



ANNUAL REPORT

1 July 2017 to 30 June 2018



MINISTRY OF
JUSTICE
Tābū o te Ture

We deliver people-centred services to provide access to justice for all

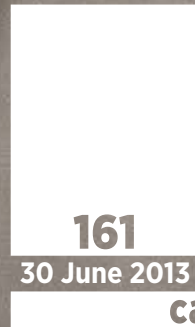


Since June 2013 District Court criminal cases

that are more than **3** years old

have decreased by

83%



Since 2012/13, for less serious criminal offences, the average age of active cases has dropped:

category 1 cases

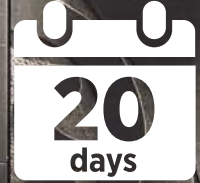
by nearly **50%**

category 2 cases

by nearly **7%**

The Tenancy Tribunal dealt with

92% of cases within



In 2017/18 we resolved:

nearly **18,000**
Care of Children Act applications



more than

3150
CORONIAL CASES



nearly **36,000** serious harm cases
31,900 of these were within 12 months

Criminal conviction history checks



Requests for checks have

NEARLY DOUBLED

since 2011/12

from **282,000** to over **500,000**

We introduced **3** new service levels



allowing customers to receive checks within a guaranteed timeframe of



The **Christchurch Justice and Emergency Services Precinct** was officially



High Court disposals increased by **15%**



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Introduction from the Chief Executive



The way a justice system deals with people can say a lot about the society it serves.

This Ministry has an integral role in New Zealand's justice system. We provide justice policy advice to the Government, we negotiate the settlement of Treaty of Waitangi claims, we house New Zealand's largest criminal law firm – the Public Defence Service – we administer legal aid, and we administer New Zealand's courts and tribunals.

We lead the justice sector, and support an integrated sector through strong governance, shared ambition and knowledge, and identifying solutions to improve sector performance. We work with the Judiciary and our justice sector colleagues to help make sure New Zealand is a safe and just society.

Our purpose is to deliver people-centred services to provide access to justice for all.

In the court system, we are firmly focused on the people who use our services. The court system is complex, and previously there had been too much focus on the stakeholders in the system rather than the people who are relying on the system to resolve their issue. The effectiveness of courts is affected by many stakeholders with specific and independent roles. They include judges, Police prosecutors, defence counsel, Crown solicitors, victim advisors, court staff, security officers, Corrections officers, and probation officers who all work in the court system. We must work more collaboratively to improve the system for the New Zealanders we are here to serve.

To assess the effectiveness and fairness of our court system, we need good data and analytics. Building this capability has been a big priority for the Ministry over the last four years. Data allows us to measure how well the system is delivering for the people who use it. It also provides us with evidence to base decisions on.

For example, the volume of new criminal cases in the District Court has decreased by 4%, but the workload has actually grown due to increasing complexity and an increase in the number of events before a case is disposed of. We are dealing with approximately 50,000 more District Court events in criminal cases than 5 years ago. We have managed to maintain increased productivity through a range of initiatives, including targeted allocation of resources, the use of Local Justice Sector Networks to ensure each court can take accountability for performance and improvement initiatives, and providing good data so managers can access their performance metrics.

Another example is the data showing us that only 10% of scheduled judge-alone trials in the District Court's criminal jurisdiction actually go ahead on the day. The biggest single reason for that is adjournments: nearly one in three scheduled trials are adjourned on the day they are set down for. An analysis of the reasons for adjournments shows that delays occur for a number of reasons – no one participant is responsible for all delays and we all have a role in ensuring that hearings can go ahead as planned. There has been some helpful commentary in the sector canvassing how case review hearings work and the potential for participants to address more at that stage before the trial begins.

Similarly, data highlights strong performance. In 2017/18:

- since June 2013, District Court criminal cases that are more than 3 years old have decreased by 83%
- since 2012/13, the average age of less serious active criminal cases has dropped by nearly 50% for category 1 cases and by nearly 7% for category 2 cases
- we resolved nearly 36,000 serious harm cases, 31,900 of these within 12 months
- High Court disposals increased by 15%.

We are close to achieving a Gartner Information Maturity Level 4 rating, which is the goal we set ourselves in 2014 to be achieved by December 2018. Achieving level 4 indicates that data is well-integrated across the Ministry, is trusted and acted on to drive strategic change, and data governance structures are well-established.

The other areas where we have performed well through the year include real progress in modernising courts and tribunals; improving victims' experience of the justice system; the opening of the 15th Rangatahi court; helping to establish the new Māori Crown Relations: Te Arawhiti portfolio; and supporting the development of the Government's Hāpaitia te Oranga Tangata: Safe and Effective Justice work programme which aims to reform the criminal justice system. We've worked on major policy changes, including implementation of phase 2 of the Anti-Money Laundering and Countering Financing Terrorism (AML/CFT) regulatory system and the new regime that allows people to apply for their historic homosexual convictions to be wiped from criminal records.

Our people are a vital part of delivering people-centred services.

We want the Ministry of Justice to be a place where our people can be healthy and safe, trusted, supported, and involved. We want all of our people to feel they can be themselves. We have had a significant improvement in employee engagement. Our engagement score increased by 18% from a score of 50% in 2016 to 59% in 2018. Our people feel more informed about the Ministry and its activities, and we are retaining our people for longer. We also saw a general lift in our people's perceptions of what the Ministry of Justice is like as a place to be. Our biggest improvements were our people's recognition of the clarity of our vision and strategy (up from 50% in 2016 to 68% in 2018), a belief that we're making the changes we need to be successful in the future (up from 40% in 2016 to 56% in 2018), and stronger support for the view that we're delivering on our promises to our customers (up from 39% in 2016 to 52% in 2018).

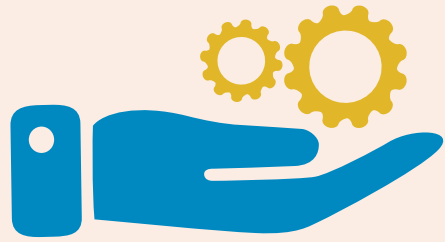
This is my last Annual Report as the Chief Executive and Secretary for Justice. I am proud of the Ministry, our work and our people. Managing and delivering such a diversity of services for New Zealanders has been achievable because of the great people at the Ministry of Justice – my sincerest thank you to you all!

Andrew Bridgman
Secretary for Justice and Chief Executive

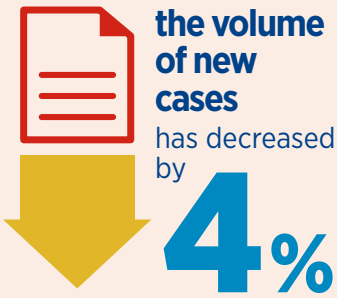
We've maintained

our productivity

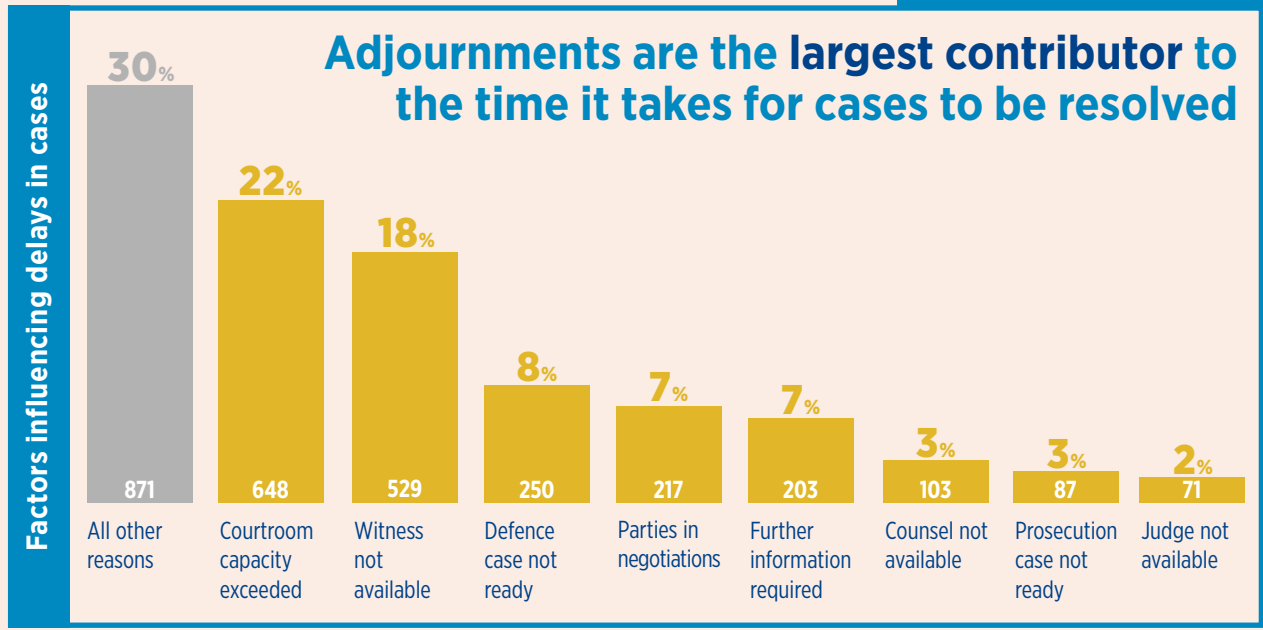
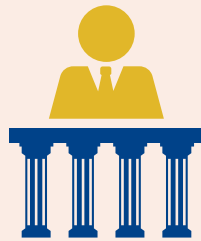
despite our workload increasing



For District Court criminal cases:



All stakeholders in the system contribute to the efficiency of the Court system



What we do



We deliver court and tribunal services. We work with the Judiciary to deliver court services for the Supreme Court, Court of Appeal, High Court, District Court, the Environment Court, Employment Court, Māori Land Court and Waitangi Tribunal. We support other tribunals, authorities and committees (including the Disputes Tribunal, Tenancy Tribunal and Coronial Services) that help New Zealanders resolve disputes, review administrative decisions that affect their rights and entitlements, or license people who work in a regulated occupation.

We negotiate and safeguard durable Treaty of Waitangi settlements – building positive relationships between Māori and the Crown.



We contract with community-based and non-governmental providers for services for people going through the justice system.



Our collections operation is the enforcement arm of the District Court. We collect unpaid infringements, court fines and reparations, ensuring monetary penalties are a credible sanction.



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



We develop justice policy – advising on legislation and supporting our ministers.



We provide the Public Defence Service – New Zealand's largest criminal law practice.

We carry out criminal conviction history checks.



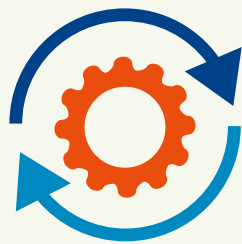
We administer legal aid – helping people who can't afford a lawyer to get legal advice and representation.



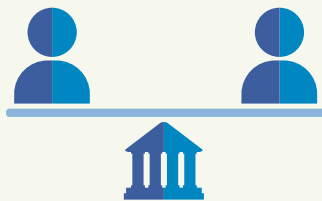
We administer over \$1 billion in government expenditure from Vote Justice, Vote Courts and Vote Treaty Negotiations, and more than 200 pieces of legislation including Treaty Settlement legislation.

In 2017/18

 **16,245** cases were accepted by the Public Defence Service



we processed **548,000** requests for criminal conviction history checks



55,500 people were granted legal aid



we collected **\$185 million** in fines



92% of all iwi groups have achieved a recognised mandate



over **267,000** courts and tribunal cases were resolved



we continued to host the specialised multi-agency team on family violence and sexual violence

we supported the launch of


Haportia te Oranga Tangata
Safe and Effective Justice

\$56 million

was spent on

180 contracts

with community-based providers and NGOs



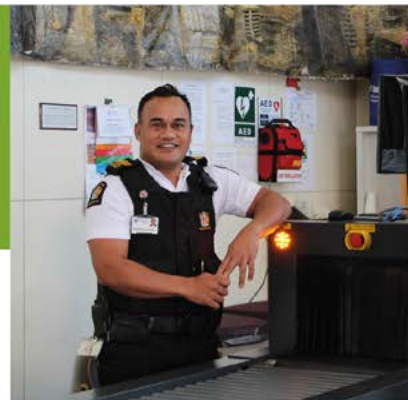
for justice services

like

Restorative Justice and Family Dispute Resolution services

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 āhei 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



We deliver our strategy

Our strategy sets out our strategic intentions that will enable us to achieve **our purpose** to deliver people-centred services to provide access to justice for all.

We've set ambitious **goals** that focus our collective effort on achieving the things that matter to New Zealanders.

We have 5 **priorities** that will help us build a more capable organisation, which will ensure we're well placed to achieve our goals.

We also show **how** we'll work to achieve our goals and priorities.

Our **values** underpin everything we do – the actions we take, the decisions we make and the relationships we build.

Throughout the report, we've included some stories that demonstrate HOW these perspectives help to guide us as we deliver people-centred services.

We contribute to the Government's priorities

Working towards a safe and effective justice system

We support **Hāpaitia te Oranga Tangata: Safe and Effective Justice**, the work programme that aims to reform the criminal justice system. Launched in July 2018, the programme is an opportunity to achieve better justice outcomes for all New Zealanders by increasing the focus on prevention, rehabilitation and reintegration.

Many people who come into the criminal justice system are vulnerable. For every perpetrator, there are victims whose rights must be recognised and offenders must be held accountable for what they've done. We also know that most people charged with offences have been victims themselves. Many have experienced mental health issues, difficulty with literacy, alcohol and drug addiction issues, and childhood trauma. To create a safe and effective justice system, we also need to consider these underlying issues.

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

We want to create a system that enhances public safety by preventing crime. We're focused on successfully reintegrating people back into their communities.

In 2017/18, the Minister of Justice, Hon Andrew Little, appointed an advisory group to facilitate a public conversation about criminal justice and to support the programme. We led the planning and preparation for the Criminal Justice Summit, which was held over three days in August 2018. The summit brought together many people involved in the criminal justice system, to hear their experiences and ideas for change, and to develop a way forward together.

Improving access to justice

We support the diverse needs of New Zealanders and ensure everyone can fairly and openly resolve disputes and enforce their rights, regardless of financial means or social position.

Access to justice for all New Zealanders is fundamental. Whether for the enforcement of private rights or defence against state prosecution, true access can be achieved only when every citizen can meaningfully participate in the legal system. Modernising our courts and tribunals is essential to ensuring people have timely access to the courts and confidence in the courts system.

Building and strengthening Māori Crown relations

We lead the public sector's effort to build and strengthen Māori Crown relations. The Māori Crown Relations: Te Arawhiti portfolio aims to build strong partnerships with Māori beyond the negotiating table so that parties can explore commercial, social and cultural opportunities for the benefit of Māori and all New Zealanders. As lead agency for the portfolio, we demonstrate strong and effective partnership to other public-sector agencies and work towards shared objectives. We ensure the Crown understands and meets its Treaty obligations, and engages with Māori on policy issues.

We support the independent Judiciary

One of our key roles is to support the Judiciary and the courts. We provide the registry and administrative services necessary to support judicial administration of the court system and judicial decision-making. Administrative support includes 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 independence of the judicial function and work with 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, like court registrars who exercise quasi-judicial functions, do so as officers of the court. The Ministry doesn't direct employees when they're 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.

We lead the justice sector

We support an integrated justice sector through strong sector governance, shared ambition and knowledge, and identifying solutions to improve criminal justice sector performance. The work of each agency in the criminal justice sector affects the others. We recognise the need to work together to make New Zealand safer and to deliver accessible justice services.

The vision and strategic focus for the criminal justice sector are set out in the Criminal Justice Sector Strategic Intent. We contribute to these through our work to achieve the Ministry's strategic goals.

The Secretary for Justice chairs the Justice Sector Leadership Board, which comprises chief executives of justice sector agencies. They have oversight of 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, and improve our responses to crime and reduce harm.

THE JUSTICE SECTOR

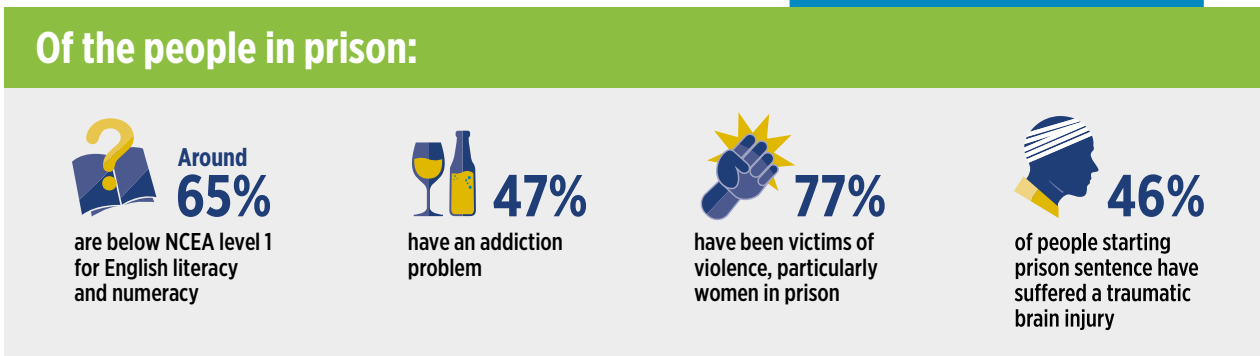
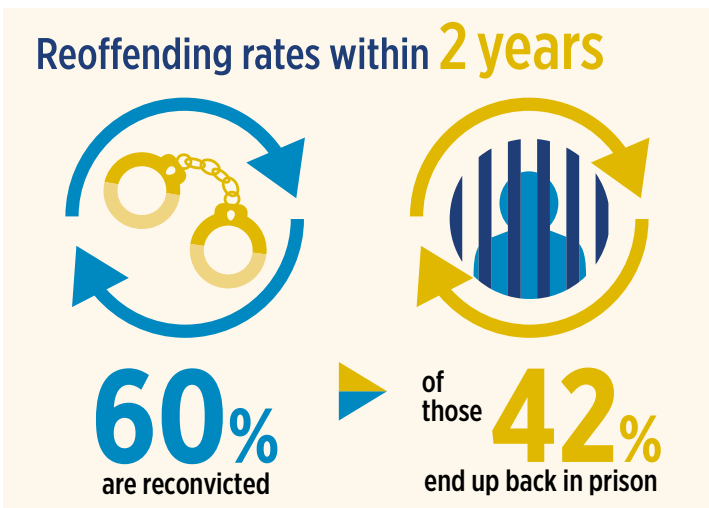
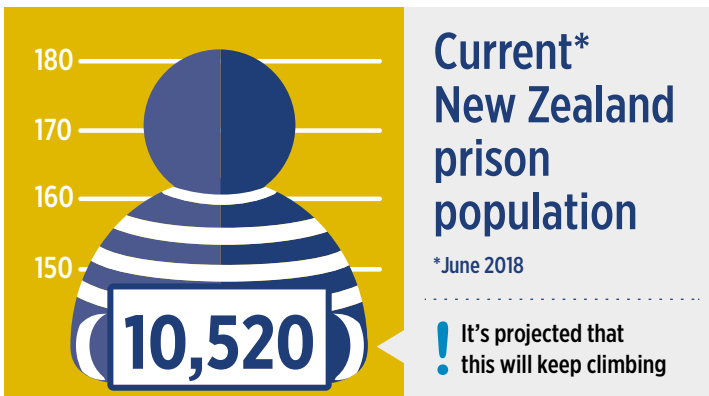


We use data insights to inform what we do

Data provides us with the opportunity to better understand and improve the justice system. It helps us effectively evaluate programmes for our customers. It helps us decide when and where to intervene and who to help with our work. Capturing better data and having the ability to analyse what it's telling us is an increasingly important tool for us. It's not a substitute for leadership, nor is it a substitute for making hard decisions. Data doesn't create options; analysis of data can help us to better understand what our options are. It informs policy and operations to help us make better decisions.

We shouldn't be relying on anecdotes and assumptions that can easily be influenced by prejudices. We all have an interest in understanding how the justice system works, and particularly the extent to which it's working well or not. The premise that our justice system should be centred on the people who use our services remains fundamental. To get a better system for them, we need to be focused on their needs.

The government is focused on supporting people to improve their social well-being. We know there's a clear relationship between positive social and justice sector outcomes. This is why we work closely with other social sector agencies to understand the complexity of peoples' lives and their interactions with us. Social factors, like whānau/family, community and peers, education, housing, economic status, mental health and the abuse of alcohol and drugs, can increase the risk of a person becoming caught up in the criminal justice system. We're analysing and presenting system-wide data to demonstrate what those numbers mean in human terms to help inform the debate about the sort of criminal justice system New Zealanders want.



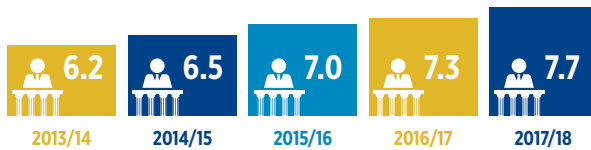
Understanding the court system to improve timeliness

We aim to resolve all serious harm cases¹ within 12 months. This target is based on the understanding that justice delayed is justice denied. We work alongside the Judiciary and justice sector partners to achieve this goal. We use data and analytics to understand what's working in the court system and what isn't.

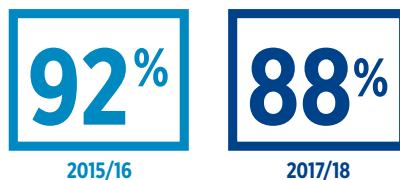
The time taken for serious harm cases to be disposed of has been slowly heading in the wrong direction since 2015/16. Two years ago, about 92% of serious harm cases were resolved within 12 months; in 2017/18, about 88% of serious harm cases were resolved within 12 months. The main reasons for this decline are:

- courts are dealing with a higher caseload.** The number of category 3 cases² filed has increased over the last several years. In 2015 an average of 3514 category 3 cases were filed each month. In 2017, on average, 3768 category 3 cases were filed each month, an increase of 7%. In 2017/18, there were also 9 fewer sitting days compared to 2016/17, which means we had less time to resolve cases.
- cases are increasingly more complex and progressing further through the court system (requiring more court events) before being resolved.** A court event can include everything from bail hearings, name suppression, resolving evidential issues, a trial and, if the person is found guilty, sentencing. As a case progresses, it requires more time and resources. The average number of events required to resolve serious criminal cases has increased from about 6.2 court events in 2013/14 to over 7.7 court events in 2017/18.

Average number of court events required to resolve serious harm cases



Resolving serious harm cases within 12 months



There's a direct relationship between the total time it takes to resolve serious cases and the number of court events required. While the number of court events per case and the time taken to resolve serious cases has increased, the average time between court events hasn't. This has remained between 23 and 24 days between each event.

For other types of cases in the District Court and tribunals, performance has improved in the past few years. The average active age of category 1 cases³ has dropped by almost half since 2012/13, while the average active age for category 2 cases⁴ has fallen by 7% over the same period. Performance for the tribunals we support has improved significantly with the average active age now 30% lower than it was in mid-2013.

The purpose of the court system is to resolve cases or disputes fairly, according to the law, for the public. People who enter the court system often do so at a time when they're already vulnerable and under pressure. They shouldn't be forced to stay in the system any longer than absolutely necessary, but the system is complex. There are multiple players and participants with independent roles.

Having access to better data allows us to assess what is and isn't working. It allows us to measure how well the system is delivering for the people who use it or are affected by it. It gives us a better understanding of the different drivers that affect performance. It tells us, for example, that nearly 1 in 3 judge-alone trials that are scheduled in advance are then adjourned on the day they're set down for. That happens for a number of reasons – no one participant is responsible for all adjournments.

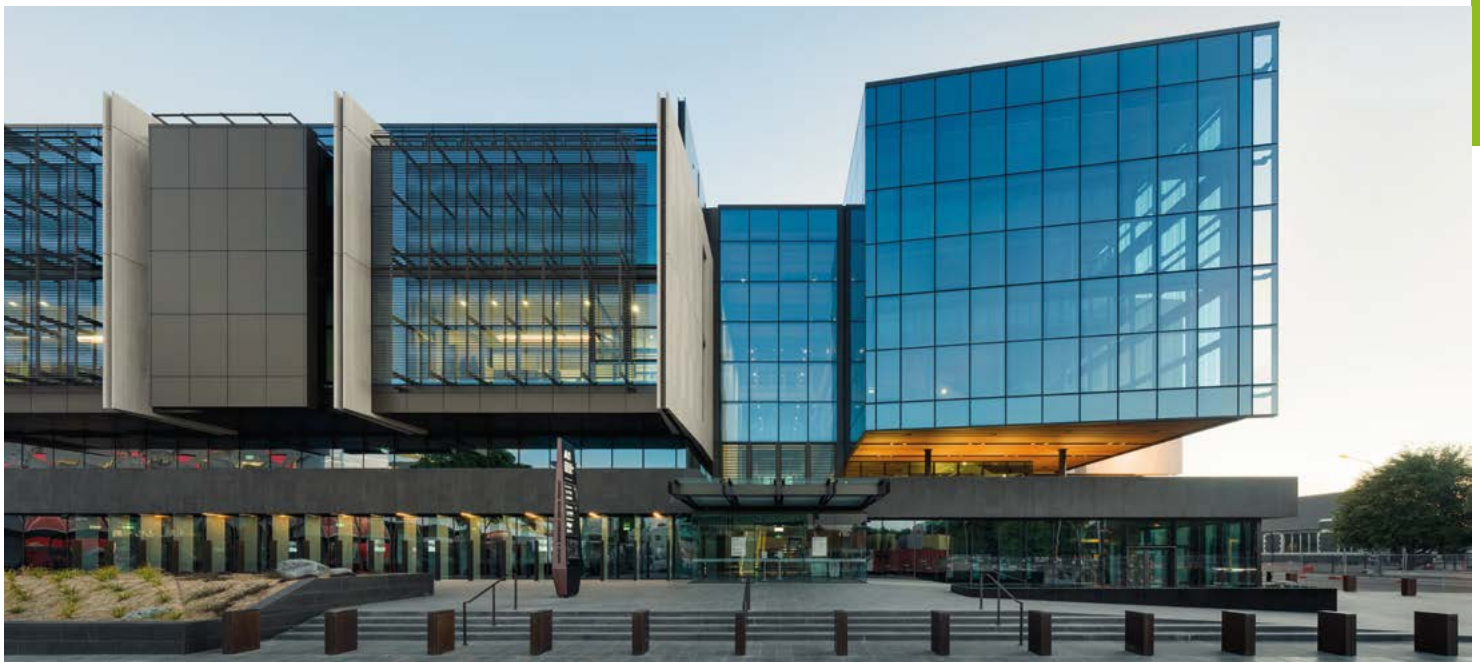
To get a better system for New Zealanders, we must work collaboratively with all of our partners for the benefit of the New Zealanders we're here to serve. We want to continue the focus on improving timeliness. We want to help people reach closure and get on with their lives. The purpose of our modernisation journey is to make the necessary improvements to ensure all New Zealanders have access to better justice services.

¹Serious harm cases are defined as categories 3 and 4 criminal cases - the cases where offenders can get more than 2 years imprisonment.

²Category 3 cases are criminal cases where offenders can be sentenced to prison for 2 years or more, or imprisonment for life. These don't include offences listed in Schedule 1 to the Criminal Procedure Act 2011 (Category 4 offences).

³Category 1 cases are criminal cases where offenders can't be sentenced to prison.

⁴Category 2 cases are criminal cases where offenders can be sentenced to prison under 2 years.



Modernising courts and tribunals

Modernisation is about the changes we need to make to deliver people-centred services to provide access to justice for all. Modernising our courts and tribunals will improve people's access to justice by making it possible for them to engage with us in ways that better reflect their needs, and increase their overall confidence in our services.

Over
25,000
remand appearances via
audio-visual links (AVL)



^a **37%** increase
from the
previous year

Implementing the **RESOLVE** Tenancy case management system gives our customers a seamless experience between us and MBIE in tenancy disputes

Court managers can now identify overdue cases in



through **He Puna**
our new Business Intelligence tool

Passed second reading



The
Christchurch Justice and Emergency Services Precinct
was officially

OPENED



We strengthened and refurbished the **Dunedin Courthouse**

WHAT'S NEXT?

Over the next couple of years, we'll continue to undertake key initiatives that make a difference to our customers' experience. We're focusing on developing the tools and resources we need – like being able to submit and access case information electronically, making it easier to appear or get things done remotely, and supporting our people to be the best they can be.

Modernisation encompasses every aspect of what we do and how we do it – from our culture and how we support and develop our people, to the buildings we operate from, to how our services are designed and the systems and tools we use to deliver those services. Modernising our 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.

How we're modernising



Ensuring laws are fit for purpose

In 2017/18, the Courts Matters Bill and the Tribunals Powers and Procedures Legislation Bills had their second reading in Parliament. They're designed to make our courts and tribunals more modern, fair and effective. The amendments include:

- modernising and aligning the powers and procedures of the 21 tribunals we administer, making it easier for people to resolve issues and move on with their lives
- making it easier for people who can't afford to pay their fines to arrange to pay in affordable instalments
- allowing audio-visual link technology to be used appropriately in criminal proceedings
- increasing the financial threshold for the Disputes Tribunal from \$15,000 to \$30,000 so more disputes can be resolved in simply and quickly
- changing criminal and Family Court procedures to improve effectiveness and timeliness.

These amendments will improve our customers' experience with the court and reduce the length of time it takes to resolve matters.



Modernising our facilities

Our property portfolio is one of the largest in the public sector. As we modernise, we have to balance the need to maintain our large existing property portfolio with the need to improve and modernise facilities so they meet our customers' expectations of 21st-century service delivery.

We completed 2 major award-winning property projects in 2017/18 – the development of the Justice and Emergency Services Precinct and the refurbishment of the historic Dunedin Courthouse.

The \$300 million Justice and Emergency Services Precinct brought all our Christchurch-based courts and tribunals together, along with regional justice and emergency services, in a single, modern facility. Since the earthquake on 22 February 2011, our people had been working out of more than 20 temporary locations across the city. To have all our Christchurch-based teams working together under one roof is a significant milestone for our operations in Christchurch as well as the wider rebuild. The new facility enables agencies to collaborate to provide people-centred services to the public. It features improved technology and innovations for our people to work more flexibly so they can provide better support to our customers. The project won an Excellence Award in the Civic and Arts category of the 2018 Property Industry Awards.

The historic Dunedin Courthouse was officially reopened by the Prime Minister, Rt Hon Jacinda Ardern, in January 2018 following a \$20 million project to strengthen and refurbish the heritage building. The courthouse project won the Heritage and Adaptive Reuses award and received a merit award in the Civic and Arts Category in the 2018 Property Industry Awards.



Collaboration: Helping each other to succeed

Improving the user experience of our tenancy customers

Customers dealing with tenancy-related disputes will receive a more efficient and consistent service, thanks to a collaboration between us and the Ministry of Business, Innovation and Employment (MBIE) this year.

RESOLVE, a new case management system developed between the 2 agencies, allows customers to have an end-to-end view of how their tenancy case is progressing through the system, regardless of which agency it's sitting with. They can keep track of their application via an online portal, and receive an email as soon as their tenancy decision has been made.

The Tenancy Tribunal deals with around 17,000 cases each year and, until the launch of RESOLVE, applications were paper-based with files being couriered between MBIE and District Court registries daily. Now customers will have their case resolved quicker and costs to support tenancy services will be reduced.

The Tenancy Tribunal deals with around

17,000
cases
each year



Through **RESOLVE**, customers can now keep track of their application via an online portal





Making it easier for people to do things themselves

Technology is transforming how people engage with each other and they expect us to keep pace. We're aiming to implement electronic self-service so our customers can more quickly do what they need to do with us, and get on with their lives.

In 2017/18, we ran the **Courts Case Portal Pilot** in the Court of Appeal to help us understand the impacts of implementing online services. Customers can log in to a portal to file documents securely online, pay court fees using a credit card, and securely access some case information and documents online. We learned that people appreciated the transparency of case information and having documents in one place. This will help us develop new tools so that we can provide great service to the public every day.



Putting the customer first

In 2017/18, we worked on a Customer Service Charter for the Ministry. The Charter, which will be launched in early 2018/19, is a public statement explaining what customers can expect when they're interacting with us - whether that be in person at one of our sites, by phone or email, or on our website. We're creating a charter that's consistent across all of our service areas. Our RISE values - Respect, Integrity, Service and Excellence - define how we treat each other within the Ministry, so it makes sense to use our values to define how we treat our customers as well.



Improving how we schedule and manage 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 our customers to be certain that if an event is scheduled, it will go ahead that day and their time won't be wasted.

We established a **National Scheduling Team** to improve how we schedule and manage District Court events. We want to ensure the right people are in the right location at the right time, with the right tools and information. This year, we've focused on collecting data and using insights to understand how we can provide services that are easy to access and navigate and which don't cause unnecessary disruption.



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 2017/18, we introduced our business intelligence tool, **He Puna**, into the District Court. Over 180 of our people have been trained on how to use He Puna to achieve improved business and customer outcomes.

Results matter: We are all accountable



Our journey from anecdote to fact

Over the last four years, we have been on a deliberate journey to build a data-enabled culture that realises the value of data and embeds its use in the thinking and behaviour of our people and our organisation.

In 2014 our maturity was low. It took a long time to get answers to seemingly straightforward questions and the quality of the data and the reporting was variable. Built around a decentralised structure, the reporting we were producing was often more descriptive than insightful and lacked an enterprise view.

Our journey started with a 2014-2017 enterprise information strategy closely aligned to our business strategy. However, we needed to get better at using data to inform decisions. We embarked on a journey of cultural change, starting with our leaders. Change took time, patience and commitment, and continues to do so.

We made turning data into insight a strategic priority. Change was leader-led and business value-focused. A centralised analytics capability co-located with the ICT business intelligence service helped to support the changes required. Only when a new culture had been established in the data and analytics teams did we turn our attention to tools and technology.

Putting good technology into an environment that isn't yet ready to use it usually fails and discourages further change. We focused on getting the environment right so tools and technology could enable the next step change.

Technology solutions like He Puna are business-focused and build on the preceding cultural and capability development. We're now embedding the use of data and analytics into day to day decision-making. Data has started to become a strategic asset, with its value increasing with use.

In 2017/18 we started training our people to use He Puna as a business tool and we've set a new strategic priority: using data insights to deliver better services, which better demonstrates how far we've come.



Improving how we deliver our services and administer cases

Better processes and case flow management mean our customers can resolve their cases more quickly and efficiently. We're improving how we manage cases and applications right from when they start through to resolution. We're trialling tools, setting up new systems, and ensuring all of our people are well prepared to help our customers.

We're rolling out **electronic casebooks** to minimise the reliance on stacks of paper that can be damaged or lost. It also enables the Judiciary and others involved in a case to share a 'single source of the truth'. The casebooks are compiled versions of court documents, like submissions of evidence, used on-screen by judicial officers and parties during a hearing. The casebooks can be easily searched and annotated throughout the hearing. In 2017/18, we tested them in the High Court and we're developing a toolkit to enable their use in other jurisdictions.



Doing things remotely

We want to make it easier for people to appear or achieve things remotely. We're extending the use of audio-visual services, while upholding the principles of justice and the intent of the Courts (Remote Participation) Act 2010.

Audio-visual links (AVL) connect courts to prisons. The use of AVL for remand appearances has increased by 96% over the last three years. Virtual appearances make courts safer by reducing the likelihood of violent incidents. They also reduce the stress involved in prisoners being escorted to court, placed in a holding cell and then returned to prison. In 2017/18, there were more than 25,000 remand court appearances held via AVL compared to 18,200 in 2016/17. At 30 June 2018, AVL connected 20 courts to 15 prisons.

In 2017/18, we also introduced **remote participation capability** in the Māori Land Court. This allows people based overseas to make representation on claims to the court through video conferencing, without needing to be in New Zealand; applicants can connect via their personal devices from any location. So far, video conferencing has assisted applicants in Singapore, Papua New Guinea, and Australia.



Working with our sector partners

We need a speedy, integrated, sector approach to better manage serious cases. We renamed and reset the existing Local Court Networks. The new name – Local Justice Sector Networks (LJSN) – reflects the vision of an integrated justice sector network starting at a local level. They include representatives from the Ministry, Police, Corrections, prosecutors and defence counsel.

The LJSN are supported with monthly performance information from our analytics and insights team and focuses on:

- developing local plans to address local issues and priorities
- developing genuine collaborative relationships and ways of working
- providing a local mechanism for escalating issues that have a broader sector and/or national impact
- understanding current practice within each agency and across the system
- providing a two-way communication channel with individual agencies and member organisations
- documenting any local best practice lessons identified that could be shared nationally.

Our people

Results matter: We are all accountable

Going from Data to Insights to Action

Since He Puna's implementation, Amanda, a Courts Service Manager for the Family and Civil Jurisdictions in Tauranga, has been checking the progress in the Family and Civil jurisdictions.

Thanks to the clear visual representation of how her team was tracking, and being able to review performance against other courts, it was clear to Amanda there were opportunities to make some improvements.

Amanda spoke with her colleagues at other courts about the processes and initiatives they had introduced, and her team made some changes. They refined their scheduling and planning practices and brainstormed solutions as a team to some of their most difficult challenges. She could clearly see the results of these changes and the hard work from the team in the following months' dashboard.

'I've observed that our performance has improved. It has been of great value to have all of the information in one report that's easy to navigate.'

Delivering improved justice outcomes for Māori

We're leading the public sector's effort to build and strengthen Māori Crown relations. We want to harness the relationships we've developed through Treaty settlements work with iwi/Māori so we can deliver justice services that are culturally responsive and more effective.

We have

8



contracts

with iwi or kaupapa Māori organisations, providing restorative justice services to



18
courts



30

We supported hui across the country to help shape the new

Māori Crown Relations: Te Arawhiti portfolio



15th

Rangatahi Court opened in February 2018

We're working towards

completing

Treaty settlements with willing and able iwi groups by

mid

2021

- **DEED OF SETTLEMENT SIGNED**
- **NEGOTIATIONS IN PROGRESS**

** Not in active engagement with the Crown*



WHAT'S NEXT?

We'll continue to work alongside Māori to safeguard the durability of Treaty settlements, and focus on opportunities that exist in a post-Treaty settlement environment for Māori. Through the Hāpaitia te Oranga Tangata: Safe and Effective Justice work programme, we'll support the Government's commitment to reduce the over-representation of Māori in the criminal justice system with a greater focus on prevention and rehabilitation.

Our goal to deliver improved justice outcomes for Māori aligns with the Government's priorities to reduce the prison population and over-representation of Māori in the criminal justice system. Māori are a significant user of our services. We want to ensure we're delivering effective services and building partnerships along the way.

Delivering culturally responsive justice services

In 2017/18, with the Department of Corrections, we procured non-violence programmes for perpetrators and safety programmes for adult and child victims of family violence. There are now 22 kaupapa Māori providers delivering these services across 46 sites nationally. Services focus on the whole whānau, not only the individual, and are delivered 'by Māori for Māori'.

We support restorative justice services throughout the country. We have eight contracts with iwi or kaupapa Māori organisations that provide services to 18 courts. Restorative justice has been effective in reducing the frequency of offending and the number of people reoffending. Restorative justice services are strongly aligned with Māori values and culture and are responsive to Māori needs.

Providing specialist courts

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



Ngā Kooti Rangatahi - Rangatahi Courts

These courts aim to reduce youth reoffending and enable Māori and Pasifika 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 Māori and Pasifika language, culture and protocols. The Rangatahi Courts have been operating for 10 years. In February 2018, in Whangārei, we opened the 15th Rangatahi Court - Te Kooti Rangatahi Ki Whangārei.

Te Kooti Matariki - Matariki Court in Kaikohe

This court was established to address the over-representation of Māori, and increase the involvement of a Māori perspective, 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.



Supporting the Māori Crown relationship

In 2017/18, the government created the **Māori Crown Relations: Te Arawhiti portfolio**. The portfolio focuses on the opportunities that exist for Māori in a post-Treaty settlement environment, and demonstrates that true and practical partnerships are possible beyond the negotiating table.

Between March and June, we organised 30 public hui around the country to engage New Zealanders in considering what they thought the scope and priorities of the portfolio should

be. We also supported 12 smaller focus group hui with Māori representatives. We received 227 written submissions and over 1600 people attended the hui.

This national engagement on the new Māori Crown Relations: Te Arawhiti portfolio demonstrates a shift in practices that better involve people in decisions that affect them. As we support this kaupapa, we've learnt valuable skills that will benefit our wider work programme.

Collaboration: Helping each other to succeed



Te Rā o Waitangi and our Ministry

We lead the public sector in improving and strengthening the relationship between Māori and the Crown beyond the negotiating table. As well as negotiating historical Treaty settlements and leading the Marine and Coastal Area (Takutai Moana) Act 2011, we support the Māori Crown Relations: Te Arawhiti portfolio on post-settlement commitments and finding opportunities to enhance partnerships between Māori and the Crown.

In February, the roopū had the honour of supporting the government delegation at Waitangi, the 178th anniversary of the signing of the Treaty. This was a key opportunity to establish positive momentum in Māori Crown relations at the start of the year. We developed the programme for ministerial engagements, provided the Prime Minister and other senior ministers with cultural support, briefed the ministerial delegation in preparation for all their meetings and gatherings, and organised the commemoration breakfast (with the Waitangi National Trust). With our support, the Prime Minister and senior ministers spent longer in Waitangi than in recent years - up to 5 days - and met with many Māori organisations, individuals and schools from the local area.

The evolution of the Crown's representation at Waitangi is part of a broader change that the Ministry is helping to lead. We support the journey from reconciliation to a future Māori Crown relationship of mutual respect and true partnership.



Healing the past, building the future

We continue to work with groups to complete Treaty settlements and with those who have applied to engage directly with the Crown for customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011. We also safeguard the durability of historical Treaty settlements, ensuring the gains made to Māori Crown relationships through Treaty settlements are maintained and built upon, and endure.

Negotiating Treaty settlements

The Crown's objective is to achieve fair and durable Treaty settlements that contribute to the cultural, social and economic development of Māori and enhance the Māori Crown relationship. The government aims to complete historical Treaty claims with all willing and able groups by mid-2020.

About 70 government departments, Crown entities and local authorities play a critical role in working with Māori to negotiate, formalise and implement Treaty settlements. We work with claimant groups to resolve their historical grievances and negotiate fair and durable settlements with the Crown. We:

- negotiate the settlement of all historical claims directly with claimant groups under the guidance and direction of Cabinet
- provide policy advice to the government about generic Treaty settlement issues and individual claims
- oversee the implementation of settlements
- administer the protection mechanism for Crown-owned land for use in Treaty settlements.

Many claimant groups are either negotiating with the Crown or are having preliminary discussions.

Administering Marine and Coastal Area (Takutai Moana) Act 2011 applications

We administer applications for the recognition of customary interests under the Marine and Coastal Area (Takutai Moana) Act 2011.

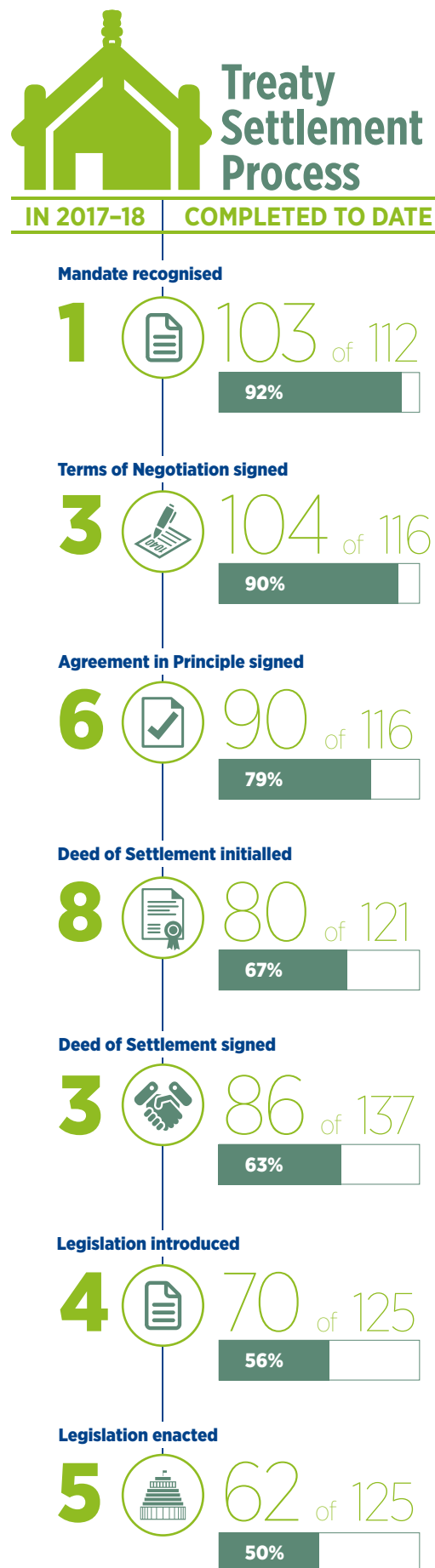
In 2017/18, we agreed on a plan to work with the 380 applications we received in 2016/17 for direct engagement with the Crown. This includes progressing engagement with existing applicant groups and their overlapping groups, and implementing a process for identifying and managing the next tranche of Crown engagement applications.

We also developed a historical research programme to support Crown determinations and High Court applications.

Safeguarding the durability of Treaty settlements

We work with Crown, iwi and local government to ensure settlements are durable. By continuing to engage with groups that have reached settlement, we help maintain a strong Māori Crown relationship. We raise awareness and address issues around the durability of settlements. In 2017/18, we:

- engaged with 41 iwi to continue to build on their relationship with the Crown post-settlement
- developed and tested the concept of a Settlement Portal to provide relevant parties with access to a database of Treaty settlement commitments
- contributed to the review of the Cabinet manual. The guidance now requires government agencies to assess the durability of Treaty settlements for any new Bill, and to consult with the Minister for Māori Crown Relations: Te Arawhiti on the impacts of new policy to this durability.



Reducing crime, victimisation and harm

We want New Zealanders to experience less crime and for victims to access services that support them and keep them safe. We're focusing on reducing the crimes that cause the greatest harm, specifically family violence and sexual violence.



calls to our
**Victims
Information
Line**

We support

91
DOMESTIC VIOLENCE
**PROGRAMME
PROVIDERS**

FROM KAITAIA
TO INVERCARGILL

People can
NOW
have their
historical
homosexual
convictions

WIPED

1265 people were helped through the
Whānau Protect National Home Safety Service



1299
people supported by
sexual violence
court victim advisors

We published our



**'Restorative Justice Best
Practice Framework'**

that aims to ensure safe,
consistent and robust practice
in **New Zealand**

WHAT'S NEXT?

We'll continue to plan and implement the required changes for the Family and Whānau Violence Legislation Bill. The Bill will introduce important changes to family violence legislation to keep victims safer and stop perpetrators using violence.

We work with justice and social sector agencies to reduce crime, victimisation and harm. We lead the justice sector with a focus on reducing crimes that cause the greatest harm, and identify evidence-based interventions that lower the rate of reoffending.

Our primary focus is to reduce New Zealand's unacceptable rate of family violence and sexual violence. Our country has one of the highest reported rates of these forms of violence in the developed world. Many New Zealanders know through personal experience of the devastating impact family violence and sexual violence has on families, whānau, and communities. Our work in this critical area ranges from initiating new policies and legislative reform to providing targeted programs to support victims of family violence and sexual violence.

We're committed to responding to the needs of victims of all crimes, and ensuring that their rights are upheld.

Addressing family and sexual violence

We host the specialised multi-agency team and support the **cross-government work programme** on family violence and sexual violence.

In 2017/18, the team provided advice on an **integrated family violence system** aimed at ensuring a consistent response nationwide to victims and perpetrators no matter how they entered the system.

Improving family violence legislation

The Family and Whānau Violence Legislation Bill, a key element of the cross-government work programme, awaited its second reading as at 30 June. The Bill introduces important changes to family violence legislation to keep victims safer and stop perpetrators using violence.

The reforms provide better guidance about what family violence is and will:

- create new family violence offences, including non-fatal strangulation
- improve the uptake of protection orders and make it easier to apply for and allow others to apply on a victim's behalf
- better protect the safety of adult and child victims following separation
- be more effective at helping perpetrators change their behaviour
- clearly flag family violence offences in the court system to ensure prior behaviour is clearly identified
- ensure family violence criminal law covers all forms of family violence.

The bill provides a legal framework to assist with wider system change to address family violence. It recognises the need for clearly outlined expectations, and consistency in decision-making and practices, for those who work in the system. The bill includes:

- 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.



Collaboration: Helping each other to succeed

Better support and protection for those affected by family and sexual violence

In 2017/18, the Whānau Protect National Home Safety Service helped make the homes of 1265 victims of family violence safer. Whānau Protect is a crime prevention initiative that enables victims at high risk of suffering family violence that may result in serious injury or death, to live safely in their homes.

The service arranges for practical safety items to be installed in the victim's home, like security lights and monitored personal alarms; fixtures such as glass-panelled doors to be replaced with solid wooden doors; and broken locks and windows to be repaired.

In 2017/18, Whānau Protect made 404 homes safer and significantly reduced risk of serious physical harm or violence. Ninety-eight percent of Whānau Protect clients reported no further family violence at the point of service conclusion.

A 2017 evaluation found an 80% reduction in revictimisation after a home's security was upgraded and while the monitored alarm was in place, compared to the 6-month period before and after the upgrade.

Supporting better programmes to address family violence

In 2017/18, we supported 91 providers of **domestic violence programmes** from Kaitaia to Invercargill. The programmes included:

- non-violence programmes for perpetrators of family violence; 6703 perpetrators were referred to non-violence programmes.
- safety programmes for people protected by a protection order, including needs identification and safety planning; 4604 adults and children who suffered or witnessed family violence were referred to safety programmes. An additional 1230 adults were referred to the Strengthening Safety Service.

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're a central partner in the **Integrated Safety Response (ISR)** pilot which involves government agencies and non-government organisations working together to ensure that families experiencing violence get the support they need to stay safe. An independent evaluation showed that ISR enabled adult victims and children to be better protected, and perpetrators to be better supported to stop their violent behaviour.

In 2017/18, we worked with the Department of Corrections and jointly procured non-violence programmes for perpetrators, and safety programmes for adult and child victims of family violence. This multi-agency approach ensures services are tailored to the needs of victims, their whānau, and perpetrators. Perpetrators of family violence will be more likely to complete programmes and less likely to reoffend.

Our people

Customer: Walking a mile in the shoes of the public

Supporting sexual violence victims

Jill is a Sexual Violence Victim Advisor in Christchurch and wouldn't change her job for anything. Every day, she provides support for victims of sexual violence crimes as they navigate their way through the court.

'We can't change what has happened for the complainant. We can, however, do our best to take the mystery and the unknown out of the court process,' says Jill.

Jill understands the vulnerability of victims and ensures her first contact with them is respectful. 'For the victim, every phone call is another person who knows what happened,' she says.

Early on, Jill will spend time with the victim to find out more about them, what support they have and what their particular anxieties are about coming to court. She'll often take them into a court room when it's vacant to help familiarise them with the court environment. She'll also explain aspects of the court process, like giving evidence, and arrange safe entry to the court.

'This is an incredibly rewarding job. I like to think we make sure that victims' voices will be heard and they'll be as intact as possible at the end of the trial. We do everything we can to support each person through the court system, whatever the outcome is going to be.'



Supporting judicial initiatives to address family 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 the cohesive and consistent application of existing law. It brings like cases together, helps ensure sexual violence cases are dealt with effectively and consistently, and improves how judges, court employees and lawyers work together.

A central part of the pilot is the education programme on sexual violence for trial judges. In January 2018, a number of District Court judges attended an education forum about the complexities of sexual violence cases including linguistics, forms of questioning, and supporting child and vulnerable witnesses to reduce trauma.

We also continue to support the **Family Violence Bail Report** pilot. It was launched in 2015 in the District Court in Porirua and Christchurch, 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.

Improving victims' experience of the justice system

Improving the justice response to victims of sexual violence is a programme of initiatives across Justice, Crown Law, Police and the Judiciary that recognises the particular needs of victims of sexual violence and seeks to reduce revictimisation. It was created in response to recommendations from the Law Commission.

In 2017/18, we developed online guidance and information for victims about what to expect from the court process. We developed a training programme to enable our frontline employees to better help victims. Both initiatives will be made available in 2018/19 and will continue to improve our understanding of the needs of victims so that we can provide better services.

Providing 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.

In 2017/18, we published a guide reflecting the high-quality service people taking part in restorative justice can expect from providers. Our **Restorative Justice Best Practice Framework** sets out a common approach that aims to ensure safe, consistent and robust restorative justice practice in New Zealand. We also published a standards document specific for family violence cases which sets out additional safeguards and practices and creates a common understanding of family violence.



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 2017/18, we supported victims by:

- initiating a review to improve the system-wide understanding of the quality and effectiveness of services to victims, especially how they work as an end-to-end process. The review is due for completion in 2018/19
- publishing new factsheets for victims
- completing an outcomes evaluation of Victim Support services. It showed the service delivers positive outcomes for victims and that partner services, particularly Police and the courts, have benefited from Victim Support and the Victim Assistance scheme

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 2017/18, we received 25 complaints from victims of crime alleging a breach of rights under the Victims' Rights Act 2002. This was an increase of 19 complaints from 2016/17. Three of the 25 complaints were referred to an external agency or service provider, while 22 complaints were resolved in-house.

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).

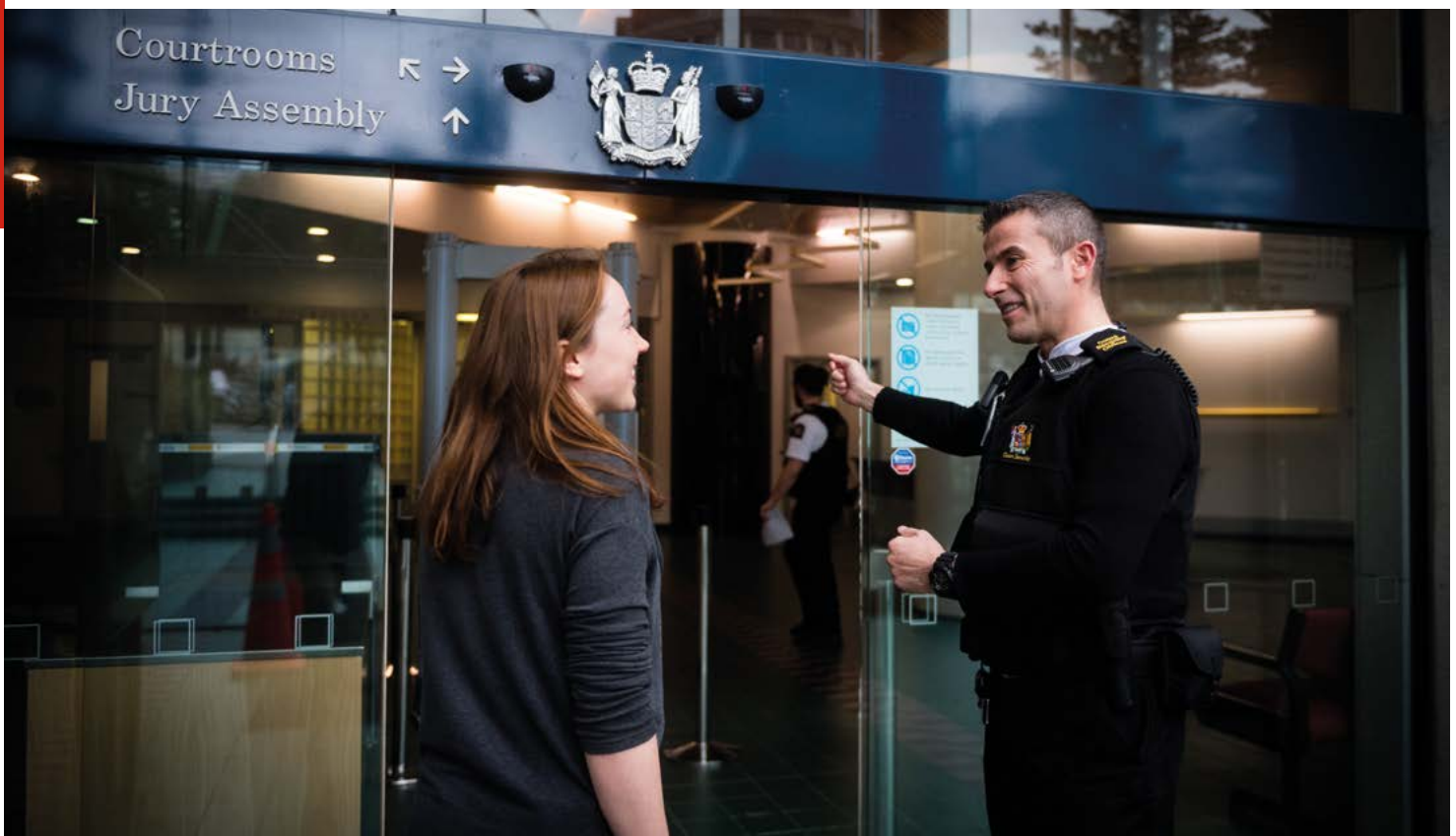
It gives people affected by crime, quick and easy access to information about the criminal justice system and support services. It also helps connect victims with the most suitable agency for their needs.

In 2017/18, the service received more than 28,580 calls, an increase of nearly 1300 calls from 2016/17.

Helping victims of cyberbullying

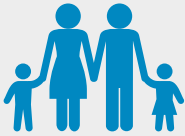
Hundreds of people have been helped by cyberbullying laws over the past three years. The Harmful Digital Communications Act 2015 includes a range of measures to prevent and reduce the impact of cyberbullying and other modern forms of harassment and intimidation. The Act protects people from online abuse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

The Act established an approved agency to handle complaints and educate the public about online conduct. Netsafe was chosen to assess, investigate and deal with complaints, and introduced a civil court process for serious or repeated harmful digital communications. Netsafe has received more than 3500 requests for help, since November 2016. In 2017/18, Netsafe received more than 2400 requests for help. Courts have received 15 civil cases requesting Harmful Digital Communications Orders, seven of which have been completed.



Supporting solution-focused courts

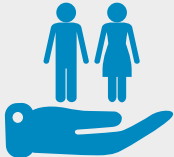
People who use our services have diverse needs, which we work to address. Some courts aim to deal with specific social problems by improving the experience of users and creating a less intimidating environment than more formal courts. Solution-focused courts include:



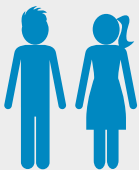
8 Family Violence Courts. In 8 locations around the country, the District Court schedules block sittings of family violence cases so that appropriate social services, support and programmes can all be on hand to connect with families, under court guidance.



2 Sexual Violence Courts. This pilot is led by the Chief District Court Judge and takes place in Auckland and Whāngarei. It uses best practice case management and specialist judicial education to reduce delays in bringing cases to trial and improve the court experience of victims (see page 23).



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, by providing judicial oversight of their engagement with treatment programmes and rehabilitation support services before they're sentenced.



2 Pasifika Courts. These courts specifically address youth offending. They enable Pasifika communities to be more involved in each step of the youth justice process and take place at community venues.



15 Ngā Kooti Rangatahi and Te Kooti Matariki in Kaikohe. (See page 17.)

Providing great service to the public every day

We deliver justice services for New Zealanders every day. People who use our services have diverse needs, which we work to address. We ensure that we have clear and accessible laws so people understand their rights and responsibilities. We're committed to continuously improving the way we deliver services.



Our **NEW** forms make it **easier to apply** for **legal aid**



We introduced a new **priority service** for people requesting **criminal conviction history checks**



46,124

clients were given legal advice through Community Law Centres



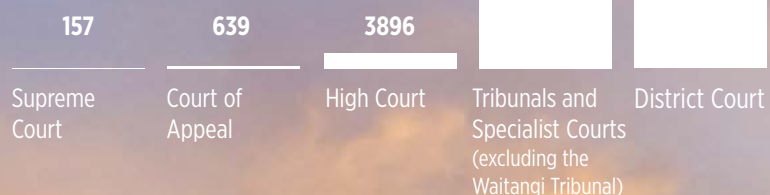
Kia ora! How can I help?

935,839

contact centre calls answered



Court & Tribunal cases resolved



WHAT'S NEXT?

We'll continue to work on a number of initiatives to improve the customer experience. This includes gaining a better understanding of our customers to enable us to design services that better meet their needs and deliver access to justice.

Our people provide justice services to New Zealanders every day. This spirit of service is why our people work for the Ministry of Justice.

Our customers are at the heart of everything we do. We're committed to continuously improving the way we deliver services to help New Zealanders get through the justice system more easily, while ensuring fairness. We want our customers 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
- the Waitangi Tribunal
- 29 tribunals and authorities with over 400 judicial officers and certifying consultants.

We also provide other essential services including:

- National Security Operations which provides a secure and safe environment for the Judiciary, court users and our people
- 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 advises on the management and administration of court records. It also publishes judicial decisions.

Our people

Customer: Walking a mile in the shoes of the public

Caring for our Customers: Our Court Registry Officers

Court Registry Officer Jenny at the Huntly District Court has a natural inclination for customer service. Her work to ensure the smooth operation of the court has seen her become the 'go to' person at Huntly for all court users.

It's not just the outstanding moments – like the time she went the extra mile to make sure two customers received their marriage licences, or the many times she has coached her colleagues – it's her attitude day in, day out that shines through. Jenny frequently puts in extra effort to ensure the days ahead are the best they can be for her colleagues and customers. She genuinely cares about how customers experience the Ministry.



Customer: Walking a mile in the shoes of the public

Supporting our customers: Our court security officers

Our Court Security Officers (CSOs) support court users, the judiciary, and other court staff every day. They provide a safer environment and ensure smooth operation of our courts.

Court Security Officer Kotaty says, 'As court security officers, we're not here to intimidate; we're here to help.'

Like court security teams around the country, the team at Wellington District Court help people from many different backgrounds who may be attending court when they're at their most vulnerable. The team has gone above and beyond to care for our customers and understands how important it is to walk a mile in the shoes of the public.

Kotaty has six sisters and eight brothers and says he always thinks 'What if this person was my brother or my sister? I would want them to be able to get help.'



Investing in courts security

Our 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 find our CSOs approachable and they feel safe when using the courts. This year, we increased the number of CSOs to continue providing professional, high-quality services that ensure our customers have trust and confidence in their safety when they interact with us.

Collecting fines and reparations

We collect unpaid infringements lodged in court and court-imposed fines and 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 2017/18, we collected \$185 million compared to \$185.7 million in 2016/17.

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.

Providing access to justice

The ways that people experience the justice system, and their needs in relation to it, are diverse. We know that people are often at their most vulnerable when they use our services. We want to make sure that everyone, regardless of their financial means, can access justice and receive the support they need.

Administering 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 2017/18, we processed 85,162 applications for legal aid. This compares with 85,447 in 2016/17.



Supporting the Public Defence Service

The Public Defence Service (PDS) is New Zealand's largest criminal law practice. It has more than 160 criminal defence lawyers in 10 offices nationwide. PDS provides legal representation to legally aided criminal defendants, and provides duty lawyer services in the courts. In 2017/18, PDS was assigned 16,245 new cases compared to 15,732 in 2016/17.

Working with Community Law Centres

Through the **Community Law Centres (CLC)**, New Zealanders can access free legal services and law-related education. CLCs provide assistance through websites, over the phone and at walk-in centres. They also undertake community engagement and deliver specialised legal services. In 2017/18, CLCs helped 46,124 clients with legal advice and saw 26,452 participants in law-related education. In 2017/18, we began a review of CLC services. The review aims to develop evidence-informed options for a sustainable future service 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.



Continuous improvement: Always strive to provide a better service

Making it easier to apply for legal aid

Providing great service to the public every day means listening to our customers when they tell us something isn't working, and then improving it. We used to ask people applying for legal aid to fill in five forms and answer up to 30 questions. Some of the questions were repeated on each form, causing frustration for customers, legal aid providers, and our people who processed them.

Our National Service Delivery team in Wellington decided to improve the process. Working with customers, providers, and our people, the team developed a new form. It's easier to fill in, removes duplication, can be processed more quickly and, perhaps most importantly, is one form not five.



Continuous improvement: Always strive to provide a better service

Providing a faster service for customers looking for a job

Criminal conviction history checks have become a standard pre-employment requirement for many employers in New Zealand. Since 2011/12, our Criminal Records Unit (CRU) has seen the number of requests processed almost double from 282,000 to over 500,000.

The huge growth in demand led to serious service pressures on the CRU team. Being unable to provide the checks in a timely manner was affecting employers and New Zealanders at a critical time in their lives.

In 2017, we set out to improve the service. We introduced three new service levels for our optional priority customers (employers and recruitment agencies) that allows them to receive checks within a guaranteed timeframe of 3, 10 or 15 days. The business demand for faster service has seen over 60% of priority service customers choosing the 3-working day service level.

We also implemented a new scanning system that reduced the need to manually input data from the forms, allowing us to process applications faster and we've been able to reduce the level of paper arriving for the team from 25kg to 12.5kg every day.

Our customers now have the certainty they need that they will get their criminal conviction history check results when they need them.

Developing policy and advising on legislation

Everyone has a stake in our justice system and we all benefit when it works effectively. We work with our ministers, within the Ministry, and across the public sector to ensure our policies and laws allow us to deliver critical services to our customers and improve the lives of New Zealanders. We were awarded the top prize in the New Zealand Institute of Economic Research (NZIER) 2017 quality benchmarking marking of government policy advice. Out of the 17 agencies who submitted entries, we achieved the top overall score.

In 2017/18:

- we strengthened our financial system against crime by implementing phase 2 of the **Anti-Money Laundering and Countering Financing Terrorism (AML/CFT)** regulatory system. We were named the winners of the Excellence in Regulatory Systems category of the Deloitte IPANZ Sector Excellence Awards 2018 for this work which required strong collaboration with both internal and external stakeholders, in very tight timeframes
- the **Criminal Records (Expungement of Convictions for Historical Homosexual Offences) Act 2018** came into force on 10 April 2018. It set up a scheme which allows people to apply for their historic homosexual convictions to be wiped from criminal records. The aim is to reduce the stigma arising from these convictions. As at 30 June 2018, we had received 10 applications for expungement
- we worked on updating our outdated law on Trusts. The **Trusts Bill** will update and improve the general law governing trusts for the first time in more than 60 years
- we worked to ensure our privacy law is fit for purpose in a digital world. In March 2018, the **Privacy Bill** was introduced, and was referred to Select Committee

- we advised on amendments to the **Crimes Act**. This includes repealing 'the year and a day rule' which prevents prosecuting a person responsible for the death of another after a year and a day, removing the immunity from prosecution for people who assist their spouse or civil union partner by obstructing justice, and removing blasphemous libel which hasn't been prosecuted since the 1920s
- the **Courts Matters, and the Tribunals Powers and Procedures Legislation Bills** passed their Second Reading in Parliament. They're designed to make our Courts and Tribunals more modern, fair and effective (see page 13)
- we worked on the **Family and Whānau Violence Legislation Bill**. The Bill introduces changes to family violence legislation to keep victims safer and stop perpetrators using violence (see page 21).

We also provided advice to the incoming government about their priorities for the justice sector. These included:

- criminal justice reform (Hāpaitia te Oranga Tangata: Safe and Effective Justice)
- establishing a Criminal Cases Review Commission to investigate alleged miscarriages of justice
- the Canterbury Earthquakes Insurance Tribunal to help resolve insurance claims between policy holders and insurers arising from the earthquakes.

In addition to Government Bills, we also advised select committees on a number of Members' Bills. A feature of the current Parliament has been a high number of these Bills being referred to select committees. These include the End of Life Choice Bill, Domestic Violence – Victims Protection Bill and Marriage (Court Consent to Marriage of Minors) Amendment Bill.

We also supported New Zealand's examinations before the United Nations Committees on the Economic, Social and Cultural Rights; and Elimination of Racial Discrimination.

Organisational health and capability

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

Our RISE values underpin everything we do.

Respect Integrity Service Excellence

Supporting our people to succeed

Our performance as a team determines our ability to deliver on our goals. As we modernise our services, we're ensuring our people have the right skills to deliver 21st-century justice services.

We're committed to attracting, developing and retaining exceptional people with a drive for continuous improvement who deliver customer-focused services. It's important that the diversity of our people reflects the communities we serve and that we embody a 'spirit of service' in everything we do.

Providing support from day one

We invest in the development of our people from the day they start working with us. Our **induction programme** ensures that each new starter has a 90-day induction plan and participates in our orientation day. Our **orientation days** give our new employees

an opportunity to explore other parts of the Ministry, discover the value they bring and the impact they can have, and develop their professional networks.

The 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 a number of interactive sessions where new starters can learn about what the Ministry does 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 the Ministry.

In 2017/18, 592 new employees attended orientation days in Auckland and Wellington. In July 2018, about 40 people attended our first orientation day in Rotorua.

Orientation day for new employees in Auckland, November 2017.



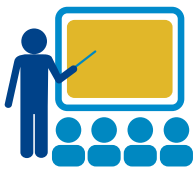
Giving our people the tools they need

We're investing in the tools that our people need to succeed. In 2017/18 we:

- launched **He Puna**, our business intelligence tool, which gives operational managers timely data that's easy to understand and use. He Puna supports our managers to better distribute their resources, lead their team and achieve improved customer and business outcomes. Over 180 of our people have been trained to use He Puna
- rolled out the first tranche of **Te Kete**, our Enterprise Content Management System. Te Kete delivers a digital platform to enable our people to securely save, find and share information, making it easier to collaborate across the Ministry
- began **redeveloping our intranet**, which will make it easier and quicker for our people to find the information they need, enabling them to more efficiently help our customers.

Over

180
of our
people



have been trained on how to use He Puna, our new business intelligence tool

Continuing to build leadership capability

We continue to focus on **building leadership capability** and developing effective leaders at all levels in all parts of our Ministry. We've invested 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.

Strengthening our technical skill-set

We never stop learning – whether it'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.

In 2017/18, we continued to boost our technical skill-set through the use of a role-based skills matrix and increased training to support the delivery of our services. This will prepare us to deliver nationally consistent, multi-jurisdictional and standardised services, and support managers and their teams to build a learning plan and monitor their progress.

Using data insights to deliver better services

We're making good progress on our journey to become an organisation that turns data into insight, and insight into action. More effective use and integration of our data allows us to improve our services to meet the needs of the public.

We're embedding an approach where data and information is treated by all our people as a strategic asset and is used to inform decisions, design and deliver better services and track organisational and strategic performance.

We're close to achieving a Gartner Information Maturity Level 4 rating, which is the goal we set ourselves in 2014 to be achieved by December 2018. Achieving Level 4 indicates that data is well-integrated across the Ministry and is trusted and acted on to drive strategic change, and data governance structures are well-established.

We're striking a balance between:

embedding use of data - by using He Puna to track performance, improving our people's data literacy, building a knowledge base, and promoting ethical use of data and information; and

innovating - by connecting data sources to generate new insights and by using technology to support decision-making. This allows us to better understand our customers so we can predict issues and build support tools before they're needed.



Building capability to engage and partner with Māori

Our leadership of the Māori Crown Relations: Te Arawhiti portfolio requires us to be an exemplar in engaging and working with Māori. Our policies and service delivery must demonstrate a clear understanding of operating within a Te Ao Māori context. We already have this expertise in parts of our organisation but aim to ensure the same cultural approach is taken across our Ministry. We use our knowledge and experience to lead and support other public-sector agencies in their engagement with Māori.

In 2017/18, we launched Te Haerenga, our Māori strategy. Te Haerenga recognises that we must engage with Māori in all aspects of our work. This starts with our capability, which is the foundation for delivering improved justice outcomes for Māori and meeting our wider responsibilities to support partnerships between Māori and the Crown. We also co-designed principles to assist in designing, improving, and delivering services with Māori. The principles are:

- whānau - family
- whakapapa - identity
- whanaungatanga - relationships
- kaupapa - customs.

Building our Te Reo Māori and Tikanga capability

We're providing more opportunities to develop our capability to engage and partner with Māori across the Ministry. Development ranges from a basic level of Te Reo Māori and understanding of Tikanga, to more specialist capability development for those who engage and partner with Māori regularly as part of their role.

In 2017/18 we:

- offered online modules to all of our people to increase their understanding of Te Reo and Tikanga Māori. Over 1400 people completed the introductory course in 2017/18 compared to just 139 people in 2016/17
- introduced greater access to Te Reo Māori classes to provide more opportunities to build our cultural capability. This includes Kura Reo, a week-long full immersion Te Reo Māori learning course which over 80 of our people attended this year
- expanded Te Pou Here, our Māori cohort, from within the Policy Group to the entire Ministry. Te Pou Here is a network of support and knowledge for our Māori employees
- developed a Treaty of Waitangi training programme to deepen historical understanding and provide practical tools for policy development and advice. The programme will be piloted in 2018/19
- developed the toolkit 'Building Treaty of Waitangi capability in Policy Group'. The toolkit gives policy advisors comprehensive resources to build their capability to consistently apply kaupapa Māori in their policy work
- focused on lifting capability for our people working in the Waitangi Tribunal and the Māori Land Court. The Waitangi Tribunal holds weekly training for Te Reo and waiata, and, on average, over half of the unit attend. Our people in the Māori Land Court are given opportunities to attend local and national Te Reo and Māori wānanga.



Number of Ministry people who completed the Te Reo and Tikanga Māori online modules

2016/17
139

2017/18
over 1400



over **80**
of our people attended Kura Reo, a week-long full immersion Te Reo Māori course

developed a **Treaty of Waitangi training programme** to deepen historical understanding and provide practical tools for policy development and advice



focused on lifting capability for our people working in the Waitangi Tribunal and the Māori Land Court



Communicating to make meaningful connections

Communication plays a fundamental role in all aspects of our operation. It enables us to share ideas, participate, draw on the expertise of others, listen to and be heard by others and look after our relationships.

We're committed to **inclusive and purposeful communications** that help us make connections internally and with our customers, partners and stakeholders. We do this by:

- ensuring our people feel informed, can share successes and express their views
- having an open conversation with the public about the challenges facing the justice system
- ensuring our customers have the information they need and can share their views on our services
- improving how we connect with our community and collaborate to deliver improved services
- continuing to improve the way we connect with other agencies and service providers and collaborate to deliver our shared goals
- continuing to proactively engage with our partners and stakeholders to build their support in the delivery of our strategy.

In 2017/18:

- our employee engagement survey found that 67% of our people feel informed about the Ministry and its activities. This is an improvement of 21% from 46% in 2015
- we began developing a **new intranet** which ensures our people know what's going on, feel involved and can share in our successes. The new intranet will be launched in early 2018/19
- we continued publishing the quarterly **Justice Matters** newsletter, which updates our stakeholders and shares our success stories of delivering people-centred services
- we continued to improve our internal communications to keep our people informed and engaged. We introduced regular communications to people in our Operations and Service Delivery (OSD) group, including **'One Source Daily'**. The channel delivers key information our people need to do their job and stay connected with what is happening across the Ministry
- we continued to work with our partners and connect with the public. For instance, over 1300 people attended the public open day in March to mark the 150th anniversary of the Auckland High Court. Our people collaborated with judges, lawyers, and the media to bring a well-run and enjoyable day to the public. Mock trials were held, we organised storyboards and videos about the history of the court and some of the famous cases heard there, and wrote scripts for the architectural tours.

Our people

Customer: Walking a mile in the shoes of the public

Our Customer Service Representatives are here to help

Tina is a Customer Service Representative at our Centralised Calling Services centre in Auckland. She answers calls from members of the public, lawyers, Police, Corrections officers from prisons, probation officers, social workers, mental health workers – anyone wanting information on our services, or where they can receive legal advice.

Tina often has to take calls from distressed people. It could be a person who has a hearing coming up and hasn't found a lawyer yet or needs to file documents and isn't sure how to do it. Tina says, 'Our hearts and minds are set to help people. When I know I've helped somebody understand the process and have their matter resolved, that's rewarding.'

'Having a positive outcome makes me happy – especially when the call is resolved right there and then with just the one call. People are grateful for our assistance and that we've taken the time to listen and give them what they need.'

Making the Ministry a great place to be

Our people are a vital part of our ambition to deliver people-centred services. The Ministry of Justice is all about people.

We want great people to work for the 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 innovation is a big part of who we are.

Our focus is on creating a place where our people can be accepted, can reach their full potential, and more importantly, a place they can be themselves. We want to create an environment where our people can feel open about being themselves at work and feel supported to be the best versions of themselves.

'A place you can be' represents our promise to make the Ministry a great place to work, and to support our people to be the best they can be. It's anchored by five core promises that reflect the type of organisation we want our Ministry to be.

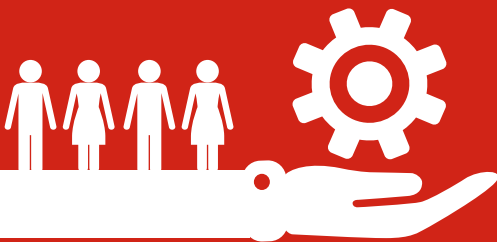
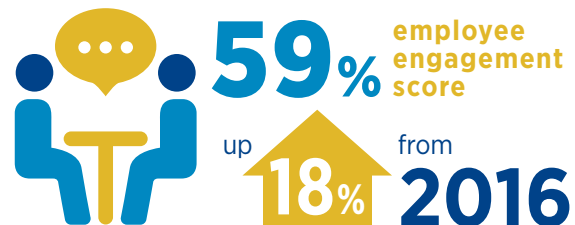
It's a place you can be:

- **healthy and safe** – where asking for help isn't a weakness. If you need a hand, you should be able to 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
- **yourself** – because we don't hire staff, we hire people.

We've had a significant increase in **employee engagement** between 2016 and 2018. Our people feel more informed about the Ministry and its activities, and we're retaining our people for longer. Our employee engagement increased by 18% from a score of 50% in 2016 to 59% in 2018. We also saw a general lift in our people's perceptions of what the Ministry is like as a place to be. Our biggest improvements were our people's recognition of the clarity of our vision and strategy (up from 50% in 2016 to 68% in 2018), a belief that we're making the changes we need to be successful in the future (up from 40% in 2016 to 56% in 2018), and stronger support for the view that we're delivering on our promises to our customers (up from 39% in 2016 to 52% in 2018).

We continue to recognise our people through the Chief Executive's Awards and the Service Recognition Programme. We make sure that these reflect and acknowledge those who demonstrate a 'spirit of service' in what they do.

We support our people through employee-led initiatives like our Women's Network, our Young Professionals Network and Te Pou Here (a Māori cohort which provides a network of support and knowledge for our Māori employees).



Results matter: We are all accountable

Our people improving our services

The Improvement Hub is an initiative that provides our frontline people with the opportunity to share their ideas for how we can improve how we work. Our frontline people are familiar with our processes and systems, but don't often have the time to make changes. The hub enables them to turn their innovative ideas into reality.

All ideas submitted through the Hub are managed by a dedicated team skilled in continuous improvement methods. They evaluate the merits of every idea received and work with our business experts to design solutions that will deliver the most benefit.

As at 30 June 2018, the Hub has been in place for ten months and over 300 ideas have been submitted. As a result, we've made many improvements that enhance our customers' experience, standardise our way of working, and make processes more efficient.

The engagement with the hub shows the commitment and dedication our people have to providing the best possible service to our customers.

Developing diversity and inclusion

We're implementing our diversity and inclusion strategy to ensure our people value, reflect and understand the communities we serve. Our initial focus is on supporting the implementation of Te Haerenga (see page 33) and addressing the gender pay gap. Our work builds on efforts taking place across the public service including lessons from other agencies.

Our **gender pay gap** has been reported at 15% and has been on a downward trend for the last three years. To get the pay gap down further we:

- have completed an initial analysis on our occupational breakdown, which will help us prioritise work within identified areas for the next year
- have formalised the annual review process for our people who have been on parental leave over an entire performance year
- are working on a new remuneration framework with the Public Service Association (PSA).



Collaboration: Helping each other to succeed

Empowering our women

The Women's Network is an employee-led initiative that promotes the interests of women and supports them to achieve their personal and professional goals. The network was started three years ago, and now has more than 730 members from Kaikohe to Invercargill and receives strong support from our senior leaders.

We have 25 'local champions' that help promote the network and support their colleagues to access events across New Zealand. Local champions organise the virtual meeting technology, so our people can participate in the events, no matter where they're located.

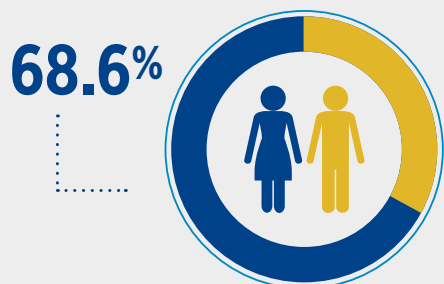
The network runs monthly events, where a wide range of speakers share their career journeys or discuss topics like nutrition, wellbeing, gender and Māori tikanga, and pay equity. It also arranges development opportunities for its members, with more than 100 women accessing a development opportunity through the network this year.

In 2017/18, the network surveyed members to gauge its impact. About a third of members responded, with 85% of respondents indicating they valued being a member. Sixty-one percent of women agreed that the network provides development opportunities that otherwise wouldn't be available to them. Thirty-eight percent of women agreed that the network had given them confidence to pursue their professional goals.

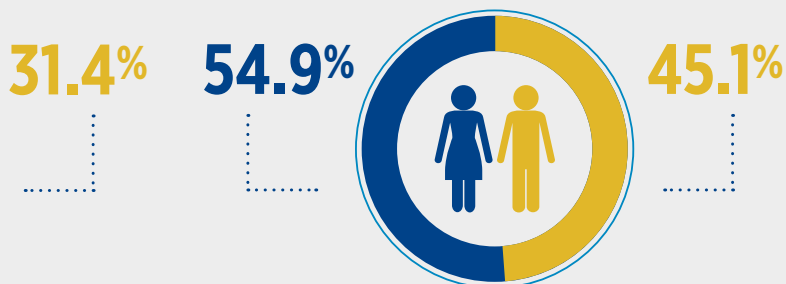
In August 2018, the Women's Network won the Empowerment Award at the 2018 Diversity Awards for their incredible work championing diversity in the workplace.



Gender (overall)



Gender (senior management)



3968
people at our
Ministry

FTE
(full time equivalent)

3824



66.9% of our people work in **OSD**
OPERATIONS AND SERVICE DELIVERY

Ethnicity

New Zealand European/Pākehā : **48.7%**

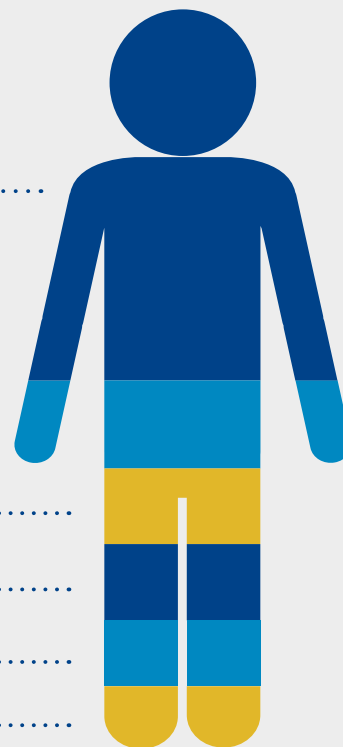
New Zealand Māori : **14.4%**

European : **10.7%**

Pacific Island : **10.4%**

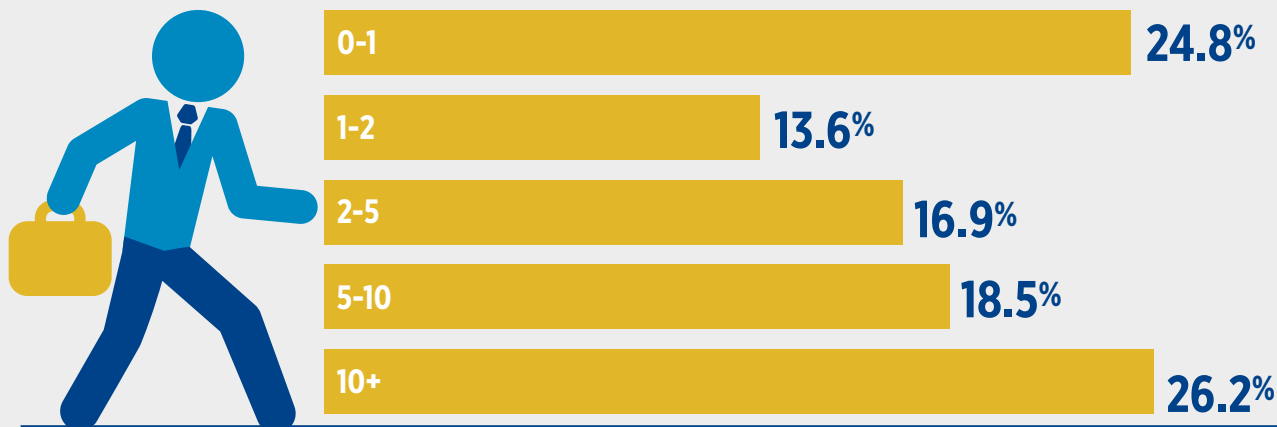
Asian : **9.2%**

Other : **6.6%**



Breakdown of length of service

Years



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 maintains close oversight of our health and safety work programme.

We're building a strong risk-aware culture where everyone's 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 work places 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 themselves, which is why we've continued investing

in our well-being education programme. This year, we rolled out modules on reducing the stigma around mental health issues, and responding to family violence. Future modules will include raising awareness about preventing and responding to sexual harassment, suicide, disability and living with chronic health conditions. We're the first public sector organisation in New Zealand to receive the DVFREE Tick from Shine, New Zealand's specialist domestic violence prevention charity.

In 2017/18, our Health and Safety Representatives (HSRs) came together for the first time at a conference in Wellington. The conference focused on the key role HSRs play in health and safety. It enabled the group to build knowledge and share experiences. In May 2018, we were selected as a Wellington Gold Awards Finalist in the ACC Workplace Safety category. Although we weren't the winners, this is worthy recognition of all the health and safety work we've undertaken over the last few years.



Andrew Bridgman with Jill Proudfoot, Client Services Manager and acting GM of Shine (left) and Holly Carrington, Shine's Communications Manager (right).

Collaboration: Helping each other to succeed

Ministry gets DVFREE Tick from Shine

We've been recognised for taking meaningful steps to create a domestic violence-free workplace. In a ceremony in May 2018, we were awarded the DVFREE Tick from specialist domestic violence prevention charity Shine. We're the first public sector organisation to receive the DVFREE Tick and only the second organisation awarded the tick in New Zealand.

The DVFREE Tick recognises the work we've done to create a workplace that's safe and supportive for people experiencing domestic violence. To qualify for the DVFREE Tick, at least 90% of managers within an organisation must undergo DVFREE training. Working with Shine's specialist advisors and trainers, we've trained nearly all of our 470 managers. The advisors also provided training for a group of first responders who are able to talk to our people experiencing domestic violence and connect them to specialist help.

The model we've developed with Shine has given our managers tools to deal with some of the issues faced by our people, and to communicate to them that it's ok to ask for help and that they'll be fully supported when they do so. The DVFREE Tick acknowledges the leadership and commitment we've demonstrated to create a domestic violence-free workplace where our people can be healthy and safe.

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 effectively managing risks.

Providing governance

The Strategic Leadership Team is collectively responsible for organisational performance. It focuses on our long-term strategic direction, ensuring good foundations and operational performance so that we meet our strategic objectives.

The Planning and Resources Committee oversees the delivery of our strategic and business planning processes and key accountability documents. The committee also oversees our budget, workforce planning, and risk and assurance processes. It oversees our core capabilities (human resources, ICT and property) to ensure we have the resources we need.

The Investment Committee oversees the effective delivery of our strategic investments, allocating and prioritising in line with our investment framework and long-term Investment Plan.

The Health, Safety and Security 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.

Managing risk

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

The Strategic Leadership Team regularly reviews strategic risk and makes decisions to support mitigation activity. Further oversight is provided by the Planning and Resources Committee, Health, Safety and Security Committee, Investment Committee and their supporting sub-portfolio committees, which receive monthly information on significant organisational, operational and project risks respectively.

We regularly monitor and report on our strategic and financial risks, and specific fiscal risks are reported to Treasury on a regular basis.

The Audit and Risk Committee provides independent advice on our management of risk. It assists the Chief Executive to improve the quality of our governance, manage our risks and enable the effective and efficient discharge of responsibilities and accountabilities. The committee is independent and objective in relation to management.

Our internal audit programme provides independent assurance to the Chief Executive 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.



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 2018 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 2019 and its operations for the year ending on that date.



Andrew Bridgman

Secretary for Justice and Chief Executive
28 September 2018

Independent Auditor's report

To the readers of the Ministry of Justice's annual report for the year ended 30 June 2018

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 66 to 88 that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2018, 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 2018 on pages 45 to 63 and
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2018 on pages 102 to 110 and
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 90 to 100 that comprise:
 - › the schedules of assets; liabilities; and contingent liabilities and contingent assets as at 30 June 2018;
 - › the schedules of expenses; and revenue and receipts for the year ended 30 June 2018;
 - › the statement of trust monies for the year ended 30 June 2018; 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 66 to 88:
 - › present fairly, in all material respects:
 - its financial position as at 30 June 2018; 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 Standards.
- the performance information of the Ministry on pages 45 to 63:
 - › presents fairly, in all material respects, for the year ended 30 June 2018:
 - 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 102 to 110 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 90 to 100 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - › the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2018; and
 - › the schedules of expenses; and revenue for the year ended 30 June 2018; and
 - › the statement of trust monies for the year ended 30 June 2018.

Our audit was completed on 28 September 2018. 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 2017-2022, the Estimates and Supplementary Estimates of Appropriations 2017/18 and the 2017/18 forecast financial figures included in the Ministry's 2016/17 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 39, 44 and 112 to 117, 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.



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

Audit and Risk Committee report

Background

The Audit and Risk Committee has been established by the Chief Executive to provide independent advice to assist him discharge his responsibilities for the maintenance of systems of internal control, responsible resource management, and the management of risk. The Committee is one of a number of mechanisms designed to assist the Chief Executive and the Ministry's Leadership Team to maintain and improve the corporate governance environment throughout the Ministry.

The purpose of the Committee is to provide independent advice and observations to the Chief Executive 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.

The Committee is advisory only and does not assume any management functions or make decisions that are the statutory responsibility of the Chief Executive. Primary responsibility for ensuring resolution of issues and the appropriate implementation of agreed Committee recommendations resides with the Chief Executive and the Ministry's Leadership Team.

Current Members

The Committee comprises three independent external members:

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

There have been no changes to the Committee's independent membership during the financial year however, the Ministry has since appointed an additional independent member, Jim Donovan, to further strengthen the Committee's level of expertise.

Other permanent attendees at Committee meetings are the Ministry's Chief Executive and the Deputy Secretary Corporate & Governance. Audit New Zealand, the Ministry's external auditor, attends as an observer and the Committee is supported by the Director Risk & Assurance.

Report of the Audit and Risk Committee

During the financial year ended 30 June 2018 the Committee has met on four occasions to fulfil its duties and responsibilities.

The Committee has:

- received briefings on the Ministry's business plan for 2017/18 and the Chief Executive's priorities for the year
- discussed and provided advice on key areas of the Ministry's programme of work including:
 - › Modernisation
 - › The Ministry's Māori Strategy -Te Haerenga
 - › The Ministry's People Strategy
 - › Workforce engagement survey outcomes
 - › Health, Safety and Security management
 - › ICT infrastructure remediation and ICT risk management
 - › Development of key operational performance reporting metrics
 - › Investing In Justice programme
- reviewed the Ministry's strategic risks
- discussed the Ministry's quarterly financial and operational performance
- discussed with the external auditors their audit plan for the year and the findings from their audit work
- reviewed and endorsed the Internal Audit work programme for the year (and out years) and discussed the findings from this work, including receiving updates on progress with implementation of agreed remedial actions, the legislative compliance programme and fraud risk.
- 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 has separately reported to the Chief Executive on matters through meetings with its Chair.

The primary benefit of the Committee is its independence and objectivity in relation to management. It is expected that the Committee's role will result in improved management and therefore organisational performance through the provision of alternative perspectives and informed independent advice.

The Committee agendas have continued to focus on the strategic rather than the transactional in order to maximise the value the Committee can provide. The Committee will undertake regular assessments of its performance to ensure that it continues to be focused, effective, and providing a quality service to the Chief Executive.

Statement of Intent indicators

As at 30 June 2018

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

- the integrity of our constitutional arrangements is maintained
- we have increased trust in the justice system
- we have safer communities.

Performance measure	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 2016: 63.4% of New Zealanders have a high level of trust in the Courts.
New Zealand's ranking in the World Justice Project Rule of Law Index (see note 2)	Maintain or improve	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	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 2016: 60.6% NZ GSS 2014: 60.9%

Note 1 - stats.govt.nz/help-with-surveys/list-of-stats-nz-surveys/information-about-the-new-zealand-general-social-survey-gss/

Note 2 - worldjusticeproject.org/our-work/wjp-rule-law-index

Note 3 - transparency.org/research/cpi

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%	2017/18: 88% 2016/17: 90% 2015/16: 92%
<p>Commentary: Serious harm cases are category 3 and 4 criminal cases where offenders can get more than 2 years imprisonment.</p> <p>In 2017/18 we resolved 31,900 serious harm cases within 12 months, compared to 34,300 in 2016/17 and 33,000 in 2015/16. The factors that influenced the decrease in cases resolved this year include:</p> <ul style="list-style-type: none"> • there were nine fewer sitting days in 2017/18 than 2016/17 • the increasing complexity of cases. <p>The increasing complexity of cases is seen in the increasing number of court events required to resolve a serious harm case. A serious harm case disposed of in 2013/14 required 6.2 court events before being resolved. In 2017/18 a serious harm case required an average of 7.7 court events. This is an increase of 1.5 court events for every serious harm case. This increase is due to defendants pleading guilty later in the process and more cases progressing to trial.</p>		
Reduce crime, victimisation and harm		
Recorded victimisations per 10,000 population	Decrease over time	June 2018: 540 June 2017: 573 June 2016: 569 June 2015: 553
<p>Commentary: Recorded victimisations have continued to fall since they peaked in March 2017. Most of the reductions are due to the drop in burglary victimisations. The other offence types that have reduced over the past year are theft, assault and robbery.</p>		
From the New Zealand Crime and Victims Survey: Proportion of adults who have experienced one or more victimisation incidents in the past year (victimisation prevalence) Proportion of adult family violence victims Proportion of adults who have experienced multiple victimisations	Decrease over time	Initial results from the NZCVS will be published in December 2018 and reported in the Ministry of Justice Annual Report 2018/19.
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 2016: 48.6% of Māori have a high level of trust in the Courts.
From the New Zealand Crime and Victims Survey: Proportion of Māori adults who have experienced one or more victimisation incidents in the past year (victimisation prevalence) Proportion of Māori adult family violence victims Proportion of Māori adults who have experienced multiple victimisations	Decrease over time	Initial results from the NZCVS will be published in December 2018 and reported in the Ministry of Justice Annual Report 2018/19.
Treaty of Waitangi claims are settled with groups who are ready. (see note 1)	Increase over time	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.

Key indicators	Desired trend	Current result
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 48 to 63

Note 1 - This result includes Deeds of Settlement that were signed and subsequently revised.

Reporting against appropriations

For the year ended 30 June 2018

Our outputs are specified in the Estimates of Appropriations for 2017/18.

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

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
15%	Legal aid debt recovered as a percentage of debt book (estimated debt recovered: \$17million-\$20million)	13%	12.4%	
64,148	Number of new criminal legal aid applications administered	63,000-69,000	64,301	
19,578	Number of new family legal aid applications administered	18,000-22,000	18,930	
1,721	Number of new civil legal aid (other) applications administered	1,600-2,000	1,931	
92%	Legal aid applications for criminal cases assessed within one working day	93%	91%	Legal aid offices transitioned into their new operating model in early 2017/18, which reduced service levels in July and August 2017. However, performance has exceeded the target since September 2017.
New measure	Legal aid applications for family cases assessed within five working days	75%	91%	Legal aid offices transitioned into their new operating model in early 2017/18, which improved family application timeliness. For 2018/19, this performance measure has been amended to be within three working days.
New measure	Legal aid applications for civil cases assessed within five working days	75%	75%	

Actual 30 June 2017 \$000	Performance measure	Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
33,813	Crown	30,034	31,679	29,424
579	Departmental	402	83	83
111	Other	67	6	6
34,503	Total Revenue	30,503	31,768	29,513
32,333	Total Expenses	29,059	31,768	29,513
2,170	Net surplus/(deficit)	1,444	0	0

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 objectives

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
Not achieved	Services meet the standards agreed with other agencies	Achieved	Achieved	

Actual 30 June 2017 \$000	Performance measure	Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
20,013	Crown	11,082	12,750	16,396
0	Departmental	2,439	7,725	7,430
0	Other	0	2,507	2,336
20,013	Total Revenue	13,521	22,982	26,162
16,599	Total Expenses	18,432	22,982	26,162
3,414	Net surplus/(deficit)	(4,911)	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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
13,799	Number of hours per annum Public Defence Service provides duty lawyer supervision in the courts where the Public Defence Service operates	No fewer than 12,000 hours	13,700	
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%	95%	
15,732	Number of new cases accepted during the year	16,000	16,245	
\$701	Average cost for PDS PAL 1 cases (see note 1)	No more than \$750	\$887.92	Average costs have increased across PDS and Private legal aid since fixed fee changes in July 2017. Some fees have increased and repeatable fees were introduced where lawyers must repeat work. PDS continues to be cost-effective compared to the private bar.

Note 1 - PAL 1 cases are the less severe charges usually heard by a judge alone. PAL is the Provider/Lawyer Approval Level of a case. Cost accounted for using criminal legal aid fixed fee rates.

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
31,019	Crown	34,190	31,817	33,241
68	Departmental	91	88	88
213	Other	124	0	0
31,300	Total Revenue	34,405	31,905	33,329
30,957	Total Expenses	33,710	31,905	33,329
343	Net surplus/(deficit)	695	0	0

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
7/10	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	7.5/10	N/A
New measure	The satisfaction of the Justice Sector Leadership Board with the leadership, advice and support provided by the Ministry	At least 8/10	7.1/10	N/A
New measure	Monitor and report on the Justice Sector Fund investments six monthly	Achieved	Not achieved	The report for June – December 2017 was not completed due to other priorities arising from the change in government. It will be reported in 2018/19.

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
9,351	Crown	10,939	9,909	9,375
140	Departmental	150	25	25
26	Other	20	18	18
9,517	Total Revenue	11,109	9,952	9,418
8,996	Total Expenses	11,021	9,952	9,418
521	Net surplus	88	0	0

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

What the ministry does

The Justice Policy Advice category supports to 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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
New measure	The satisfaction of the Minister of Justice, the Minister for Courts, the Minister for Crown/Māori Relations, the Associate Minister of Justice, the Associate Minister for Crown/Māori Relations, 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	6.9/10	N/A

Justice Policy Advice

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	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 7/10	7.7/10	
6.4/10	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	N/A
\$140	The total cost per hour of producing outputs	At most \$155	\$158.41	

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.

Legal and Ministerial Services

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
8.7/10	The satisfaction of the Minister of Justice, the Minister for Treaty of Waitangi Negotiations, and the Attorney-General with the quality of legal advice, as per the common satisfaction survey	At least 8/10	9/10	N/A
7.8/10	The satisfaction of the Minister of Justice, the Minister for Treaty of Waitangi Negotiations, the Attorney-General, the Minister for Courts, and the Associate Minister of Justice with ministerial services, as per the common satisfaction survey	At least 8/10	7.3/10	N/A

Justice Policy Advice

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
19,170	Crown	21,274	30,557	21,037
343	Departmental	318	100	288
57	Other	161	48	48
19,570	Total Revenue	21,753	30,705	21,373
18,224	Total Expenses	21,432	30,705	21,373
1,346	Net surplus/(deficit)	321	0	0

Legal and Ministerial Services

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
5,589	Crown	7,112	7,067	8,211
152	Departmental	214	19	48
19	Other	14	14	14
5,760	Total Revenue	7,340	7,100	8,273
5,780	Total Expenses	6,468	7,100	8,273
(20)	Net surplus/(deficit)	872	0	0

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, to modernise courts and tribunals, to deliver improved justice outcomes for Māori, and to reduce, crime victimisation and harm.

Assessing Performance

Performance of the multi-category appropriation as a whole

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
81%	Satisfaction of court users with court services and facilities	80%	81%	The survey is conducted biennially. This result is from the 2016/17 survey. The next survey will be reported at the end of 2018/19.
91%	Percentage of juror survey responses that rate overall juror satisfaction as "satisfied" or better	90%	91%	
New measure	Percentage of criminal trials - category 3 & 4 resolved within 12 months (see note 1)	90%	88%	

Note 1 - This measure has been moved to "How performance will be assessed for this appropriation" because it applies to both the High Court and District Court. Both category 3 and 4 cases commence in the District Court. Category 3 cases proceed and are resolved in both the District Court and the High Court.

Collection and Enforcement of Fines and Civil Debts Services

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
\$185.7 million	Total amount of fines collected	\$157 million to \$177 million	\$185 million	
76.2%	Percentage of court-imposed and infringement fines collected or placed under arrangement within four months	84%	79%	Performance has improved 3% over the 2017/18 year. We expect performance to continue to improve as organisational changes gain traction.
New measure	Percentage of all civil enforcement application types processed in 3 days or less	85%	93%	We introduced a new workflow system to provide better visibility of the volume and age of applications, enabling better resourcing decisions to be made. The 2018/19 Standard has been increased to 90%.

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
74.8%	Percentage of Offender Levy collected or placed under arrangement within four months (estimated amount collected through levy: \$3.1 million - \$3.5 million)	85%	75%	There are a number of factors that contributed to this result, for example organisational changes and a reduced value of fines being imposed. The Offender Levy is challenging to collect, especially where the debtor is in prison. The amount collected in 2017/18 was \$3.2 million.
48.6%	Percentage of debt that is overdue	44%	48%	There are a number of factors that contributed to this result, for example organisational changes and a reduced value of fines being imposed.

District Court Services

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
New measure	Percentage of District Court Family - Care of Children Act applications resolved within 12 months	80%	76%	Local Family Justice Sector Networks have been set up to develop local action plans to address operational service delivery issues.
New measure	Percentage of category 2 cases resolved within 3 months	82%	73%	The District Court continues to see more complex cases entering courts, which required more court events to resolve. This affects disposal of other cases such as Category 2. We have maintained productivity gains made in previous years which minimised the impact of the extra court events.
137,153	Number of District Court criminal cases (including youth) disposed (estimated new business 130,000-148,000)	132,000-147,000	131,516	The increasing number and complexity of Category 3 cases affected our ability to dispose of cases.
15,229	Number of civil cases disposed (estimated new business 9,300-12,600)	9,200-11,000	16,661	This is a demand driven measure. More cases were disposed of than forecast due to a 3% increase in civil new business (16,323).
57,279	Number of Family Court substantive applications disposed (estimated new business 55,000-59,000)	57,000-60,000	58,351	
27,336	Number of calls received by the 0800 victims of crime information line	17,000-19,000	28,580	This is a demand driven measure. The result reflects increasing awareness of victims' rights.
1,423	Number of victims supported by Sexual Violence Court Victims Advisors	1,800-2,000	1,299	This is a demand driven measure. The number of victims who accepted support by Sexual Violence Court Advisors was not as high as predicted.

Senior Court Services

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
New measure	Number of Supreme Court civil and criminal applications for leave to appeal and appeals disposed	155-280	157	
645	Number of Court of Appeal civil and criminal appeals disposed	600-750	639	
1,488	Number of High Court civil and criminal appeals disposed	1,300-1,600	1,367	
New measure	Number of High Court civil and criminal cases disposed	2,100-2,720	2,484	

Specialist Courts, Tribunals and Other Authorities Services

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
Number of ACC DCR cases disposed				
New measure	Number of ACC DCR cases disposed	350	307	The ability to dispose of cases is limited by the availability of District Court Judges. We are working with Judges to identify opportunities to use the current resource more effectively.
Alcohol Regulatory Licensing Authority				
New measure	Number of appeals and enforcements resolved	550	479	The ability to resolve cases is limited by the availability of suitable hearing rooms and the time it is taking to hear appeals. The Authority has now heard most of the Local Alcohol Policy appeals which will increase the capacity of judicial officers for cases scheduled for hearing in 2018/19.
New measure	Percentage of appeals and enforcements resolved within 6 months	75%	72%	
Coronial Services Unit				
60%	Percentage of coronial cases on hand under 12 months old	70%	57%	New business has been increasing in recent years. The number of non-inquiry cases coming to the Coroner has increased. The Coronial Legal and Research team is assisting coroners with their workload by providing draft findings for consideration and an additional legal research resource has been in place since January 2018.
New measure	Number of coronial cases disposed	3,100-3,300	3,152	
New measure	Number of coronial advice cases disposed	2,350-2,550	1,998	New business has been increasing in recent years. The number of non-inquiry cases coming to the Coroner has increased. The Coronial Legal and Research team is assisting coroners with their workload by providing draft findings for consideration and an additional legal research resource has been in place since January 2018.

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
Disputes Tribunal				
13,109	Number of Disputes Tribunal claims disposed (estimated claims received 12,000-13,000)	12,000-13,000	13,115	Improvements made in utilising hearing times when a case is adjourned or withdrawn resulted in more claims being disposed.
77%	Percentage of Disputes Tribunal pending cases under 3 months old (see note 1)	80%	74%	Case disposals have increased in the last quarter, and for the full-year the number of cases disposed exceeded new cases by approximately 500.
Employment Court				
204	Number of Employment Court cases disposed (estimated cases received 150-200)	180	178	
67%	Percentage of Employment Court cases on hand under 12 months old	75%	76%	
Environment Court				
453	Number of Environment Court cases disposed (estimated cases received 300-400)	350	421	This is demand driven and cases are often received in response to the publication of District Plans. For example, in June 2018, the Court received over 100 applications in relation to the Queenstown Lakes District Plan.
81%	Percentage of Environment Court cases on hand under 18 months old	75%	84%	More cases were received in 2017/18 than expected. This meant the number of cases on hand under 18 months exceeded target.
Human Rights Review Tribunal				
New measure	Number of cases disposed	50	41	The Tribunal's workload has increased significantly over the past two years, which is limiting its ability to dispose of more cases. Once the Tribunals Powers and Procedures Legislation Bill has passed, the Tribunal's capacity will be increased by appointing more Deputy Chairpersons.
Immigration and Protection Tribunal				
1,476	Number of Immigration and Protection Tribunal cases disposed (estimated cases received 1,200-1,300)	1,350-1,450	1,643	This is a demand driven measure. More cases were disposed than forecast.
Legal Complaints Review Officer				
302	Number of Legal Complaints Review Officer cases disposed (estimated cases received 250-350)	250-350	421	This is a demand driven measure. More cases were disposed than forecast.

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
Māori Land Court				
84%	Percentage of all Māori Land Court applications disposed within 12 months	80%	82%	
New measure	Number of Māori Land Court applications resolved	5,600-5,800	5,936	This is a demand driven measure. New business exceeded target by 4.9%. Due to more targeted work by Registries, the number of resolved applications exceeded target.
Private Personnel Licensing Authority				
36%	Percentage of uncontested applications issued within six weeks	50%	21%	Although the target was not met, 8,838 applications were disposed versus 7,315 applications received. The ability to issue licences is affected by how quickly applicants provide all necessary paperwork. The 2018/19 measure has been amended to reflect this.
New measure	Number of new and renewal applications for licence and certificate of approval disposed	9,000	8,838	This is a demand driven measure. Fewer applications were received than forecast.
Tenancy Tribunal				
New measure	Number of Tenancy Tribunal applications resolved	18,300-20,200	17,530	This is a demand driven measure. Fewer cases were filed than forecast.
Waitangi Tribunal				
New measure	Percentage of new claims processed within 30 days of receipt	90%	72%	We received an unprecedented amount of claims concerning kaupapa inquiries. The Tribunal also continued to receive large numbers of urgent applications. The Registrarial team was small and had to prioritise tasks, such as processing urgent applications. This led to a delay in processing times. The team is now at full capacity and is meeting targets.
New measure	Percentage of urgent applications determined in 4 months of receipt of last submissions	90%	92%	The Registrarial team prioritised processing urgent applications.
New measure	Percentage of draft chapters completed within the timeframe set by the Tribunal panel and meets the Chief Historian's standard	90%	90%	
New measure	Percentage of commissioned researchers complete their reports to the Chief Historian's standard and by the judicially agreed filing dates	90%	100%	During 2017/18 six reports were produced. Additional resourcing enabled all the reports to be completed.

Note 1 - this measure claims, not cases. Some cases may include more than one claim.

Collection and Enforcement of Fines and Civil Debts Services

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
52,346	Crown	54,384	53,930	50,302
83	Departmental	60	508	508
2,033	Other	2,024	3,955	3,955
54,462	Total Revenue	56,468	58,393	54,765
53,309	Total Expenses	53,442	58,393	54,765
1,153	Net surplus/(deficit)	3,026	0	0

District Court Services

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
198,313	Crown	217,958	215,731	231,345
559	Departmental	291	1,217	1,193
20,764	Other	20,775	24,951	24,951
219,636	Total Revenue	239,024	241,899	257,489
227,026	Total Expenses	241,078	241,899	257,489
(7,390)	Net surplus/(deficit)	(2,054)	0	0

Senior Court Services

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
56,264	Crown	56,224	55,686	61,918
314	Departmental	141	690	705
10,975	Other	12,086	10,185	10,185
67,553	Total Revenue	68,451	66,561	72,808
67,534	Total Expenses	74,308	66,561	72,808
19	Net surplus/(deficit)	(5,857)	0	0

Specialist Courts, Tribunals and Other Authorities Services

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
80,321	Crown	73,048	80,499	75,682
399	Departmental	210	2,266	2,248
11,903	Other	11,726	6,331	6,241
92,623	Total Revenue	84,984	89,096	84,171
88,768	Total Expenses	82,320	89,061	84,226
3,855	Net surplus/(deficit)	2,664	35	(55)

Vote Treaty Negotiations

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

What the ministry 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 (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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
7/10	The satisfaction of the Minister for Treaty of Waitangi Negotiations with progress towards negotiation milestones	At least 8.5/10	9/10	N/A

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

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
7.8/10	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	7.5/10	
7.8/10	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	9.5/10	N/A
\$129.81	The total cost per hour of producing outputs	At most \$150	\$143.10	

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.

Representation – Waitangi Tribunal and Courts

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
100%	The Crown is represented at 100% of current District enquiries	100%	100%	
5	Number of Higher Court cases at which the Crown is represented	5	7	There has been a slight increase in litigation over the past 12 months. Some of these cases date back several years and others are not strictly Treaty settlement related.

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

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
100%	Percentage of settlement date obligations met	100%	100%	
4	Mandates recognised (see Note 1)	3	1	Two mandates were unable to be recognised as iwi required further consultation with marae and hapū to confirm the scope of their mandates.
2	Agreements in Principle signed (see Note 1)	6	6	
6	Deeds of Settlement initialled (see Note 1)	11	8	Three deed of settlement initiallings were delayed because of overlapping claims and internal iwi issues. We are working with iwi to resolve these issues to enable initialling in 2018/19.
4	Legislation introduced (see Note 1)	5	4	One Bill was scheduled to be introduced into the House in June 2017/18. This was delayed due to the Waitangi Tribunal granting an urgency hearing.
New measure	Engagement decisions made under section 95(3) of the Marine and Coastal Area (Takutai Moana) Act (see Note 2)	6	0	Engagement paused due to the 2017 General Election and the change of government. A new work programme has been developed and we hope to engage with more groups this year.
New measure	Determinations made under the Marine and Coastal Area (Takutai Moana) Act	2	0	Engagement paused due to the 2017 General Election and the change of government. A new work programme has been developed and we hope to engage with more groups this year.
New measure	Percentage of preliminary appraisals completed in less than 6 months	30%	0%	One preliminary appraisal was commissioned but was not completed within the relevant period of reporting.

Note 1 - The Office of Treaty Settlements work programme, which sets the performance standards for this area has been revised. The standard for this performance measure has been revised to reflect the updated work programme.

Note 2 - 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 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
1,327	Crown	1,336	1,325	1,116
11	Departmental	29	4	4
3	Other	3	2	2
1,341	Total Revenue	1,368	1,331	1,122
819	Total Expenses	1,571	1,331	1,122
522	Net surplus/(deficit)	(203)	0	0

Representation – Waitangi Tribunal and Courts

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
2,043	Crown	1,835	2,044	3,232
0	Departmental	7	0	0
0	Other	1	2	2
2,043	Total Revenue	1,843	2,046	3,234
2,379	Total Expenses	2,711	2,046	3,234
(336)	Net surplus/(deficit)	(868)	0	0

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

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
31,521	Crown	31,848	29,959	33,068
889	Departmental	554	109	93
85	Other	65	31	31
32,495	Total Revenue	32,467	30,099	33,192
29,724	Total Expenses	29,500	30,099	33,192
2,771	Net surplus/(deficit)	2,967	0	0

Our financial statements



Departmental statements

For the year ended 30 June 2018



Statement of comprehensive revenue and expense

For the year ended 30 June 2018

Actual 2017 \$000		Notes	Actual 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
Revenue					
541,090	Crown		551,264	562,953	574,347
3,718	Department		4,907	12,166	12,045
46,560	Other revenue	2	47,065	48,718	48,457
591,368	Total revenue		603,236	623,837	634,849
Expenses					
277,120	Personnel costs	3	292,909	277,311	289,111
175,176	Operating costs	4	168,056	202,188	193,544
73,324	Capital charge	5	78,440	73,628	72,409
56,737	Depreciation, amortisation and impairment	8,9	65,958	70,675	79,840
582,357	Total expenses		605,363	623,802	634,904
9,011	Net surplus/(deficit)		(2,127)	35	(55)
Other comprehensive revenue and expense					
<i>Item that will not be reclassified to net surplus/(deficit)</i>					
80,533	Gain on property revaluations		125,247	-	-
80,533	Total other comprehensive revenue and expense		125,247	-	-
89,544	Total comprehensive revenue and expense		123,120	35	(55)

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 2018

Actual 2017 \$000		Notes	Actual 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
Assets					
Current assets					
51,926	Cash and cash equivalents		52,235	48,528	49,522
215,768	Debtors and other receivables	6	83,092	144,190	63,210
1,842	Prepayments		3,008	2,564	1,507
596	Assets held for sale	7	596	-	596
270,132	Total current assets		138,931	195,282	114,835
Non-current assets					
1,067,384	Property, plant and equipment	8	1,209,418	1,038,816	1,105,900
65,007	Intangible assets	9	71,527	67,978	72,060
1,132,391	Total non-current assets		1,280,945	1,106,794	1,177,960
1,402,523	Total assets		1,419,876	1,302,076	1,292,795
Liabilities					
Current liabilities					
46,496	Payables and deferred revenue	10	46,354	44,904	48,119
5,391	Provisions	11	5,406	2,527	12,952
9,034	Return of operating surplus	12	-	-	-
17,351	Employee entitlements	13	26,065	17,917	15,959
78,272	Total current liabilities		77,825	65,348	77,030
Non-current liabilities					
12,479	Employee entitlements	13	7,195	7,832	7,887
2,512	Provisions	11	4,287	-	-
14,991	Total non-current liabilities		11,482	7,832	7,887
93,263	Total liabilities		89,307	73,180	84,917

Continued on next page

Actual 2017 \$000		Notes	Actual 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
1,309,260	Net assets		1,330,569	1,228,896	1,207,878
Equity					
1,052,530	Taxpayers' funds	14	947,965	1,053,287	951,738
588	Memorandum accounts	14	695	-	-
256,142	Property revaluation reserves	14	381,909	175,609	256,140
1,309,260	Total equity		1,330,569	1,228,896	1,207,878

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 2018

Actual 2017 \$000		Notes	Actual 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
1,119,900	Equity as at 1 July		1,309,260	1,228,861	1,207,933
89,544	Total comprehensive revenue and expense		123,120	35	(55)
Owner transactions					
(9,034)	Return of operating surplus to the Crown	12	-	-	-
108,850	Capital injections		-	-	-
-	Capital transfers from/to other government agencies (non cash)		(450)	-	-
-	Capital withdrawal		(101,361)	-	-
1,309,260	Equity as at 30 June	14	1,330,569	1,228,896	1,207,878

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 2018

Actual 2017 \$000	Notes	Actual 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
Cash flows from operating activities				
519,979	Receipts from the Crown	587,354	570,953	571,647
2,390	Receipts from other departments	1,118	2,015	2,014
49,484	Receipts from others	47,125	58,869	58,615
477	Goods and services tax (net)	71	-	119
(270,813)	Payments to employees	(288,953)	(277,012)	(288,016)
(174,937)	Payments to suppliers	(167,729)	(202,515)	(194,404)
(73,324)	Payment for capital charge	(78,440)	(73,628)	(72,409)
53,256	Net cash flows from operating activities	100,546	78,682	77,566
Cash flows from investing activities				
108	Receipts from sale of property, plant and equipment	1,426	-	-
(16,767)	Purchase of intangible assets	(25,189)	(16,141)	(15,900)
(130,558)	Purchase of property, plant and equipment	(66,078)	(62,073)	(60,835)
(147,217)	Net cash flows from investing activities	(89,841)	(78,214)	(76,735)
Cash flows from financing activities				
108,850	Capital injections	-	-	-
-	Capital withdrawal	(1,362)	-	-
(10,261)	Return of operating surplus	(9,034)	(2,000)	(312)
98,589	Net cash flows from financing activities	(10,396)	(2,000)	(312)
4,628	Net increase/(decrease) in cash held	309	(1,532)	519
47,298	Cash as at 1 July	51,926	50,060	49,003
51,926	Closing cash as at 30 June	52,235	48,528	49,522

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 2017 \$000		Actual 2018 \$000
9,011	Net surplus/(deficit)	(2,127)
Add/(less) non-cash items		
56,737	Depreciation, amortisation and impairment	65,958
56,737	Total non-cash items	65,958
Add/(less) items classified as investing and financing activities		
10,439	(Increase)/decrease in accrued expenses in property, plant and equipment	299
235	Loss/(gain) on disposal of HFS, property, plant and equipment and intangibles	(169)
10,674	Total movement in investing and financing activities	130
Add/(less) movements in working capital items		
(21,646)	(Increase)/decrease in debtors and other receivables	34,807
634	(Increase)/decrease in prepayments	(1,166)
1,222	Increase/(decrease) in payables and deferred revenue	(2,276)
(9,106)	Increase/(decrease) in provisions	1,790
5,730	Increase/(decrease) in employee entitlements	3,430
(23,166)	Total movements in working capital	36,585
53,256	Net cash flows from operating activities	100,546

The accompanying notes form part of these financial statements.

Statement of commitments

As at 30 June 2018

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 29 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 \$2.718 million (2017: \$2.551 million).

Actual 2017 \$000		Actual 2018 \$000
Capital commitments		
6,958	Property, plant and equipment	7,362
6,958	Total capital commitments	7,362
Operating leases as lessee		

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

19,388	Not later than one year	22,122
55,894	Later than one year and not later than five years	72,272
38,528	Later than five years	42,767
113,810	Total non-cancellable operating lease commitments	137,161
120,768	Total commitments	144,523

The accompanying notes form part of these financial statements.

Statement of contingent liabilities and contingent assets

As at 30 June 2018

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

QUANTIFIABLE LIABILITIES

Actual 2017 \$000		Actual 2018 \$000
35	Personal grievances	20
95	Legal proceedings and disputes	15
130	Total contingent liabilities	35

LEGAL PROCEEDINGS AND DISPUTES

Legal proceedings and disputes represent a legal proceeding brought against the Ministry of Justice (among others). If the plaintiffs are successful the Ministry could be liable for costs for the share of costs and damages for the legal proceeding.

PERSONAL GRIEVANCES

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

NON-QUANTIFIABLE LIABILITIES

DEPARTMENTAL NON-QUANTIFIABLE LIABILITIES

The Ministry has no non-quantifiable contingent liabilities (2017: nil).

CONTINGENT ASSETS

The Ministry has no contingent assets (2017: 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 2018

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 has reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 89 to 100.

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, electoral services and 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 2018.

The financial statements were authorised for issue by the Chief Executive of the Ministry on 28 September 2018.

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.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

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:

Financial instruments

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with earlier application permitted. The main changes under the standard are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses
- revised hedge accounting requirements to better reflect the management of risks.

Treasury is early adopting PBE IFRS 9 for 30 June 2019 and the Ministry will follow the guidance provided by the Treasury. The Ministry has not yet assessed the effects of the new standard.

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now clearly scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment measured at cost were scoped into the impairment accounting standards.

Under the amendment, a revalued asset can be impaired without having to revalue the entire class-of-asset to which the asset belongs. The timing of the Ministry adopting this amendment will be guided by the Treasury's decision on when the Financial Statements of Government will adopt the amendment.

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.

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 2018 budget figures are for the year ended 30 June 2018 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 2017/18. The budget figures were published in the 2016/17 annual report.

The 2019 forecast figures are for the year ending 30 June 2019, which are consistent with the best estimate financial forecast information submitted to The Treasury for the BEFU for the year ending 2018/19.

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 2018. 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 2019 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 2018/19 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 10 April 2018, 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 2017/18 was used as the opening position for the 2018/19 forecasts.

The actual financial results achieved for 30 June 2019 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 2018. This resulted in a revaluation increase of approximately 13%.

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.

CRITICAL JUDGEMENTS IN APPLYING THE MINISTRY'S ACCOUNTING POLICIES

Management has exercised critical judgement in applying the Ministry's accounting policies for the period ended 30 June 2018.

Note 2 Other revenue

ACCOUNTING POLICY

The specific accounting policies for significant revenue items are explained 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.

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 2017 \$000		Actual 2018 \$000	Unaudited budget 2018 \$000
27,387	Filing fees	27,360	26,753
18,402	Other	18,922	21,305
771	Interest	783	660
46,560	Total other revenue	47,065	48,718

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 2017 \$000		Actual 2018 \$000	Unaudited budget 2018 \$000
240,047	Salaries and wages	255,160	248,904
6,912	Employer contributions to defined contribution plans	7,455	7,532
(130)	Increase/(decrease) in employee entitlements	1,249	1,032
30,291	Other	29,045	19,843
277,120	Total personnel costs	292,909	277,311

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 2017 \$000		Actual 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
453	Audit fees for financial statements audit	463	463	463
(29)	Bad debts written off/provided for	43	10	10
41,186	Computer and telecommunications	46,611	49,515	49,851
353	Advertising and publicity	363	490	127
7,105	Jurors fees and expenses	7,202	6,467	6,531
1,733	Ministry library and information services	1,197	1,319	1,229
5,522	Judicial library and information services	5,398	5,558	5,505
816	Judicial education/development	384	1,161	382
235	Disposal loss on intangibles, property, plant and equipment	146	-	-
19,455	Maintenance of facilities	11,041	10,383	10,776
18,112	Other occupancy costs (excluding rental)	20,675	21,994	24,020
29,588	Professional services	26,884	34,131	32,157
21,182	Property rental	17,423	19,038	17,071
6,981	Printing, stationery and postage	6,968	6,368	6,976
10,764	Sitting fees and judicial costs	2,396	10,659	601
11,576	Staff and judicial travel	12,663	13,015	14,309
27	Koha	39	54	61
117	Other operating costs	8,160	21,563	23,475
175,176	Total operating expenses	168,056	202,188	193,544

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 2018 was 6% (2016/17: 7% from 1 July 2016 to 31 December 2016 and 6% from 1 January 2017 to 30 June 2017).

Note 6 Receivables

ACCOUNTING POLICY

Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that the Ministry will not be able to collect the amount due.

The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Actual 2017 \$000		Actual 2018 \$000
211,752	Debtor Crown	75,662
206	Travel advances	197
4,432	Sundry debtors	7,758
(622)	Less: provision for doubtful debts	(525)
3,810	Total sundry debtors	7,233
215,768	Total receivables	83,092
Total receivables comprise:		
4,016	Receivables from exchange transactions	7,430
211,752	Receivables from non-exchange transactions	75,662
215,768	Total debtors and other receivables	83,092

The carrying value of receivables approximates their fair value. As at 30 June 2018 all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below.

Gross 2017 \$000	Impairment 2017 \$000	Net 2017 \$000		Gross 2018 \$000	Impairment 2 018 \$000	Net 2018 \$000
212,574	-	212,574	Not past due	75,800	-	75,800
1,545	-	1,545	Past due 1-30 days	5,935	-	5,935
185	-	185	Past due 31-60 days	203	-	203
354	-	354	Past due 61-90 days	447	-	447
1,732	(622)	1,110	Past due >90	1,232	(525)	707
216,390	(622)	215,768	Total	83,617	(525)	83,092

All receivables greater than 30 days in age are considered to be past due.

Movements in the provision for impairment of receivables are as follows.

Actual 2017 \$000		Actual 2018 \$000
904	Balance as at 1 July	622
58	Additional provisions made during the year	52
(257)	Less: reversal of prior year provision	(24)
(83)	Less: receivables written off during the year	(125)
622	Balance as at 30 June	525

Note 7 Non-current assets held for sale

ACCOUNTING POLICY

Non-current assets held for sale 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 Section 50 of the Public Works Act.

The accumulated property revaluation reserve recognised in equity for the Main Street property at 30 June 2018 is \$281,000.

Assets held for sale	\$000
Balance at 1 July 2016	230
Transfer to held for sale from property, plant and equipment	596
Disposals	(230)
Balance at 30 June 2017	596
Transfer to held for sale from property, plant and equipment	-
Disposals	-
Balance at 30 June 2018	596
Asset type pre-transfer:	
Land	596
Balance at 30 June 2018	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 3 years. In any 1 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 2018 by Marvin Clough, SPINZ, Technical Director - Valuations and Peter Bates AMINZ, ANZIV, 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 building which is 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 2016	211,225	428,136	57,114	77,013	1,234	63,341	5,428	222,495	1,065,986
Additions - including capitalised WIP	-	-	610	1,596	-	-	168	117,437	119,811
Revaluation increase/ (decrease)	24,939	29,987	-	-	-	-	-	-	54,926
Transfer to held for sale	(596)	-	-	-	-	-	-	-	(596)
Reclassification of assets	-	17,987	2	370	-	10,429	-	(29,164)	(376)
Other movements	-	(1,431)	-	(376)	-	(107)	-	-	(1,914)
Disposals	-	-	(332)	(14,302)	-	(5,543)	(537)	-	(20,714)
Balance at 30 June 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

	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 2016	-	242	38,991	68,391	1,234	41,413	3,322	-	153,593
Depreciation expense	-	25,605	4,506	4,245	-	7,525	470	-	42,351
Eliminate on disposal	-	-	(332)	(14,307)	-	(5,535)	(426)	-	(20,600)
Eliminate on revaluation	-	(25,605)	-	-	-	-	-	-	(25,605)
Balance at 30 June 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 2017	-	-	44,851	42,275	-	50,993	3,222	-	141,341
Carrying amounts									
At 1 July 2016	211,225	427,894	18,123	8,622	-	21,928	2,106	222,495	912,393
At 1 July 2017	235,568	474,437	14,229	5,972	-	24,717	1,693	310,768	1,067,384
At 30 June 2018	238,994	870,521	11,430	17,733	-	35,802	1,791	33,147	1,209,418

Work in progress (WIP) totals \$33.147 million (2017: \$310.768 million) and is made up of the following classes: Buildings \$14.803 million, computer equipment \$12.136 million, furniture and fittings and office equipment \$5.869 million and leasehold improvements \$0.339 million.

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 \$126.717 million listed under the Historic Places Trust Act 1993 (2017: \$112.690 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 2018 is nil (2017: 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 2018/19.

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	Up to 7
Internally generated software	Up to 7

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 2016	56,187	157,307	6,701	220,195
Additions - including capitalised WIP	364	7,219	11,724	19,307
Other movement	(126)	(191)	-	(317)
Reclassification of assets	125	191	58	374
Balance at 30 June 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

	Acquired Software \$000	Internally Generated Software \$000	Work in Progress (WIP) \$000	Total \$000
Accumulated amortisation and impairment losses				
Balance at 1 July 2016	34,254	125,914	-	160,168
Amortisation expense	2,311	12,075	-	14,386
Other movements	(2)	-	-	(2)
Balance at 30 June 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
Carrying amounts				
At 1 July 2016	21,933	31,393	6,701	60,027
At 1 July 2017	19,987	26,537	18,483	65,007
At 30 June 2018	21,395	41,540	8,592	71,527

This includes work in progress (WIP) of \$8.592 million (2017: \$18.483 million) and is made up of the following classes: acquired software \$4.440 million and internally generated software \$4.152 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 2017 \$000		Actual 2018 \$000
Payables and deferred revenue under exchange transactions		
18,919	Creditors and other payables	22,096
6	Income in advance for cost recovered services	1,036
25,201	Accrued expenses	20,777
44,126	Total payables and deferred revenue under exchange transactions	43,909
Payables and deferred revenue under non-exchange transactions		
2,370	Taxes payable (eg GST)	2,445
46,496	Total payables and deferred income	46,354

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	Christchurch Earthquake \$000	Restructuring \$000	Other Provision \$000	Total \$000
Opening balance 1 July 2016	2,980	9,500	4,529	-	17,009
Additional provisions made	1,925	-	1,837	323	4,085
Amount utilised	(8)	(7,951)	(3,322)	-	(11,281)
Unused provisions reversed	-	(1,549)	(361)	-	(1,910)
Closing balance 30 June 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

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 pay-outs are forecasted for 2018/19.

Other Provision

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	2,385	2,683	323	5,391
Non-current portion	2,512	-	-	2,512
Total provisions 30 June 2017	4,897	2,683	323	7,903
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

Note 12 Return of operating surplus

Actual 2017 \$000		Actual 2018 \$000
9,011	Net surplus/(deficit)	(2,127)
23	(Surplus)/deficit of memorandum accounts	(107)
-	Retention of deficit	2,234
9,034	Total return of operating surplus	-

The net deficit for 2018 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 2018 represents the Ministry's best estimate of remediation costs with the information available at that date. A calculator is under development and as such 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 2018, once finalised, will not be materially different.

The Ministry expects to finalise the calculation and make remediation payment in the 2018/19 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 of 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, 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

Sick leave, annual leave, vested and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. Other employee entitlements are classified as a non-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, the estimated future cash outflows. The discount rate used was 1.78% with 2.70% salary inflation for year 1 of the projection (2017: 1.97% with 2.67% salary inflation). The discount rates and salary inflation factor used are those advised by the Treasury.

If the discount rate was to differ by 1% lower from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$651,000 lower/higher.

If the salary inflation factor was to differ by 1% higher from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$643,000 lower/higher.

The valuations of long-service leave and retirement leave as at 30 June 2018 were conducted by an independent actuary, Simon Ferry, FIA FNZSA, of AON New Zealand.

BREAKDOWN OF EMPLOYEE ENTITLEMENTS

Actual 2017 \$000		Actual 2018 \$000
Current liabilities		
2,799	Retirement and long-service leave	2,816
4	Sick leave	7
12,741	Annual leave	13,515
1,807	Salaries	1,983
-	Other employee entitlements	7,744
17,351	Total current liabilities	26,065
Non-current liabilities		
7,252	Retirement and long-service leave	7,195
5,227	Other employee entitlements	-
12,479	Total Non-current liabilities	7,195
29,830	Total provision for employee entitlements	33,260

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 2017 \$000		Actual 2018 \$000
943,679	Taxpayers' funds as at 1 July	1,052,530
89,544	Total comprehensive income	123,120
(80,533)	Transfer revaluation gain to property revaluation reserves	(125,247)
-	Transfer realised revaluation from property valuation reserves	(519)
-	Capital Transfers to Other Government Agencies	(450)
108,850	Capital injection (cash) from the Crown	-
-	Capital withdrawal	(101,362)
(9,034)	Return of operating surplus to the Crown	-
23	Transfer of memorandum account net (surplus)/deficit	(107)
1	Adjustment to memorandum account opening balance	-
1,052,530	Taxpayers' funds as at 30 June	947,965
Memorandum accounts		
612	Opening balance 1 July	588
(1)	Adjust opening balance for prior years rounding	-
(23)	Net memorandum account surplus/(deficit) for the year	107
588	Balance as at 30 June	695
Property valuation reserves		
175,609	Balance at 1 July	256,142
80,533	Revaluation gains	125,247
-	Transfer realised revaluation to taxpayers' funds	519
256,142	Property valuation reserves as at 30 June	381,909
1,309,260	Total equity	1,330,569

Actual 2017 \$000		Actual 2018 \$000
Property valuation reserves consist of:		
67,308	Land revaluation reserve	72,276
188,834	Buildings revaluation reserve	309,633
256,142	Total property valuation reserves	381,909

Further information about memorandum accounts is presented below:

Actual 2017 \$000		Actual 2018 \$000
Second Hand Dealers and Pawnbrokers		
682	Balance at 1 July	617
(1)	Adjust opening balance for prior years rounding	-
228	Revenue	190
(292)	Expenses	(266)
(64)	Surplus/(deficit)	(76)
617	Balance at 30 June	541
Legal Complaints Review Officers		
(70)	Balance at 1 July	(29)
1,338	Revenue	1,631
(1,297)	Expenses	(1,448)
41	Surplus/(deficit)	183
(29)	Balance at 30 June	154
Total Memorandum Accounts		
612	Balance at 1 July	588
(1)	Adjust opening balance for prior year rounding	-
1,566	Revenue	1,821
(1,589)	Expenses	(1,714)
(23)	Surplus/(deficit)	107
588	Balance at 30 June	695

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 2017 \$000		Actual 2018 \$000
Leadership Team, including the Chief Executive		
2,914	Remuneration	3,228
8	Full-time equivalent staff	8.5

The above key management personnel disclosure 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 his role as a member 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

On 18 September 2018, Cabinet approved the establishment of a new Māori Crown agency, Office for Māori Crown Relations: Te Arawhiti and the scope of the portfolio [CAB-18-MIN-0456]. The new agency will be 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/Māori Relations Rōopū.

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 2017 \$000		Actual 2018 \$000
Loans and receivables		
51,926	Cash and cash equivalents	52,235
215,768	Receivables (note 6)	83,092
267,694	Total loans and receivables	135,327
Financial liabilities measured at amortised cost		
46,490	Payables (excluding income in advance) (note 10)	45,318
46,490	Total financial liabilities measured at amortised cost	45,318

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 2017 \$000		Actual 2018 \$000
46,496	Less than 6 months	46,354
46,496	Total	46,354

Note 18 Explanation of major variances against budget

Explanations for major variances from the Ministry's original 2017/18 budget figures are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Revenue Crown

Revenue Crown was \$11.689 million lower than budgeted. This was mainly due to a transfer of funds from Vote Justice to Vote Police to support the Integrated Safety Response output and procurement plan.

Departmental revenue

Departmental Revenue was \$7.259 million lower than budgeted. This was mainly due to the delay of completion of the Christchurch Justice and Emergency Precinct, which resulted in a lower than budgeted rental revenue received for the year.

Personnel costs

Personnel costs were greater than budget by \$15.598 million. This was mainly due to provision for the remediation costs of complying with the Holidays Act 2003 and business changes across the Ministry.

Operating expenses

Expenditure was below budget by \$34.132 million. This is mainly due to a subsequent transfer of budget to personnel costs to address cost pressures in that area and a transfer of \$8.163 million for sitting fees and related expenses to non-departmental other expenses - Specialist Courts Tribunals and Other Authorities

Services appropriation.

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

Debtors and other receivables

Debtors and other receivables were \$61.098 million lower than budgeted. This is mainly due to a reduction in Crown receivables for \$100 million capital withdrawal which has been moved to future operating budget for the next 10 years.

Property, plant and equipment

Property, plant and equipment were \$170 million higher than budget. This is largely due to the recognition of revaluation increase of the Ministry's land and building assets.

Taxpayers' funds

Taxpayers' funds were \$105.322 million lower than budgeted. This is mainly due to \$100 million capital withdrawal which has been moved to future operating budget for the next 10 years.

Property revaluations reserves

Property revaluations reserves were \$206.300 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 \$21.864 million higher than budget. This was mainly due to lower operating expenses for the year compared to budget.

Non-departmental statements and schedules

For the year ended 30 June 2018

Schedule of non-departmental revenue and receipts

For the year ended 30 June 2018

The schedule of non-departmental revenue and receipts summarises non-departmental revenue that the Ministry administers on behalf of the Crown.

Actual 2017 \$000		Actual 2018 \$000	Unaudited budget 2018 \$000
136,831	Court fines	114,778	123,263
3,501	Offender levies	3,303	3,559
-	Money forfeited to the Crown	5	200
16,366	Legal Aid Debt established	15,570	12,904
6,886	Community Law Centre receipts	9,514	8,709
695	Family Court Cost Contribution Orders	1,220	6,459
1,025	Interest on treaty settlement prepaid lease	734	724
1,875	Recovery of judicial salaries	2,384	476
6,547	Other revenue	1,462	9,416
173,726	Total revenue and receipts	148,970	165,710

Explanations of significant variances against budget are detailed in note 9.

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 2018 (2016/17: 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 2018.

Schedule of non-departmental expenses

For the year ended 30 June 2018

The schedule of non-departmental expenses summarises non-departmental expenses that the Ministry administers on behalf of the Crown.

Actual 2017 \$000		Actual 2018 \$000	Unaudited Budget 2018 \$000
136,958	Personnel - Judges'/Coroners' salaries and allowances	143,096	150,585
275,089	Crown expenditure Vote Justice (details on pages 104-105)	290,806	303,279
116,735	Crown expenditure Vote Courts (details on pages 106-107)	117,429	109,886
143,150	Crown expenditure Vote Treaty Negotiations (details on page 108)	265,146	374,030
47,201	GST Expense	58,250	53,891
719,133	Total non-departmental expenditure	874,727	991,671

Explanations of significant variances against budget are detailed in note 9.

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 2018.

Schedule of non-departmental assets

As at 30 June 2018

The schedule of non-departmental assets summarises non-departmental assets that the Ministry administers on behalf of the Crown.

Actual 2017 \$000	Assets	Notes	Actual 2018 \$000	Unaudited budget 2018 \$000
Current assets				
46,685	Cash and cash equivalents		50,930	46,244
70,000	Fines receivable	2	65,000	67,760
32,764	Other receivables	3	34,072	30,041
149,449	Total current assets		150,002	144,045
Non-current assets				
82,000	Fines receivable	2	78,000	82,599
49,154	Other receivables	3	49,536	49,093
-	Assets held for Treaty of Waitangi settlements	4	6,111	-
1,606	Hotel investment account advances		-	1,209
132,760	Total Non-current assets		133,647	132,901
282,209	Total non-departmental assets		283,649	276,946

Explanations of significant variances against budget are detailed in note 9.

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 2018.

Schedule of non-departmental liabilities

As at 30 June 2018

The schedule of non-departmental liabilities summarises non-departmental liabilities that the Ministry administers on behalf of the Crown.

Actual 2017 \$000		Note	Actual 2018 \$000	Unaudited budget 2018 \$000
Current liabilities				
602,370	Treaty settlements payables	5	413,149	380,958
43,095	Creditors and other payables	6	76,596	43,078
43,636	Judges' leave entitlements	7	46,719	45,650
689,101	Total current liabilities		536,464	469,686
Non-current liabilities				
216,924	Treaty settlements payables	5	184,351	219,186
33,768	Judges' leave entitlements	7	35,025	41,093
250,692	Total Non-current liabilities		219,376	260,279
939,793	Total non-departmental liabilities		755,840	729,965

Explanations of significant variances against budget are detailed in note 9.

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 2018.

Schedule of non-departmental contingent liabilities and contingent assets

As at 30 June 2018

Actual 2017 \$000	Quantifiable contingent liabilities	Actual 2018 \$000
406	Maori Land Court quantifiable contingent liabilities	730
406	Total quantifiable contingent liabilities	730

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 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 an 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.

The relativity mechanism has now been triggered, and 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 (2017: nil).

COMMITMENTS

The Ministry on behalf of the Crown has no commitments (2017: 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 2018.

Statement of trust monies

For the year ended 30 June 2018

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	11,213	45,473	120	48	16	187
Contributions	12,978	171,367	176	5	187	100
Distributions	(14,198)	(170,691)	(122)	(11)	(56)	(201)
Closing cash balance	9,993	46,149	174	42	147	86

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 (2017: 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 (2017: 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 2018.

Notes to the financial statements

Note 1 Statement of significant accounting policies for the year ended 30 June 2018

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 2018. 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 2018.

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 now 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 6.
- Estimating long service leave and retirements gratuities – see note 7.

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.

Previous year's numbers have been restated where necessary to provide a truer comparison with 2017/18.

BUDGET FIGURES

The budget figures are consistent with the best estimate financial information submitted to the Treasury.

CHANGES IN ACCOUNTING POLICY

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

There have been no changes in accounting policies during the financial year.

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 impaired and 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% (2017: 6%) resulting in a fair value of \$143 million (2017: \$152 million). If the discount rate was 2% higher, the impaired value would decrease by \$5.0 million, to \$138.0 million; if 2% lower the value would increase by \$5.6 million, to \$148.6 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 2.0% 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 2017 for Accounting Valuation Purposes', with the risk premium rate of 4% reflecting traded risky debt with similar characteristics to the fines debt.

The impaired and fair value was calculated by Andrea Gluyas, Actuary, FNZSA, FIAA, of PricewaterhouseCoopers.

The table below shows the gross value of fines collectable and the analysis of the receivable into current and non-current.

Actual 2017 \$000		Actual 2018 \$000
Non-Exchange Transaction		
392,175	Fines receivable	373,067
(240,175)	Impairment provision	(230,067)
152,000	Impaired value	143,000
<i>Being:</i>		
70,000	Current	65,000
82,000	Non-current	78,000
152,000	Total	143,000

Movements in the impairment provision for fines receivable are as follows:

Actual 2017 \$000		Actual 2018 \$000
Non-Exchange Transaction		
Fines provisioning		
211,903	Opening balances as at 1 July	240,175
94,368	Additional provisions made during the year	64,196
(35,412)	Less: reversal of prior provisions	(27,141)
(30,684)	Less: remittal of fines	(47,163)
240,175	Closing balances as at 30 June	230,067

Note 3 Other receivables

ACCOUNTING POLICY

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).

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method less any provision for impairment.

Legal Aid receivables

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.

The carrying value of accrued revenue and other receivables approximates their fair value.

Actual 2017 \$000		Actual 2018 \$000
Current assets		
11,263	Fines Trust	10,993
17,252	Legal aid receivable (Note 3a)	17,298
4,249	Other receivables	5,781
32,764	Total current receivables	34,072
Non-current assets		
37,868	Legal aid receivable (Note 3a)	38,357
11,286	Other receivables	11,179
49,154	Total non-current receivables	49,536
81,918	Total other receivable	83,608
Total receivables comprise:		
3,060	Receivables from exchange transactions	4,526
78,858	Receivables from non-exchange transactions	79,082
81,918	Total other receivables	83,608

Note 3a Legal Aid receivable

LEGAL AID RECEIVABLES

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 impaired 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 2018, of 2.55% (2017: 2.71%). 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% (2017: 4%). Adding the risk-free rate and the risk premium together gives a discount rate of 6.55% (2017: 6.71%).

The impaired and fair value was calculated by Andrea Gluyas, Actuary, FNZSA, FIAA, of PricewaterhouseCoopers.

Actual 2017 \$000		Actual 2018 \$000
126,852	Legal aid receivable	145,241
(71,732)	Impairment provision	(89,586)
55,120	Impaired Value	55,655
<i>Being:</i>		
17,252	Current	17,298
37,868	Non - Current	38,357
55,120	Total	55,655

Movement in the impairment provisions for legal aid receivable are as follows:

Actual 2017 \$000		Actual 2018 \$000
71,019	Opening Balance as at 1 July	71,732
(4,252)	Discount unwind	(4,167)
(1,726)	Impairment (charge)/reversal	5,369
6,691	Fair value write-down	16,652
71,732	Closing balance as at 30 June	89,586

Gross debt 2017 \$000	Net debt 2017 \$000		Gross debt 2018 \$000	Net debt 2018 \$000
42,057	23,394	Secured	41,913	21,344
84,795	31,726	Unsecured	103,327	34,311
126,852	55,120	Total	145,240	55,655

Note 4 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. The Crown proportion will be used to settle any outstanding well-founded claims to the Kaweka and Gwavas Crown Forest Licensed Lands.

Note 5 Treaty settlement payables

Actual 2017 \$000		Actual 2018 \$000
428	Treaty settlement payables	424
818,866	Accrued settlement expenses	597,076
819,294	Total Treaty settlement creditors	597,500
<i>Total Treaty settlement creditors comprise:</i>		
428	Payables from exchange transactions	424
818,866	Payables from non-exchange transactions	597,076
819,294	Total Treaty settlement creditors	597,500

Note 6 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 this by the number of months since the last invoice was received.

Analysis of the creditors and other payables

Actual 2017 \$000		Actual 2018 \$000
19,639	Legal Aid payable	23,027
2,447	Taxes payable	2,525
4,808	Creditors	4,896
15,668	Accrued expenses	45,842
533	Other payables	306
43,095	Total other payables	76,596
<i>Total creditors and other payables comprise:</i>		
21,009	Payables from exchange transactions	51,044
22,086	Payables from non-exchange transactions	25,552
43,095	Total creditors and other payables	76,596

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 7 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 2017 \$000		Actual 2018 \$000
Current liabilities		
37,046	Retiring and sabbatical leave	40,526
5,170	Annual leave	5,204
1,420	Salaries	989
43,636	Total current liabilities	46,719
Non-current liabilities		
33,768	Retiring and sabbatical leave	35,025
33,768	Total non-current liabilities	35,025
77,404	Total provision for judges' leave entitlements	81,744

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, the estimated future cash outflows.

The discount rate used was 1.78% with 2.70% salary inflation for year 1 of the projection (2017: 1.97% with 2.67% salary inflation).

The discount rates and salary inflation factor used are those advised by the Treasury. If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$2.483 million higher/lower. If the salary inflation factor were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$2.509 million higher/lower.

The valuation of retiring and sabbatical leave as at 30 June 2018 was conducted by an independent actuary, Simon Ferry, FIA FNZSA, of AON New Zealand.

Note 8 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.

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.

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.

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 2017 \$000	Other payables 2017 \$000		Treaty payables 2018 \$000	Other payables 2018 \$000
428	43,095	Less than 6 months	424	76,596
601,942	-	Between 6 months and 1 year	415,725	-
216,924	-	Between 1 and 5 years	181,351	-
819,294	43,095	Total	597,500	76,596

Actual 2017 \$000		Actual 2018 \$000
Loans and receivables		
46,685	Cash and cash equivalents	50,930
233,918	Receivables	226,608
-	Assets held for Treaty of Waitangi settlements	6,111
280,603	Total loans and receivables	283,649
27,859	Payables	31,178
834,534	Accrued expenses	642,918
862,393	Total financial liabilities measured at amortised cost	674,096

Note 9 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

Revenue Crown and receipts was \$16.740 million lower than the main estimates. This was mainly due to unwinding of interest on fines and lower family court cost contributions on child costs and specialist reports.

Crown expenditure in Vote Justice was lower than the main estimates by \$12.473 million. This was due to lower expenditure on Crime Prevention and Community Safety Programmes and Impairment of Legal Aid debt.

Crown Expenditure in Vote Courts had no significant variances against budget.

Crown expenditure in Vote Treaty Negotiations was \$108.884 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. This includes Agreed Payments for Foreshore and Seabed.

SCHEDULE OF ASSETS AND SCHEDULE OF LIABILITIES

Crown liabilities was higher by \$25.875 million than the main estimates. This was due to recognition of liabilities associated with Porou Foreshore and Seabed and of Kaweka Forest shares.

There were no significant variances on assets against budget.

Note 10 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 2018. 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 2018

Expenditure after Remeasurements 2017 \$000	Appropriation title	Expenditure before Remeasurements 2018 \$000	Remeasurements ^A 2018 \$000	Expenditure after Remeasurements 2018 \$000	Approved Appropriation ^B 2018 \$000	Location of end-of-year performance information
Vote Justice						
32,294	Administration of Legal Services	29,059	16	29,075	30,129	<i>Ministry of Justice Annual Report</i>
16,597	Justice and Emergency Agencies Property and Shared Services	18,432	-	18,432	21,314	
30,902	Public Defence Service	33,710	28	33,738	34,405	
8,983	Sector Leadership and Support	11,021	7	11,028	11,036	
23,971	Justice Policy Advice and Related Services MCA	27,900	16	27,916	28,918	
18,200	- Justice Policy Advice	21,432	12	21,444	21,663	
5,771	- Legal and Ministerial Service	6,468	4	6,472	7,255	
112,747	Total Vote Justice	120,122	67	120,189	125,802	
Vote Courts						
436,178	Courts, Tribunals and Other Authorities Services, including the Collection and Enforcement of Fines and Civil Debts Services MCA	451,148	225	451,373	456,858	<i>Ministry of Justice Annual Report</i>
53,237	- Collection and Enforcement of Fines and Civil Debts Services	53,442	33	53,475	59,073	
226,803	- District Court Services	241,078	113	241,191	247,255	
67,469	- Senior Courts Services*	74,308	33	74,341	67,418	
88,669	- Specialist Courts, Tribunals and Other Authorities Services	82,320	46	82,366	83,112	
436,178	Total Vote Courts	451,148	225	451,373	456,858	

*Senior Courts Services has been renamed from Higher Courts Services in 2017/18.

Expenditure after Remeasurements 2017		Expenditure before Remeasurements 2018		Expenditure after Remeasurements 2018		Approved Appropriation ^B 2018	Location of end-of-year performance information
\$000	Appropriation title	\$000	Remeasurements ^A 2018 \$000	\$000	\$000	\$000	
Vote Treaty Negotiations							
32,879	<i>Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCA</i>	33,782	19	33,801		35,272	
817	- Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	1,571	1	1,572		1,447	<i>Ministry of Justice Annual Report</i>
2,379	- Representation - Waitangi Tribunal and Courts	2,711	-	2,711		1,837	
29,683	- Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCA	29,500	18	29,518		31,988	
32,879	Total Vote Treaty Negotiations	33,782	19	33,801		35,272	
581,804	Total appropriation for output expenses	605,052	311	605,363		617,932	
108,850	<i>Ministry of Justice - Capital Injection</i>	-	-	-		-	
136,579	Departmental Capital Expenditure	93,526	-	93,526		119,132	<i>Ministry of Justice Annual Report</i>

^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.

Statement of budgeted and actual non-departmental expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2018

Expenditure after Remeasurements 2017 \$000	Expenditure before Remeasurements 2018 \$000	Remeasurements ^A 2018 \$000	Expenditure after Remeasurements 2018 \$000	Approved Appropriation ^B 2018 \$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	10,968	-	10,968	10,970 <i>See note 1</i>
10,955	Crime Prevention and Community Safety Programmes	13,363	-	13,363	15,469 <i>See note 1</i>
33,928	Electoral Services	58,647	-	58,647	57,749 <i>See note 2</i>
555	Equity Promotion and Protection Services – Inspector General PLA	-	-	-	-
5,606	Family Dispute Resolution Services	5,812	-	5,812	7,360 <i>See note 1</i>
-	Inspector-General of Intelligence and Security	803	-	803	897 <i>Exempt</i>
23,448	Justice Advocacy, Advice and Promotion Services	-	-	-	-
144,388	Legal Aid	160,069	-	160,069	161,670 <i>See note 1</i>
1,937	Provision of Protective Fiduciary Services	2,266	-	2,266	2,627 <i>See note 3</i>
-	Provision of Services from the Electoral Commission - Broadcasting PLA	3,223	-	3,223	3,605 <i>Exempt</i>
-	Services from the Human Rights Commission	9,696	-	9,696	9,696 <i>See note 4</i>
-	Services from the Independent Police Conduct Authority	4,111	-	4,111	4,111 <i>See note 5</i>
-	Services from the Law Commission	3,993	-	3,993	3,993 <i>See note 6</i>
-	Services from the Privacy Commissioner	4,970	-	4,970	4,970 <i>See note 7</i>
6,032	Support and Assistance provided by Victim Support to Victims of Crime	6,032	-	6,032	6,032 <i>See note 1</i>

Expenditure after Remeasurements 2017 \$000		Expenditure before Remeasurements 2018 \$000		Expenditure after Remeasurements 2018 \$000		Approved Appropriation ^B 2018 \$000	Location of end-of-year performance information
	Appropriation title						
Non-departmental other expenses to be incurred by the Crown							
-	Compensation for Wrongly Convicted individuals	1,561	-	1,561	1,562		<i>Exempt</i>
925	Ex Gratia Payment to David Cullen Bain	-	-	-	-		
3,444	Impairment of Legal Aid Debt	-	-	-	9,531		<i>Exempt</i>
-	Impairment of Offender Levy	-	-	-	689		<i>Exempt</i>
-	Remuneration for the Inspector-General and the Deputy Inspector-General of Intelligence and Security PLA	462	-	462	427		<i>Exempt</i>
-	Remuneration for the Inspector-General of Intelligence and Security PLA	143	-	143	143		<i>Exempt</i>
27,850	Transfer to Other Governments of Relevant Seized Assets	-	-	-	-		
5,053	Victims' Services	4,687	-	4,687	4,688		<i>See note 1</i>
275,089	Total Vote Justice	290,806	-	290,806	306,189		

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 2018

Expenditure after Remeasurements 2017 \$000	Appropriation title	Expenditure before remeasurements 2018 \$000	Remeasurements ^A 2018 \$000	Expenditure after remeasurements 2018 \$000	Approved Appropriation ^B 2018 \$000	Location of end-of-year performance information
Vote Courts						
Non-departmental other expenses to be incurred by the Crown						
3,946	Abortion Supervisory Committee - Certifying Consultants Fees	4,037	-	4,037	5,063	
-	Assistance to Victims of Crime	40	-	40	40	
337	Community Magistrates Salaries and Allowances PLA	1,003	-	1,003	999	<i>Exempt</i>
5,348	Coroners Salaries and Allowances PLA	6,130	10	6,140	6,568	
84,484	Court and Coroner Related Costs	98,339	-	98,339	100,948	<i>See note 1</i>

Expenditure after Remeasurements 2017 \$000	Appropriation title	Expenditure before remeasurements 2018 \$000	Remeasurements ^A 2018 \$000	Expenditure after remeasurements 2018 \$000	Approved Appropriation ^B 2018 \$000	Location of end-of-year performance information
55,199	District Court and Environment Court Judges' Salaries and Allowances PLA	-	-	-	-	
24,943	District Court Judges' Salaries and Allowances PLA	72,654	683	73,337	76,257	
3,785	District Court Part-time or Acting Judges' Salaries and Allowances	11,727	-	11,727	21,262	
2,430	Employment Court Judges' Salaries and Allowances PLA	3,838	24	3,862	4,191	
3	Impairment of Debt Established to Recognise Contributions towards Family Court Professional Services	-	-	-	1,292	
22,087	Impairment of Fines Receivable	-	-	-	10,492	<i>Exempt</i>
1,433	Judicial Review Costs	1,537	-	1,537	1,546	
406	Justices of the Peace Association	406	-	406	410	
5,363	Maori Land Court Judges' Salaries and Allowances PLA	5,828	79	5,907	6,463	
-	Senior Courts Acting Judges' Salaries and Allowances PLA	224	-	224	330	
14,080	Senior Courts Judges' Salaries and Allowances PLA	40,396	498	40,894	47,775	
25,473	Supreme Court, Court of Appeal and High Court Judges' Salaries and Allowances PLA	-	-	-	-	
4,376	Tribunal Related Fees and Expenses	13,072	-	13,072	13,258	
253,693	Total Vote Courts	259,231	1,294	260,525	296,894	

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 2018

Expenditure after remeasurements 2017 \$000	Appropriation title	Expenditure before remeasurements 2018 \$000	Remeasurements ^A 2018 \$000	Expenditure after remeasurements 2018 \$000	Approved Appropriation ^B 2018 \$000	Location of end-of-year performance information
Vote Treaty Negotiations						
Non-departmental other expenses to be incurred by the Crown						
-	Agreed Payments for Foreshore and Seabed Deeds of Agreement	15,530	-	15,530	15,530	<i>Exempt</i>
8,076	Claimant Funding	5,109	-	5,109	9,952	
353	Contribution toward Determining Customary Interests in the Marine and Coastal Area	2,359	-	2,359	9,650	<i>See note 1</i>
200	Contribution to Parihaka community engagement with the Crown support package	100	-	100	250	
-	Crown Contribution to Facilitate the Transfer of Landcorp Assets to Ngati Kahungunu ki Wairarapa Tamaki nui-a-Rua	-	-	-	2,425	<i>Exempt</i>
-	Loss on Sale of Commercial Properties	440	-	440	440	
Non-departmental other expenses to be incurred by the Crown: multi-year appropriations						
134,521	Historical Treaty of Waitangi Settlements ^C	241,608	-	241,608	350,000	<i>Exempt</i>
Non-departmental Capital Expenditure						
-	Crown Share in Kaweka Gwavas Forestry Company Limited	6,111	-	6,111	6,111	<i>Exempt</i>
-	Crown Share in Patunamu Forest Limited	-	-	-	2,466	
143,150	Total Vote Treaty Negotiations	271,257	-	271,257	396,824	
671,932	Total non-departmental expenses and appropriations	821,294	1,294	822,588	999,907	

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 2015/16 established the \$1,400 million for the period 30 June 2015 to 30 June 2019 and replaced the unexpended balance of the appropriation covering the period 30 June 2014 to 30 June 2018. Expenditure against these appropriation over the last 5 years is:

	\$000
2017/18	241,607
2016/17	134,521
2015/16	415,229
2014/15	99,231
2013/14	523,291
	1,413,879

Statement of departmental capital injections

For the year ended 30 June 2018

Actual capital injections 2017 \$000	Appropriation title	Actual capital injections 2018 \$000	Approved Appropriation 2018 \$000
Vote Justice			
108,850	Ministry of Justice - Capital Injection	-	-

Statement of departmental expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

For the year ended 30 June 2018

Nil. (2017: Nil).

Statement of departmental capital injections without, or in excess of, authority

For the year ended 30 June 2018

Nil. (2017: Nil).

Statement of non- departmental unappropriated expenses and capital expenditure

For the year ended 30 June 2018

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.

Actual 2017 \$000	Appropriation title	Actual 2018 \$000	Approved Appropriation 2018 \$000
Vote Justice			
Non-departmental output expenses to be incurred by the Crown			
33,928	Electoral Services	58,647	57,749

Approval of the above unappropriated expenditure has been sought under section 26B of the Public Finance Act 1989.

The reason for the unappropriated expenditure in Electoral Services was for expenditure of up to \$0.898 million in 2017/18 on the Northcote by-election. The 2017/18 Supplementary Estimates closed following final Budget decisions on 9 April 2018 before this expenditure could be appropriated.



Additional performance information

Asset performance measures

Asset Class	Asset Class (Type)	Performance indicator	Performance measure	Standard 2017/18	Actual 2017/18
Property					
Non- residential buildings	Courthouses/other hearing venues	Availability	Courthouses in use > 247 days > 79% of footprint > “11” on courts busyness index (see note 1)	80%	100%
Non- residential buildings	Courthouses/other hearing venues	Condition	Courtrooms not due or overdue for condition related work	57%	57%
Non- residential buildings	Courthouses/other hearing venues	Functionality	Courtrooms not due or overdue for functionality related work	62%	62%
Non- residential buildings	Offices	Utilisation	Offices using > 89% of footprint	94%	94%
Non- residential buildings	Offices	Condition	Offices not due for condition related work	94%	94%
Non- residential buildings	Offices	Functionality	Offices not due for functionality related work	94%	94%

Asset Class	Asset Class (Type)	Performance indicator	Performance measure	Standard 2017/18	Actual 2017/18
ICT					
Computer software	Business applications	Utilisation	Availability over total business days (see note 2)	99.5%	99.7%
Computer software	Business applications	Condition	Number of outages, within the top 5 systems, affecting the business* (see note 3)	Less than 2016/17 result of 11	46
Computer software	Business applications	Functionality	Business applications with a functionality rating of 'green'	33%	34%
Computer hardware	ICT Infrastructure	Utilisation	Availability over total business days (see note 4)	99.5%	99.6%
Computer hardware	ICT Infrastructure	Functionality	Infrastructure with a functionality rating of 'green'	64%	64%
Plant and Equipment	Audio Visual (AV) Equipment	Condition	Percentage of fixed AV Audio installations with a RAG rating of Amber or Green will be greater than (see note 5)	70%	60%

* This result comprises of 41 outages for National Transcription Service and five for Collect. Note that majority of the National Transcription Service outages were driven by the For the Record system.

Note 1 - The Courts Busyness Index (CBI) measures the weighted volume of new business (cases) coming into each court in each year. The index is from 0 to 100 with the busiest court being given an index rating of 100. A court with a CBI rating of 11 has 11% of the new business (cases) of the busiest court.

Note 2 - Due to the nature of the Ministry's ICT assets, where these need to be available but not necessarily utilised, the Ministry uses '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 also includes Transcription File Manager, Transcription Service Manager, 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 3 - The top five technology systems include the Case Management System, the National Transcription Service, the Judicial Decision Suite, Collect and Email. Note that reporting on National Transcription Service includes For the Record (FTR), Transcript Service Manager (TSM), Transcription File Manager (TFM) and Automated Workflow Distributor (AWD) 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 FTR recording in a courtroom does not result in an outage for the National Transcription Service.

Note 4 - Due to the nature of the Ministry's ICT assets, where these need to be available but not necessarily utilised, the Ministry uses 'Availability' as a proxy for 'Utilisation.' Performance will be measured based on the availability of the following ICT infrastructure - Infrastructure-as-a-Service, Network/ Domain Access Service, Voice over Internet Protocol Service, Web Service, Active Directory and Firewalls.

Note 5 - RAG criteria: Green: 1-5 years, Amber: 6-7 years, Red: 8+ years.

Official Correspondence

For the year ended 30 June 2018

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%.

Responding to official correspondence

The Ministry receives and replies to a range of correspondence and questions each year on the work we do. These questions and requests for information cover the three Votes we administer; Vote Courts, Justice and Treaty Negotiations. These services are not funded from one particular Vote or output class.

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
1,283	Number of ministerial correspondence replies drafted	-	1,307	
95%	Percentage of draft replies to ministerial correspondence submitted to Ministers within required timeframes	95%	88%	We experienced several peaks in workload during 2017/18, where a higher number of Ministerial letters were received in a short timeframe, on a specific topic. Due to the high demand on a small team, not all responses were able to be provided on time. We are working to improve the timeliness of Ministerial and Official Information Act responses by improving our processes, guidance and training. A new Official Information Act policy was adopted in August 2018, which will support us to meet the standard in 2018/19.
861	Number of Official Information Act 1982 requests responded to	-	905	
94%	Percentage of replies to Official Information Act 1982 requests completed within statutory timeframes	100%	92%	We are working to improve the timeliness of Ministerial and Official Information Act responses by improving our processes, guidance and training. A new Official Information Act policy was adopted in August 2018, which will help us to meet the standard in 2018/19.
357	Number of replies drafted in response to parliamentary questions	-	452	
97%	Percentage of draft replies to parliamentary questions submitted to Ministers within required timeframes	100%	98%	

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 the 27th of April 2017. In the period from commencement until 30th June 2018 the Ministry shared information about 7,143,715 criminal charges. This represents all the criminal charges finalised in New Zealand from January 1992 to December 2017, and includes information about 2,684,992 personal identities and 23,621 organisations.

Benefits of the information sharing

The information sharing is delivering significant benefits. So far, access to the court charges information has been requested by 35 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
- 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

More detailed information about these research projects is available at <https://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 2017/18 fiscal year. These were:

- Where We Come From, Where We Go – Describing Population Change in New Zealand
- Effectiveness of MSD employment assistance
- Residential movement within New Zealand – Quantifying and characterising the transient population

Assurance

The agreement is operating effectively. No complaints have been received. No amendments have been required to the agreement since it was approved. However, two difficulties have been experienced during the period.

First, some difficulty has been experienced by researchers in using the data to study certain populations. A Ministry of Health study into people who were found not guilty by reason of insanity or unfit to stand trial (MAA2016-65 above) was unable to answer most of its research questions. This was because the researchers found that more than a third of these events could not be linked to the IDI spine. We believe that this was because of the suppression rules which have been applied to the data supplied. Where the name of a defendant has been suppressed by a court the Ministry does not share that data with Stats NZ, which means that the charge cannot be linked to the IDI spine. Overall only a small number of charges – around 1.4% - have suppression applied. However, suppression is common in cases where the defendant is found to be insane or unfit to stand trial. It is likely that this will also be an issue for researchers studying family or sexual violence events.

A second difficulty was experienced in the form of a minor data incident when the March 2018 quarter IDI refresh was made available to researchers on the 27th April 2018. Stats NZ was notified by the Ministry of Justice that organisation names were visible in the 'clean' researcher environment, when they should have been removed before this stage as per IDI policy on removing identifiable information. This variable was a new part of the data supply, received for the first time as part of the March refresh. The Ministry notified Stats NZ of this within one and a half hours of the refresh being live, and the incident was contained within a further hour. A temporary measure to revoke user permissions to view the organisation name column was put in place, and an outage of the IDI took place on the following Monday (30th April) to fully remove the column from the researcher environment. Changes have also been made to the refresh process to ensure this incident does not happen again. Stats NZ is also investigating processes surrounding testing and sign-offs of new data builds, to curb similar incidents. This incident was contained within the secure IDI environment and dealt with very quickly.

Report on our Approved Information Sharing Agreement (AISA) with Crown Law

Scope of the information shared

The AISA came into force on the 15th of September 2017. In the period from commencement to 30th June 2018 the Ministry shared information on 1,261,977 criminal charges and 738,101 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.

However, there have been some delays in negotiating the Memorandum of Understanding required by the AISA to govern the information sharing arrangements. The Ministry and the Crown Law Office wish this Memorandum to govern all data sharing between our offices, whether under the AISA or not. This has introduced some complexities which we did not anticipate.



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 2018

The following pages of this document meet the requirement, set out in the supporting information to the 2017/18 Estimates or 2017/18 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 2018 (including reporting by the Ministry of Justice on appropriations for that year).

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
45,804	Number of individual clients assisted with legal advice, assistance and representation	46,000-51,000	46,124	
New measure	Percentage of casework clients who report that the service given to them has helped them understand their options	90%	99%	
New measure	Number of participants in law-related education sessions	30,000-35,000	26,452	The number of participants receiving law-related education was lower than expected in the third quarter.
New measure	Percentage of law-related education sessions delivered to local Māori, hapū and iwi and community groups or providers who aim to support and develop Māori	40%	48%	
New measure	Percentage of cases resolved within each financial year	70-80%	75%	

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
10,968	Community Law Centres	10,968	10,970	13,150

Crime Prevention and Community Safety Programmes

Scope of appropriation

This appropriation is limited to the funding of programmes delivered by non-government organisations and local government agencies to prevent and reduce crime. Contribution to strategic intentions

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 co-ordinating 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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
New measure	Percentage of Harmful Digital Communication complaints resolved by the Approved Agency in 2017/18 (see note 1)	65%	62%	
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 (estimated volume of conferences completed: 3,200)	N/A	75%	The survey is conducted biennially. This result is from the 2016/17 survey. The next survey will be reported at the end of 2018/19.

Note 1 - The "Approved Agency", appointed under the Harmful Digital Communications Act 2015 resolves complaints about harmful digital communications

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
10,955	Crime Prevention and Community Safety Programmes	13,361	17,787	13,491

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
4,815	Number of participants completing Parenting through Separation	5,000	4,865	
81%	Percentage of Family Dispute Resolution participants reaching an agreement on completion of mediation (includes partial and full)	85%	78%	The lower result reflects more complex cases presenting at mediation, making resolution more difficult. We are working with suppliers to address the decrease in resolution, and to see how support might be strengthened for people to reach agreement.

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
5,606	Family Dispute Resolution Services	5,812	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.

Assessing Performance

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
42,063	Projected number of criminal cases granted (excluding the Public Defence Service)	44,000	43,263	
17,897	Projected number of family cases granted	18,500	17,884	
1,170	Projected number of civil (other) cases granted	1,350	1,430	

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
144,388	Legal Aid	160,069	161,670	165,074

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
29,608	Total number of victims supported	22,000-28,000	24,078	
87%	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') (estimated volume:10,000-13,000)	90%	86%	
91%	Percentage of victims rating the support provided by Victim Support as being either 'helpful' or 'very helpful'	90%	92%	

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
6,032	Support and assistance provided by Victim Support to Victims of Crime	6,032	6,032	7,648

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.

Assessing Performance

Actual 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
3,052	Number of victims who received grants	3,600-4,100	4,075	
1,234	Number of National Home Safety Service clients supported (ie, victims and children)	600-750	1,265	This is demand driven. There were more children involved with the families of the victims supported.
91%	Percentage of National Home Safety Service clients reporting no further family violence at the point of service conclusion	95%	98%	

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
5,053	Victims' Services	4,687	5,387	5,698

Minister for Courts' reports on non-departmental appropriations –B.14 (Vote: Courts)

For the year ended 30 June 2018

The following pages of this document meet the requirement, set out in the supporting information to the 2017/18 Estimates or 2017/18 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 2018 (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; Lawyer 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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
4,824	Children Young Persons and Their Families Professional Services: Number of service provision appointments (see Note 1)	4,800-5,300	4,743	
11,878	Family Court Professional Services: Number of service provision appointments (see Note 2)	10,200-11,300	12,712	This is a demand driven measure. More appointments were made than forecast.
75%	Percentage of people who started a non-violence programme who completed the programme (estimated number of people who complete programme:1,500-1,750)	70%-80%	79%	
5,792	Number of safety planning services delivered to protected persons/victims	3,800-4,300	6,914	This is a demand driven measure. The number of safety planning services delivered has exceeded the target. This can be attributed to the Courts Domestic Violence Programmes team who commenced follow ups with every applicant when a Protection Order was filed, offering access to safety programmes.

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 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
84,484	Court Coroner related Costs	98,339	85,948	109,139

Minister for Treaty of Waitangi Negotiations' reports on non-departmental appropriations – B.14 (Vote: Treaty Negotiations)

For the year ended 30 June 2018

The following pages of this document meet the requirement, set out in the supporting information to the 2017/18 Estimates or 2017/18 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 2018 (including reporting by the Ministry of Justice on appropriations for that year).

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
40	Number of claimant groups funded (see Note 1)	40	38	
94%	Percentage of payments made to groups within 10 working days of approval of claim	95%	93%	

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 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
8,076	Claimant Funding	5,109	8,102	8,102

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 2016/17	Performance measure	Standard 2017/18	Actual 2017/18	Variance explanation
87.5%	Percentage of funding payments made to groups within 10 days of approval of claim	95%	86%	23 out of 173 invoices were paid outside the target time. Four of the invoices paid outside the target had an incorrect date due to an administrative error. The remaining 19 were delayed due to problems with the MACA claimant funding process flow which was set up around a year ago.
Not achieved	All applications in the High Court are funding in accordance with funding policy	Achieved	Achieved	

Actual 30 June 2017 \$000		Actual 30 June 2018 \$000	Unaudited budget 2018 \$000	Unaudited forecast 2019 \$000
353	Contribution Toward Determining Customary Interests in the Marine and Coastal Area	2,359	8,450	5,450

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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.