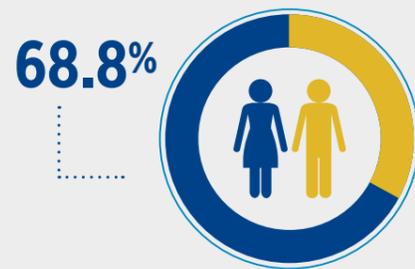


Health and Safety
reps attended
the annual
conference

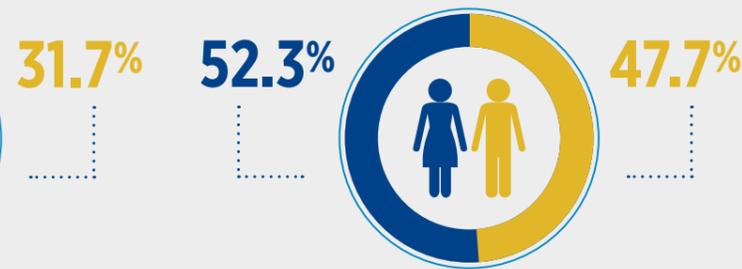
Roll out of **268** new
mobility IT devices to the
judiciary to enable better
ways of working



Gender (overall)



Gender (senior management)



3795
people at our
Ministry

FTE
(full-time equivalent)
3662



69% of our people work in
OSD
OPERATIONS AND SERVICE DELIVERY

Ethnicity (self-reported)

New Zealand European/Pākehā : **55.2%**

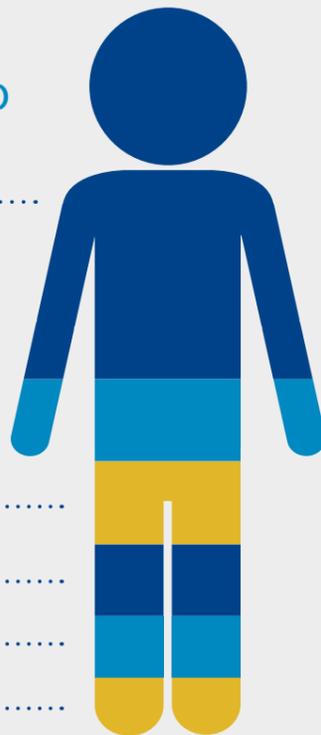
New Zealand Māori : **14.0%**

European : **15.7%**

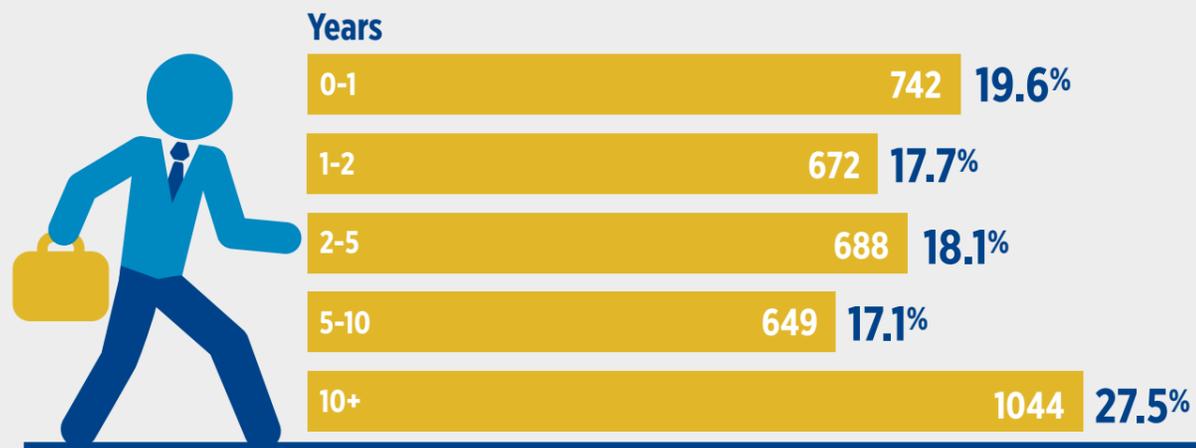
Pacific Island : **12.0%**

Asian : **10.8%**

Other : **7.5%**



Breakdown of length of service



Making our Ministry a great place to be

Our strategic priorities set out the areas we need to focus on to ensure we have the people, capability and infrastructure we need to deliver our goals and improve outcomes for all New Zealanders.

Our RISE values underpin everything we do.

Respect Integrity Service Excellence

Our focus is on creating a place where our people can reach their full potential. We want great people to work for our Ministry. We want them to feel engaged and inspired to be the best they can be. Together we create a high-performing, thriving organisation, where difference is celebrated, and our people can be themselves. Developing and supporting our leaders to sustain this culture is important.

We want our Ministry to be a place where our people can be:

- **healthy and safe** – where asking for help isn't a weakness. If you need a hand or support, you can just ask
- **trusted** – where everyone has a right to dignity and respect, whoever they are or wherever they came from
- **supported** – where they're encouraged and supported to pursue their ambitions – and recognised and rewarded
- **involved** – where everyone's opinion matters. Some of our greatest achievements have come about through collaboration
- And a place where you can be **yourself** – because we don't hire staff, we hire people.

This is 'our promise' to our people and is something we strive for every day.

We support our people through employee-led initiatives like our Women's Network, Young Professionals Network, Tātou Tātou Rainbow Network, and Disability Network.

Recognising and rewarding success is important, so we continue to recognise our people through the Chief Executive's Awards, Service Recognition Programme and RISE awards. We make sure that these reflect and acknowledge those who demonstrate a 'spirit of service' in what they do.

Diversity and inclusion

We recognise that as a key agency delivering services to New Zealanders, we need to value, reflect and understand our communities.

To do this, we need to focus on ensuring we have a diverse and inclusive workforce and diverse and inclusive workplaces. A diverse workforce encompasses ethnicity, gender, age, disability, sexual orientation, education, national origin, and religion. Diversity also encompasses the broad spread of experience, culture, perspective and lifestyle of those who live in Aotearoa.

We engage with the Public Service Association (PSA), employee-led networks and other representative groups to achieve diversity of thought and perspectives when we're reviewing, developing and delivering our work programmes.

Our work builds on efforts taking place across the public service, including learning lessons from the experiences of other agencies.

Key achievements in 2018/19:

Gender pay gap and equal employment opportunities

Our gender pay gap has continued the downward trend. It was reported at 13.2% for 2018 and our analysis indicates it has dropped to 12.9% in 2019.

The Public Service is committed to addressing the gender pay gap, and part of this is committing to the Gender Pay Gap Action Plan.



We have developed a set of actions to work towards:

- Equal pay – eliminating gender pay gaps within the same roles and progressing any pay equity claims.
- Flexible work by default – all roles to be treated as flexible, unless there is a good business reason for a role not to be.
- No bias or discrimination in remuneration systems or human resources practices – systems and practices are designed to remove bias, including no gaps in starting salaries and managers being equipped to address bias.
- Gender balanced leadership – women hold 50% of roles across the Public Service's top three tiers of leadership and each agency is responsible for achieving balance in their own leadership roles. A forward goal for the next year is to set and work toward this agency date by which time this goal will be achieved. Our current numbers for the top three tiers of leadership are: Female – 58% Male – 42%

We continue to undertake further assessment of our gender pay gap by measuring salaries across same or similar roles. This will include those positions that have been identified with same or similar tasks or duties and have similar titles. We will also look at positions that have been determined to require the same level of skills, experience or knowledge, i.e. those in the same salary bands.

Remuneration

Over the last year, we worked with the PSA on a review of our pay band structure and remuneration framework.



Ministry of Justice wins Empowerment Diversity award

In August 2018, our Ministry was presented with the Empowerment Diversity award. The Diversity awards, hosted by Diversity Works NZ, acknowledge organisations that champion diversity in the workplace.

The award recognised an employee-led initiative to promote the interests of women and support them to achieve their personal and professional goals.

These changes were agreed during collective bargaining, which enabled us to introduce pay bands that are fairer, more transparent, and are designed to be competitive with the public service job market.

The pay bands and step progressions were agreed and took effect on 1 July 2018 and 1 July 2019 respectively.

Disability awareness in our workplace

We're committed to building a strong, resilient and diverse workforce by providing an environment where all our people can reach their full potential.

On International Day of Persons with Disabilities (3 December 2018), we launched the 'Disability Awareness in the Workplace' online module as part of our wellbeing training and awareness programme. To date, 501 of our people have completed this e-module.

This module aims to increase our awareness and understanding of disability in the workplace and ways we can ensure our people who have a disability are healthy, safe and supported.

In 2019, our Disability Network was established. This Network helps to provide support and connections for our people with disabilities.

The Network is inclusive of all the diverse types of disabilities: physical, intellectual, learning, invisible, and visible as well as those with long-term health conditions and/or mental illnesses.

The main aim of our Disability Network is to help make the Ministry a place where you can truly be yourself and feel comfortable and safe in doing so. We want to help each other achieve our full potential, while leading the call for systemic change and representation. We're at the start of a journey and part of this is the Disability Network helping educate our Ministry on how to be a proactive employer, rather than reactive.

Tātou Tātou Rainbow Network

The Ministry's LGBTTTQIA+ network was established in the last year.

The Ministry is committed to making our organisation a place where we can all be ourselves. Although there's lots to be done, we see the bringing of our LGBTTTQIA+ communities together as a step in the right direction. This network has also identified a strong commitment to our LGBTTTQIA+ stakeholders as being a key priority, so will be using our network to advocate for and educate these groups as well.

The main purpose of the Tātou Tātou Rainbow Network is to create an LGBTTTQIA+ friendly environment, by:

- ensuring safe, visible and positive experiences for all our LGBTTTQIA+ employees
- advocating for our LGBTTTQIA+ stakeholders
- providing genuine educational and awareness opportunities for all our people and stakeholders.



Co-chairs of the Tātou Tātou Rainbow Network

Focusing on health, safety and wellbeing

We want everyone working at the Ministry to return home safely every day. Our efforts in health, safety and wellbeing start at the top, and our Strategic Leadership Team (SLT) maintains close oversight of our health and safety work programme.

We're building a strong risk-aware culture where everyone is involved in health, safety and security and clearly understands what's expected of them and how to keep themselves and others safe. We're committed to ensuring that our workplaces are safe, secure and fit-for-purpose, and that we have the right processes and systems to operate in an agile environment.

Many of our people undertake work in challenging situations. We want our people to feel healthy and safe, trusted, supported, involved and that they can be themselves, which is why we've continued investing in our wellbeing education programme. We've already introduced modules on reducing the stigma around mental health issues and raising awareness about preventing and responding to family violence. This year, we rolled out modules on raising awareness about preventing and responding to sexual harassment, suicide, disability, and addictions and dependency.

Underpinning this focus on wellbeing education and awareness is making sure our people can access support when they need it. In 2019, we commenced a review to make sure our people know what support is available and to identify any steps needed to reduce barriers to accessing that support.



Keeping our people well

As part of the Ministry's commitment to making our organisation a place where we can be healthy and safe, in November 2018 we delivered Health and Safety wellbeing guide handbooks to all our people.

These guides are part of our ongoing focus on the wellbeing of our people, and a wider government sector initiative focusing on mental health and wellbeing. We worked with the PSA to modify our guides to help our people manage and respond to work-related stress.

This year, we also held the second Health and Safety Representative (HSR) conference, attended by 85 of our 121 Health and Safety Representatives. The annual HSR conference is an opportunity to bring together our HSRs so they can share their personal experiences and best practice. It's also an opportunity for our Ministry's Health and Safety team to share their work programme, priorities and progress.

An important part of the conference involves recognising and rewarding people who've made an outstanding contribution to the health and safety of their fellow employees.

Workplace family violence programme

We launched our family violence programme in November 2017, which involves information sessions, online learning modules and training for our managers.

Our family violence programme is part of our wider commitment to making the Ministry a great place to be. In particular, a place you can be healthy and safe. In early 2018, our Ministry became the first public sector organisation in Aotearoa to receive the DVFREE Tick from domestic violence prevention charity Shine.

The DVFREE Tick is recognition that an organisation has taken meaningful steps to create a domestic-violence free workplace, with policies, processes, training and awareness raised to support staff. This includes having trained contact people to act as pathways for support for people impacted by family violence.

Across government, efforts to better coordinate our response to family violence are gathering pace. The Family Violence Act 2018, designed to focus on earlier intervention to prevent future violence, names our Ministry - and other government agencies - as 'family violence agencies' with specific responsibilities in the system.

Our people received a Health and Wellbeing guide and small pocket book that offers a range of tips, self-management tools and resources, including ways to recognise and effectively manage stress and maintain positive mental health and performance.

A tailored Guide for Leaders was also given to managers, which focuses on how to help keep people safe, create positive workplace environments, manage workplace demands and support people with mental health issues.

Supporting our people to succeed

We support our people from day one

To help us deliver on our strategic priorities, we're committed to attracting, developing and retaining exceptional people who share a drive for continuous improvement and are committed to delivering people-focused services. It is important that the diversity of our people reflects the communities we serve and that a 'spirit of service' is embodied in what we do.

We invest in the development of our people from the day they start working at the Ministry of Justice. Our **orientation days** give our new employees an opportunity to find out about other parts of the Ministry, learn how their role fits in, how they can contribute to the achievement of our goals and develop their professional networks. They spend a day together, which involves meeting our Strategic Leadership Team, learning about development opportunities and support mechanisms, and connecting with colleagues from around the country.

The orientation day starts with a mihi whakatau and an hour-long Q&A session with the Strategic Leadership Team, where no subject is out of bounds. It also features interactive sessions where new starters can learn about what the Ministry does, the broader justice system and their place in it. One of the final activities of the day includes a marketplace, which showcases the resources, teams and mechanisms available to support them throughout their time at our Ministry.

530 new employees attended an orientation day in Auckland, Rotorua or Wellington in 2018/19.

We're committed to continually improving our induction experience to ensure that we provide our new starters with the best start possible.

Enabling our people to succeed from day one sets us up to work as a team to achieve our goals.



Growing our leaders

We continue to focus on building leadership capability and effectiveness at all levels within our Ministry. We're investing in our leadership capability through our ongoing development programmes, including coaching, core leadership, talent management, and targeted training.

The **Essential Leadership Skills programme** provides leaders with the knowledge and skills to enable them to lead effectively and better support the development of their team members. It also encourages shared leadership accountability and relationship building across our Ministry and the wider public sector.

New **skills matrices** are available for frontline managers and their teams to identify skill gaps and determine learning needs of individuals. These matrices help build a learning plan that's tailored for individual learning needs. They also enable our people to track their progress as their skills develop.

Ensuring our people have the tools they need to deliver on our goals

The success of our people is what drives us forward and determines our ability to deliver on our goals. To enable our people to succeed, we need to ensure they have the right skills, tools, resources and physical environment.

Strengthening our technical / core skillset to support the delivery of our services

At the Ministry of Justice, we never stop learning – whether that's on the job, online, with colleagues or in a formal training environment. It's how we adapt to a changing world and rise to the challenges of tomorrow. During 2018/19, we completed the rollout of skills matrices across frontline roles, refreshed our technical training team and launched the pilot of a new Technical Coach function. We're continuing to boost our technical / core skillset using role-based skills matrices and increased training to support the delivery of our services.

Providing our people with the tools and resources they need

We invest in the tools that our people need to succeed. This includes the enablers in our modernisation journey and the new business intelligence (BI) tool that we're deploying across the Ministry to support improved service delivery.

In 2018/19, we:

- launched our new and improved intranet 'JET' and completed the redesign of our knowledge bases. This will make it easier and quicker for our people to find the information, insights and news they need, enabling them to more efficiently help people going through the justice system. Our intranet is the definitive source of information about working at the Ministry of Justice. Through our investment in digital communication tools, we're creating a stronger sense of community and connection across the country.
- developed and implemented a Manager 101 toolkit using our intranet platform. This supports our managers and leaders by providing a central source of information and training that helps them undertake their management responsibilities.
- continued to upgrade and roll out He Puna, which allows our people to use data to inform our thinking and decision-making.
- rolled out mobility devices (laptop / tablet hybrids) to the judiciary to enable better ways of working.

Communication

We use various channels to encourage our people to share information and connect with each other. For example:

- JET (our Ministry intranet) – this provides information, resources and news to our people.
- A monthly newsletter – this includes latest news and profiles, so that our people get to know their colleagues.
- One Source Daily – for our people in Operations and Service Delivery to keep up-to-date with key information they need to do their jobs.
- Leaders' briefs and blogs – which is an opportunity for senior leaders to tell our people about the Ministry's successes, priorities and progress against our strategic goals.

Our external channels include:

- social media – to share with the public what's happening across the Ministry
- Justice Matters – our quarterly external newsletter for everyone with an interest in justice issues.

Physical environment

Investment is required in the spaces our people occupy. We're reviewing all our buildings and planning for future needs. Our aim is to understand where improvements can be made to our buildings, so that repairs and refurbishments can be made to ensure they're fit for purpose, optimised and sustainable.

Building capability to engage and partner with Māori

Our processes

We recognise and value te reo Māori, tikanga Māori and the Te Tiriti by:

- supporting and encouraging the use of te reo and tikanga Māori (e.g. pōwhiri, mihi whakatau and karakia) in our day-to-day work practices
- correctly pronouncing Māori words and names
- applying a Treaty framework to the way in which we conduct, design and deliver our business operations and services.



Sector Group launched 'Building cultural confidence in te ao Māori programme'

In May 2019, the Sector Group welcomed Hon Kelvin Davis, Minister for Māori Crown Relations: Te Arawhiti, to open their programme aimed at building cultural confidence in te ao Māori.

The training programme, developed by Sector Group and Te Arawhiti, will help improve confidence in, and understanding of, te ao Māori perspectives, the Te Tiriti, and Māori experiences of the justice system. It's being run as a pilot, with other business units within the Ministry using the programme as a model.

Andrew Kibblewhite, Secretary for Justice introduced Minister Davis and spoke about our Ministry's goal of honouring our commitments to Māori.

Minister Davis opened the programme by speaking about what he'd heard when he met with iwi across the country. He spoke about the meaning behind Te Arawhiti's name, which translates to 'The Bridge', and symbolises the bridge between the Pākehā world and te ao Māori.

Minister Davis encouraged all our people to take the journey from the Pākehā world across the bridge to learn about te ao Māori.

Building our te reo Māori and tikanga Māori capability

We're providing more opportunities to develop our capability to engage and partner with Māori across the Ministry. Development ranges from encouraging at least a basic level of te reo Māori (with an emphasis on pronunciation) and understanding of tikanga Māori, to more specialist capability development for those who engage and partner with Māori regularly as part of their role. Kura Reo – five-day wānanga (training courses) – are also available for our people looking for an opportunity to participate in a positive, engaging and immersive environment.

In 2018/19:

- As part of our bargaining settlement with the PSA, we established a joint Ministry/PSA National Te Haerenga Committee and held an annual hui for Māori employees. The first annual hui was held on 20-21 June 2019.
- 72 of our people attended this year's Kura Reo wānanga.
- Weekly waiata practice is held at our National Office.
- We piloted two new programmes in our Policy group:
 - › the Treaty of Waitangi Programme, which aims to deepen historical understanding and provide practical tools for policy development and advice.
 - › The toolkit 'Building Treaty of Waitangi Capability', which gives policy advisors comprehensive resources to build their capability to consistently apply kaupapa Māori in their policy work.
- In June 2019, our Policy group also participated in 'Introduction to Engagement with Māori' workshops run by the Office for Māori Crown Relations – Te Arawhiti.
- We offered online modules to all our people to increase their understanding of te reo and tikanga Māori. Over the last two years, participation in this suite of e-modules was as follows:

 Competency	 Name of module	 Number enrolled	 Completion rate
 Te Rito Bicultural Competency	Introduction	1,961	86%
	Back to the Future	441	63%
	The Māori World	1,315	74%
	Walking in Two Worlds	857	74%

Using data insights to deliver better results

Growing our ability to use data and information across the Ministry

We're embedding a culture across our Ministry that looks to data and information to inform decisions, considers how to use data safely and ethically, and treats information as a strategic asset to design and deliver better services and track strategic and organisational performance.

In October 2018, we achieved Gartner Information Maturity Level 4 rating, which is the goal we set ourselves in 2014. Achieving Level 4 indicates that:

- data is well-integrated across our Ministry
- data is trusted and acted on to drive strategic change
- data governance structures are well-established.

We've continued to expand the use of He Puna, our business intelligence tool. The tool enables us to effectively use and integrate our data in a safe and ethical manner, to improve our services to meet the needs of the public. Over the past year, we provided He Puna access to additional areas such as the judiciary, High Court (Criminal), Court of Appeal and Legal Debt.

To support us with the stewardship of our data and information accountabilities, we formed the Strategic Information team so that we treat and govern data and information appropriately.

We've also published the Data and Information Policy, which sets clear expectations and responsibilities on how to use and manage Ministry data and information. This enables us to make better decisions, support the Crown's Treaty commitment to Māori and meet government expectations on data and information management.

Over the next year, we'll continue to:

- mature our data capability
- investigate the implementation of a tool for measuring progress
- refine our data and information assessment and assurance processes to strengthen the management of Ministry data and information assets.

The Data and Information Policy is subject to continuous improvement and will be refreshed to include all-of-government policies, such as the Data Protection and Use Policy.

Governance and risk management

As well as our strategic priorities, there are other components critical to delivering our strategic objectives in a sustainable way, including effective governance and risk management.

This governance model takes effect in early 2019/20 and includes the following groups and committees:

- SLT Board: Responsible for setting and monitoring progress towards our strategic direction and priorities. Meets monthly.
- SLT Start-Up: A weekly update of key business and operational events and news, which can include approval of time-critical governance or operational decisions if required.
- Health, Safety and Security Committee: This committee leads our health, safety and protective security arrangements. It oversees delivery of our obligations under relevant legislation and internal policies, and makes recommendations to achieve our health, safety and security objectives.

Providing governance

During 2018/19, we've been reviewing our governance structure. In July 2019, the Strategic Leadership Team (SLT) approved revisions to the organisational governance model.

The Strategic Leadership Team is collectively responsible for organisational performance. It sets our long-term strategic direction, ensuring good foundations, aligned investment decision-making, and assurance over operational performance, so that we meet our strategic objectives.

- Risk and Assurance Committee: Provides independent advice and observations to the Secretary for Justice on the quality of risk management processes; internal control mechanisms; internal and external audit functions; integrity of performance information; business improvement initiatives; the governance framework and processes; and policies and processes adopted to ensure compliance with legislation, policies, and procedures.
- Modernisation and Business Services Governance Committee: Oversees the delivery of projects and enabling strategies to support the realisation of our transformational and enduring strategic priorities.
- People, Property and Enterprise Services Governance Committee: Oversees the delivery of projects and enabling strategies to support the realisation of our strategic priorities related to culture and capability.

Managing risk

Effective risk management is critical to sound governance. For this reason, the identification and management of risk must be an integral part of all our activities.

We use an enterprise-wide risk management framework based on international standards, which ensures that risk management is an integral part of our organisational management.

The SLT reviews strategic risk quarterly and makes decisions to support mitigation activity. Further oversight is provided by the Health, Safety and Security Committee, Modernisation and Business Services Governance Committee, and the People, Property and Enterprise Services Governance Committee, which receive monthly information on significant organisational, operational, project and portfolio risks respectively. Relevant business group plans indicate how they contribute to mitigation of strategic risks and how they manage risks they face from an operational or project perspective.

We regularly monitor and report on our strategic and financial risks. Specific fiscal risks are reported to Treasury on a regular basis. The Risk and Assurance Committee provides independent advice and assists the Secretary for Justice on risk management.

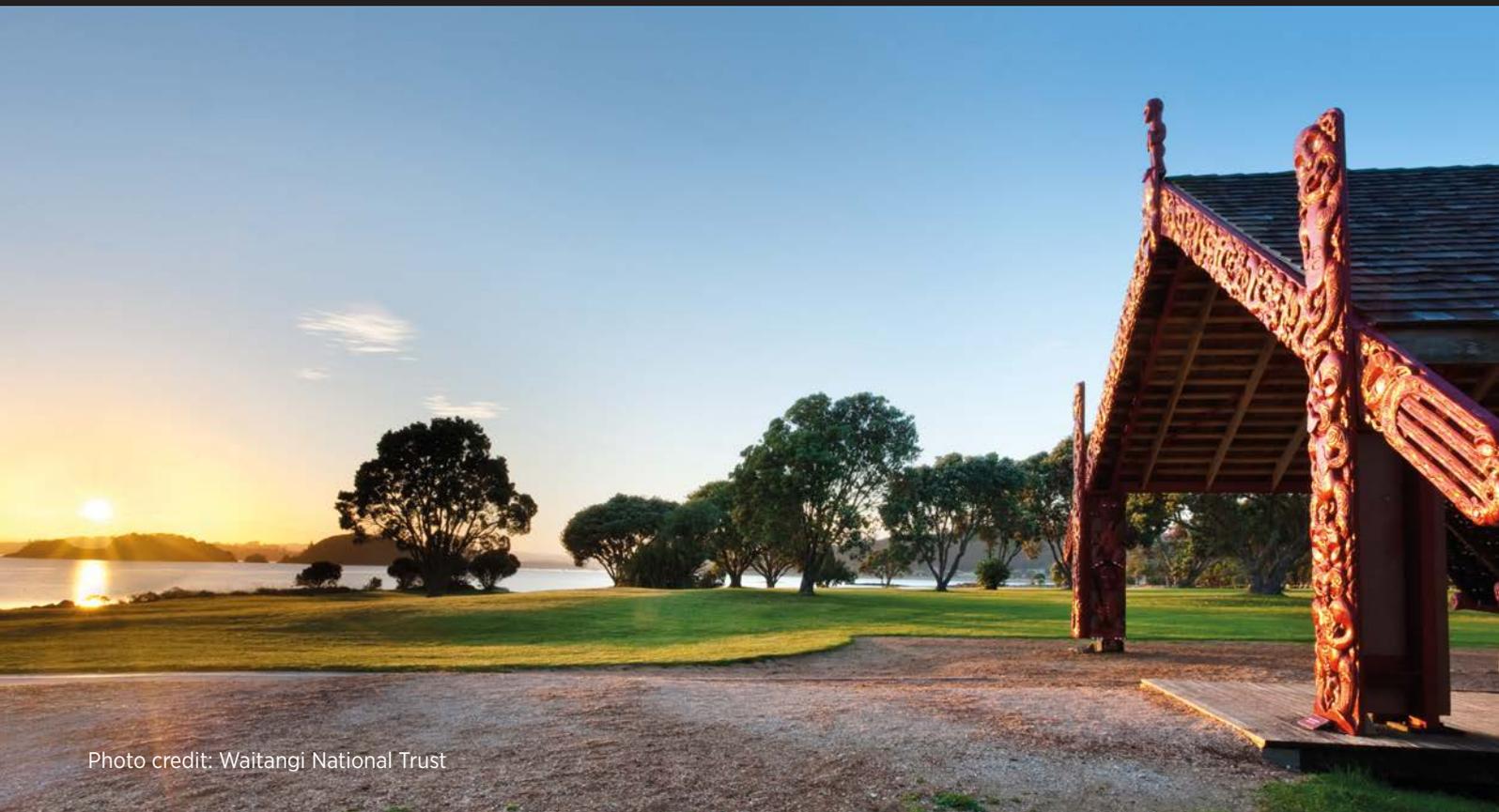
Our internal audit programme provides independent assurance to the Secretary for Justice and senior managers that our key processes and systems are operating effectively. In addition, collaboration with our justice sector partners plays an important part in understanding and managing sector-wide risks.



ANNUAL REPORT

For period ended 30 June 2019

The Office for Māori Crown Relations — Te Arawhiti was established on 1 January 2019 as a departmental agency hosted within the Ministry of Justice.



Introduction from the Chief Executive



*"Hei konei e Ninihi, e
Puhanga Tohora.
Ka hoki nei ahau ki Panguru, ki Papata,
Ki te rakau tu patapata i tu ki te hauauru,
Ki a Ruarei, ki a Raparapa
Ki nga uri o Wharewhare-te-Rangi,
Te angaanga i titi iho i te rangi
Tu te ra, tu te po.
Te Arawhiti e!"*

These ancient and sacred words continue to be a means of transmitting knowledge about the importance of Panguru mountain from generation to generation. They are an affirmation of my identity and also for the identities of those whose lives are dominated by the proximity and sight of the place that sings to my heart.

It is my pleasure to introduce you to the inaugural Annual report of The Office for Māori Crown Relations – Te Arawhiti (Te Arawhiti).

What a year it has been. To understand the significance of the year, let me start at the beginning. Not the beginning of time but rather the commencement of the relationship between Māori and the Crown. History is clear that immediately following the signing of the Treaty, the Crown began undermining the very foundations of the agreements contained therein. They did this through the taking of lives, land, connections and social structures among other things. Understandably, a long period of unrest and distrust then followed.

A number of Māori leaders have fought and continue to fight for reconciliation in light of those actions and, with generosity of spirit, have sought to once again engage with their Crown partner to move the relationship to a better place.

The historical Treaty settlement process, though imperfect, has seen the Crown and Māori seek to restore and reset a relationship that had largely been defined by grievance. As we near the conclusion of the Treaty settlement process, and seek to resolve customary interests in the Takutai Moana space, both Māori and the Crown are beginning to look beyond grievance to partnerships and growth. This is not a short to medium term journey, but it is a course that must be charted.

One of the key steps in looking to chart a new course is to ensure that any commitments made by the Crown, whether through Treaty settlements or not, are upheld. The Crown must demonstrate it is committed to being a better Treaty partner. This is a basic foundational requirement of a new relationship. The second is to create a pathway towards real partnerships – a pathway that is co-designed between the Treaty partners and a pathway that has real and measurable steps along the way and can quickly demonstrate the benefit of working this way – socially, culturally, economically and environmentally.

This is the pivotal place that Te Arawhiti occupies. Our story, and in a sense, our very reason for being, is encapsulated in our name: Te Arawhiti – ‘the bridge’. It symbolises the bridge between Māori and the Crown, the past and the future, and the journey from grievance to partnerships.

Te Arawhiti was established as a departmental agency on 17 December 2018 and legally established on 1 January. Te Arawhiti was created to consolidate a range of distinct but related government functions that support Māori Crown partnerships and help the Crown build on the sense of renewal in Māori Crown relations established through the Treaty settlement process.

Te Arawhiti comprises of:

- Te Kāhui Whakatau (Treaty Settlements);
- Te Kāhui Takutai Moana (Marine and Coastal Area);
- Te Kāhui Whakamana (Settlement Commitments);
- Te Kāhui Hīkina (Māori Crown Relations); and
- Te Hāpai Ō Policy and Operations.

Our organisational mandate came not just from government, but from te ao Māori. Te Arawhiti was born of government asking Māori what they need, not telling them what they would get.

In early 2018, Minister for Māori Crown Relations: Te Arawhiti, the Honourable Kelvin Davis held 33 hui across the country – large gatherings and smaller focus groups – to determine what his new portfolio should focus on. In all, 1600 people participated kano ki te kano in discussions at these hui, and some 230 written and online submissions were also received. Te Arawhiti is one of the results of that feedback.

From that engagement process we have a strong, clear vision of where our nation needs to get to, and how Te Arawhiti can support it in getting there. We aim to shift the Māori-Crown relationship from one of historical grievance toward true partnership and, thereby, to realise the promise of the Treaty of Waitangi for all New Zealanders ahead of the 200 year anniversary of the signing of the Treaty in 2040.

As we put the 2018/19 year behind us, we are excited about the future and our role in supporting the public sector, government, our Māori partners and the public of Aotearoa to cross Te Arawhiti together. Te Arawhiti e!

Finally, I would like to conclude with the last verse of The Matakite Song Dame Whina Cooper wrote when she began her journey from Te Hapua to Wellington in 1975.

*Huihui mai ra tatou
Nga hau e wha
Whakakaupapatia nga wawata
Pai herea ki te aroha
Kia mana ki te Atua
Hei painga mo te ao katoa.*

*Let us unite
People of the four winds
Consolidate all our aspirations
Bind them with love
With the power of God's blessing
To benefit us all.*

Lil Anderson

Tumu Whakarae - Chief Executive (Acting)
The Office for Māori Crown Relations – Te Arawhiti

Our Organisation

Te Arawhiti Values

Te Arawhiti values reflect our vision 'Towards True Treaty Partnership'

These values are:

Mahi Tahī

Working together

Pono ki te kaupapa

In good faith

Atawhaitia

With humility and authenticity

Agency formation and organisation arrangement

On 1 January 2019, The Office for Māori Crown Relations – Te Arawhiti was established as a departmental agency hosted within the Ministry of Justice.

Te Arawhiti consists of:

- Te Kāhui Whakatau (Treaty Settlements);
- Te Kāhui Takutai Moana (Marine and Coastal Area);
- Te Kāhui Whakamana (Settlement Commitments);
- Te Kāhui Hīkina (Māori Crown Relations);
- Te Hāpai Ō Policy and Operations.

In April 2019 Te Arawhiti underwent an organisational change proposal to ensure it was structured in a way that would allow it to respond to the challenges and opportunities ahead of it, both in the short term and long term. A final structure was confirmed at the end of April and four new Deputy Chief Executives were appointed in June 2019. A second stage change process, foreshadowed in the original proposal, is expected in the 2019/20 year.

Engagement and supporting our people through change

As a new departmental agency, Te Arawhiti has been working in an environment of uncertainty and change. In July 2019 we will be asking staff to complete a 'Working for Te Arawhiti' survey focussed on the culture of the organisation.

The results from the survey will tell us what staff think is going well and what needs more work. Results of the survey will be available in September 2019 and from there a plan will be put in place to best respond to the feedback received.

Capability

Te Arawhiti is assessing its cultural capability and is soon to develop a training and development plan to build skills in areas where there are gaps.

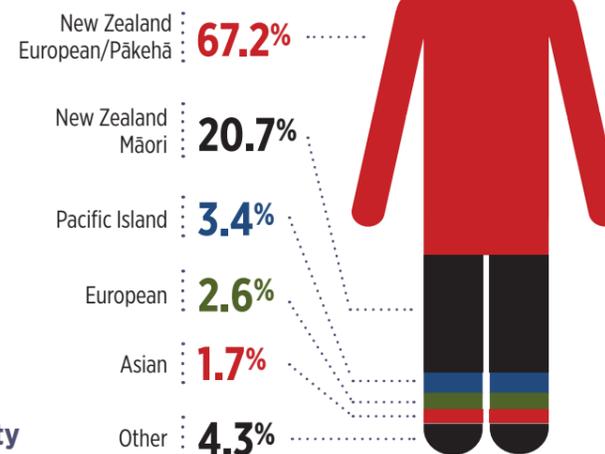
Gender (overall)



Gender (senior management)



Ethnicity



The figures are from self-reported data.

Our Work and Our Achievements

Te Arawhiti makes a key contribution to the government's priority to build closer partnerships with Māori by:

- Working to settle all historical Treaty of Waitangi claims by 2020;
- Building new partnerships with Māori for the future;
- Upholding Treaty Settlement commitments; and
- Improving how the public sector responds to Māori issues.

Our work involves four priority areas.

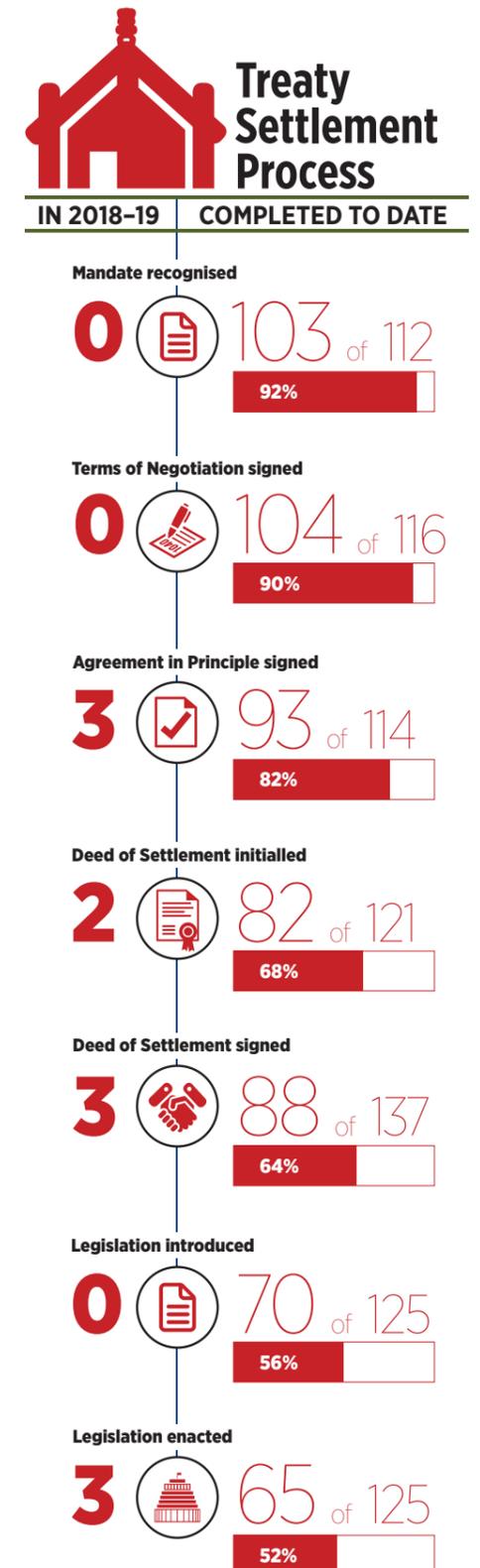
Completing Treaty Settlements with willing and able groups

Te Arawhiti works with iwi groups to resolve their historical grievances by negotiating fair and durable Treaty of Waitangi settlements. These settlements include historical, cultural, financial and commercial redress that provide a basis for strengthening the Māori Crown relationship into the future. We:

- negotiate the settlement of all historical claims directly with claimant groups under the guidance and direction of Cabinet;
- work with about 70 government departments, Crown entities and local authorities to negotiate, formalise and implement Treaty settlements;
- provide policy advice to the government about Treaty settlement issues and individual claims;
- oversee the implementation of settlements; and
- administer the protection mechanism for Crown-owned land for use in Treaty settlements.

Key achievements in 2018/19:

- signed three agreements in principle (Te Korowai o Wainuiārua, Ngāti Rangitihī and Te Whānau a Apanui);
- initialled two deeds of settlement (Marutūāhu Collective, Ngāti Hinerangi);
- signed three deeds of settlement (Te Patukirikiri, Ngāti Hinerangi, and the Hauraki Collective Redress deed with five of the twelve Hauraki iwi); and
- enacted three pieces of settlement legislation (Ngāti Tamaoho, Te Wairoa, Ngāti Tūwharetoa).



Marine and Coastal Area (Takutai Moana) Act 2011 Applications

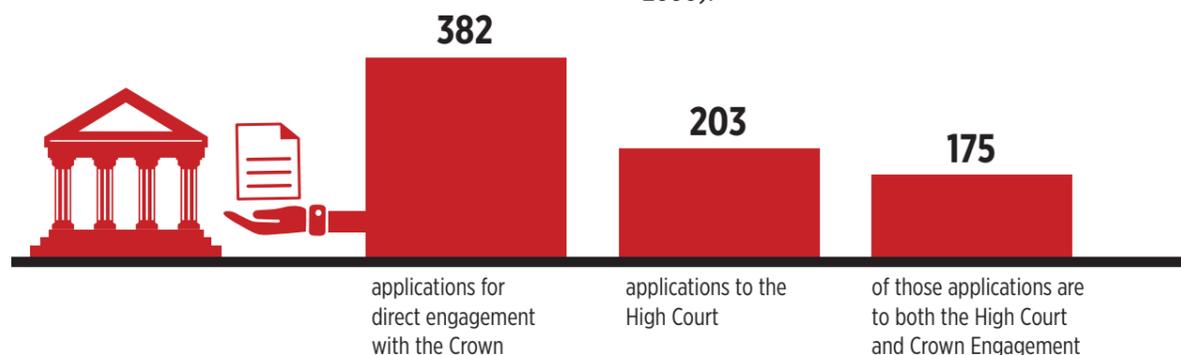
Te Arawhiti administers the Marine and Coastal Area (Takutai Moana) Act 2011 (the Act). The Act enables iwi, hapū, and whānau to seek recognition of their customary interests through customary marine title (CMT) or protected customary rights (PCR).

Our areas of focus are:

- working with Māori who have applied to engage directly with the Crown;
- providing advice to the Minister responsible under the Takutai Moana Act on issues relating to the assessment of applications under the Act;
- administering financial assistance for applicants to the High Court and Crown Engagement;
- delivering our historical research programme to support High Court process and Crown Engagement; and
- engaging with the High Court process via the Crown Law Office.

Key achievements in 2018/19:

- progressed the Ngā Rohe Moana o ngā hapū o Ngāti Porou Act 2019 from Select Committee to enactment;
- progressed engagements with Māori who have signed formal terms of engagement and had discussions with around 30 groups who have indicated they would like to engage with the Crown;
- continued work on the historical research programme to support Crown decisions and High Court applications;
- developed the National Dataset which is a Geographical Information System mapping all applications and public information relating to the coast which will be rolled out in 2019/20;
- reimbursed applicants a total of \$1.9 million in financial assistance to progress their applications through either the High Court or Crown Engagement; and
- participated in the Waitangi Tribunal Marine and Coastal Area (Takutai Moana) Act Inquiry (Wai 2660).



Safeguarding the durability of Treaty Settlements

Historical Treaty of Waitangi settlements provide a base to support partnership between Māori and the Crown. Te Arawhiti works with Crown agencies, local government, and post-settlement governance entities (PSGEs) to ensure settlements are durable. This means:

- supporting the Crown to meet its settlement commitments;
- providing advice on new policies or initiatives to ensure they do not undermine the integrity of settlements; and
- maintaining and strengthening relationships built with iwi and hapū through the settlement process.

Key achievements in 2018/19:

- provided advice to agencies on the impact of policy initiatives on settlement durability. This included a range of policy areas, including housing and urban development, minerals, conservation, overseas investment, and fresh water;
- substantially resolved two significant post-settlement issues. This work involved close collaboration with Crown agencies and PSGEs;
- liaised with Te Rūnanganui o Ngāti Porou to coordinate the 2018 Ngāti Porou – Crown Taumata (Summit). It was the first time the Taumata had been held in the Ngāti Porou rohe;
- had over 40 meetings with PSGEs to maintain relationships and settlement durability; and
- at the end of June 2019, we launched Te Haeata – the settlement portal. Te Haeata is an online database of commitments made in deeds of settlement and settlement legislation. PSGEs, Crown agencies and local government have access to Te Haeata to search and view settlement commitments. Over 300 individuals have registered with Te Haeata, within that number there are over 30 central and local government commitment holders and over 20 PSGEs.

Support the Crown to be a better Treaty Partner

Te Arawhiti supports the Crown to be a better Treaty partner by:

- lifting public sector capability to ensure that policies, programmes and services which affect Māori are well informed and deliver better solutions;
- developing better engagement tools, guidance and processes to work with Māori;

- developing new partnership principles that ensure opportunities are taken to work with Māori in ways which deliver better results;
- providing strategic leadership and policy advice to agencies on contemporary Treaty issues;
- brokering solutions to challenging relationship issues with Māori;
- coordinating significant Māori Crown events on behalf of the Crown; and
- providing strategic advice to the Minister for Māori Crown Relations: Te Arawhiti on the risks and opportunities in the Māori Crown relationship.

Key achievements in 2018/19:

- developed and gained Cabinet approval of the business case for the establishment of The Office for Māori Crown Relations – Te Arawhiti as a departmental agency hosted within the Ministry of Justice;
- an Engagement Framework and Guidelines approved in September 2018 to support Crown agencies to engage with Māori. Te Arawhiti provides advice on the implementation of these guidelines;
- provision of 23 engagement workshops, with 15 agencies and over 500 participants to support the Engagement Framework and Guidelines;
- Māori Crown partnership principles and guidelines were approved in March 2019;
- facilitated over 10 partnerships between Māori and the Crown;
- supported other agencies to resolve challenging relationship issues with Māori;
- provided tools and guidance to support a more consistent Crown approach to:
 - › contemporary Treaty issues; and
 - › public sector capability; and
- coordinated significant Māori Crown events (including the Crown's participation in the centenary celebrations at Rātana Pā in November 2018 and Waitangi commemorations in February 2019).

Te Arawhiti will continue to work with Crown agencies as they embed the principles guiding meaningful engagement and partnership, and is currently developing a set of indicators to provide an ongoing measure of the health of the Māori Crown relationship.

Statement of Responsibility

I am responsible, as Chief Executive (Acting) of The Office for Māori Crown Relations – Te Arawhiti, for the accuracy of any end-of-year performance information prepared by Te Arawhiti, whether or not that information is included in the Annual Report.

In my opinion, the Annual Report fairly reflects the operations, progress, and organisational health and capability of Te Arawhiti.



Lil Anderson

Tumu Whakarae - Chief Executive (Acting)
The Office for Māori Crown Relations – Te Arawhiti

27 September 2019



Our performance

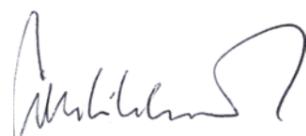
Statement of responsibility

I am responsible, as Secretary for Justice and Chief Executive of the Ministry of Justice (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2019 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2020 and its operations for the year ending on that date.



Andrew Kibblewhite

Secretary for Justice and Chief Executive

27 September 2019

Independent Auditor's report

To the readers of the Ministry of Justice's annual report for the year ended 30 June 2019

The Auditor General is the auditor of the Ministry of Justice (the Ministry). The Auditor General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 100 to 125, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2019 on pages 74 to 97; and
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2019 on pages 140 to 148; and
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 127 to 139 that comprise:
 - › the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019;
 - › the schedules of expenses; and revenue and receipts for the year ended 30 June 2019;
 - › the statement of trust monies for the year ended 30 June 2019; and
 - › the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 100 to 125:
 - › present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year ended on that date; and

- › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Ministry on pages 74 to 97:
 - › presents fairly, in all material respects, for the year ended 30 June 2019:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - › complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 140 to 148 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 127 to 139 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - › the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019; and
 - › expenses; and revenue and receipts for the year ended 30 June 2019; and
 - › the statement of trust monies for the year ended 30 June 2019.

Our audit was completed on 27 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

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

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Statement of Intent 2018-2023, the Estimates and Supplementary Estimates of Appropriation 2018/19 and the 2018/19 forecast financial figures included in the Ministry's 2017/18 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by the Chief Executive.

- We evaluate the appropriateness of the reported performance information within the Ministry's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 2 to 68 and 150 to 157, but does not include the information we audited, and our auditor's report thereon.

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

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Minister of Justice's, Minister for Courts', and the Minister for Treaty of Waitangi Negotiations' report on relevant non-departmental appropriations that is appended to the Ministry's annual report is not part of the Ministry's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's report.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry or Te Arawhiti (Departmental Agency).



Ajay Sharma
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

Audit and Risk Committee report for the period of 1 July 2018 to 30 June 2019

Background

Our Ministry's Audit and Risk Committee first met on 6th June 1998 (as the Department for Court's Audit Committee). Since then the Committee has been a key mechanism to support our Chief Executive and Senior Leadership Team in managing and improving our Ministry's corporate governance environment.

The Committee provides independent insights and advice on:

- risk management processes
- internal control mechanisms
- responsible resource management
- internal and external audit functions
- integrity of performance information
- business improvement initiatives
- governance framework and processes
- compliance with legislation, policies, and procedures.

The Committee plays an advisory role only. Primary responsibility for resolving issues and implementing Committee recommendations sits with our Chief Executive and Senior Leadership Team.

The Committee's Charter (Terms of Reference) has been refreshed for 2019/20 in consultation with our Chief Executive. The Committee's title will also change in September 2019 from the Audit and Risk Committee to the Risk and Assurance Committee.

Current Members

The Committee comprises four independent external members:

- Graeme Mitchell (Chair)
- Viv Rickard
- Naomi Ferguson
- Jim Donovan

There have been no changes to the Committee's independent membership during this period. Graeme Mitchell will be retiring from the Committee at the end of September 2019. Lyn Provost joins the Committee in September 2019 and will assume the Committee Chair role, with effect from the Committee's November 2019 meeting. It is noted as a potential conflict of interest that Jim Donovan is also the chair of the Skylight Trust which is a supplier to Ministry for services related to supporting victims of sexual violence. The Audit and Risk Committee has no involvement in Ministry supplier selection or evaluation.

Our Ministry's Chief Executive and/or Deputy Secretary Corporate and Governance attended all Committee meetings. A representative from Audit New Zealand (our Ministry's external auditor) also attends in an observer capacity. The Committee is supported by our Ministry's Director Risk and Assurance.

Report of the Audit and Risk Committee

Between 1 July 2018 and 30 June 2019, the Committee met on four occasions to fulfil its duties and responsibilities.

The Committee:

- received briefings on our business plan for 2018/19 and our Chief Executive's priorities for the year
- considered, and advised on, key areas of our programme of work, including:
 - › Modernisation
 - › Ministry governance
 - › our ICT Strategy
 - › ICT infrastructure remediation and risk management
 - › the establishment of the Office for Māori Crown Relations: Te Arawhiti as an agency within the Ministry of Justice
 - › Criminal Justice Reforms: Hāpaitia te Oranga Tangata – Safe and Effective Justice
 - › Health, Safety and Security management
 - › key operational performance reporting metrics

- reviewed our strategic risks
- discussed our quarterly financial and operational performance
- liaised with our external auditors regarding their findings and audit plan for the coming year
- contributed to, and endorsed, our Internal Audit work programme for the year
- monitored progress on resolving findings from our Internal Audit reports
- enhanced our legislative compliance programme and mitigation of fraud risks

- considered the Ministry's Internal Control Assessment Tool (ICAT) survey results
- reviewed the Ministry's Annual Report and provided advice to the Chief Executive and CFO on content and disclosure.

In addition to its formal meetings, the Committee Chair liaised directly with our Chief Executive on relevant matters as appropriate.

The Committee undertakes regular assessments of its performance to ensure that it continues to be focused, effective, and providing a quality service to our Chief Executive.

Statement of Intent indicators

As at 30 June 2019

The strategic intentions set out in the Ministry's Statement of Intent 2018-23 include a purpose, four goals and five priorities. The results of the performance indicators for the purpose and the goals are set out in the following section.

In May 2019, it was agreed that the Ministry's strategy would be refreshed. With a new Chief Executive and a strategy that had remained relatively consistent for the last few years, it was timely to ensure that our priorities are reflective of the Ministry's strategic direction. These strategic intentions have been replaced by the Ministry's new strategy (refer to page 12).

OUR STRATEGY
Tā mātou rautaki

OUR PURPOSE
Tā mātou kaupapa

Deliver people-centred services to provide access to justice for all
Te tuku ratonga ā-tangata kia ahei atu ai te katoa ki te ture

GOALS
Ngā whāinga

- Modernise courts and tribunals
- Deliver improved justice outcomes for Māori
- Reduce crime, victimisation and harm
- Provide great service to the public every day

PRIORITIES
Ngā kaupapa matua

- Support our people to succeed
- Use data insights to deliver better services
- Build capability to engage and partner with Māori
- Communicate to make meaningful connections
- Make the Ministry a great place to be

HOW
Me pēhea

- Customer
Walking a mile in the shoes of the public
- Continuous improvement
Always strive to provide a better service
- Collaboration
Helping each other to succeed
- Results matter
We are all accountable

OUR VALUES
Ō mātou uara

RESPECT **INTEGRITY** **SERVICE** **EXCELLENCE**

MINISTRY OF JUSTICE
Te Kaitiaki Take Kōwhiri

Achieving our purpose

Our justice system is trusted, has a high level of integrity and helps to provide safe communities. The indicators we use, the desired trend and current results are set out below.

Deliver people-centred services to provide access to justice for all		
<ul style="list-style-type: none"> the integrity of our constitutional arrangements is maintained we have increased trust in the justice system we have safer communities. 		
Key indicators	Desired trend	Current result
Institutional Trust – trust in the courts as measured by the New Zealand General Social Survey (see Note 1)	Increase over time	NZ GSS 2018: 64.1% of New Zealanders have a high level of trust in the Courts. NZ GSS 2016: 63.4%
New Zealand's ranking in the World Justice Project Rule of Law Index (see Note 2)	Maintain or improve	2019: Global ranking 8/126 (score: 0.82) 2017/18: Global ranking 7/113 (score: 0.83) 2016: Global ranking 8/113 (score: 0.83) 2015: Global ranking 6/102 (score: 0.83)
New Zealand's ranking in the Transparency International Corruption Perceptions Index (see Note 3)	Maintain	2018: Global ranking 2/180 (score: 87/100) 2017: Global ranking 1/180 (score: 89/100) 2016: Global ranking 1=/176 (score: 90/100) 2015: Global ranking 4/168 (score: 88/100)
Percentage of people who feel very safe or safe walking alone in their neighbourhood after dark as measured by the New Zealand General Social Survey (see Note 1)	Increase over time	NZ GSS 2018: 61.9% NZ GSS 2016: 60.6% NZ GSS 2014: 60.9%

Note 1 – stats.govt.nz/information-releases/wellbeing-statistics-2018

Note 2 – worldjusticeproject.org/our-work/research-and-data/wjp-rule-law-index-2019

Note 3 – transparency.org/cpi2018

Achieving our strategic goals

The indicators we use, the desired trend and current results are set out below. We regularly report our performance to the Ministry's Strategic Leadership Team.

Assessing Performance

Key indicators	Desired trend	Current result
Modernise courts and tribunals		
We aim to resolve all serious harm cases within 12 months. Serious harm cases are category 3 and 4 criminal cases where offenders can get more than 2 years imprisonment.	Increase over time to 100%	2018/19: 86% 2017/18: 88% 2016/17: 90% 2015/16: 92%

As at June 2019, 86% of serious harm cases were disposed of within 12 months, compared to 88.4% in 2017/18.

The number of serious harm cases has increased significantly since 2014, resulting in an increased workload.

Since mid-2014, the time it takes for serious harm cases to be resolved in the District Court has been steadily increasing. There are 2 factors that determine how long it takes for a criminal case to be resolved:

1. The number of court events required to resolve the case.
2. The elapsed time between those events.

In 2018/19, serious harm criminal cases required 1.6 more court events per case to resolve compared to 2014. The increase in the number of court events required is due to more cases progressing further through the criminal procedure process. Analysis shows that this is due to less defendants pleading guilty early in the criminal procedure process.

Some of the reasons for the increase include:

- the retirement of a number of judges
- the Chief District Court Judge reallocating judicial time from the criminal to the family jurisdiction, and
- court staff industrial action in late 2018.

Reduce crime, victimisation and harm		
Recorded victimisations per 10,000 population	Decrease over time	June 2019: 531 June 2018: 539* June 2017: 567* June 2016: 565* June 2015: 548*

* Results differ from previous years' annual reports as they come from a live database that is continuously updated.

Over the past 12 months, there was a 1.3% decrease in recorded victimisations per 10,000 of the population. While there was a small increase in recorded victimisations (up 0.4%), there was a larger increase in the New Zealand population (up 1.8%). This led to a decrease in the number of recorded victimisations per 10,000 of the population.

From the New Zealand Crime and Victims Survey (see Note 1):	Decrease over time	2018 results:
Proportion of adults who have experienced one or more victimisation incidents in the past year (victimisation prevalence)		• 29%
Proportion of adult family violence victims		• Physical violence: 2% • Physical and psychological violence: 4.42%
Proportion of adults who have experienced multiple victimisations		• 11% (38% of all victims) • 4% of adults experienced 47% of all crime incidents

Key indicators	Desired trend	Current result
Improve justice outcomes for Māori		
Institutional Trust – trust by Māori in the courts as measured by the New Zealand General Social Survey.	Increase over time	NZ GSS 2018: 44.3% of Māori have a high level of trust in the Courts. NZ GSS 2016: 48.6%
From the New Zealand Crime and Victims Survey (see Note 1):	Decrease over time	2018 results:
Proportion of Māori adults who have experienced one or more victimisation incidents in the past year (victimisation prevalence)		• 37%
Proportion of Māori adult family violence victims		• Physical violence only: 4% • Physical and psychological violence: 7.3%
Proportion of Māori adults who have experienced multiple victimisations		• 18% (48% of all Māori victims)
Treaty of Waitangi claims are settled with groups who are ready (see Note 2)	Increase over time	At 30 June 2019, 92% of iwi groups had a recognised mandate and deeds of settlement had been signed with 64% of all groups. At 30 June 2018 92% of iwi groups had a recognised mandate and deeds of settlement had been signed with 63% of all groups. At 30 June 2017 91% of iwi groups had a recognised mandate and deeds of settlement had been signed with 61% of all groups. At 30 June 2016 87% of iwi groups had a recognised mandate and deeds of settlement had been signed with 59% of all groups.
We are at the tail end of the settlement process where milestones are becoming harder to achieve. The most notable challenges for 2018/19 included:		
<ul style="list-style-type: none"> • increased litigation against the Crown on matters relating to mandate and overlapping interests • iwi requiring more time to resolve matters of mandate and overlapping interests • iwi settlement aspirations and expectations challenging Crown policy frameworks • iwi readiness and capability to carry out negotiations with the Crown. 		
We anticipate these will continue to affect the progress of Treaty settlements.		
Provide great service to the public everyday		
Measured through the performance measures in the Estimates of Appropriations for Votes Justice, Courts and Treaty Negotiations.	Achieve or exceed the target for each measure	See pages 78 to 97

Note 1 – justice.govt.nz/justice-sector-policy/research-data/nzcvs/resources-and-results/

Note 2 - This result includes Deeds of Settlement that were signed and subsequently revised.

Reporting against appropriations

For the year ended 30 June 2019

Our outputs are specified in the Estimates of Appropriations for 2018/19.

Where appropriate, an explanation is provided for service performance negative variances of more than 5%. Where there is a range for a standard, a variance explanation is provided for results outside the forecast range. Where appropriate, an explanation has been provided for positive variances of more than 10%.

MINISTRY OF JUSTICE

Vote Justice

Administration of Legal Services

What the ministry does

This appropriation supports the administration of legal services, including legal aid and related schemes, and the management and collection of legal aid debt.

Contribution to strategic intentions

This appropriation contributes to our goal to provide great service to the public every day. The administration and provision of legal services helps to meet public needs and expectations to develop better, more accessible, and effective public services.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
64,301	Number of new criminal legal aid applications administered	63,000-69,000	62,947	This is a demand driven measure. The decrease is due to fewer criminal legal aid applications received.
18,930	Number of new family legal aid applications administered	18,000-22,000	18,745	
1,931	Number of new civil legal aid applications administered	1,600-2,000	2,053	The increase is due to an increase in applications for Waitangi Tribunal cases. The new applications concern historical and contemporary grievances about issues of national significance ('kaupapa issues').
91%	Legal aid applications for criminal cases assessed within one working day (see Note 1)	93%	97%	
91%	Legal aid applications for family cases assessed within three working days (see Note 1)	75%	92%	The new legal aid operating model is delivering an efficient and nationally consistent method of administering legal aid.
75%	Legal aid applications for civil cases assessed within five working days (excluding Waitangi Tribunal proceedings applications) (see Note 1)	75%	88%	The new legal aid operating model is delivering an efficient and nationally consistent method of administering legal aid.

Note 1 – The time taken to assess a legal aid application is measured for applications that are complete on receipt. The performance measure does not include applications that cannot be assessed without further correspondence with the applicant or their lawyer.

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
30,034	Crown	29,661	29,424	30,431
402	Departmental	328	83	291
67	Other	88	6	24
30,503	Total Revenue	30,077	29,513	30,746
29,059	Total Expenses	27,283	29,513	30,746
1,444	Net surplus/(deficit)	2,794	0	0

Establishing the Criminal Cases Review Commission

What the ministry does

This appropriation supports the establishment of the Criminal Cases Review Commission.

Contribution to strategic intentions

This appropriation contributes to our goal to reduce crime, victimisation and harm. We want to establish a new body to assess alleged miscarriages of justice, to increase trust and confidence in the criminal justice system.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	The Criminal Cases Review Commission is on schedule to be established by the date confirmed by Parliament	Achieved	Not yet achieved	Yet to be achieved due to date of confirmation by Parliament.

Actual 30 June 2018 \$000*		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
0	Crown	200	0	0
0	Departmental	0	0	0
0	Other	0	0	0
0	Total Revenue	200	0	0
0	Total Expenses	150	0	0
0	Net surplus/(deficit)	50	0	0

*This is a new appropriation that was established in April 2019.

Justice and Emergency Agencies Property and Shared Services

What the ministry does

This appropriation is limited to the provision of property and shared services to other agencies in Christchurch.

Contribution to strategic intentions

This appropriation contributes to our goals to provide great service to the public every day, and to modernise courts and tribunals. We want to create a public facility with justice and emergency services that are modern, accessible, resilient and people-centred, provide for improved joint outcomes and service delivery and contribute to a vibrant urban environment in Christchurch.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
Achieved	Services meet the standards agreed with other agencies (see Note 1)	Achieved	Achieved	

Note 1 – The standard agreed between the Ministry of Justice and the other agencies is set out in co-location agreements with these agencies.

	Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
11,082 Crown		23,908	16,396	22,191
2,439 Departmental		7,888	7,430	9,564
0 Other		2,997	2,336	3,339
13,521 Total Revenue		34,793	26,162	35,094
18,432 Total Expenses		31,192	26,162	35,094
(4,911) Net surplus/(deficit)		3,601	0	0

Public Defence Service

What the ministry does

This appropriation supports the provision of legal services by the Public Defence Service.

Contribution to strategic intentions

This appropriation contributes to our goal to provide great service to the public every day. The provision of legal services by the Public Defence Service helps to meet public needs and expectations to develop better, more accessible and effective public services.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
13,700	Number of hours per annum Public Defence Service provides duty lawyer supervision in the courts where the Public Defence Service operates	No fewer than 13,000 hours	15,334	
95%	Percentage of criminal legal aid cases assigned to a Public Defence Service lawyer within one business day from the date we receive the legal aid assignment	93%	94%	
16,245	Number of new cases accepted during the year	16,000-17,500	15,051	Assignment numbers have been reduced over the last year to manage lawyers' caseloads due to cases taking longer to complete because of complexity, more court events and industrial action.

	Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
34,190 Crown		35,129	33,241	34,488
91 Departmental		66	88	126
124 Other		81	0	16
34,405 Total Revenue		35,276	33,329	34,630
33,710 Total Expenses		35,097	33,329	34,630
695 Net surplus/(deficit)		179	0	0

Reducing Family Violence and Sexual Violence

What the ministry does

The Ministry is leading the whole-of-government approach to prevent, address and reduce family violence and sexual violence.

Contribution to strategic intentions

This appropriation contributes to our goal to reduce crime, victimisation and harm. We want to achieve coordinated efforts to reduce family violence and sexual violence.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	The satisfaction of the Parliamentary Under-Secretary to the Minister of Justice (Domestic and Sexual Violence issues) with the quality of support and advice provided by the Joint Venture, supported by the Ministry of Justice	At least 8/10	7.0/10	N/A
New measure	The satisfaction of the Joint Venture of the Social Wellbeing Board (Family Violence and Sexual Violence) with the leadership, advice and support provided by the Ministry of Justice	At least 8/10	6.1/10	N/A

Actual 30 June 2018 \$000*		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
0	Crown	5,582	0	5,000
0	Departmental	500	0	0
0	Other	0	0	0
0	Total Revenue	6,082	0	5,000
0	Total Expenses	4,414	0	5,000
0	Net surplus/(deficit)	1,668	0	0

*This is a new appropriation that was established in October 2018.

Sector Leadership and Support

What the ministry does

This appropriation supports the provision of advice and services that focus on the Ministry's leadership role in the justice sector. This covers enhancing the Ministry's coordination with other sector and Government agencies, provision of advice and information about judicial and statutory appointments, and monitoring specific Crown entities.

Contribution to strategic intentions

This appropriation contributes to our goals to reduce crime, victimisation and harm, deliver improved justice outcomes for Māori, and to provide great service to the public every day. The provision of sector leadership and support improves sector governance, helps meet public needs and expectations to develop and deliver better public services, and makes society safer by preventing crime and reducing reoffending.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
7.5/10	The satisfaction of the Minister of Justice and Associate Minister of Justice with the quality of support and advice provided by the Ministry in relation to its management of Crown entities and agencies	At least 8/10	9.0/10	
7.1/10	The satisfaction of the Justice Sector Leadership Board with the leadership, advice and support provided by the Ministry	At least 8/10	7.0/10	N/A
Not achieved	Monitor and report on the Justice Sector Fund investments six monthly	Achieved	Not achieved	Due to the small number of initiatives that are still being delivered, the reporting was changed from six monthly to an annual report, which was completed.

Actual 30 June 2018 \$000*		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
10,939	Crown	16,529	9,375	11,728
150	Departmental	210	25	161
20	Other	48	18	23
11,109	Total Revenue	16,787	9,418	11,912
11,021	Total Expenses	15,733	9,418	11,912
88	Net surplus	1,054	0	0

Justice Policy Advice and Related Services (multi-category appropriation)

What the ministry does

The Justice Policy Advice category supports the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to assist decision-making by ministers on government policy matters relating to civil, criminal and constitutional law, and the justice sector.

The Legal and Ministerial Services category supports the provision of legal and ministerial services to assist decision-making by ministers on government matters (other than policy decision-making).

Contribution to strategic intentions

This appropriation contributes to our goals to provide great service to the public every day, deliver improved justice outcomes for Māori, and to reduce crime, victimisation and harm. The provision of these services is intended to make society safer by preventing crime and reducing reoffending, whilst also meeting the public needs and expectations to develop better, more accessible and effective public services.

Assessing Performance

Performance of the multi-category appropriation as a whole

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	The satisfaction of the Minister of Justice, the Minister for Courts, the Associate Minister of Justice, the Associate Minister for Courts, and the Parliamentary Under-Secretary to the Minister of Justice (Domestic and Sexual Violence issues) with policy advice and related services, as per the common satisfaction survey	At least 8/10	9.1/10	

Justice Policy Advice

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
7.7/10	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 90% (see Notes 1 and 2)	At least an average of 7/10	7.1/10	
8.4/10	The satisfaction of the Minister of Justice with the policy advice service, as per the common satisfaction survey	At least 7/10	8.4/10	
\$158.41	The total cost per hour of producing outputs	At most \$155	\$168.73	The increase from 2017/18 is primarily due to a 2% increase in total operational costs and a 7% decrease in policy FTEs this year.

Note 1 - This indicator provides a standardised score for technical quality reviews of policy advice, which are undertaken by a third-party assessor. The review may include an assessment of clarity, accuracy, analytical rigour, fitness for purpose, and relevance.

Note 2 - NZIER has revised the methodology for this performance measure. The revised methodology is aligned to the Department of Prime Minister and Cabinet's (DPMC) new Policy Quality Framework. The DPMC framework has additional requirements that are not included in the NZIER quality framework. NZIER has developed a tool that enable individual paper scores to be translated from the DPMC framework to the NZIER framework, which ensures that results for this measure are comparable between years.

Legal and Ministerial Services

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	The satisfaction of the Minister of Justice and the Minister for Treaty of Waitangi Negotiations with the quality of legal advice, as per the common satisfaction survey	At least 8/10	8.5/10	
New measure	The satisfaction of the Minister of Justice, the Minister for Treaty of Waitangi Negotiations, the Minister for Courts, the Associate Minister of Justice, the Associate Minister for Courts and the Parliamentary Under-Secretary to the Minister of Justice (Domestic and Sexual Violence issues) with ministerial services, as per the common satisfaction survey	At least 8/10	8.0/10	

Justice Policy Advice

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
21,274	Crown	21,992	21,037	18,707
318	Departmental	512	288	411
161	Other	446	48	58
21,753	Total Revenue	22,950	21,373	19,176
21,432	Total Expenses	22,011	21,373	19,176
321	Net surplus/(deficit)	939	0	0

Legal and Ministerial Services

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
7,112	Crown	8,089	8,211	7,498
214	Departmental	345	48	125
14	Other	42	14	17
7,340	Total Revenue	8,476	8,273	7,640
6,468	Total Expenses	7,205	8,273	7,640
872	Net surplus/(deficit)	1,271	0	0

OFFICE FOR MĀORI CROWN RELATIONS – TE ARAWHITI

Vote Justice

Māori Crown Relations (multi-category appropriation)*

What Te Arawhiti does

This appropriation supports the strengthening of the relationship between Māori and the Crown.

Contribution to strategic intentions

This appropriation contributes to the goal to deliver improved justice outcomes for Māori. The provision of these services is intended to foster strong, ongoing and effective relationships with Māori.

Assessing Performance

Performance of the multi-category appropriation as a whole

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	The satisfaction of the Minister for Māori Crown Relations: Te Arawhiti and the Minister for Treaty of Waitangi Negotiations with the strengthening of the relationship between Māori and the Crown, as per the common satisfaction survey	At least 8/10	8.5/10	

Policy Advice – Māori Crown Relations

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 90% (see Note 1)	At least 8.5/10	7.4/10	
New measure	The satisfaction of the Minister for Māori Crown Relations: Te Arawhiti with the policy advice service, as per the common satisfaction survey	At least 8.5/10	8.6/10	

Note 1 – This indicator provides a standardised score for technical quality reviews of policy advice, which are undertaken by a third party assessor. The review may include an assessment of clarity, accuracy, analytical rigour, fitness for purpose, and relevance.

Services to Ministers

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	The satisfaction of the Minister for Māori Crown Relations: Te Arawhiti with ministerial services, as per the common satisfaction survey	At least 8.5/10	9.0/10	

*The Māori Crown Relations – Te Arawhiti appropriation was established from 1 January 2019 as part of the Departmental Agency Te Arawhiti.

Strengthening Crown Capability

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	Number of agencies signing up to engagement classes	6	23	The demand for the <i>Introduction to Māori Crown Engagement</i> workshops was exceeded as more agencies became aware of the need to build their internal organisational capacity to engage with Māori.
New measure	Number of engagement processes advised on	45	99	Agencies are aligning to the Cabinet approved Crown engagement with Māori Framework and Guidelines. This has meant Te Arawhiti needed to provide assurance advice and support across a range of processes. The number of engagement processes advised on, reflects a percentage of engagements that agencies are currently undertaking.

Policy Advice – Māori Crown Relations

Actual 30 June 2018 \$000*	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
0	988	0	2,028
0	18	0	0
0	4	0	0
0	1,010	0	2,028
0	954	0	2,028
0	56	0	0

*This is a new appropriation that was established in February 2019.

Services to Ministers

Actual 30 June 2018 \$000*	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
0	329	0	676
0	6	0	0
0	1	0	0
0	336	0	676
0	319	0	676
0	17	0	0

*This is a new appropriation that was established in February 2019.

Strengthening Crown Capability

	Actual 30 June 2018 \$000*	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
0 Crown		1,975	0	4,057
0 Departmental		35	0	0
0 Other		9	0	0
0 Total Revenue		2,019	0	4,057
0 Total Expenses		1,908	0	4,057
0 Net surplus/(deficit)		111	0	0

*This is a new appropriation that was established in February 2019.

MINISTRY OF JUSTICE

Vote Courts

Courts, Tribunals and Other Authorities Services, including the Collection and Enforcement of Fines and Civil Debts Services (multi-category appropriation)

What the ministry does

The Collection and Enforcement of Fines and Civil Debts Services category supports the purchase of collection and enforcement of fines and civil debts services.

The District Court Services category supports the provision of services in regard to the work of the District Court, including the Youth Court and Family Court.

The Senior Court Services category supports the provision of services in regard to the work of the Supreme Court, Court of Appeal, and High Court.

The Specialist Courts, Tribunals and Other Authorities Services category supports the provision of services in regard to the work of New Zealand's specialist courts, tribunals and authorities.

Contribution to strategic intentions

The purpose of this appropriation is to provide courts, tribunals and other authorities services, including the collection and enforcement of fines and civil debt services. It contributes to our goals to provide great service to the public every day, modernise courts and tribunals, deliver improved justice outcomes for Māori, and reduce crime, victimisation and harm.

Assessing Performance

Performance of the multi-category appropriation as a whole

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
81%	Satisfaction of court users with court services and facilities	80%	82%	
91%	Percentage of juror survey responses that rate overall juror satisfaction as "satisfied" or better	90%	90%	
88%	Percentage of criminal trials - category 3 & 4 resolved within 12 months	90%	86%	The transfer of judicial time from the criminal jurisdiction to the Family Court, a decrease in the number of judges during the year, the increase in number of events to dispose of cases and industrial action were contributors to the measure not being met.

Collection and enforcement of fines and civil debts services

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
\$185 million	Total amount of fines collected	\$157 million to \$177 million	\$190 million	The result is due, in part, to several campaigns in the second half of the year, which resulted in an increase in fines collected.

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
79%	Percentage of court-imposed and infringement fines collected or placed under arrangement within four months	84%	77%	A new collections strategy is being implemented that aims to improve performance against this measure.
93%	Percentage of all civil enforcement application types processed in 3 days or less	90%	92%	
75%	Percentage of Offender Levy collected or placed under arrangement within four months	85%	74%	The Offender Levy is challenging to collect, especially when the debtor is in prison.
48%	Percentage of debt that is overdue	48%	44%	Overdue debt is less than projected because we have been more successful in getting debts under a repayment arrangement.
New measure	Percentage of debt that is under arrangement	43%	47%	The higher percentage in debts under arrangement was due in part to several campaigns in the second half of the year.

District Court Services

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
76%	Percentage of District Court Family - Care of Children Act applications resolved within 12 months	80%	76%	The reduction in judicial numbers, industrial action in late 2018 and an increase in without notice applications are contributors to this measure not being met. In late 2018, the Chief District Court Judge allocated judicial time from the criminal jurisdiction to the Family Court, to attempt to address the backlog of applications. This has increased the number of cases resolved, however not enough to meet the target.
73%	Percentage of category 2 cases resolved within 3 months	75%	72%	The transfer of judicial time from the criminal jurisdiction to the Family Court, a decrease in the number of judges during the year, the increase in number of events to dispose of cases and industrial action were contributors to the measure not being met.
131,516	Number of District Court criminal cases (including youth) disposed	123,000-138,000	127,400	
16,661	Number of civil cases disposed	16,000-19,000	16,797	
58,351	Number of Family Court substantive applications disposed	44,000-51,000	59,717	More substantive Family Court applications were disposed this year than anticipated, because the Chief District Court Judge assigned additional hearing time to the Family Court jurisdiction in late 2018 to hear priority cases.
28,580	Number of calls received by the 0800 victims of crime information line	23,000-25,000	31,540	A higher volume of calls were experienced by the Victims of Crime Information Line due to more visibility of the phone line. The 15 March 2019 Christchurch attacks also affected the number of calls.

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	Percentage of calls received by the 0800 victims of crime information line answered within 30 seconds	85%	82%	The higher volume of calls received by the 0800 victims of crime information line affected performance.
1,299	Number of victims supported by Sexual Violence Court Victims Advisors	1,800-2,000	1,388	Fewer victims than forecast chose to be supported by sexual violence court victim advisors this year.

Senior Court Services

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
157	Number of Supreme Court civil and criminal applications for leave to appeal and appeals disposed	130-260	134	
639	Number of Court of Appeal civil and criminal appeals disposed	590-750	632	
1,367	Number of High Court civil and criminal appeals disposed	1,300-1,600	1,442	
2,484	Number of High Court civil and criminal cases disposed	2,200-2,800	2,461	

Specialist Courts, Tribunals and Other Authorities Services

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
Accident Compensation Appeals District Court Registry (ACC DCR)				
New measure	ACC DCR case disposal rate (number of cases disposed/number of cases received)	100%	85%	Fewer cases were disposed of than received in 2018/19. This is due to the complexity of certain cases.
Alcohol Regulatory Licensing Authority				
72%	Percentage of appeals and enforcements resolved within 6 months	75%	69%	The result is lower than anticipated, due to an increase in the number of appeals and enforcements filed in late 2018.
Coronial Services Unit				
57%	Percentage of coronial cases on hand under 12 months old	70%	53%	The result is lower than anticipated due to ongoing resource constraints within the coronial jurisdiction. Budget 19 has provided funding for 8 part-time relief coroners which will be appointed in 2019/20. We anticipate that the additional resource of relief coroners will improve our performance and assist to clear the backlog.
1,998	Number of coronial advice cases disposed	2,350-2,550	1,726	There were fewer coronial advice cases received (1,745) during the year than anticipated. This meant that the number of cases disposed of was lower than expected.

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
3,152	Number of coronial cases disposed	3,100-3,300	3,191	
Disputes Tribunal				
13,115	Number of Disputes Tribunal claims disposed	12,800-14,000	12,006	Disputes claims are becoming more complex with significant legal elements being incorporated into claims. It should also be noted that the Disputes Tribunal jurisdiction is set to be extended from \$20k to \$30k towards the end of the 2019 calendar year.
New measure	Percentage of Disputes Tribunal claims disposed within 3 months	75%	70%	Claims are becoming more complex. There have been 8 new Disputes Tribunal referees appointed in the last 16 months.
Employment Court				
178	Number of Employment Court cases disposed	150-180	160	
76%	Percentage of Employment Court cases on hand under 12 months old	75%	68%	There are 69 older cases on hand that the court cannot progress, which increases the average age of those cases.
Environment Court				
421	Number of Environment Court cases disposed	250-350	487	This is demand driven.
84%	Percentage of Environment Court cases on hand under 18 months old	75%	85%	The Environment Court received a larger number of plan review appeals over the past 6 months than anticipated, which has lifted the average age of cases overall at year-end.
Human Rights Review Tribunal				
New measure	Human Rights Review Tribunal case disposal rate (number of cases disposed/number of cases received)	80%	122%	More cases were disposed of than received during the year. This is due to the appointment of an additional Chairperson in August 2017 to help hear cases.
Immigration and Protection Tribunal				
New measure	Immigration and Protection Tribunal case disposal rate (number of cases disposed/number of cases received)	80%	124%	More cases were disposed of than received during the year. This is due to the appointment of 2 additional members in 2018 to help hear cases.
Legal Complaints Review Officer				
New measure	Legal Complaints Review Office case disposal rate (number of cases disposed/number of cases received)	100%	151%	More cases were disposed of than received during the year, enabling some backlog to be cleared.
Māori Land Court				
New measure	Percentage of all Māori Land Court and Māori Appellate Court applications disposed within 12 months	80%	83%	

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
New measure	Number of Māori Land Court and Māori Appellate Court applications disposed	5,700-5,900	5,158	Fewer applications were disposed of in 2018/19 than anticipated. The new and existing applications continue to exceed the Courts' processing capacity. Options to increase the Court's processing capacity are being investigated.
Tenancy Tribunal				
17,530	Number of Tenancy Tribunal applications resolved	18,300-20,200	16,331	The Tenancy Tribunal received 16,890 cases in 2018/19, meaning fewer applications were resolved than anticipated.
Waitangi Tribunal				
72%	Percentage of new claims processed within 30 days of receipt	90%	96%	
New measure	Percentage of urgent applications determined in 1 month of receipt of last submissions	90%	83%	In 2018/19, the Waitangi Tribunal determined 30 out of 36 urgent applications within 1 month of last submissions. Some urgent applications present more complex challenges, which result in longer deliberation times and slower determinations. This is up to the tribunal to decide on, but as the numbers are relatively small, it can have a bigger impact on the final percentage.
90%	Percentage of draft chapters completed within the timeframe set by the Tribunal panel and meets the Chief Historian's standard	90%	100%	During 2018/19 27 draft chapters were completed. All chapters were able to be completed by the filing date and to standard.
100%	Percentage of commissioned researchers complete their reports to the Chief Historian's standard and by the judicially agreed filing dates	90%	100%	During 2018/19 six research reports were produced. All reports were able to be completed by the filing date and to standard.

Collection and enforcement of Fines and Civil Debts Services

	Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
54,384	Crown	51,199	50,302	54,091
60	Departmental	87	508	550
2,024	Other	1,658	3,955	3,999
56,468	Total Revenue	52,944	54,765	58,640
53,442	Total Expenses	55,739	54,765	58,640
3,026	Net surplus/(deficit)	(2,795)	0	0

District Court Services

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
217,958	Crown	229,316	231,345	255,102
291	Departmental	798	1,193	1,519
20,775	Other	18,190	24,951	24,544
239,024	Total Revenue	248,304	257,489	281,165
241,078	Total Expenses	249,538	257,489	281,165
(2,054)	Net surplus/(deficit)	(1,234)	0	0

Senior Courts Services

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
56,224	Crown	63,854	61,918	64,616
141	Departmental	233	705	742
12,086	Other	10,935	10,185	10,221
68,451	Total Revenue	75,022	72,808	75,579
74,308	Total Expenses	80,628	72,808	75,579
(5,857)	Net surplus/(deficit)	(5,606)	0	0

Specialist Courts, Tribunals and Other Authorities Services

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
73,048	Crown	78,309	75,682	80,696
210	Departmental	222	2,248	2,363
11,726	Other	12,264	6,241	6,274
84,984	Total Revenue	90,795	84,171	89,333
82,320	Total Expenses	87,584	84,226	89,411
2,664	Net surplus/(deficit)	3,211	(55)	(78)

OFFICE FOR MĀORI CROWN RELATIONS – TE ARAWHITI

Vote Treaty Negotiations

Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act 2011 (multi-category appropriation)*

What Te Arawhiti does

Policy Advice – Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act category is limited to the provision of advice to support decision-making by Ministers on government policy matters relating to Treaty Negotiations and the Marine and Coastal Area 512728(Takutai Moana) Act 2011.

Representation – Waitangi Tribunal and Courts category is limited to Crown representation in the Waitangi Tribunal and in the Courts on matters concerning Treaty claims, and associated research into historical Treaty grievances to support representation.

The Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act category is limited to the negotiation and implementation of historical Treaty claims, and the administration and implementation of the Marine and Coastal Area (Takutai Moana) Act 2011.

Contribution to strategic intentions

The purpose of this appropriation is to support the Crown in the negotiation, administration and implementation of historic Treaty of Waitangi settlement claims, and the Marine and Coastal Area (Takutai Moana) Act 2011. This appropriation contributes to our goals to improve justice outcomes for Māori, and to provide great service to the public every day. This is achieved through maintaining recent momentum and prioritising settlement legislation currently in the House through all stages.

Assessing Performance

Performance of the multi-category appropriation as a whole

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
9/10	The satisfaction of the Minister for Treaty of Waitangi Negotiations with progress towards negotiation milestones	At least 8.5/10	6.0/10	N/A

Policy Advice – Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
7.5/10	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 90% (see Note 1)	At least an average of 8.5/10	7.4/10	This result is consistent with last year's result and is not a cause for concern.
9.5/10	The satisfaction of the Minister for Treaty of Waitangi Negotiations with the policy advice service, as per the common satisfaction survey	At least 8.5/10	8.9/10	
\$143.10	The total cost per hour of producing outputs	At most \$150	\$143.00	

*From 1 January 2019 the appropriations under Vote Treaty Negotiations funded the Departmental Agency - Māori Crown Relations - Te Arawhiti. Prior to the establishment of Te Arawhiti, these appropriations funded a business group within the Ministry of Justice.

Representation – Waitangi Tribunal and Courts

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
100%	The Crown is represented at 100% of current District enquiries	100%	100%	
7	Number of High Court cases at which the Crown is represented	5	6	

Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
100%	Percentage of settlement date obligations met	100%	100%	
1	Mandates recognised (see notes 2 and 3)	1	0	In 2018/19, there were factors that affected our ability to achieve the target. These include increased litigation, complex redress aspirations challenging policy frameworks and iwi capacity.
6	Agreements in Principle signed (see Notes 2 and 4)	4	3	In 2018/19, there were factors that affected our ability to achieve the target. These include increased litigation, complex redress aspirations challenging policy frameworks and iwi capacity.
8	Deeds of Settlement initialled (see Notes 2 and 5)	8	2	In 2018/19, there were factors that affected our ability to achieve the target. These include increased litigation, complex redress aspirations challenging policy frameworks and iwi capacity.
0	Engagement decisions made under section 95(3) of the Marine and Coastal Area (Takutai Moana) Act (see Note 6)	20	1	We are in discussions with more than 20 groups who are wanting to formally engage. However, for various reasons we were unable to reach the milestone of signing Terms of Engagement in 2018/19.
0	Determinations made under the Marine and Coastal Area (Takutai Moana) Act	1	0	None of the groups who are in the determination stage are at a point where a determination can be made.
0%	Percentage of preliminary appraisals completed in less than 6 months	10%	0	We no longer follow a process of producing a preliminary historical appraisal in 6 months. This measure has been discontinued for 2019/20 and new performance measures have been established for the historical research programme.

Note 1 - This indicator provides a standardised score for technical quality reviews of policy advice, which are undertaken by a third-party assessor. The review may include an assessment of clarity, accuracy, analytical rigour, fitness for purpose, and relevance.

Note 2 - The Ministry does not have full control over the achievement of these measures as it is partially reliant on claimant groups undertaking the work required by them to achieve a mandate to negotiate, broadly agree to the Crown's offer and move steadily towards the conclusion of negotiations.

Note 3 - A Deed of Mandate is a formal statement prepared by a claimant group stating who is appointed to represent them in negotiations with the Crown, and how the Mandate was approved by the claimant group. If satisfied, the Minister for Treaty of Waitangi Negotiations and the Minister for Māori Development recognise the Mandate on behalf of the Crown.

Note 4 - An Agreement in Principle is agreed between the Crown and a claimant group. The document describes the broad outline of a settlement package and is signed by the claimant group and the Minister for Treaty of Waitangi Negotiations.

Note 5 - A Deed of Settlement is the complete, detailed and formal settlement agreement between the Crown and the claimant group.

Note 6 - Engagement under the MACA Act means a decision made by the Minister for Treaty of Waitangi Negotiations to investigate an application more fully to see whether it meets the criteria under the Act to grant customary marine title or protected customary rights. It is part of the formal process for determining these rights.

Policy Advice – Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
1,336	Crown	1,116	1,116	1,116
29	Departmental	49	4	18
3	Other	6	2	2
1,368	Total Revenue	1,171	1,122	1,136
1,571	Total Expenses	1,097	1,122	1,136
(203)	Net surplus/(deficit)	74	0	0

Representation – Waitangi Tribunal and Courts

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
1,835	Crown	3,232	3,232	3,094
7	Departmental	12	0	3
1	Other	1	2	2
1,843	Total Revenue	3,245	3,234	3,099
2,711	Total Expenses	4,346	3,234	3,099
(868)	Net surplus/(deficit)	(1,101)	0	0

Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
31,848	Crown	34,134	33,068	32,359
554	Departmental	682	93	503
65	Other	162	31	31
32,467	Total Revenue	34,978	33,192	32,893
29,500	Total Expenses	31,647	33,192	32,893
2,967	Net surplus/(deficit)	3,331	0	0

Our financial statements

Departmental statements

For the year ended 30 June 2019



Statement of comprehensive revenue and expense

For the year ended 30 June 2019

Actual 2018 \$000	Notes	Actual 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
Revenue				
551,264	Crown	605,542	574,347	627,878
4,907	Department	11,991	12,045	15,708
47,065	Other revenue	46,932	48,457	49,218
603,236	Total revenue	664,465	634,849	692,804
Expenses				
292,909	Personnel costs	320,364	289,111	331,809
168,056	Operating costs	176,043	193,544	199,718
78,440	Capital charge	79,762	72,409	79,786
65,958	Depreciation, amortisation and impairment	81,610	79,840	81,569
605,363	Total expenses	657,779	634,904	692,882
(2,127)	Net surplus/(deficit)	6,686	(55)	(78)
Other comprehensive revenue and expense				
<i>Item that will not be reclassified to net surplus/(deficit)</i>				
125,247	Gain on property revaluations	49,734	-	-
125,247	Total other comprehensive revenue and expense	49,734	-	-
123,120	Total comprehensive revenue and expense	56,420	(55)	(78)

Explanations of significant variances against budget are detailed in note 18.

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2019

Actual 2018 \$000	Notes	Actual 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
Assets				
Current assets				
52,235	Cash and cash equivalents	66,041	49,522	49,335
83,092	Debtors and other receivables	76,994	63,210	104,878
3,008	Prepayments	2,073	1,507	3,008
596	Assets held for sale	596	596	-
138,931	Total current assets	145,704	114,835	157,221
Non-current assets				
1,209,418	Property, plant and equipment	1,265,947	1,105,900	1,199,079
71,527	Intangible assets	67,017	72,060	60,966
1,280,945	Total non-current assets	1,332,964	1,177,960	1,260,045
1,419,876	Total assets	1,478,668	1,292,795	1,417,266
Liabilities				
Current liabilities				
46,354	Payables and deferred revenue	43,731	48,119	48,142
5,406	Provisions	7,614	12,952	9,693
-	Return of operating surplus	6,665	-	-
26,065	Employee entitlements	27,071	15,959	16,830
77,825	Total current liabilities	85,081	77,030	74,665
Non-current liabilities				
7,195	Employee entitlements	8,303	7,887	7,966
4,287	Provisions	1,260	-	-
11,482	Total non-current liabilities	9,563	7,887	7,966
89,307	Total liabilities	94,644	84,917	82,631

Actual 2018 \$000	Notes	Actual 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
1,330,569	Net assets	1,384,024	1,207,878	1,334,635
Equity				
947,965	Taxpayers' funds	951,665	951,738	952,728
695	Memorandum accounts	716	-	-
381,909	Property revaluation reserves	431,643	256,140	381,907
1,330,569	Total equity	1,384,024	1,207,878	1,334,635

Explanations of significant variances against budget are detailed in note 18.

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2019

Actual 2018 \$000	Notes	Actual 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
1,309,260	Equity as at 1 July	1,330,569	1,207,933	1,334,213
123,120	Total comprehensive revenue and expense	56,420	(55)	(78)
Owner transactions				
-	Return of operating surplus to the Crown	(6,665)	-	-
(450)	Capital transfers from/to other government agencies (non cash)	-	-	-
(101,361)	Capital withdrawal	-	-	-
-	Capital contribution from the Crown	3,700	-	500
1,330,569	Equity as at 30 June	1,384,024	1,207,878	1,334,635

Explanations of significant variances against budget are detailed in note 18.

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2019

Actual 2018 \$000	Notes	Actual 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
Cash flows from operating activities				
587,354	Receipts from the Crown	609,794	571,647	602,473
1,118	Receipts from other departments	1,040	2,014	2,059
47,125	Receipts from others	59,730	58,615	62,239
71	Goods and services tax (net)	1,110	119	1,535
(288,953)	Payments to employees	(317,694)	(288,016)	(330,313)
(167,729)	Payments to suppliers	(176,998)	(194,404)	(194,860)
(78,440)	Payment for capital charge	(79,762)	(72,409)	(79,786)
100,546	Net cash flows from operating activities	97,220	77,566	63,347
Cash flows from investing activities				
1,426	Receipts from sale of property, plant and equipment	15	-	-
(25,189)	Purchase of intangible assets	(15,624)	(15,900)	(16,700)
(66,078)	Purchase of property, plant and equipment	(71,505)	(60,835)	(47,644)
(89,841)	Net cash flows from investing activities	(87,114)	(76,735)	(64,344)
Cash flows from financing activities				
-	Capital contribution from the Crown	3,700	-	500
(1,362)	Capital withdrawal	-	-	-
(9,034)	Return of operating surplus	-	(312)	-
(10,396)	Net cash flows from financing activities	3,700	(312)	500
309	Net increase/(decrease) in cash held	13,806	519	(497)
51,926	Cash as at 1 July	52,235	49,003	49,832
52,235	Closing cash as at 30 June	66,041	49,522	49,335

The GST (net) component of operating activities reflects the net GST paid to and received from Inland Revenue. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial reporting purposes.

Explanations of significant variances against budget are detailed in note 18.

The accompanying notes form part of these financial statements.

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

Actual 2018 \$000		Actual 2019 \$000
(2,127)	Net surplus/(deficit)	6,686
Add/(less) non-cash items		
65,958	Depreciation, amortisation and impairment	81,610
65,958	Total non-cash items	81,610
Add/(less) items classified as investing and financing activities		
299	(Increase)/decrease in accrued expenses in property, plant and equipment	3,220
(169)	Loss/(gain) on disposal of HFS, property, plant and equipment and intangibles	-
130	Total movement in investing and financing activities	3,220
Add/(less) movements in working capital items		
34,807	(Increase)/decrease in debtors and other receivables	6,098
(1,166)	(Increase)/decrease in prepayments	935
(2,276)	Increase/(decrease) in payables and deferred revenue	(2,624)
1,790	Increase/(decrease) in provisions	(819)
3,430	Increase/(decrease) in employee entitlements	2,114
36,585	Total movements in working capital	5,704
100,546	Net cash flows from operating activities	97,220

The accompanying notes form part of these financial statements.

Statement of commitments

As at 30 June 2019

COMMITMENTS

CAPITAL COMMITMENTS

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant, and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported below at the lower of the remaining contractual commitment and the value of those penalty or exit costs (that is, the minimum future payments).

NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The Ministry leases property in the normal course of its business.

The Ministry's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights.

The majority of these leases are for premises that have a non-cancellable leasing period ranging from 3 to 34 years, with regular rent reviews.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

The total of minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$4.347 million (2018: \$2.718 million).

Actual 2018 \$000		Actual 2019 \$000
Capital commitments		
7,362	Property, plant and equipment	1,194
7,362	Total capital commitments	1,194
Operating leases as lessee		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
22,122	Not later than one year	22,085
72,272	Later than one year and not later than five years	69,326
42,767	Later than five years	40,321
137,161	Total non-cancellable operating lease commitments	131,732
144,523	Total commitments	132,926

The accompanying notes form part of these financial statements.

Statement of contingent liabilities and contingent assets

As at 30 June 2019

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets are recorded at the point at which the contingency is evident.

QUANTIFIABLE LIABILITIES

Actual 2018 \$000		Actual 2019 \$000
20	Personal grievances	15
15	Legal proceedings and disputes	-
35	Total contingent liabilities	15

LEGAL PROCEEDINGS AND DISPUTES

Legal proceedings and disputes represent a legal proceeding brought against the Ministry of Justice (among others). The Ministry has no legal proceedings at 30 June 2019.

PERSONAL GRIEVANCES

Personal grievances represent amounts claimed by employees for personal grievances cases.

NON-QUANTIFIABLE LIABILITIES AND ASSETS

DEPARTMENTAL NON-QUANTIFIABLE LIABILITIES

The Ministry has no non-quantifiable contingent liabilities and assets (2018: nil).

CONTINGENT ASSETS

The Ministry has no contingent assets (2018: nil).

The accompanying notes form part of these financial statements.

Notes to the financial statements

Note 1 Statement of accounting policies for the year ended 30 June 2019

REPORTING ENTITY

The Ministry of Justice (the Ministry) is a government department as defined by section 2 of the Public Finance Act 1989 (PFA) and is domiciled and operates in New Zealand. These financial statements have been prepared pursuant to section 45B of the PFA. The Ministry's ultimate parent is the Crown.

In addition, the Ministry consolidated Te Arawhiti (see note 19) and has reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 126-139.

The Ministry's primary objective is to provide services to the New Zealand public. The Ministry does not operate to make a financial return.

The Ministry has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Ministry is responsible for the following core functions:

- the delivery of operational services, including court and tribunal-related services, collections and electoral services
- the negotiations for settling historical Treaty of Waitangi claims
- the provision of support to the Judiciary
- the provision of policy advice
- leadership of the justice sector
- the management of non-departmental output classes.

The Ministry administers these functions in 3 Votes: Justice, Courts, and Treaty Negotiations.

The financial statements of the Ministry are for the year ended 30 June 2019.

The financial statements were authorised for issue by the Chief Executive of the Ministry on 27 September 2019.

BASIS OF PREPARATION

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the PFA, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP) and Treasury instructions.

The financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Ministry is New Zealand dollars.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings and certain financial instruments at fair value.

Standard early adopted

In line with the Financial Statements of the Government, the Ministry has elected to early adopt PBE IFRS9 Financial Instruments for the 2018/19 financial year. PBE IFRS9 replaces PBE IPSAS 29 Financial Instruments, Recognition and Measurement. Under the transition options of PBE IFRS 9 the financial instrument comparatives have not been restated.

Standards issued and not yet effective and not adopted early

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Ministry are:

Amendments to Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide enhanced disclosure. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Ministry does not intend to early adopt the amendment.

Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for periods beginning on or after 1 January 2022. The Ministry has not assessed the effect of the new standard.

Service Performance Reporting

PBE FRS48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Ministry has not assessed how application of PBE FRS 48 will affect its statement of performance.

Impairment of Revalued Assets (Amendments to PBE IPSAS 21 Impairment of Non-Cash-Generating Assets)

This standard amends PBE IPSAS 21 and PBE IPSAS 26 to bring assets measured at revalued amounts within the scope of the standards. As a result of the amendments, revalued assets are subject to the same impairment assessment requirements as assets that are measured using the cost model. Also, previously there was some uncertainty on whether the entire class of assets needed to be revalued when an impairment loss on damaged/unusable property, plant and equipment was recognised. The amendment removes the uncertainty by clarifying that the recognition and reversal of impairment losses do not necessarily require revaluation of the entire class to which the PPE asset belongs to. The Ministry has not assessed the effect of the new standard.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Revenue Crown

The Ministry is primarily funded from the Crown. Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement. Revenue from the Crown is recognised on the basis of the supply of outputs to the Crown and is recognised when earned.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of 3 months or less. The Ministry is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Goods and services tax (GST)

The statement of financial position is exclusive of GST, except for debtors and other receivables and creditors and other payables, which are GST inclusive. All other statements are GST exclusive.

The amount of GST owed to or from the Inland Revenue Department at balance date, being the difference between output GST and input GST, is shown as a current asset or current liability as appropriate in the statement of financial position.

The amount of GST paid to, or received from, the Inland Revenue Department, including GST relating to investment activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Government departments are exempt from income tax as public authorities. Accordingly, no charge for income tax has been provided for.

There have been no changes in cost accounting policies, since the date of the last audited financial statements.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements the Ministry has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

- Estimating the fair value of land and buildings – see note 8.
- Assessing the useful lives of software – see note 9.
- Measuring long service leave and retirements gratuities – see note 13.

Budget and forecast figures

Basis of the budget and forecast figures

The 2019 budget figures are for the year ended 30 June 2019 and are consistent with the Ministry's best estimate financial forecast information submitted to The Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2018/19. The budget figures were published in the 2017/18 annual report.

The 2020 forecast figures are for the year ending 30 June 2020, which are consistent with the best estimate financial forecast information submitted to The Treasury for the BEFU for the year ending 2019/20.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes and have been prepared in accordance with PBE FRS 42 Prospective Financial Statements and comply with PBE FRS 42.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The forecast financial statements were approved for issue by the Chief Executive on 10 April 2019. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2020 will not be published.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what may occur during the 2019/20 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Budget was finalised.

The main assumptions, which were adopted as at 10 April 2019, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.

- Personnel costs were based on over 3,000 full-time equivalent staff, which takes into account staff turnover.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Due to uncertainty and volatility in the New Zealand property market it is difficult to accurately budget for movements in the value of Ministry property. It is therefore assumed, when preparing the forecast, that there will be no gain or loss from property revaluations
- Estimated year-end information for 2018/19 was used as the opening position for the 2019/20 forecasts.

The actual financial results achieved for 30 June 2020 are likely to vary from the forecast information presented, and the variations may be material.

Since the approval of the forecasts, the only significant change or event that would have a material impact on the forecasts has been the revaluation of land and buildings at 30 June 2019. This resulted in a revaluation increase of approximately 4%.

FINANCIAL INSTRUMENTS

The Ministry is party to financial instruments as part of its normal operations. These include bank accounts, debtors and creditors. All financial instruments are recognised in the statement of financial position, and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risk arising from the Ministry's operational activities. The Ministry does not hold or issue derivative financial instruments for trading purposes. The Ministry has not adopted hedge accounting.

LEASES

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Ministry is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Ministry will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Note 2 Other revenue

Other Revenue

Departmental and other revenues are from the supply of goods and services to other government departments and third parties. This revenue is exchange revenue whereby the Ministry receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Revenue from filing and similar fees is recognised when the obligation to pay the fee is incurred. Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised evenly over the term of the lease as a reduction in total rental income.

Interest Revenue

Interest revenue is accrued using the effective interest rate method.

Breakdown of other revenue

Actual 2018 \$000		Actual 2019 \$000	Unaudited budget 2019 \$000
27,360	Filing fees	26,741	26,813
18,922	Other	19,399	20,976
783	Interest	792	668
47,065	Total other revenue	46,932	48,457

Note 3 Personnel costs

ACCOUNTING POLICY

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Obligations for contributions to the State Sector Retirement Saving Schemes, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are expensed in the surplus or deficit as incurred.

Actual 2018 \$000		Actual 2019 \$000	Unaudited budget 2019 \$000
255,160	Salaries and wages	275,555	258,862
7,455	Employer contributions to defined contribution plans	8,242	9,155
1,249	Increase/(decrease) in employee entitlements	2,272	1,033
29,045	Other	34,295	20,061
292,909	Total personnel costs	320,364	289,111

Employer contributions to defined contribution plans include contributions to the Government Superannuation Fund, KiwiSaver and the State Sector Retirement Savings Schemes.

Note 4 Operating costs

ACCOUNTING POLICY

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Other expenses

Other expenses are recognised as goods and services are received.

Actual 2018 \$000		Actual 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
463	Audit fees for financial statements audit	480	463	463
43	Bad debts written off/provided for	76	10	10
46,611	Computer and telecommunications	46,863	49,851	48,375
363	Advertising and publicity	395	127	189
7,202	Jurors fees and expenses	6,901	6,531	6,531
1,197	Ministry library and information services	1,469	1,229	1,229
5,398	Judicial library and information services	5,466	5,505	5,489
384	Judicial education/development	355	382	382
146	Disposal loss on intangibles, property, plant and equipment	-	-	-
11,041	Maintenance of facilities	12,574	10,776	11,365
20,675	Other occupancy costs (excluding rental)	23,895	24,020	26,032
26,884	Professional services	27,339	32,157	32,372
17,423	Property rental	18,151	17,071	17,559
6,968	Printing, stationery and postage	7,071	6,976	6,807
2,396	Sitting fees and judicial costs	173	601	345
12,663	Staff and judicial travel	13,808	14,309	15,053
39	Koha	48	61	70
8,160	Other operating costs	10,979	23,475	27,447
168,056	Total operating expenses	176,043	193,544	199,718

Note 5 Capital charge

ACCOUNTING POLICY

The capital charge is recognised as an expense in the financial year to which the charge relates.

FURTHER INFORMATION

The Ministry pays a capital charge to the Crown on its equity (adjusted for memorandum accounts and the retention of \$500,000 of the 2012/13 surplus) as at 31 December and 30 June each year. The capital charge rate for the year ended 30 June 2019 was 6% (2017/18: 6%).

Note 6 Receivables

ACCOUNTING POLICY

The Ministry applies the simplified approach to providing for expected credit losses to receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses. The allowance for doubtful debts on receivables that are individually significant are determined on an individual basis. Those deemed not to be individually significant are assessed on a portfolio basis.

Actual 2018 \$000		Actual 2019 \$000
75,662	Debtor Crown	71,410
197	Travel advances	197
7,758	Sundry debtors	5,900
(525)	Less: allowance for credit losses	(513)
7,233	Total sundry debtors	5,387
83,092	Total receivables	76,994
Total receivables comprise:		
7,430	Receivables from exchange transactions	5,584
75,662	Receivables from non-exchange transactions	71,410
83,092	Total debtors and other receivables	76,994

The allowance for credit losses at 30 June 2019 and 01 July 2018 was determined as follow:

Gross 2018 \$000	Life time expected credit loss 2018 \$000	Net 2018 \$000		Gross 2019 \$000	Life time expected credit loss 2019 \$000	Net 2019 \$000
78,851	-	78,851	Current	74,120	-	74,120
3,973	-	3,973	Trade receivables < 6 months	2,424	(3)	2,421
193	(19)	174	Trade receivables - > 6 months but < 1 year	325	(3)	322
532	(459)	73	Trade receivables - > 1 year but < 2 years	120	(56)	64
68	(47)	21	Trade receivables - > 2 years	518	(451)	67
83,617	(525)	83,092	Total	77,507	(513)	76,994

The movement in the allowance for credit losses is as follow:

Actual 2018 \$000		Actual 2019 \$000
622	Balance as at 1 July	525
52	Additional provisions made during the year	119
(24)	Less: reversal of prior year provision	(37)
(125)	Less: receivables written off during the year	(94)
525	Balance as at 30 June	513

Note 7 Non-current assets held for sale

ACCOUNTING POLICY

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

FURTHER INFORMATION

The Ministry owned property at 76-82 Main Street, Upper Hutt is likely to be transferred to Upper Hutt City Council under Section 50 of the Public Works Act.

The accumulated property revaluation reserve recognised in equity for the Main Street property at 30 June 2019 is \$281,000.

Assets held for sale	\$000
Balance at 1 July 2017	596
Transfer to held for sale from property, plant and equipment	-
Disposals	-
Balance at 30 June 2018	596
Transfer to held for sale from property, plant and equipment	-
Disposals	-
Balance at 30 June 2019	596
Asset type pre-transfer:	
Land	596
Balance at 30 June 2019	596

Note 8 Property, plant and equipment

ACCOUNTING POLICY

Property, plant and equipment consist of the following asset classes: land, buildings, fitout/leasehold improvements, furniture and fittings, office equipment, computer equipment, computer equipment on finance lease and motor vehicles.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation.

All other assets classes are measured at cost, less accumulated depreciation and impairment losses.

Asset revaluation

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value. All land and buildings are inspected and valued on a rolling basis over three years. In any one year, a selection of land and buildings are inspected and the remaining properties are desktop valued by a registered valuer.

Land and building revaluation movements are accounted for on a class-of-asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Individual assets are capitalised if their cost is \$5,000 or more. Grouped assets are capitalised if their cost is \$5,000 or more.

Capital work in progress is recognised as costs are incurred. Depreciation is not recorded until the asset is fully acceptance tested, operational and capitalised.

Disposal of property, plant and equipment

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Asset class	Asset life (years)	Residual value
Buildings	Up to 100	Nil
Fit-out/leasehold improvements	Up to 25	Nil
Computer equipment	Up to 7	Nil
Furniture and fittings, office equipment	Up to 10	Nil
Motor vehicles	7	10% of cost

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed at each financial year end and adjusted, if applicable.

Impairment

The Ministry does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

The carrying amounts of property, plant and equipment and intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the surplus or deficit unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The land and buildings were valued at fair value as at 30 June 2019 by Marvin Clough, AAPI, MPINZ, Technical Director - Valuations and Ian Clarkson FAPI CPV, MRICS, MPINZ, Registered Valuer of Beca Projects NZ Limited, and are in accordance with the International Valuation Standards 2017.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the unencumbered land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status.

These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the Ministry's ability to sell land would normally not impair the value of the land because the Ministry has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings

The Ministry's non-specialised buildings are valued at fair value using market-based evidence. Market rents and capitalisation rate methodologies were applied in determining the fair value of buildings.

The Ministry's specialised buildings have been valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. This approach is used for buildings which are deemed to be seldom traded on an open market or have a restricted market for the use of the asset.

Depreciated replacement cost is determined using a number of significant assumptions, including:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for optimisation due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

BREAKDOWN OF PROPERTY, PLANT AND EQUIPMENT AND FURTHER INFORMATION

	Land (at valuation) \$000	Buildings (at valuation) \$000	Fitout/ leasehold improvements \$000	Computer equipment \$000	Computer equipment (finance lease) \$000	Furniture and fittings, office equipment \$000	Motor vehicles \$000	Work in Progress (WIP) \$000	Total \$000
Cost/valuation									
Balance at 1 July 2017	235,568	474,679	57,394	64,301	1,234	68,120	5,059	310,768	1,217,123
Additions - including capitalised WIP	-	309,859	-	16,749	-	19,588	579	(278,438)	68,337
Revaluation increase/ (decrease)	4,926	85,983	-	-	-	-	-	-	90,909
Reclassification of assets	-	-	-	126	(126)	-	-	-	-
Other movements	-	-	-	-	-	-	-	817	817
Disposals	(1,500)	-	(1,113)	(21,168)	(1,108)	(913)	(625)	-	(26,427)
Balance at 30 June 2018	238,994	870,521	56,281	60,008	-	86,795	5,013	33,147	1,350,759
Additions - including capitalised WIP	-	38,260	728	6,049	-	21,285	-	5,091	71,413
Revaluation increase/ (decrease)	9,344	(3,856)	-	-	-	-	-	-	5,488
Other movements	-	-	-	-	-	-	-	(1,346)	(1,346)
Disposals	-	-	-	(1,532)	-	-	(134)	-	(1,666)
Balance at 30 June 2019	248,338	904,925	57,009	64,525	-	108,080	4,879	36,892	1,424,648

	Land (at valuation) \$000	Buildings (at valuation) \$000	Fitout/ leasehold improvements \$000	Computer equipment \$000	Computer equipment (finance lease) \$000	Furniture and fittings, office equipment \$000	Motor vehicles \$000	Work in Progress (WIP) \$000	Total \$000
Accumulated depreciation and impairment losses									
Balance at 1 July 2017	-	242	43,165	58,329	1,234	43,403	3,366	-	149,739
Depreciation expense	-	33,817	2,799	4,987	-	8,457	416	-	50,476
Eliminate on disposal	-	-	(1,113)	(21,167)	(1,108)	(867)	(559)	-	(24,814)
Eliminate on revaluation	-	(34,373)	-	-	-	-	-	-	(34,373)
Other asset movement	-	-	-	126	(126)	-	-	-	-
Impairment losses	-	314	-	-	-	-	-	-	314
Balance at 30 June 2018	-	-	44,851	42,275	-	50,993	3,222	-	141,341
Depreciation expense	-	44,247	1,719	6,120	-	10,759	410	-	63,255
Eliminate on disposal	-	-	-	(1,528)	-	-	(120)	-	(1,648)
Eliminate on revaluation	-	(44,247)	-	-	-	-	-	-	(44,247)
Balance at 30 June 2019	-	-	46,570	46,867	-	61,752	3,512	-	158,701
Carrying amounts									
At 1 July 2017	235,568	474,437	14,229	5,972	-	24,717	1,693	310,768	1,067,384
At 30 June/1 July 2018	238,994	870,521	11,430	17,733	-	35,802	1,791	33,147	1,209,418
At 30 June 2019	248,338	904,925	10,439	17,658	-	46,328	1,367	36,892	1,265,947

Work in progress (WIP) totals \$36.892 million (2018: \$33.147 million) and is made up of the following classes: Buildings \$26.402 million, computer equipment \$5.843 million, furniture and fittings and office equipment \$4.455 million, leasehold improvements \$0.145 million and motor vehicles \$0.047m.

There are no restrictions over the title of the Ministry's property, plant and equipment, nor are any of these assets pledged as security for liabilities.

The Ministry has assets valued at \$131.822 million listed under the Historic Places Trust Act 1993 (2018: \$126.717 million), which are included in the assets above.

Finance Leases

The net carrying amount of office equipment held under finance leases as at 30 June 2019 is nil (2018: nil).

FURTHER INFORMATION

Sale and Lease Back

- The sites at 43-47 Balance Street and 2 Molesworth Street, Wellington are currently part of a deferred purchase provision under a Treaty settlement.
- The sites at 46 Cameron Road and 26 McLean Street, Tauranga will be transferred upon enactment of a Treaty settlement expected in 2019/20.

Note 9 Intangible Assets

ACCOUNTING POLICY

Intangible assets are initially recorded at cost. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by the Ministry are recognised as an intangible asset.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software. Costs associated with development and maintenance of the Ministry's website are recognised as an expense when incurred.

Intangible assets with finite lives are subsequently recorded at cost, less any amortisation and impairment losses. Amortisation is charged to the surplus or deficit on a straight-line basis over the useful life of the asset. Estimated useful lives are:

Asset category	Asset life (years)
Acquired software	4 to 7
Internally generated software	3 to 14

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of Software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licenses, the useful life represents management's view of the expected period over which the Ministry will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by the Ministry, the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life, such as changes in technology.

There are no restrictions over the title of the Ministry's intangible assets, nor are any intangible assets pledged as security for liabilities.

	Acquired Software \$000	Internally Generated Software \$000	Work in Progress (WIP) \$000	Total \$000
Cost				
Balance at 1 July 2017	56,550	164,526	18,483	239,559
Additions - including capitalised WIP	3,736	27,940	(8,082)	23,594
Disposals	(1,872)	(2,820)	-	(4,692)
Other movement	-	-	(30)	(30)
Reclassification of assets	-	-	(1,779)	(1,779)
Balance at 30 June 2018	58,414	189,646	8,592	256,652
Additions - including capitalised WIP	1,644	10,675	3,344	15,663
Disposals	(991)	(18)	-	(1,009)
Other movement	-	-	(1,801)	(1,801)
Reclassification of assets	-	-	(17)	(17)
Balance at 30 June 2019	59,067	200,303	10,118	269,488

	Acquired Software \$000	Internally Generated Software \$000	Work in Progress (WIP) \$000	Total \$000
Accumulated amortisation and impairment losses				
Balance at 1 July 2017	36,563	137,989	-	174,552
Amortisation expense	2,231	12,937	-	15,168
Disposals	(1,775)	(2,820)	-	(4,595)
Balance at 30 June 2018	37,019	148,106	-	185,125
Amortisation expense	2,383	15,972	-	18,355
Disposals	(991)	(18)	-	(1,009)
Balance at 30 June 2019	38,411	164,060	-	202,471
Carrying amounts				
At 1 July 2017	19,987	26,537	18,483	65,007
At 30 June/1 July 2018	21,395	41,540	8,592	71,527
At 30 June 2019	20,656	36,243	10,118	67,017

This includes work in progress (WIP) of \$10.118 million (2018: \$8.592 million) and is made up of the following classes: acquired software \$3.836 million and internally generated software \$6.282 million.

Note 10 Payables and deferred revenue

ACCOUNTING POLICY

Short-term creditors and other payables are recorded at their face value.

Financial liabilities

Other financial liabilities are recognised initially at fair value less transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value. Amortisation and, in the case of monetary items, foreign exchange gains and losses, are recognised in the surplus or deficit as is any gain or loss when the liability is derecognised.

	Actual 2018 \$000	Actual 2019 \$000
Payables and deferred revenue under exchange transactions		
22,096	Creditors and other payables	19,663
1,036	Income in advance for cost recovered services	411
20,777	Accrued expenses	20,101
43,909	Total payables and deferred revenue under exchange transactions	40,175
Payables and deferred revenue under non-exchange transactions		
2,445	Taxes payable (eg GST)	3,556
46,354	Total payables and deferred income	43,731

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

Note 11 Provisions

ACCOUNTING POLICY

The Ministry recognises a provision for future expenditure of uncertain amount and timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision is recognised when an approved detailed formal plan for the restructuring has either been announced publicly to those affected, or for which implementation has already commenced.

	Make Good \$000	Restructuring \$000	Other Provision \$000	Total \$000
Opening balance 1 July 2017	4,897	2,683	323	7,903
Additional provisions made	1,085	249	6,153	7,487
Amount utilised	(994)	(1,605)	(323)	(2,922)
Unused provisions reversed	(2,212)	(563)	-	(2,775)
Closing balance 30 June 2018	2,776	764	6,153	9,693
Additional provisions made	270	180	1,500	1,950
Amount utilised	(55)	(181)	(2,089)	(2,325)
Unused provisions reversed	(245)	(199)	-	(444)
Closing balance 30 June 2019	2,746	564	5,564	8,874

The make-good provision relates to contractual obligations resulting from the Ministry entering into lease contracts. The lease obligations require the Ministry to make good the condition of the land and buildings upon terminating the lease and vacating the premises. The Ministry has the option to renew these leases, which may change the timing of the expected cash outflows to make good the premises.

Restructuring provisions provide for the expected costs arising from the reorganisation within the Ministry. All these costs are expected to be expensed during 2019/20.

The other provision are costs associated with remediating and maintaining compliance with the Holidays Act 2003.

The current and non-current provisions are as follows:

	Make Good \$000	Restructuring \$000	Other Provision \$000	Total \$000
Current portion	1,436	764	3,206	5,406
Non-current portion	1,340	-	2,947	4,287
Total provisions 30 June 2018	2,776	764	6,153	9,693
Current portion	1,486	564	5,564	7,614
Non-current portion	1,260	-	-	1,260
Total provisions 30 June 2019	2,746	564	5,564	8,874

Note 12 Return of operating surplus

Actual 2018 \$000		Actual 2019 \$000
(2,127)	Net surplus/(deficit)	6,686
(107)	(Surplus)/deficit of memorandum accounts	(21)
2,234	Retention of deficit	-
-	Total return of operating surplus	6,665

The net surplus for 2019 is based on the net surplus/(deficit) reported in the Statement of comprehensive revenue and expense.

The net operating surplus from the delivery of outputs must be repaid by 31 October of each year.

Note 13 Employee entitlements

ACCOUNTING POLICY

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

The Ministry recognises a liability and an expense for performance payments where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Holidays Act 2003 remediation

The Ministry has identified issues in relation to the interpretation of the Holidays Act 2003. The provision at 30 June 2019 represents the Ministry's best estimate of remediation costs with the information available at that date. The quantum of the liability is inherently uncertain, and this will also be adjusted by variables as they are able to be determined, however, the Ministry believes the actual liability at 30 June 2019, once finalised, will not be materially different.

The Ministry expects to finalise the calculation and make remediation payments in the 2019/20 financial year.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible to, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Vested and non-vested long service leave and retirement gratuities expected to be settled after 12 months of balance date are classified as a non-current liability. All other classifications of employee entitlements are classified as a current liability.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Long service leave and retirement gratuities

The present value of the retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible to, the estimated future cash outflows. The discount rate used was 1.26 % with 2.72 % salary inflation for year 1 of the projection (2018: 1.78 % with 2.70 % salary inflation).

If the discount rate was 1 % lower from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$808,000 higher.

If the salary inflation factor was 1 % higher from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$789,000 higher.

The valuations of long service leave and retirement leave as at 30 June 2019 were conducted by an independent actuary, Simon Ferry, FIA FNZSA, of AON New Zealand. The valuer has attested that he is satisfied as to the nature, sufficiency, and accuracy of the data used to determine the outstanding claims liability. There are no qualifications contained in the valuer's report.

BREAKDOWN OF EMPLOYEE ENTITLEMENTS

Actual 2018 \$000		Actual 2019 \$000
Current liabilities		
2,816	Retirement and long-service leave	2,823
7	Sick leave	9
13,515	Annual leave	13,904
1,983	Salaries	2,591
7,744	Other employee entitlements	7,744
26,065	Total current liabilities	27,071
Non-current liabilities		
7,195	Retirement and long-service leave	8,303
7,195	Total Non-current liabilities	8,303
33,260	Total provision for employee entitlements	35,374

Note 14 Equity

ACCOUNTING POLICY

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds, memorandum accounts and property revaluation reserves.

Memorandum accounts

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies or charges. The balance of each memorandum account is expected to trend toward zero over time.

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

Actual 2018 \$000		Actual 2019 \$000
1,052,530	Taxpayers' funds as at 1 July	947,965
123,120	Total comprehensive income	56,420
(125,247)	Transfer revaluation gain to property revaluation reserves	(49,734)
(519)	Transfer realised revaluation from property valuation reserves	-
(450)	Capital Transfers to Other Government Agencies	-
-	Capital injection (cash) from the Crown	3,700
(101,362)	Capital withdrawal	-
-	Return of operating surplus to the Crown	(6,665)
(107)	Transfer of memorandum account net (surplus)/deficit	(21)
947,965	Taxpayers' funds as at 30 June	951,665
Memorandum accounts		
588	Opening balance 1 July	695
107	Net memorandum account surplus/(deficit) for the year	21
695	Balance as at 30 June	716
Property valuation reserves		
256,142	Balance at 1 July	381,909
125,247	Revaluation gains	49,734
519	Transfer realised revaluation to taxpayers' funds	-
381,909	Property revaluation reserves as at 30 June	431,643
1,330,569	Total equity	1,384,024
Property valuation reserves consist of:		
72,276	Land revaluation reserve	81,620
309,633	Buildings revaluation reserve	350,023
381,909	Total property valuation reserves	431,643

Further information about memorandum accounts is presented below:

Actual 2018 \$000		Actual 2019 \$000
Second Hand Dealers and Pawnbrokers		
617	Balance at 1 July	541
190	Revenue	167
(266)	Expenses	(189)
(76)	Surplus/(deficit)	(22)
541	Balance at 30 June	519

Actual 2018 \$000		Actual 2019 \$000
Legal Complaints Review Officers		
(29)	Balance at 1 July	154
1,631	Revenue	1,633
(1,448)	Expenses	(1,590)
183	Surplus/(deficit)	43
154	Balance at 30 June	197
Total Memorandum Accounts		
588	Balance at 1 July	695
1,821	Revenue	1,800
(1,714)	Expenses	(1,779)
107	Surplus/(deficit)	21
695	Balance at 30 June	716

These memorandum accounts summarise financial information related to the accumulated surpluses and deficits incurred by the Ministry on a full cost recovery basis.

The Second Hand Dealers and Pawnbrokers and Legal Complaints Review Officers memorandum accounts require separate recognition within the financial statements.

The use of these accounts enables the Ministry to take a long-run perspective to fee setting and cost recovery. The balance of each memorandum account is expected to trend towards zero over a reasonable period of time, with interim deficits being met either from cash from the Ministry's statement of financial position, or by seeking approval for a capital contribution from the Crown. Capital contributions will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

The Second Hand Dealers and Pawnbrokers account records the financial activities around the licensing of second hand dealers and pawnbrokers and the certification of certain employees of licence holders.

The Legal Complaints Review Officers (LCRO) account records the financial activities of the LCRO, which provides independent oversight and review of the decisions made by the standards committees of the New Zealand Law Society and the New Zealand Society of Conveyancers.

CAPITAL MANAGEMENT

The Ministry's capital is its equity, which comprises taxpayers' funds, memorandum accounts and revaluation reserves. Equity is represented by net assets.

The Ministry manages its revenue, expenses, assets, liabilities and general financial dealings prudently. The Ministry's equity is largely managed as a by-product of managing income, expenses, assets, liabilities and compliance with the government budget processes, Treasury's Instructions and the PFA.

The objective of managing the Ministry's equity is to ensure the Ministry effectively achieves the goals and objectives for which it has been established, whilst remaining a going concern.

Note 15 Related party transactions and key management personnel

ACCOUNTING POLICY

The Ministry is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

KEY MANAGEMENT PERSONNEL COMPENSATION

Actual 2018 \$000		Actual 2019 \$000
3,228	Remuneration	2,951
8.5	Full-time equivalent staff	7.2

The above key management personnel disclosure includes members of the strategic leadership team but excludes the Minister of Justice, Minister for Courts and the Minister for Treaty of Waitangi Negotiations. The Minister's remuneration and other benefits are not received only for their roles as members of key management personnel of the Ministry. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by the Ministry of Justice.

Note 16 Events after balance date

There have been no significant events after the balance date.

Note 17 Financial Instruments

The Ministry is a party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, debtors and creditors.

All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit. They are shown at their estimated fair value.

Note 17a Categories of financial Instruments

The carrying amounts of financial assets and financial liabilities are as follows:

Actual 2018 \$000		Actual 2019 \$000
Loans and receivables		
52,235	Cash and cash equivalents	66,041
83,092	Receivables (note 6)	76,994
135,327	Total loans and receivables	143,035
Financial liabilities measured at amortised cost		
45,318	Payables (excluding income in advance) (note 10)	43,320
45,318	Total financial liabilities measured at amortised cost	43,320

Note 17b Fair Value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the statement of financial position.

Note 17c Financial Instrument risk

MARKET RISK

Currency risk and interest rate risk

The Ministry has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and the Ministry does not hold any interest bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Ministry, causing the Ministry to incur a loss.

In the normal course of Ministry business, credit risk arises from receivables, deposits with banks, and derivative financial instruments.

The Ministry is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard and Poor's credit rating of AA). These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors (note 6). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

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

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with the expected cash drawdown as negotiated with the New Zealand Debt Management Office through Treasury. The Ministry maintains a target level of available cash to meet liquidity requirements.

The table below shows the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

CREDITORS AND ACCRUED EXPENSES

Actual 2018 \$000		Actual 2019 \$000
46,354	Less than 6 months	43,731
46,354	Total	43,731

Note 18 Explanation of major variances against budget

Explanations for major variances from the Ministry's original 2018/19 budget figures are as follows:

Crown revenue

Crown Revenue was \$31.195 million higher than budgeted. This was due to approved increases in the Ministry's budget over the 2018/19 financial year. This includes the Ministry's focus on Family and Sexual Violence programmes and the new Joint Venture; Safe and Effective Justice Programme and the establishment of new Departmental agency - Te Arawhiti.

Personnel costs

Personnel costs were greater than budget by \$31.253 million. This was mainly due to approved increases in the Ministry's budget over 2018/19 financial year and salary increases.

Operating expenses

Expenditure was below budget by \$17.501 million. This was mainly due to changes in phasing of projects and work programmes. A number of under spends were anticipated and approvals in-principle were obtained to carry these forward to 2019/20.

Gain on property valuations

Due to uncertainty and volatility in the New Zealand property market it is difficult to accurately budget for movements in the value of Ministry property. It is therefore assumed, when preparing the budget, that there will be no gain or loss from property revaluations.

STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents

The higher cash balance at 30 June mainly reflects the surplus on operating costs, and the capital injection of \$3.700 million for the Te Whenua Māori Programme that will be spent in 2019/20.

Debtors and other receivables

Debtors and other receivables were \$13.784 million higher than budgeted. This is mainly due to higher Crown Debtor balance as at 30 June than expected.

Employee Entitlements – current liabilities

Current employee entitlements were \$11.112 million higher than budgeted. This is mainly due to the costs associated with the Holidays Act compliance and remediation payments are now expected to be finalised in the 2019/20 financial year.

Property, plant and equipment

Property, plant and equipment were \$160.047million higher than budgeted. This is mainly due to the recognition of unbudgeted increase of value from the revaluation of the Ministry's land and building assets.

Property revaluations reserves

Property revaluations reserves were \$175.503 million higher than budgeted. This increase is due to recognition of revaluation gains on the Ministry's land and building assets.

STATEMENT OF CASH FLOWS

Net cash received from operating activities

Net cash received from operating activities was \$19.654 million higher than budget. This was mainly due to higher receipts from the Crown compared to budget.

Note 19 Change in Organisational Form

On 18th September 2018, Cabinet approved the establishment of a new Maori Crown Agency, Office for Maori Crown relations Te Arawhiti and the scope of the portfolio [CAB-18-MIN-0456]. The new Crown Agency was established on 1 January 2019 and is housed within the Ministry and brings together the Office of Treaty Settlements, the Marine and Coastal Area (Takutai Moana) Unit, the Post Settlement Commitments Unit and the Crown/Maori Relations Rōopu.

The Ministry of Justice Financial Statements include Maori Crown Relations – Te Arawhiti.

For further information please refer to pages 141-147.

Non-departmental statements and schedules

For the year ended 30 June 2019

Schedule of non-departmental revenue and receipts

For the year ended 30 June 2019

The schedule of non-departmental revenue and receipts summarises non-departmental revenue that the Ministry administers on behalf of the Crown.

Actual 2018 \$000		Actual 2019 \$000	Unaudited budget 2019 \$000
114,778	Court fines	121,342	123,069
3,303	Offender levies	3,071	3,594
5	Money forfeited to the Crown	-	200
15,570	Legal Aid Debt established	9,304	12,904
9,514	Community Law Centre receipts	10,568	8,804
1,220	Family Court Cost Contribution Orders	1,276	6,459
734	Interest on treaty settlement prepaid lease	725	708
2,384	Recovery of judicial salaries	1,742	927
1,462	Other revenue	4,437	9,416
148,970	Total revenue and receipts	152,465	166,081

Explanations of significant variances against budget are detailed in note 10.

Schedule of non-departmental capital receipts

No capital receipts were received by the Ministry on behalf of the Crown during the year ended 30 June 2019 (2018: nil).

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

Schedule of non-departmental expenses

For the year ended 30 June 2019

The schedule of non-departmental expenses summarises non-departmental expenses that the Ministry administers on behalf of the Crown.

Actual 2018 \$000		Actual 2019 \$000	Unaudited budget 2019 \$000
143,096	Personnel - Judges'/Coroners' salaries and allowances	143,148	158,958
290,806	Crown expenditure Vote Justice (details on pages 144-145)	275,901	267,361
117,429	Crown expenditure Vote Courts (details on pages 146)	130,997	148,106
265,146	Crown expenditure Vote Treaty Negotiations (details on page 147)	60,100	516,158
58,250	GST Expense	58,456	54,846
874,727	Total non-departmental expenditure	668,602	1,145,429

Explanations of significant variances against budget are detailed in note 10.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

Schedule of non-departmental assets

As at 30 June 2019

The schedule of non-departmental assets summarises non-departmental assets that the Ministry administers on behalf of the Crown.

Actual 2018 \$000		Notes	Actual 2019 \$000	Unaudited budget 2019 \$000
Current assets				
50,930	Cash and cash equivalents		62,213	45,518
65,000	Fines receivable	2	61,000	70,420
17,298	Legal Aid receivables	3	14,012	17,252
16,774	Other receivables	4	16,811	15,960
150,002	Total current assets		154,036	149,150
Non-current assets				
78,000	Fines receivable	2	75,000	82,385
38,357	Legal Aid receivables	3	39,866	37,868
11,179	Other receivables	4	10,835	11,641
6,111	Assets held for Treaty of Waitangi settlements		8,577	8,577
133,647	Total Non-current assets		134,278	140,471
283,649	Total non-departmental assets		288,314	289,621

Explanations of significant variances against budget are detailed in note 10.

In addition, the Ministry monitors 6 Crown entities. These are the Privacy Commissioner, Law Commission, Independent Police Conduct Authority, Human Rights Commission, Real Estate Agents Authority and Electoral Commission. The investment in these entities is consolidated in the Financial Statements of the Government on a line-by-line basis.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

Schedule of non-departmental liabilities

As at 30 June 2019

The schedule of non-departmental liabilities summarises non-departmental liabilities that the Ministry administers on behalf of the Crown.

Actual 2018 \$000	Note	Actual 2019 \$000	Unaudited budget 2019 \$000
Current liabilities			
413,149	Treaty settlements payables 6	46,921	433,146
76,596	Creditors and other payables 7	58,355	43,967
46,719	Judges' leave entitlements 8	48,733	45,209
536,464	Total current liabilities	154,009	522,322
Non-current liabilities			
184,351	Treaty settlements payables 6	362,487	210,908
35,025	Judges' leave entitlements 8	36,705	34,106
219,376	Total Non-current liabilities	399,192	245,014
755,840	Total non-departmental liabilities	553,201	767,336

Explanations of significant variances against budget are detailed in note 10.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

Schedule of non-departmental contingent liabilities and contingent assets

As at 30 June 2019

Actual 2018 \$000	Quantifiable contingent liabilities	Actual 2019 \$000
730	Māori Land Court quantifiable contingent liabilities	741

Māori Land Court contingent liabilities arise from orders made by the Court where any costs that arise from the order will be a charge against the Māori Land Court Special Aid Fund in terms of section 98 of the Te Ture Whenua Māori Act 1993.

NON-QUANTIFIABLE LIABILITIES

Non-departmental non-quantifiable liabilities – Vote Justice

Justices of the Peace, Community Magistrates and Disputes Tribunal Referees

Section 50 of the District Court Act 2016, Section 4F of the Justices of the Peace Act 1957, and Section 58 of the Disputes Tribunal Act 1988 require the Crown to indemnify Community Magistrates and Justices of the Peace, respectively, against damages or costs awarded against them as a result of them exceeding their jurisdiction, provided a High Court judge certifies that they have exceeded their jurisdiction in good faith and ought to be indemnified.

Section 58 of the Disputes Tribunal Act 1988 confers a similar indemnity on Disputes Tribunal Referees.

Criminal Proceeds (Recovery) Act

The Ministry of Justice is responsible for administering the Criminal Proceeds (Recovery) Act 2009. The Act requires the Crown to give an undertaking as to damages or costs in relation to asset restraining orders. In the event that the Crown is found liable, payment may be required.

Non-departmental non-quantifiable liabilities – Vote Treaty Negotiations

Treaty of Waitangi claims

Under the Treaty of Waitangi Act 1975, any Māori may lodge certain claims relating to land or actions counter to the principles of the Treaty with the Waitangi Tribunal. Where the Tribunal finds a claim is well founded, it may recommend to the Crown that action be taken to compensate those affected. The Tribunal can make recommendations that are binding on the Crown with respect to land which has been transferred by the Crown to a State-owned Enterprise (SOE) or tertiary institution, or is subject to the Crown Forest Assets Act 1989.

On occasion, Māori claimants pursue the resolution of claims against the Crown through higher courts. Failure to successfully defend such actions may result in a liability for historical Treaty grievances in excess of that currently anticipated.

Treaty of Waitangi claims – settlement relativity payments

The Deeds of Settlement negotiated with Waikato-Tainui, and Ngāi Tahu include a relativity mechanism. The mechanism provides that, where the total redress amount for all historical Treaty settlements exceeds \$1 billion in 1994 present-value terms, the Crown is liable to make payments to maintain the real value of Waikato-Tainui's, and Ngāi Tahu's settlements as a proportion of all Treaty settlements. The agreed relativity proportions are 17 percent for Waikato-Tainui and approximately 16 percent for Ngāi Tahu.

As the relativity mechanism has been triggered, in future years, additional costs are likely to be incurred in accordance with the relativity mechanism as Treaty settlements are reached. However, no value can be placed on these at this point in time, as there is uncertainty as to when each negotiation will settle, and the value of any settlement when reached. There is also uncertainty on how various disputes concerning the interpretation of the mechanism will be resolved.

CONTINGENT ASSETS

The Ministry on behalf of the Crown has no contingent assets (2018: nil).

COMMITMENTS

The Ministry on behalf of the Crown has no commitments (2018: nil).

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

Statement of trust monies

For the year ended 30 June 2019

The following trust money was administered on behalf of the Crown under Section 66 of the PFA. The transactions through these accounts and their balances are not included in the Ministry's annual financial statements.

The schedule shows the opening and closing trust balances and the movements during the year.

	Court Law \$000	Fines \$000	Employment Court \$000	Māori Land Court \$000	Prisoners' and Victims' Claims \$000	Supreme Court \$000
Opening cash balance	9,993	46,149	174	42	147	86
Contributions	40,120	195,040	439	19	513	117
Distributions	(29,160)	(196,898)	(323)	-	(391)	(87)
Closing cash balance	20,953	44,291	290	61	269	116

COURT LAW TRUST ACCOUNT

This trust account holds deposits made by individuals filing for action in the District Court, the High Court or the Court of Appeal. There are 56 individual Law Trust accounts, which are managed by the individual courts and collections offices.

FINES TRUST ACCOUNT

This trust account holds deposits for all fines collected and associated fees prior to disbursement back to the Crown and local authorities or victims. Fines collected are court-imposed (including reparations) and infringements collected on behalf of New Zealand Police, local authorities and other prosecuting agencies.

EMPLOYMENT COURT TRUST ACCOUNT

This trust account holds deposits as security for costs against outstanding proceedings, as required by the Employment Relations Authority and the Employment Court under the Employment Relations Act 2000.

MĀORI LAND COURT TRUST ACCOUNT

This trust account holds money for security for costs and for other matters associated with proceedings of the court.

PRISONERS' AND VICTIMS' CLAIMS ACT TRUST ACCOUNT

This trust account is established under section 50 of the Prisoners' and Victims' Claims Act 2005. This account holds payments of compensation money.

SUPREME COURT TRUST ACCOUNT

This trust account holds deposits made by individuals filing for action and to allow the Supreme Court to administer proceedings.

LEGAL COMPLAINTS REVIEW TRUST ACCOUNT

This trust account holds levies received by the Ministry to reimburse the costs of the Legal Complaints Review process.

This trust has a nil balance (2018:nil).

FOREIGN CURRENCY UNITED STATES DOLLAR TRUST ACCOUNT

This trust account, on instruction from court judges, holds US Dollar deposits made from time to time where the final outcome of cases is yet to be determined.

This trust has a nil balance (2018:nil).

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

Notes to the non-departmental financial statements and schedules

Note 1 Statement of significant accounting policies

REPORTING ENTITY

These non-departmental statements and schedules present financial information on public funds managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2019. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2019.

BASIS OF PREPARATION

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (tier 1 Public Benefit Entity (PBE) Accounting Standards) as appropriate for public benefit entities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

REVENUE

Revenue is measured at the fair value of consideration received or receivable.

Revenue from non-exchange transactions

Revenue from fines is recognised when the infringement notice is issued. Revenue is measured at fair value. The initial fair value write-down in sovereign receivables is required to be recognised as a reduction in sovereign revenue. Fair value is determined using a model that uses past experience to forecast the expected collectability of fines and timing of receipts and discounts these to present value using an appropriate discount rate.

Revenue from legal aid is recognised when a case is finalised, and the amount to be recovered from the

customer has been agreed. Revenue is measured at fair value. The initial fair value write-down is netted off against legal aid revenue received. Fair value is determined using a model that projects future repayments based on outstanding debt balances as at valuation date and debt repayment rates. The repayment rates are estimated based on past experience and the expectation of future trends. This is then used to forecast the expected collectability of the legal aid revenue and timing of receipts and discounts these to present value using an appropriate discount rate.

Revenue from exchange transactions

All other revenue is deemed exchanged. For example, revenue received from the New Zealand Law Society (NZLS) Special Fund for the funding of Community Law Centres is recognised as revenue when received.

Commitments

Expenses yet to be incurred on non-cancellable operating lease and capital contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable operating lease and capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the lower of the remaining contractual commitment and the value of that penalty or exit cost.

Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, no input tax deduction is claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial schedules, the Ministry on behalf of the Crown has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

The estimates and assumptions that have a risk of causing an adjustment to the carrying amount of assets and liabilities within the next financial year are:

- Valuation of Legal Aid receivables – see note 3.
- Valuation of Legal Aid liability – see note 7.
- Estimating long service leave and retirements gratuities – see note 8.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Ministry is New Zealand dollars.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings and certain financial instruments at fair value.

BUDGET FIGURES

Basis of the budget figures

The 2019 budget figures are for the year ended 30 June 2019 and are consistent with the Ministry's best estimate financial forecast information submitted to The Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2018/19.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the early adoption of PBE IFRS9 *Financial Instruments* to be in line with the Financial Statements of the Government. PBE IFRS9 replaces PBE IPSAS29 *Financial Instruments, Recognition and Measurement*.

Standard early adopted

The Ministry on behalf of the Crown has elected to early adopt PBE IFRS9 *Financial Instruments* for the 2018/19 financial year. PBE IFRS9 replaces PBE IPSAS 29 *Financial Instruments, Recognition and Measurement*. Under the transition options of PBE IFRS 9 the financial instrument comparatives have not been restated.

Note 2 Fines receivable

ACCOUNTING POLICY

The future fair value of the fines receivable is dependent on ongoing collection and remittal rates as well as the discount rate utilised in the valuation.

ADDITIONAL INFORMATION

The fair value of fines receivable has been determined on an actuarial basis by discounting the expected flow of repayments, net of servicing costs, at a discount rate of 6 % (2018: 6 %) resulting in a fair value of \$136 million (2018: \$143 million). If the discount rate was 2 % higher, the fair value would decrease by \$4.6 million, to \$131.4 million; if 2 % lower the value would increase by \$5.1 million, to \$141.1 million.

The discount rate is made up of the 2 components of a risk-free rate and a risk premium rate. The risk-free rate of 1.8 % is based on the 30-month spot rate as issued by Treasury in the 'Table of Risk-free Discount Rates and CPI Assumptions at 31 December 2018 for Accounting Valuation Purposes', with the risk premium rate of 4.0 % reflecting traded risky debt with similar characteristics to the fines debt.

The fair value was calculated by Paul Rhodes, Partner, FNZSA, FIA, of PricewaterhouseCoopers as at 30 June 2019, based on data up to 31 December 2018.

The table below shows the gross value of fines collectable and the analysis of the receivable into current and non-current.

Actual 2018 \$000		Actual 2019 \$000
Non-Exchange Transaction		
373,067	Fines receivable	365,008
(230,067)	Less: allowance for credit losses	(229,008)
143,000	Fair value	136,000
<i>Being:</i>		
65,000	Current	61,000
78,000	Non-current	75,000
143,000	Total	136,000

Movements in the allowance for credit losses for fines receivable are as follows:

Actual 2018 \$000		Actual 2019 \$000
Non-Exchange Transaction		
Fines provisioning		
240,175	Opening balances as at 1 July	230,067
64,196	Additional provisions made during the year	68,586
(27,141)	Less: reversal of prior provisions	(22,252)
(47,163)	Less: remittal of fines	(47,393)
230,067	Closing balances as at 30 June	229,008

Note 3 Legal Aid receivables

ACCOUNTING POLICY

Legal aid receivables are reported at fair value through surplus or deficit. In the previous year they were reported at amortised cost.

ADDITIONAL INFORMATION

Legal Aid receivables represent the debts that have been set as a result of a grant of legal aid. These debts have been set by legal aid legislation and comprise:

- 2006 Act (Legal Services Amendment Act 2006)
- 2000 Act (Legal Services Act 2000)
- 1991 Act (Legal Services Act 1991)
- 1969 Act (Legal Aid Act 1969)

This debt has been estimated at fair value using an actuarial model based on an assessment of the recoverable amount. This assessment takes into account whether the debt is secured against property and receipts to date against the debt. The discount rate is made up of the 2 components, a risk-free rate and a risk premium rate. The risk-free rate is the return that an investor could achieve without risk and is taken to be the yield on government bonds. The risk-free rate used is the 7-year government yield at 30 June 2019, of 1.38 % (2018: 2.55 %). The risk premium has been estimated by finding traded debt with a comparable default rate to the default rate of the outstanding debt, and determining a risk premium based on that debt. The risk premium used is 4.5 % (2018: 4 %). Adding the risk-free rate and the risk premium together gives a discount rate of 5.88 % (2018: 6.55 %).

Following the introduction of PBE IFRS 9, legal aid receivables for 30 June 2019 include a restatement of the prior year balances from impaired to fair values. The impact to the opening balance receivable is an increase of \$1.035 million.

The fair value was calculated by Paul Rhodes, Actuary, FNZSA, FIAA, of PricewaterhouseCoopers.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The future fair value of the legal aid receivable is dependent on ongoing repayment rates as well as the discount rate utilised in the valuation.

Actual 2018 \$000		Actual 2019 \$000
145,241	Legal aid receivable	160,153
(89,586)	Less: allowance for credit losses	(106,275)
55,655	Fair Value	53,878
<i>Being:</i>		
17,298	Current	14,012
38,357	Non - Current	39,866
55,655	Total	53,878

Movement in the allowance for credit losses provisioning for legal aid receivables are as follows:

Actual 2018 \$000		Actual 2019 \$000
71,732	Opening Balance as at 1 July	89,586
-	Adjustment from impairment to fair value	(1,035)
(4,167)	Discount unwind	(3,478)
5,369	Allowance for credit losses (charge)/reversal	5,032
16,652	Fair value write-down	16,170
89,586	Closing balance as at 30 June	106,275

Gross debt 2018 \$000	Net debt 2018 \$000		Gross debt 2019 \$000	Net debt 2019 \$000
41,913	21,344	Secured	42,692	18,233
103,328	34,311	Unsecured	117,461	35,645
145,241	55,655	Total	160,153	53,878

The allowance for credit losses at 30 June 2019 and 01 July 2018 was determined as follows:

	Gross 2019 \$000	Life time expected credit loss 2019 \$000	Net 2019 \$000
Current	-	-	-
Legal aid receivables < 6 months	6,634	(3,583)	3,051
Legal aid receivables - > 6 months but < 1 year	9,320	(5,208)	4,112
Legal aid receivables - > 1 year but < 2 years	23,529	(13,712)	9,817
Legal aid receivables - > 2 years	120,670	(83,772)	36,898
Total	160,153	(106,275)	53,878

	Gross 2018 \$000	Life time expected credit loss 2018 \$000	Net 2018 \$000
Current	-	-	-
Legal aid receivables < 6 months	7,670	(3,345)	4,325
Legal aid receivables - > 6 months but < 1 year	12,924	(6,686)	6,238
Legal aid receivables - > 1 year but < 2 years	23,867	(13,491)	10,376
Legal aid receivables - > 2 years	100,780	(66,064)	34,716
Total	145,241	(89,586)	55,655

Note 4 Other receivables

ACCOUNTING POLICY

Other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into insolvency, bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the receivable is impaired. For receivables not individually impaired, a collective assessment of impairment is also carried

out. This considers past practice of collection history across the receivables portfolio. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the schedule of non departmental expenses. When a debt is uncollectible, it is written off against the allowance account for debtors. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

Actual 2018 \$000		Actual 2019 \$000
Current assets		
10,993	Fines Trust	12,201
5,781	Other receivables	4,610
16,774	Total current receivables	16,811
Non-current assets		
11,179	Other receivables	10,835
11,179	Total non-current receivables	10,835
27,953	Total other receivable	27,646
Total receivables comprise:		
4,526	Receivables from exchange transactions	3,129
23,427	Receivables from non-exchange transactions	24,517
27,953	Total other receivables	27,646

The ageing of the other receivables at 30 June 2019 and 01 July 2018 is as follows:

Actual 2018 \$000		Actual 2019 \$000
26,151	Current	25,611
838	Trade receivables < 6 months	488
233	Trade receivables - > 6 months but < 1 year	395
389	Trade receivables - > 1 year but < 2 years	619
342	Trade receivables - > 2 years	533
27,953	Total other receivables	27,646

Note 5 Assets held for Treaty of Waitangi settlements

The Minister for Treaty of Waitangi Negotiations, on behalf of the Crown, holds a proportion of shares in Kaweka Gwavas Forestry Company Limited and Patunamu Forest. The Crown proportion will be used to settle any outstanding well-founded claims to the Kaweka and Gwavas Crown Forest Licensed Lands and Patunamu Forest.

Note 6 Treaty settlement payables

Actual 2018 \$000		Actual 2019 \$000
424	Treaty settlement payables	420
597,076	Accrued settlement expenses	408,988
597,500	Total Treaty settlement creditors	409,408
<i>Total Treaty settlement creditors comprise:</i>		
424	Payables from exchange transactions	420
597,076	Payables from non-exchange transactions	408,988
597,500	Total Treaty settlement creditors	409,408

Note 7 Creditors and Other payables

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Legal Aid accrual

At each balance date, the Ministry uses an independently developed actuarial model to calculate the legal aid accrual figure for the 3 law types; criminal, family and civil. The assumptions adopted are as follows:

- The model excludes cases determined as inactive based on a probability mechanism that assesses the likelihood a case will have an additional claim.
- The cost of service still to be incurred is based on estimates of the total cost of the case (based on the law type, matter type and average case length) less invoices paid.

At each balance date, the Ministry also produces an accrual for legally aided cases before the Waitangi Tribunal. The unique nature of each individual Waitangi legal aid case means it is not possible to calculate this accrual using the actuarial model. The accrual for Waitangi legal aid is based on the average monthly invoice amount for active cases multiplied by the number of months since the last invoice was received.

Analysis of the creditors and other payables

Actual 2018 \$000		Actual 2019 \$000
23,027	Legal Aid payable	22,231
2,525	Taxes payable	2,726
4,896	Creditors	7,332
45,842	Accrued expenses	25,784
306	Other payables	282
76,596	Total other payables	58,355
<i>Total creditors and other payables comprise:</i>		
51,044	Payables from exchange transactions	33,398
25,552	Payables from non-exchange transactions	24,957
76,596	Total other payables	58,355

Creditors and other payables are non-interest bearing and are normally settled within 12 months, therefore the carrying value of creditors and other payables approximates their fair value.

Note 8 Judges' leave entitlements

ACCOUNTING POLICY

Provision is made for the liability for judges' entitlement to annual, sabbatical and retiring leave. The sabbatical and retiring leave provisions are calculated on an actuarial basis, based on the present value of expected future entitlements.

Actual 2018 \$000		Actual 2019 \$000
Current liabilities		
40,526	Retiring and sabbatical leave	42,521
5,204	Annual leave	5,212
989	Salaries	1,000
46,719	Total current liabilities	48,733
Non-current liabilities		
35,025	Retiring and sabbatical leave	36,705
35,025	Total non-current liabilities	36,705
81,744	Total provision for judges' leave entitlements	85,438

The present value of the retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible to the estimated future cash outflows. The discount rate used was 1.26 % with 2.72 % salary inflation for year 1 of the projection (2018: 1.78 % with 2.70 % salary inflation).

If the discount rate was 1 % lower than the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$2.843 million higher.

If the salary inflation factor was 1 % higher than the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$2.780 million higher.

The valuation of retiring and sabbatical leave as at 30 June 2019 was conducted by an independent actuary, Simon Ferry, FIA FNZSA, of AON New Zealand. The valuer has attested that he is satisfied as to the nature, sufficiency, and accuracy of the data used to determine the outstanding claims liability. There are no qualifications contained in the valuer's report.

Note 9 Financial instruments

The Ministry on behalf of the Crown is a party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, debtors and creditors.

All financial instruments are recognised in the schedule of non-departmental assets and the schedule of non-departmental liabilities. All revenues and expenses in relation to financial instruments are recognised in the schedule of non-departmental revenue and receipts and the schedule of non-departmental expenses. They are shown at their estimated fair value.

FAIR VALUE

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the schedule of non-departmental assets and the schedule of non-departmental liabilities.

FAIR VALUE HIERARCHY

For those instruments recognised at fair value, fair values are determined according to the following hierarchy:

- Quoted market prices (level 1) – Financial instruments with quoted prices identical or similar instruments in active markets
- Valuation techniques using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

Legal aid receivables were valued at fair value using un-observable inputs (level 3).

There were no transfers between the different levels of the fair value hierarchy.

CREDIT RISK

Credit risk is the risk that a 3rd party will default on its obligation to the Ministry on behalf of the Crown, causing the Ministry on behalf of the Crown to incur a loss.

Credit risk arises from debtors and deposits with banks.

Funds must be deposited with Westpac, a registered bank.

In the normal course of its business, the Ministry, on behalf of the Crown, incurs credit risk from receivables, including fines and legal aid recovered, and deposits with banks.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank, there are no significant concentrations of credit risk.

CURRENCY RISK AND INTEREST RATE RISK

The Ministry on behalf of the Crown has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and the Ministry, on behalf of the Crown, does not hold any interest bearing financial instruments.

LIQUIDITY RISK

Liquidity risk is the risk that the Ministry on behalf of the Crown will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with the expected cash drawdowns as negotiated with the NZDMO through the Treasury. The Ministry maintains a target level of available cash to meet liquidity requirements.

The table below shows the financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Treaty payables 2018 \$000	Other payables 2018 \$000		Treaty payables 2019 \$000	Other payables 2019 \$000
424	76,596	Less than 6 months	420	61,769
415,725	-	Between 6 months and 1 year	46,501	-
181,351	-	Between 1 and 5 years	362,487	-
597,500	76,596	Total	409,408	61,769

Actual 2018 \$000		Actual 2019 \$000
Loans and receivables		
50,930	Cash and cash equivalents	62,213
226,608	Receivables	217,524
6,111	Assets held for Treaty of Waitangi settlements	8,577
283,649	Total loans and receivables	288,314
Financial liabilities measured at amortised cost		
31,178	Payables	32,991
642,918	Accrued expenses	434,772
674,096	Total financial liabilities measured at amortised cost	467,763

Note 10 Explanations of major variances against budget

Explanations for major variances from Ministry's non-departmental budget figures are as follows:

SCHEDULE OF REVENUE AND SCHEDULE OF EXPENSES

Crown Personnel expenditure was \$15.810 million lower than budgeted. The budget reflected the maximum compliment of judicial and coronial appointments, while actual costs reflect the timing of retirements and appointment changes over the course of the financial year.

Crown Expenditure in Vote Courts was \$17.109 million lower than the main estimates. The budget included \$13.531 million for the impairment of Fines, under accounting standards this is now reflected through revenue rather than expenditure.

Crown expenditure in Vote Treaty Negotiations was \$456.058 million lower than the main estimates. This was mainly due to lower than expected Treaty settlement expenses which, by their nature, are hard to predict with accuracy in terms of timing and amount.

SCHEDULE OF ASSETS AND SCHEDULE OF LIABILITIES

Cash and cash equivalents was \$16.695 million higher than budgeted. This primarily reflects the lower expenditure on Personnel costs than budgeted.

Crown liabilities was \$214.135 million lower than the main estimates. This is primarily due to than lower than expected Treaty settlement expenses which by their nature, are hard to predict with accuracy in terms of timing and amount.

Note 11 Events after the Balance Date

There have been no significant events after the balance date.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Ministry for the year ended 30 June 2019. They are prepared on a GST exclusive basis.

STATEMENT OF COST ACCOUNTING POLICIES

The Ministry derives the costs of outputs using the cost allocation system outlined below.

Direct costs are those costs that can be directly attributed to an output. Indirect costs are those that cannot be identified in an economically feasible manner to a specific output.

Direct costs are charged to output classes as and when they occur. Indirect costs are accumulated and allocated to output classes based on cost drivers, such as assessment of personnel time, building area occupied or asset utilisation, which reflect an appropriate measure of resource consumption usage. Costs identified to overhead areas are accumulated and allocated to output classes based on resource consumption usage, where possible (such as full-time equivalent staff numbers), or in proportion to the direct and indirect charges made to the output class.

There have been no changes in cost accounting policies, since the date of the last audited financial statements.

Statement of budgeted and actual departmental output expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2019

Expenditure after Remeasurements 2018 \$000	Appropriation title	Expenditure before Remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after Remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Vote Justice						
29,075	Administration of Legal Services	27,283	50	27,333	29,876	
-	Establishing the Criminal Cases Review Commission	150	-	150	200	
18,432	Justice and Emergency Agencies Property and Shared Services	31,192	3	31,195	36,811	
33,738	Public Defence Service	35,097	86	35,183	35,268	
-	Reducing Family Violence and Sexual Violence	4,414	5	4,419	6,082	Ministry of Justice Annual Report
11,028	Sector Leadership and Support	15,733	22	15,755	16,639	
27,916	Justice Policy Advice and Related Services MCA	29,216	49	29,265	31,087	
21,444	- Justice Policy Advice	22,011	35	22,046	22,728	
6,472	- Legal and Ministerial Service	7,205	14	7,219	8,359	
Māori Crown Relations - Te Arawhiti						
-	Maori Crown Relations MCA	3,181	4	3,185	3,292	
-	- Policy Advice – Maori Crown Relations	954	1	955	988	Ministry of Justice Annual Report
-	- Services to Ministers	319	-	319	329	
-	- Strengthening Crown Capability	1,908	3	1,911	1,975	
129,189	Total Vote Justice	146,266	219	146,485	159,255	

Expenditure after Remeasurements 2018 \$000	Expenditure before Remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after Remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Vote Courts					
451,373	473,489	654	474,143	473,758	
53,475	55,739	98	55,837	55,774	Ministry of Justice Annual Report
241,191	249,538	322	249,860	256,059	
74,341	80,628	94	80,722	74,887	
82,366	87,584	140	87,724	87,038	
451,373	473,489	654	474,143	473,758	

Expenditure after Remeasurements 2018 \$000	Expenditure before Remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after Remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Vote Treaty Negotiations^C					
Māori Crown Relations - Te Arawhiti					
33,801	37,090	61	37,151	38,836	
1,572	1,097	3	1,100	1,143	Ministry of Justice Annual Report
2,711	4,346	1	4,347	3,237	
29,518	31,647	57	31,704	34,456	
33,801	37,090	61	37,151	38,836	
605,363	656,845	934	657,779	671,849	
-	3,700	-	3,700	3,700	
93,526	87,129	-	87,129	80,435	

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes to discount rates used in the valuation of Ministry employee entitlements.

^B This includes adjustments made in the Supplementary Estimates.

^C From 1 January 2019 the appropriations under Vote Treaty Negotiations funded the Departmental Agency - Māori Crown Relations - Te Arawhiti. Prior to the establishment of Te Arawhiti, these appropriations funded a business group within the Ministry of Justice.

*Senior Courts Services has been renamed from Higher Courts Services in 2017/18.

Statement of budgeted and actual non-departmental expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2019

Expenditure after Remeasurements 2018 \$000	Appropriation title	Expenditure before Remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after Remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Vote Justice						
Non-departmental output expenses to be incurred by the Crown						
10,968	Community Law Centres	13,260	-	13,260	13,260	See note 1
13,363	Crime Prevention and Community Safety Programmes	11,387	-	11,387	12,941	See note 1
58,647	Electoral Services	24,496	-	24,496	24,496	See note 2
5,812	Family Dispute Resolution Services	6,438	-	6,438	7,360	See note 1
803	Inspector-General of Intelligence and Security	852	-	852	897	Exempt
160,069	Legal Aid	179,620	-	179,620	182,074	See note 1
2,266	Provision of Protective Fiduciary Services	2,627	-	2,627	2,627	See note 3
3,223	Provision of Services from the Electoral Commission - Broadcasting PLA	-	-	-	-	Exempt
9,696	Services from the Human Rights Commission	9,396	-	9,396	9,396	See note 4
4,111	Services from the Independent Police Conduct Authority	4,892	-	4,892	4,892	See note 5
3,993	Services from the Law Commission	3,993	-	3,993	3,993	See note 6
4,970	Services from the Privacy Commissioner	4,970	-	4,970	4,970	See note 7
6,032	Support and Assistance provided by Victim Support to Victims of Crime	8,300	-	8,300	8,648	See note 1

Expenditure after Remeasurements 2018 \$000	Appropriation title	Expenditure before Remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after Remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Non-departmental other expenses to be incurred by the Crown						
1,561	Compensation for Wrongly Convicted individuals	-	-	-	-	Exempt
-	Impairment of Legal Aid Debt	-	-	-	9,531	Exempt
-	Impairment of Offender Levy	-	-	-	689	Exempt
462	Remuneration for the Inspector-General and the Deputy Inspector-General of Intelligence and Security PLA	634	-	634	636	Exempt
143	Remuneration for the Inspector-General of Intelligence and Security PLA	-	-	-	-	Exempt
-	Transfer to Other Governments of Relevant Seized Assets	-	-	-	-	
4,687	Victims' Services	5,036	-	5,036	5,698	See note 1
290,806	Total Vote Justice	275,901	-	275,901	292,108	

Note 1. Reported in a report appended to the Ministry of Justice Annual Report.

Note 2. Reported in the Electoral Commission Annual Report.

Note 3. Reported in the Public Trust Annual Report.

Note 4. Reported in the Human Rights Commission Annual Report.

Note 5. Reported in the Independent Police Conduct Authority Annual Report.

Note 6. Reported in the Law Commission Annual Report.

Note 7. Reported in the Privacy Commissioner's Annual Report.

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes to discount rates used in the valuation of impairment of the legal aid debt.

^B This includes adjustments made in the supplementary estimates.

Statement of budgeted and actual non-departmental expenses and capital expenditure incurred against appropriations (continued)

For the year ended 30 June 2019

Expenditure after Remeasurements 2018 \$000	Expenditure before remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Vote Courts					
Non-departmental other expenses to be incurred by the Crown					
4,037	4,253	-	4,253	4,463	
40	1	-	1	40	<i>Exempt</i>
1,003	1,176	-	1,176	1,299	
6,140	5,960	30	5,990	6,568	
98,339	108,660	-	108,660	109,739	<i>See note 1</i>
73,337	71,024	1,937	72,961	74,262	
11,727	13,314	-	13,314	21,262	
3,862	1,453	65	1,518	4,352	
-	247	-	247	1,292	
-	-	-	-	2,000	<i>Exempt</i>
1,537	1,538	-	1,538	1,546	
406	449	-	449	450	
5,907	4,971	150	5,121	7,619	
224	72	-	72	330	
40,894	41,807	1,191	42,998	47,453	
13,072	15,847	-	15,847	16,828	
260,525	270,772	3,373	274,145	299,503	

Note 1. Reported in a report appended to the Ministry of Justice Annual Report.

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes to discount rates used in the valuation of judges' leave entitlements.

^B This includes adjustments made in the supplementary estimates.

Statement of budgeted and actual non-departmental expenses and capital expenditure incurred against appropriations (continued)

For the year ended 30 June 2019

Expenditure after remeasurements 2018 \$000	Expenditure before remeasurements 2019 \$000	Remeasurements ^A 2019 \$000	Expenditure after remeasurements 2019 \$000	Approved Appropriation ^B 2019 \$000	Location of end-of-year performance information
Vote Treaty Negotiations^D					
Māori Crown Relations - Te Arawhiti					
Non-departmental other expenses to be incurred by the Crown					
15,530	-	-	-	-	<i>Exempt</i>
5,109	6,273	-	6,273	12,402	
2,359	1,962	-	1,962	12,741	<i>See note 1</i>
100	72	-	72	150	
-	-	-	-	-	<i>Exempt</i>
440	-	-	-	-	
Non-departmental other expenses to be incurred by the Crown: multi-year appropriations					
241,608	51,793	-	51,793	350,000	<i>Exempt</i>
Non-departmental Capital Expenditure					
6,111	-	-	-	-	<i>Exempt</i>
-	2,466	-	2,466	2,466	
271,257	62,566	-	62,566	377,759	
822,588	609,239	3,373	612,612	969,370	

Note 1. Reported in a report appended to the Ministry of Justice Annual Report.

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation.

^B This includes adjustments made in the supplementary estimates.

^C Multi-year appropriation – Historical Treaty of Waitangi Settlements. This multi-year appropriation reflects the Crown's commitment to settling historical Treaty of Waitangi claims and the uncertain timing of achieving settlement for each claim. The Supplementary Estimates for 2016/17 established the \$1,400 million for the period 30 June 2018 to 30 June 2022 and replaced the unexpended balances of the appropriation covering the period 30 June 2017 to 30 June 2021. Expenditure against these appropriations over the last 6 years shown in this table

	\$000
2018/19	51,793
2017/18	241,607
2016/17	134,521
2015/16	415,229
2014/15	99,231
2013/14	523,291
	1,465,672

^D From 1 January 2019 the appropriations under Vote Treaty Negotiations were administered by the Departmental Agency - Māori Crown Relations - Te Arawhiti. Prior to the establishment of Te Arawhiti, these appropriations were administered by a business group within the Ministry of Justice.

Statement of departmental capital injections

For the year ended 30 June 2019

Actual capital injections 2018 \$000	Appropriation title	Actual capital injections 2019 \$000	Approved Appropriation 2019 \$000
Vote Justice			
-	Ministry of Justice - Capital Injection	3,700	3,700

Statement of departmental expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

For the year ended 30 June 2019

Nil. (2018: Nil).

Statement of departmental capital injections without, or in excess of, authority

For the year ended 30 June 2019

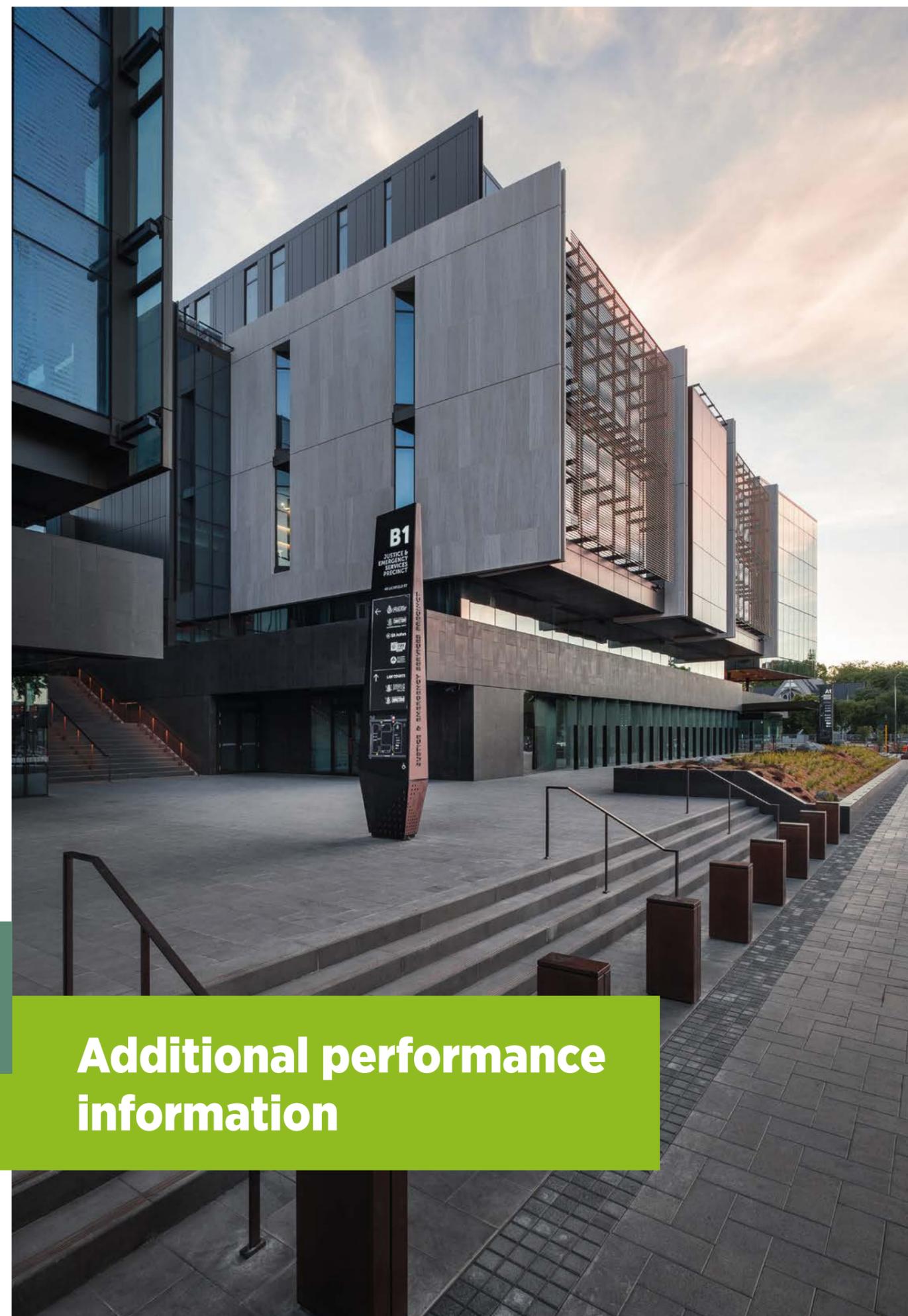
Nil. (2018: Nil).

Statement of non- departmental unappropriated expenses and capital expenditure

For the year ended 30 June 2019

Expenses and capital incurred in excess of existing appropriation and approved by the Minister of Finance under Section 26B of the Public Finance Act 1989.

There is no unappropriated expenditure for the year end 30 June 2019 (2018: \$0.898m in the Electoral Services appropriation, as a result of the Northcote by-election).



Additional performance information

Asset performance measures

ICT

Performance Measure	Actual 2017/18	Target 2018/19	Actual 2018/19	Variance Commentary
Software Applications				
Utilisation Availability over total business days (see Note 1)	99.7%	99.5%	99.8%	
Condition The number of Priority 1 incidents experienced in the core 14 applications (see Note 2)	46	Less than 2017/18 result	42	
Functionality Percentage of software applications with a functionality of 'green' (see Note 3)	34%	33%	27%	<p>At year-end, 27% (4 of 15) of applications included in this performance measure have a functionality rating of 'green'. This means the application is fit-for-purpose (from an end-user perspective), has up-to-date security requirements, and is regularly supported and maintained.</p> <p>Of the remaining applications, 46% (7) are 'amber', and 27% (4) are 'red.' The majority of the 'red' and 'amber' ratings are for legacy applications such as NTS, FTR, Rostering and Scheduling, MLIS, and Exchange (Email and Calendar server), and means that some of these are on extended support and do not have ICT security certification and accreditation.</p> <p>Work is underway to remediate NTS, FTR and Exchange applications, whilst a new MLIS application is being explored through the Whenua Māori initiative. It is expected that the functionality ratings for these will improve in 2019/20. In early July, the updated Courts and Tribunals Scheduling application went live, which replaces the old Rostering and Scheduling application.</p> <p>Note ICT reviewed the underlying data set for this measure, therefore comparison with previous year's results is not relevant.</p>

Performance Measure	Actual 2017/18	Target 2018/19	Actual 2018/19	Variance Commentary
ICT Infrastructure				
Utilisation Availability over total business days (see Note 4)	99.6%	99.5%	99.9%	
Condition The number of Priority 1 incidents experienced in the eight core ICT infrastructure (see Note 5)	Not measured in 2017/18	Baseline year	2	A total of two incidents affected Network/Domain Access Service and Active Directory in February. No other incidents have been experienced in these infrastructure since then.
Functionality Percentage of ICT infrastructure with a functionality rating of 'green' (see Note 6)	64%	64%	42%	<p>At year-end, 42% (5 of 12) of ICT infrastructure included in this performance measure have a functionality rating of 'green.' This means the infrastructure is fit-for-purpose, has up-to-date security requirements, and is regularly supported and maintained.</p> <p>Of the remaining infrastructure, 42% (5) are 'amber', and 16% (2) are 'red.' The Majority of the 'red' and 'amber' ratings are for infrastructure are at end-of-life or nearing end-of-life, and may not have current ICT security certification. Examples of infrastructure with either an 'amber' or 'red' rating are desktops, iPads, switches and the PABX phone system which the Legal Services Debt Management Team still use.</p> <p>As part of the Modern Workplace initiative, work is underway to refresh and replace the iPads and desktops with either a Windows 10 mobile device or desktop. Funding has also been allocated in 2019/20 to move the PABX phone system to the Contact Centre service. It is expected that the functionality ratings for these will improve in 2019/20.</p> <p>Note ICT reviewed the underlying data set for this measure, therefore comparison with previous year's results is not relevant.</p>

Performance Measure	Actual 2017/18	Target 2018/19	Actual 2018/19	Variance Commentary
Plant and Equipment				
Condition Percentage of fixed AV Audio installations with a RAG rating of Amber or Green will be greater than (see Note 7)	56%	70%	83%	As at 30 June 2019, of the 281 courtrooms that have AV audio installations, 71% (200) are less than 7 years old, 12% (35) are between 7-9 years old, 13% (36) are older than 9 years old, and 4% (10) have an unknown age. Note that the increase in result is attributed to ICT developing a new tracking spreadsheet in 2018/19. This allowed for the consolidation and audit of data on the Ministry's AV equipment, and the review of the underlying business rules to measure performance improvements to assist with lifecycle management. As a result, comparison with the previous year's result is not relevant.

Note 1 - Due to the nature of the Ministry's ICT assets, where these need to be available but not necessarily utilised, the Ministry will use 'Availability' as a proxy for 'Utilisation.' Performance will be measured based on the availability of the following applications - Case Management System, Collect, Hub2, National Transcription Service (which includes Transcription File Manager, Transcription Service Manager and Automated Workflow Distributor), For the Record, Judicial Decision Interface, Jury Management System, eLibs, Māori Land Information System, Jukebox, E-mail, Ready Government Contact Centre, Financial Management Information System, Electronic Operating Model (iBench).

Note 2 - The 14 applications included in this measure are the Case Management System, Collect, Hub2, National Transcription Service, For the Record, Judicial Decision Interface, Jury Management System, eLibs, Māori Land Information System, Jukebox, E-mail, Ready Government Contact Centre, Financial Management Information System, Electronic Operating Model (iBench). Note that reporting on National Transcription Service includes Transcript Service Manager, Transcription File Manager and Automated Workflow Distributor systems. While reporting includes incidents for other systems as affecting 'NTS application availability', it does not always result in the National Transcription Service being unavailable. For example, an outage for AWD does not result in an outage for the National Transcription Service.

Note 3 - The 15 business applications included in this measure are Collect, National Transcription Service (which also includes Transcription File Manager, Transcription Service Manager, Automated Workflow Distributor), For the Record, Māori Land Information System, Hub, Case Management System, Rostering and Scheduling (component of CMS), Contact Centre Service, Judicial Decision Interface, the Ministry's website, Financial Management Information System, Electronic Operating Model (iBench), Office Productivity (Office 365, Word, Excel, Outlook) and Exchange (email and calendar server). The overall functionality of an application is based on three criteria - fitness-for-purpose (from an end-user perspective), support and maintenance, and security.

Note 4 - Due to the nature of the Ministry's ICT assets, where these need to be available but not necessarily utilised, the Ministry will use 'Availability' as a proxy for 'Utilisation.' Performance will be measured based on the availability of the following core ICT infrastructure - Infrastructure-as-a-Service, Network/ Domain Access Service, Voice over Internet Protocol Service, Web Service, Active Directory, Firewalls, File and Print, and Novell/ Microsoft Exchange services.

Note 5 - The eight core ICT infrastructure included in this performance measure are Infrastructure-as-a-Service, Network/ Domain Access Service, Voice over Internet Protocol Service, Web Service, Active Directory, Firewalls, File and Print, and Novell/ Microsoft Exchange services.

Note 6 - The 12 ICT infrastructure included in this performance measure are End User Device (ie physical end user devices desktops, laptops), Home Agent environment, Microsoft Desktop Operating System, iPads, Standard Operating Environment, Meeting Room Technology, Disaster Recovery for the Secure File Transfer Protocol, Regional Servers, Uninterrupted Power Supply, National Transcription Service Archive Server, PABX phone system and Network Switches. The overall functionality of an infrastructure is based on three criterion - fitness-for-purpose, support and maintenance, and security.

Note 7 - RAG criteria: Green: 1-7 years, Amber: 7-9 years, Red: 9+ years.

Property

Asset Class	Asset Class (Type)	Performance indicator	Performance measure	Standard 2018/19	Actual 2018/19
Non-residential buildings	Courthouses / Other Hearing Venues	Availability	Courtrooms available and suitable for use.	95% across the total portfolio	99.9% (we had to close 1 courtroom for 1 day).
Non-residential buildings	Courthouses / Other Hearing Venues	Condition	The average Asset Condition Rating of the assets on a site compared to the baseline Asset Condition Rating of those assets	Less than 2% compared to the baseline condition rating based on the project deterioration curve of the associated assets.	1.9%
Non-residential buildings	Courthouses / Other Hearing Venues	Functionality	Maintenance of Critical Assets - available at all times.	95% across critical assets (specified sites)	95.6%
Non-residential buildings	Offices	Utilisation	Offices using > 89% of footprint	89% across all offices	Achieved

Official Correspondence

For the year ended 30 June 2019

Performance measure	Actual 2017/18	Standard 2018/19	Actual 2018/19
Number of ministerial correspondence replies drafted	1,307	N/A	1,350
Percentage of draft replies to ministerial correspondence submitted to Ministers within required timeframes	88%	95%	95%
Number of Official Information Act 1982 requests responded to	905	N/A	1,048
Percentage of replies to Official Information Act 1982 requests completed within statutory timeframes*	92%	100%	96%
Number of replies drafted in response to parliamentary questions	452	N/A	837
Percentage of draft replies to parliamentary questions submitted to Ministers within required timeframes	98%	100%	96%

Note these figures include correspondence for the departmental agency, Office for Māori Crown Relations - Te Arawhiti. Te Arawhiti was established as a departmental agency of the Ministry of Justice from 1 January 2019. For 2018/19, their correspondence has been included so that performance can be compared to prior years and the standards set for the 2018/19 year. From 2019/20, Te Arawhiti correspondence will be reported separately.

* Note that OIA responses include only Ministry OIA responses, not Ministers' OIA responses.

Reports on our Approved Information Sharing Agreement (AISA)

Report on our Approved Information Sharing Agreement (AISA) with Stats NZ

Scope of the information shared

This AISA came into force on 27 April 2017. In the period from commencement until 30 June 2019 the Ministry shared information about 7,246,037 criminal charges. This represents all the criminal charges finalised in New Zealand from 1 January 1992 to 30 June 2018, and includes information about 1,207,496 personal identities and 19,493 organisations.¹

Benefits of the information sharing

The information sharing is delivering significant benefits. So far, access to the court charges information has been requested by 55 different research projects, which are listed below:

- MAA2012-10 Measuring cohort participation, completion and outcomes to inform performance measures for tertiary education
- MAA2012-15 IDI Migration Research Programme
- MAA2012-16 Firm Performance, Productivity, Innovation & Skills
- MAA2013-11 Associations between justice sector outcomes and other indicators
- MAA2013-16 Citizen pathways through human services
- MAA2014-11 Investing in Better Outcomes
- MAA2015-36 Investment Approach to Justice
- MAA2015-38 Education Journeys
- MAA2016-04 An Economic Analysis of Post-Tertiary Outcomes in New Zealand Using Linked Administrative Data
- MAA2016-05 Health pathways and outcomes
- MAA2016-15 Supporting the Social Investment Unit
- MAA2016-15-1 Supporting the Social Investment Unit 2
- MAA2016-18 Adding Colour to the Investment Approach
- MAA2016-23 Vulnerable Children Investment Approach Microdata Project
- MAA2016-40 Quantifying the size and characteristics of the transient population in New Zealand
- MAA2016-46 Housing First
- MAA2016-57 Investigating the characteristics and outcomes for students who received ORRS/ORS funding at school
- MAA2016-61 Characteristics, Pathways and Services Used by Injury Clients
- MAA2016-65 Insanity acquittees in New Zealand
- MAA2016-67 Driver licensing and employment project
- MAA2017-08 Promoting health and wellbeing
- MAA2017-16 What happens to young people with mental health conditions – evidence from the New Zealand Data Infrastructure?
- MAA2017-31 Tertiary graduate outcomes 3 and 5 years' post-graduation
- MAA2017-49 Exploring the effects of involuntary job loss on adult and child outcomes – phase 1: training & training related exploratory data analysis
- MAA2017-60 Education system performance for pre-school and school-age children
- MAA2017-69 Māori and the New Zealand justice system
- MAA2017-72 Tamaki Regeneration
- MAA2017-74 Violent crime: Identifying risk factors using an offender-focused approach

¹The numbers of personal identities and organisations reported here are lower than in previous annual reports because of a change in our counting rules. Previous numbers reported counted personal identities and organisations multiple times if they were charged in multiple years. The numbers reported here count each personal identity or organisation just once, irrespective of the number of years in which they were charged.

- MAA2018-05 Mental Health & Addiction Quality Improvement Programme
- MAA2018-08 Improving the prediction of cardiovascular events and health costs using machine learning and detailed datasets
- MAA2018-15 A small segment of the population with large economic burden: Testing variation in the model using the IDI
- MAA2018-21 Main precursors of major mental health events – an evidence based approach
- MAA2018-26 Analysis of the effects of electronic monitoring sentences
- MAA2018-33 Analysis for inquiry into mental health and addiction
- MAA2018-38 Measuring the wellbeing of Ngāi Tahu Whanui
- MAA2018-56 In-work poverty
- MAA2018-59 Using big data to create measures of social vulnerability
- MAA2018-63 Analysis for Pathways to First Episode Psychosis and Outcomes in Māori - Project One
- MAA2018-66 Neighbourhood Exposure Effect on Intergenerational Mobility
- MAA2018-67 The Education Pipeline - stopping the leak for Māori
- MAA2018-72 The intergenerational effects of parental incarceration
- MAA2018-75 Outcomes for New Zealand prisoners with serious mental illness or addictions: a feasibility study
- MAA2018-80 Are child safety seats effective at reducing traffic fatalities and injuries?
- MAA2018-82 Developing homelessness as an Official Statistic
- MAA2018-84 Improving outcomes for young adults through effective service delivery
- MAA2018-86 Characteristics of different subpopulations experiencing injury and their access to ACC services
- MAA2018-87 Evaluating the Family Start Programme
- MAA2018-105 Māori well-being in Te Tai Tokerau
- MAA2019-05 Student pathways and outcomes
- MAA2019-25 Causes and consequences of criminal activities in New Zealand
- MAA2019-32 Hutt City Housing Needs Assessment
- MAA2019-34 Predicting suicide and self-harm risk in linked administrative data
- MAA2019-36 State of youth in South Auckland
- MAA2019-40 Kāinga Whānau Ora: A framework for improving whānau wellbeing
- MAA2019-52 Modernising mental health legislation in New Zealand

More detailed information about these research projects is available at cdm20045.contentdm.oclc.org/digital/

Many reports and research outputs have been produced by these projects. However, most have been developed for internal agency purposes and are not available to the public. The Ministry is aware of three outputs which were published by the projects listed above in the 2018/19 fiscal year. These were:

- The settlement experience of Pacific migrants in New Zealand: Insights from LISNZ and the IDI
- Measuring the wellbeing impacts of public policy: social housing
- University of Otago Mental Health and Addiction in Aotearoa New Zealand

Assurance

The agreement is operating effectively. No complaints have been received about alleged interference with privacy. There have been no alleged privacy breaches. No amendments have been required to the agreement since it was approved.

Report on our Approved Information Sharing Agreement (AISA) with Crown Law

Scope of the information shared

The AISA came into force on the 15 September 2017. In the period from commencement to 30 June 2019 the Ministry shared information on 1,470,079 criminal charges and 858,035 criminal cases with the Crown Law Office. This includes details of criminal cases from 1 July 2013 on and appeals from 1 January 2009 on.

Benefits of the information sharing

The information is being used to assist in maintaining an efficient and effective criminal justice system, to improve the quality of public prosecutions, and to manage the budget for Crown prosecutions.

Assurance

The agreement is operating effectively. No significant difficulties have been experienced. No complaints have been received. No amendments have been required to the agreement since it was approved. No additional safeguards have been required to protect the privacy of individuals.

In addition, the Memorandum of Understanding required by the AISA to govern the information sharing arrangements was executed by Crown Law and the Ministry of Justice on 11 October 2018. To ensure this is operating effectively the Ministry has also engaged its Risk and Assurance Group to conduct a review of the operational functioning of the Memorandum.



Ministers' reports on non-departmental appropriations

Minister of Justice's reports on non-departmental appropriations – B.14 (Vote: Justice)

For the year ended 30 June 2019

The following pages of this document meet the requirement set out in the supporting information to the 2018/19 Estimates or 2018/19 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister of Justice.

Although the reports are presented in the same document as the Ministry of Justice Annual Report, they do not form part of the Ministry of Justice Annual Report for the year ended 30 June 2019 (including reporting by the Ministry of Justice on appropriations for that year).

Where appropriate, an explanation is provided for service performance negative variances of more than 5%. Where there is a range for a standard, a variance explanation is provided for results outside the forecast range. Where appropriate, an explanation has been provided for positive variances of more than 10%.

Vote Justice

Community Law Centres

Scope of appropriation

This appropriation is limited to funding programmes to support Community Law Centres.

Contribution to strategic intentions

This appropriation is intended to achieve accessible justice services and a trusted justice system by delivering community legal services to people who lack sufficient means to pay for legal services and, where possible, to prevent problems from escalating to the courts and other parts of the justice system.

Description of activities

The Ministry contracted with community law centres to deliver community legal services to people who lack sufficient means to pay for legal services. These services included legal representation, legal assistance, legal advice provided to people on a case-by-case basis, legal information, and law-related education sessions.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
46,124	Number of individual clients assisted with legal advice, assistance and representation	46,000-51,000	44,865	There has been an increase in the complexity of cases administered on by Community Law Centres which take longer to complete. This has led to fewer cases being managed with existing resource.
99%	Percentage of casework clients who report that the service given to them has helped them understand their options	90%	99%	
26,452	Number of participants in law-related education sessions	30,000-35,000	29,961	
48%	Percentage of law-related education sessions delivered to local Māori, rūpū, hapū and iwi and community groups or providers who aim to support and develop Māori	40%	47%	
75%	Percentage of cases resolved within each financial year	70-80%	77%	

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
10,968	Community Law Centres	13,260	13,150	13,260

Crime Prevention and Community Safety Programmes

Scope of appropriation

This appropriation is limited to the funding of programmes to prevent and reduce crime and harm.

Contribution to strategic intentions

The services and activities provided under this category contribute to reducing crime, victimisation and harm. The intended impact of these services and activities is that local authorities and communities are engaged in programmes that focus on reducing crime through preventative measures, and on increasing community safety.

Description of activities

This non-departmental category covers coordinating and delivering a range of crime prevention initiatives and programmes in partnership with local communities, and the delivery of restorative justice services. The programmes and services are contracted by the Ministry of Justice and are purchased from territorial authorities and other selected service providers.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
62%	Percentage of Harmful Digital Communication complaints resolved by the Approved Agency in 2017/18 (see Note 1)	65%	65%	
75%	Percentage of victims satisfied with their overall experience of restorative justice before, during and after the conference, as measured through the victim satisfaction survey	75%	84%	

Note 1 - The "Approved Agency", appointed under the Harmful Digital Communications Act 2015 resolves complaints about harmful digital communications

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2019 \$000
13,361	Crime Prevention and Community Safety Programmes	11,387	13,491	16,181

Family Dispute Resolution Services

Scope of appropriation

This appropriation is limited to approved family dispute resolution services.

Contribution to strategic intentions

The services and activities provided under this category contribute to reducing crime, victimisation and harm. We do this by providing effective support and services for separating families and, where possible, to prevent problems from escalating to the courts.

Description of activities

The services and activities under this category cover the provision of family dispute resolution mediation service. The services are contracted by the Ministry of Justice from approved providers.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
4,865	Number of participants completing Parenting through Separation	4,800-5,200	5,207	
78%	Percentage of Family Dispute Resolution participants reaching an agreement on completion of mediation (includes partial and full)	85%	79%	More complex cases continue to be presented at mediation, making resolution more difficult.

Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
5,812	6,438	7,360	7,360

Legal Aid

Scope of appropriation

This appropriation is limited to the payments of legal aid to approved providers.

Contribution to strategic intentions

The services and activities provided under this category contribute to accessible justice services and a trusted justice system. The intended impact of these services and activities is that people who have a need for legal services, and cannot pay for them, are able to access legal advice and representation.

Description of activities

The services and activities under this category cover the provision of legal advice and representation to people that are unable to pay for these services, and:

- are facing criminal charges, or
- have a civil legal problem or family dispute (including family matters) that may go to court, or
- are involved in Waitangi Tribunal proceedings.

The services are contracted by the Ministry of Justice from approved private providers. They exclude legal services provided by the Public Defence Service.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
43,263	Projected number of criminal cases granted (excluding the Public Defence Service)	44,000	43,011	
17,884	Projected number of family cases granted	18,500	17,485	This is a demand driven measure. The decrease is due to fewer applications for family legal aid.
1,430	Projected number of civil cases granted	1,100-1,600	1,467	

Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
160,069	179,620	165,074	191,602

Support and Assistance provided by Victim Support to Victims of Crime

Scope of appropriation

This appropriation is limited to the purchase of services from the New Zealand Council of Victim Support Groups ("Victim Support") for the provision of services to victims of crime and trauma. This covers personalised support services (covering 24 hour emergency support and follow up support through the criminal justice system) and the administration of victim assistance schemes (covering counselling for families of homicide victims, and financial assistance to help victims).

Contribution to strategic intentions

The services and activities provided under this category contribute to reducing crime, victimisation and harm. The intended impact of these services and activities is that the victims of crime are supported by information and financial assistance.

Description of activities

Victim Support provides services to victims of crime and sudden trauma. Victim Support workers are available 24 hours a day, 365 days a year, via an 0800 number or by direct contact from referrers (usually New Zealand Police). Services offered include psychological first aid at the time of crisis and ongoing emotional and practical support, assistance dealing with the justice system, financial assistance and referral to other services.

Other Victim Support services include the administration of Victim Assistance Schemes that help victims to attend relevant meetings of the New Zealand Parole Board, court trials and sentencing hearings, and provision of a discretionary grant and counselling for families of homicide victims and people killed by a criminal act.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
24,078	Total number of victims supported	22,000-28,000	33,503	The result was higher than normal due to the 15 March 2019 Christchurch attacks.
86%	Percentage of victims of serious crime 'agreeing' or 'strongly agreeing' that Victim Support made a positive difference on one or more of four pre-determined impacts ('felt listened to', 'less stressed', 'more in control', 'more confident')	90%	92%	
92%	Percentage of victims rating the support provided by Victim Support as being either 'helpful' or 'very helpful'	90%	90%	

Actual 30 June 2017 \$000	Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
6,032	8,300	7,648	9,446

Victims' Services

Scope of appropriation

This appropriation is limited to the provision of funding for entitlements and services for victims of crime.

Contribution to strategic intentions

The services and activities provided under this category contribute to reducing crime, victimisation and harm. The intended impact of these services and activities is that the victims of crime are supported with the provision of information and financial assistance.

Description of activities

The Victims' Services appropriation was established to channel revenue from the Offender Levy to victims of serious crime through specific services and financial assistance grants. Financial assistance grants are intended to lessen the financial impact on victims as they participate in the criminal justice system. The appropriation also funds specific services supporting victims of homicide, sexual violence, and domestic violence. appropriation also funds specific services supporting victims of homicide, sexual violence, and domestic violence.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
4,075	Number of victims who received grants	2,500-3,500	3,219	
1,265	Number of National Home Safety Service clients supported (ie, victims and children)	600-750	2,159	The programme is over-subscribed with a large volume of victim referrals that enter the service. The number of children and dependants living in a house that has received an upgrade has risen substantially.
98%	Percentage of National Home Safety Service clients reporting no further family violence at the point of service conclusion	95%	83%	This measure is influenced by offender behaviour, which causes the result to fluctuate.

Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
4,687	5,034	5,698	5,849

Minister for Courts' reports on non-departmental appropriations –B.14 (Vote: Courts)

For the year ended 30 June 2019

The following pages of this document meet the requirement set out in the supporting information to the 2018/19 Estimates or 2018/19 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister for Courts.

Although the reports are presented in the same document as the Ministry of Justice Annual Report, they do not form part of the Ministry of Justice Annual Report for the year ended 30 June 2019 (including reporting by the Ministry of Justice on appropriations for that year).

Vote Courts

Court and Coroner Related Costs

Scope of appropriation

This appropriation is limited to funding professional and administrative services provided to or directed by courts and coroners, including costs that are required by legislation and costs incurred by Visiting Justices.

Contribution to strategic intentions

The services and activities provided under this category contribute to reducing crime, victimisation and harm. This appropriation is intended to provide effective professional and administrative services to ensure that court users receive appropriate support and representation, and the judiciary have sufficient information to proceed with cases.

Description of activities

This appropriation funds a number of activities, including:

Children Young Persons and Their Families Professional Services include appointments of lawyers to represent the views of the children or to assist the court (often when the natural parents are unrepresented) and specialist report writers, e.g. for psychological/psychiatric reports.

Domestic Violence Professional Services include Stopping Violence programmes with referrals from both the Criminal and Family Courts.

Family Court Professional Services include Court-appointed lawyers to represent a child so their views are heard; lawyers to assist the court and provide mediation services; counselling to help resolve relationship or guardianship disputes; and specialist report writers (psychologists) to provide written reports for the court.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
4,743	Children Young Persons and Their Families Professional Services: Number of service provision appointments (see Note 1)	4,800-5,300	5,166	
12,712	Family Court Professional Services: Number of service provision appointments (see Note 2)	10,200-11,300	13,707	The result was higher than anticipated due to cases before the court being more complex and requiring more intensive intervention. Also, the number of Family Court cases disposed was higher than expected, as additional hearing time was allocated to the Family Court in late 2018 by the Chief District Court Judge.
New measure	Percentage of people who started a non-violence programme who completed the programme	70%	70%	
6,914	Number of safety planning services delivered to protected persons/victims	3,800-4,300	6,115	This is a demand-driven service, with continued high demand. This may be attributed to the Court Domestic Violence Programmes team and Victim Advisors following up with every applicant when a protection order is filed, offering access to safety programmes. Additionally, providers who are new to this contract are becoming more established and competent in engaging potential safety clients in the service.

Note 1 - The services are demand driven and dependent on the type of cases before the court. The services are judicially ordered.

Note 2 - The services provided include court appointed counsel, such as lawyer for child, lawyer to assist the court and specialist report writers. These services are demand driven and professional service providers are engaged when the Judge determines there is a need. An application can have more than one type of service provision appointment.

Actual 30 June 2018 \$000		Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
98,339	Court Coroner related Costs	108,660	109,139	118,048

Minister for Treaty of Waitangi Negotiations' reports on non-departmental appropriations – B.14 (Vote: Treaty Negotiations)

For the year ended 30 June 2019

The following pages of this document meet the requirement set out in the supporting information to the 2018/19 Estimates or 2018/19 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister for Treaty of Waitangi Negotiations.

Although the reports are presented in the same document as the Ministry of Justice Annual Report, they do not form part of the Ministry of Justice Annual Report for the year ended 30 June 2019 (including reporting by the Ministry of Justice on appropriations for that year).

Where appropriate, an explanation is provided for service performance negative variances of more than 5%. Where there is a range for a standard, a variance explanation is provided for results outside the forecast range. Where appropriate, an explanation has been provided for positive variances of more than 10%.

Vote Treaty Negotiations

Claimant Funding

Scope of appropriation

This appropriation is limited to payment of claimant funding related to the settlement of historical Treaty of Waitangi claims.

Contribution to strategic intentions

The services and activities provided under this appropriation contribute to improving justice outcomes for Māori.

Description of activities

Claimant funding provides a financial contribution to mandated groups towards the cost of negotiating and settling historical Treaty of Waitangi claims. Payments can also be made in certain circumstances to groups seeking a mandate.

Assessing Performance

Actual 2017/18	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
38	Number of claimant groups funded (see Note 1)	40	49	This is a demand driven measure. More groups requested funding toward their negotiation and settlement process.
93%	Percentage of payments made to groups within 10 working days of approval of claim	95%	80%	26 out of 129 invoices were paid outside the target time. 14 of the invoices were paid between one to two days outside the target time. The remaining 12 were payments made to third parties and there was a delay in the receipt of information needed to approve the claim.

Note 1 - Claimant groups can lodge an application for funding at any stage of the negotiation and settlement process. The amount of funding they may receive depends on the size of the claimant group and the complexity of the claim.

Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
5,109	6,273	8,102	8,102

From 1 January 2019 the appropriations under Vote Treaty Negotiations were administered by the Departmental Agency – the Office for Māori Crown Relations - Te Arawhiti. Prior to the establishment of Te Arawhiti, these appropriations were administered by a business group within the Ministry of Justice.

Contribution Toward Determining Customary Interests in the Marine and Coastal Area

Scope of appropriation

This appropriation is limited to providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011.

Contribution to strategic intentions

This appropriation is intended to achieve an effective process for providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011. It contributes to our goal to improve justice outcomes for Māori.

Description of activities

This appropriation contributes to the costs of engagement with the Crown or High Court under the Marine and Coastal Area (Takutai Moana) Act 2011. Financial help is tailored to the individual circumstances of each group taking into account the type of rights applied for, the size of the applicant group and the size and complexity of the application area. Maximum amounts of financial help are available for specified costs tagged to milestones. It does not cover all costs.

Assessing Performance

Actual 2017/19	Performance measure	Standard 2018/19	Actual 2018/19	Variance explanation
86%	Percentage of funding payments made to groups within 10 days of approval of claim	95%	62%	58 out of 152 invoices were paid outside the target time. We experienced several peaks in workload where a higher number of funding requests were received. Due to high demand on a small team not all invoices were paid on time. We have since increased our resources and have reviewed our internal processes.

Actual 30 June 2018 \$000	Actual 30 June 2019 \$000	Unaudited budget 2019 \$000	Unaudited forecast 2020 \$000
2,359	1,962	5,450	10,450

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This annual report is presented to the House of Representatives in accordance with section 44(1) of the Public Finance Act 1989.

Reports on non-departmental appropriations by the Minister of Justice, Minister for Courts, and Minister for Treaty of Waitangi Negotiations are presented to the House of Representatives in accordance with section 19B of the Public Finance Act 1989.