

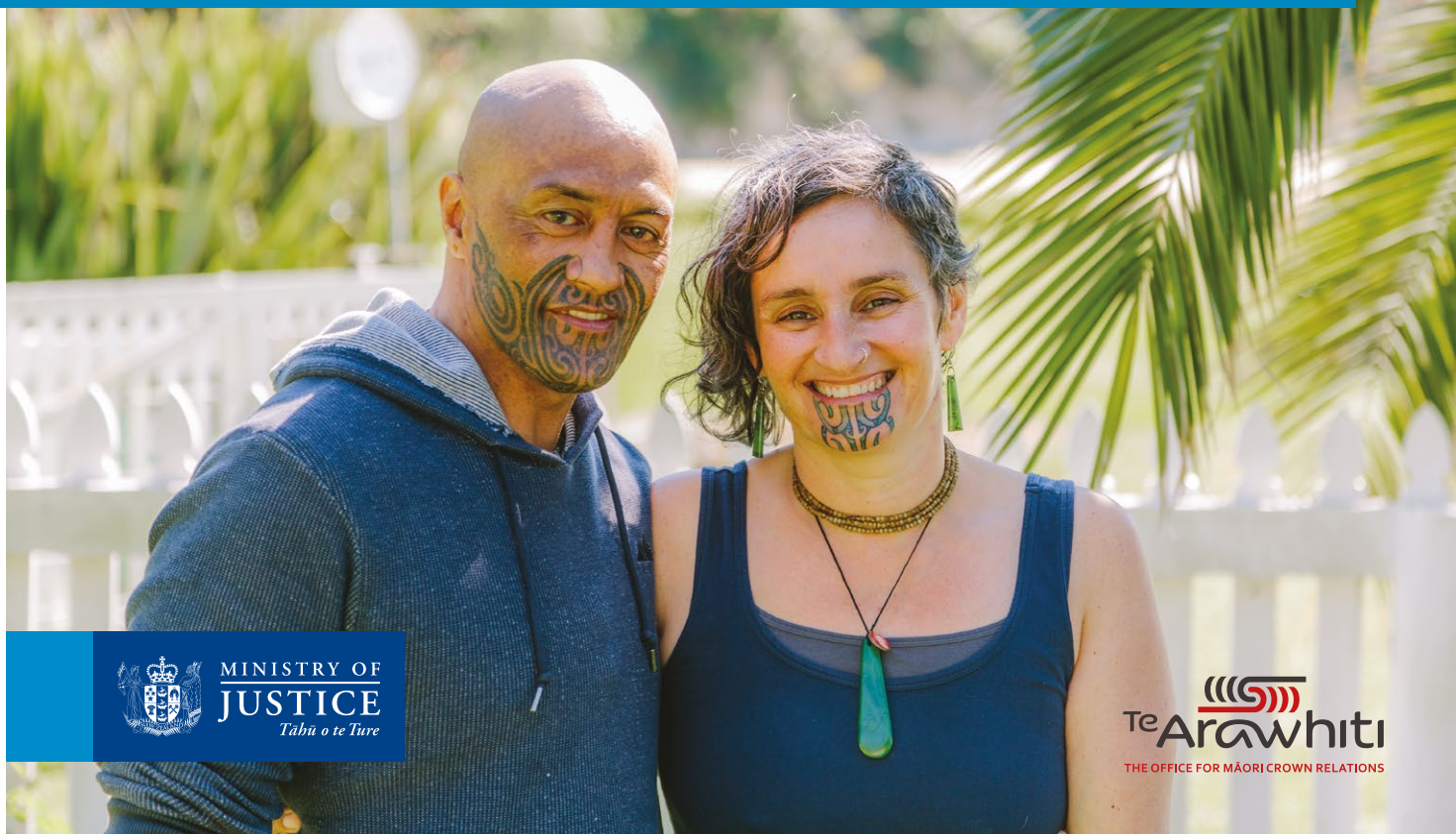
# Te Tāhū o te Ture Annual Report

Ministry of Justice

Including the Te Arawhiti Annual Report  
The Office for Māori Crown Relations

1 July 2020 to 30 June 2021

And Ministers' reports on Non-Departmental Appropriations: Minister of Justice (Vote Justice), Minister for Courts (Vote Courts) and Minister for Treaty of Waitangi Negotiations (Vote Treaty Negotiations)



*Te Tāhū o te Ture is the Māori name for the Ministry of Justice bestowed to our Ministry by respected kaumātua Tā John Clarke. Tāhū is the ridge pole that is the main support structure of a whareniui or house. Ture is the law.*

*Our name touches on the connection between the ridge pole that supports a house and the role our Ministry plays in supporting democracy and the rule of law in Aotearoa New Zealand. Te Tāhū o te Ture as a name was developed after Tā John Clarke talked with a number of kaumātua. It was adopted by the Ministry of Justice in 2003, following the merger of the old Ministry and Department for Courts.*

## **In accordance with the Public Finance Act 1989, this Annual Report presents:**

### **Te Tāhū o te Ture – Ministry of Justice**

This document includes information about the Ministry's operations and performance for the 2020/21 financial year.

### **Joint Venture Business Unit – Family Violence and Sexual Violence (JVBU)**

The JVBU is hosted by the Ministry of Justice and provides a governance secretariat for the Joint Venture (JV), ministerial servicing and coordinates policy advice from a family violence and sexual violence system perspective.

The JVBU and its annual funded appropriation is presented within this document, as at this time the JV has no formal reporting mechanism for its work. Agencies of the JV will also capture their key initiatives to address family violence and sexual violence within their Annual Reports.

### **The Office for Māori Crown Relations – Te Arawhiti (Te Arawhiti)**

Te Arawhiti was established on 1 January 2019 as a departmental agency hosted by the Ministry of Justice.

The Ministry of Justice Annual Report includes consolidated financial statements as well as the non-financial performance measures for Te Arawhiti.

This document also includes the Annual Report for Te Arawhiti.



# Te Tāhū o te Ture Annual Report

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# Introduction from the Secretary for Justice



Working together, focusing on people and community, and looking to the future. The 2019/20 year was challenging in many aspects, but we emerge from it with a strong sense of possibility, and of enthusiasm for what we can collectively achieve.

The COVID-19 pandemic that struck in 2019/20 continued to be a dominant force in 2020/21 and will continue to exert its influence for some time to come. Strong institutions and democratic practices are the foundation of a fair and safe society. Events like this shine a light on core institutions and systems we might otherwise take for granted: accessible, independent courts; considered, neutral advice to Ministers; and free and fair elections. The pandemic has made us rethink how we work and live. I am proud of how Te Tāhū o te Ture has not only risen to the challenge, but embraced the unexpected opportunities it has created.

We have worked together through lockdowns and alert level changes across Aotearoa to enable people to access the courts and other justice services. We have realised that it is the strength of our relationships that have enabled these services to continue to operate throughout these trying and uncertain times. That includes our relationship with our justice sector partners and the legal profession which has enabled the justice system to navigate these unprecedented disruptions. And it includes our positive and constructive partnership with the judiciary, which has allowed us to work together, and work differently, to ensure access to justice.

This innovative and collaborative way of working can also be seen in other big pieces of work this year. Our work supporting the Electoral Commission in its delivery of the 2020 General Election and the two referendums in a COVID-19 context was designed to maximise the opportunity for New Zealanders to participate in the democratic process. I want to thank all of those people across the country that made this possible.

It is through people working together in the spirit of kotahitanga and manaakitanga that we have, and will, achieve great things. This was reflected in the approach to the sentencing hearing for the Christchurch Masjid attacks, which placed the needs and wishes of the families very much in the central frame. What resulted was a court event unprecedented in New Zealand's history and delivered within a COVID-19 environment. We continue our commitment to engaging with this community, building on the relationships we have created throughout this process to support them through upcoming coronial processes.

This commitment to community engagement has also seen a strengthening of our relationships with Māori. We are committed to building a strong and constructive Māori-Crown relationship, and over this year we have forged ahead with partnerships that will bring new and necessary perspectives to our work. These perspectives and relationships, together with the new ways of working we have been trialling, through necessity, in a COVID-19 environment, will help us to support the judiciary on Te Ao Mārama, a new vision for the District Court. Te Ao Mārama will forge a new path for justice and for people who find themselves in the court system.

These are just a few highlights and it is a collective effort that has made all of this possible. I am deeply appreciative of the mahi of our staff who consistently go the extra mile to deliver for New Zealanders. And I am grateful for the work of and our relationships with the justice sector and the judiciary. We know there is more that must be done, we are at the beginning of a journey, but we have taken those first few steps from te pō to te ao mārama.

Once again, ngā mihi maioha to everyone who has worked with us, and to everyone who works at Te Tāhū, for all their work over the past year.

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Mā te whititahi, ka whakatutuki ai ngā pūmanawa ā tāngata  
*Weaving the realisation of potential together*

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A handwritten signature in black ink, appearing to read 'Andrew Kibblewhite'. The signature is fluid and cursive.

**Andrew Kibblewhite**  
Secretary for Justice  
Pou Whakarae mō te Ture

# At a glance:

## 2020/21 Annual Report

### Our key achievements in 2020/21

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#### **We supported access to justice, in spite of the challenges associated with changing COVID-19 levels:**

- the 'essential service' status of courts allowed them to operate at all Alert Levels to deliver priority proceedings
- the introduction of internet-based technology made it easier for people to request criminal record checks and pay filing fees; the introduction of an electronic operating model improved the way we process legal aid applications.

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#### **We opened Te Whare Whakapiki Wairua ki Kirikiriroa – a new Alcohol and Other Drug Treatment court in the Waikato, to provide a recovery pathway for those whose repeat offending is driven by an alcohol and/or drug substance use disorder.**

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#### **We supported New Zealand's democratic process in a COVID-19 climate:**

- we advised the Prime Minister on changing the date of the 2020 General Election and worked closely with the Electoral Commission to ensure New Zealanders could vote, establishing a contingent workforce as extra support
- we delivered information campaigns for two referendums to ensure kiwis had access to factual, impartial information to inform their decisions on the Cannabis Legalisation and Control Bill and the End of Life Choice Act 2019.

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#### **We supported victims of the Christchurch Masjid attacks to engage with the resulting criminal process:**

- we provided a dedicated group of Court Victim Advisors to provide timely, coordinated and victim-centric information to help victims and their families understand the court process and to engage with court events
- we appointed legal counsel to assist the victims
- we provided livestreaming of the sentencing event to victims and family members unable to attend the sentencing hearing
- we provided interpretation of the sentencing hearing in 12 languages.

#### **We participated in broader mahi relating to the Christchurch Masjid attacks:**

- we supported the Chief Coroner's coronial investigation into the attacks, including funding legal support for the families of the Shaheed (martyr)
- we supported the cross-government response, leading three of the Royal Commission of Inquiry's recommendations – this saw us introducing the Counter-Terrorism Legislation Bill to improve the clarity of the Terrorism Suppression Act 2002. This Bill also provides law enforcement agencies with the means and clear legal authority to intervene early to help prevent harm and to avert escalation to a terrorist act.

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#### **Our stewardship of the justice sector continued to grow through our relationships with sector partners:**

- we transitioned the Hāpaitia te Oranga Tangata Safe and Effective Justice Programme into our mahi, laying the foundations for justice sector reform
- we joined justice sector chief executives and Māori leaders in the signing of a formal agreement (mana ōrite) committing us to work together to transform the criminal justice sector
- we continued to strengthen the shared governance arrangements that underpin the partnership between the Ministry and the independent judiciary
- we continued administering a range of contestable, cross-agency funds focused on justice outcomes – this included the Proceeds of Crime Fund, which in 2020/21 provided \$5.271M of funding for initiatives focused on addressing crime.

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<sup>1</sup>Any interaction or transaction that takes place at a court.

# Section One

Who we are and what we do



## Our context: understanding the value of the justice system

Aotearoa New Zealand's institutional and constitutional arrangements underpin our way of life. They include the principles that govern relationships between private citizens (for example, property rights) and relationships between citizens and the State (for example, voting, limitations on enforcement powers).

Of particular importance are the rules and conventions governing the State's core powers and obligations, including who can exercise those powers and how. Key elements of our arrangements are:

- Te Tiriti o Waitangi – the Treaty of Waitangi – one of Aotearoa New Zealand's founding documents and a core part of our constitutional arrangements
- representative democracy
- open and accountable government and justice
- the rule of law, which means that everybody – including the government – must obey the law (including the separation of powers and judicial independence)
- the separation of powers, which means that the functions of law making, administration, and adjudication are separated (this helps to disperse power and avoid conflicts of interest)
- judicial independence – an essential part of the rule of law and separation of powers; it means that judges can exercise their functions without fear or favour and people can have confidence that justice will be done in the courts
- protection of human rights.

Against this backdrop of constitutional arrangements, the Ministry's role is to serve the government, and the public service, to make decisions in ways that are regarded as legitimate by communities across Aotearoa. Legitimacy comes from decision-making that is consistent with New Zealand's constitutional arrangements, and with our constitutional cultural values (for example, fairness and equality).

Our advice:

- allows people to maintain confidence in institutions' long-term decision-making
- enables institutions to weather short-term shocks and crises (for example, fraud by an official, or a state of emergency) without a significant loss of public confidence
- allows people to delegate decision-making on big policy matters to elected representatives, enabling them to focus on matters of more immediate concern

- allows people to entrust enforcement officers with intrusive powers (for example, entry, search and seizure)
- gives people confidence to trade with each other without taking measures to protect their property
- gives foreign markets confidence in New Zealand, which supports a strong, stable economy.

**Click here to learn more about these principles:**

<https://www.justice.govt.nz/constitutional>

Te Tāhū o te Ture contributes to this legitimacy by providing advice on New Zealand's constitutional system, including the laws and practices relating to the exercise of public power by state institutions.

For example, we:

- monitor constitutional bodies, such as the Privacy Commissioner and the Human Rights Commission to maintain public trust in the rule of law
- provide advice on other agencies' policy mahi, including the Offence and Penalty vetting process to ensure policies are consistent with constitutional norms
- monitor the Electoral Commission to support its delivery of elections
- provide constitutional advice to wider government
- ensure proposed legislation meets the requirements of the New Zealand Bill of Rights Act 1990 (NZBORA), and advise the Attorney-General whether Bills are consistent with the Act<sup>2</sup>

Our position at the centre of the three branches of the State (the Executive, the Legislature and the judiciary) gives us a shared perspective on the rules and conventions governing the State's core powers and obligations, including who can exercise that power and how. As a result, we're uniquely placed to advise government on constitutional arrangements.

We're also well placed to maintain and build a trustworthy justice system that people can turn to and rely upon to get their justice issues resolved. The judiciary is responsible for decisions on cases and for the orderly and efficient conduct of business of the courts. We provide administrative support for courts. Together we maintain the integrity of the courts and tribunals.

<sup>2</sup>This does not include appropriation Bills, which are not scrutinised, and Bills developed by Te Tāhū o te Ture, which are vetted by the Crown Law Office.



The Ministry's role sees us:

- being accountable to the Ministers for Justice and the Courts
- being accountable for the expenditure of public funds needed to administer justice in the courts
- enabling access to justice
- enhancing the efficiency and effectiveness of the courts
- we look after court safety and participants in court proceedings.

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## The justice sector

The justice sector is made up of:

- **Ministry of Justice - Te Tāhū o te Ture**
- **Ara Poutama Aotearoa - Department of Corrections**
- **New Zealand Police - Ngā Pirihimana o Aotearoa**
- **Oranga Tamariki<sup>3</sup> - Ministry for Children**
- **Crown Law Office - Te Tari Ture o te Karauna**
- **The Serious Fraud Office - Te Tari Hara Taware.**

We work closely with our sector partners to deliver quality services to participants in the justice system. We do this through our leadership of, and participation in, sector and inter-agency initiatives aimed at protecting and supporting New Zealanders, and reducing crime, victimisation and harm.

This mahi includes supporting the Justice Sector Leadership Board, comprised of justice sector chief executives and chaired by our Chief Executive in his role as Secretary for Justice. The Board, along with associated committees (also supported by the Ministry), is responsible for coordinating major change programmes across the justice sector, improving services and managing investment to achieve collective goals expressed in its Strategic Plan.

Another important way we influence sector performance is by monitoring a series of outcome-orientated indicators. These are not an indication of our Ministry's performance alone, but rather a point of reference for guiding the sector's priorities and areas of focus.

The end-of-year results for these measures are provided on pages 66-68 of this report.

**Click here to read more about the Justice sector:**  
<https://www.justice.govt.nz/justice-sector>

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<sup>3</sup>Child wellness.

# Our mahi

We are over **4,000** people working across Aotearoa.



We host the Joint Venture Business Unit and are part of the Joint Venture, Family Violence Sexual Violence.



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



We monitor the performance of seven Crown Entities.



We support the judiciary to deliver court services for the Supreme Court, Court of Appeal, High Court, District Court and Specialist Courts. We also provide support to 28 tribunals in New Zealand.



We develop justice policy - advising on legislation and supporting our Ministers.

We carry out criminal conviction history checks. **We processed 524,235 requests in 2020/21.**



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



**Consistent with previous years, we administered over 82,000 legal aid applications in 2020/21.**



We collect fines, reparations, infringements, and civil and legal aid debt. We aim to resolve our collections activities in a way that is firm, but fair given the participant's circumstances. **We collected over \$212 million in fines in 2020/21.**



We support and manage the Public Defence Service (PDS) - New Zealand's largest criminal law practice.



We publish the New Zealand Crime and Victims Survey and other justice sector data.

# Valuing inclusion and diversity

We want Te Tāhū o te Ture to be a place where our people feel connected, valued and part of a strong and positive culture. We encourage our people to reach their potential and to play their part in our Ministry's successes. We want our Ministry to be a place where our people can come to work feeling safe and supported to be themselves.

Our culture and capability priorities represent what we're focusing on to ensure we have the people, capability and infrastructure we need to deliver improved outcomes for all New Zealanders.

## Making our Ministry a great place to be

### Inclusion and diversity strategy launched

We know that a diversity of thought enables us to better serve New Zealanders, while a culture of inclusion is one where everyone feels valued, respected and able to fully contribute. It means recognising, understanding and appreciating differences, and being able to connect across those differences.

We see strength in having a diverse range of people all joining together to provide service to New Zealanders. In 2020/21, we launched our Inclusion and Diversity (ID) Strategy to provide a coordinated approach across several programmes that focus on making this happen within our Ministry:



Figure 1: Inclusion and Diversity Strategy

**Making progress on our gender pay gap and equal employment opportunities**

The Strategy is guided by the Papa Pounamu Diversity and Inclusion Programme agreed to by public service chief executives in 2017, and includes our monitoring of, and efforts to resolve, the gender pay gap<sup>4</sup>.

**Gender (overall)**



**31.1%** Male  
**68.6%** Female  
**0.0%** Gender diverse  
**0.3%** Unknown

**Gender (senior management)**



**44.0%** Male  
**54.0%** Female  
**0.0%** Gender diverse  
**2.0%** Unknown

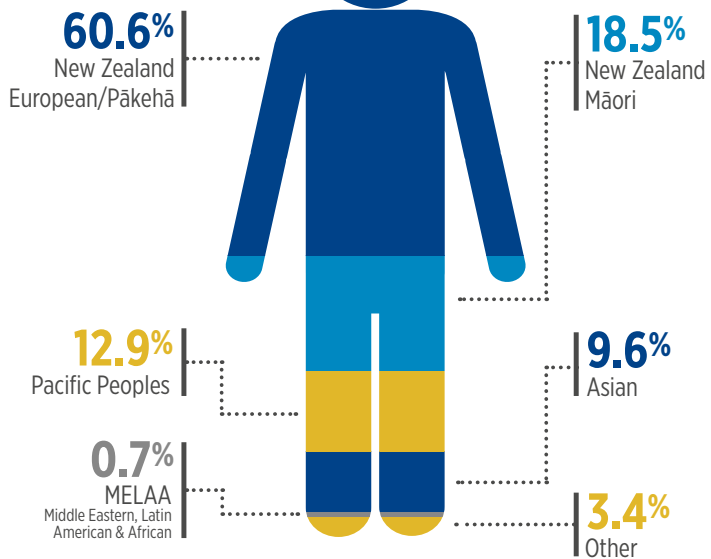
**67.6%** of our people work in **Operations and Service Delivery (OSD)**

**Total number of OSD employees 2,679**

**4,241**  
 people at our  
**Ministry**

**FTE**  
 (full-time equivalent)  
**4,105**

**Ethnicity (self-reported)**



**Breakdown of length of service**



| Years | Count | Percentage |
|-------|-------|------------|
| 0-1   | 809   | 19.1%      |
| 1-2   | 583   | 13.7%      |
| 2-5   | 1,167 | 27.5%      |
| 5-10  | 617   | 14.5%      |
| 10+   | 1,065 | 25.1%      |

**Figure 2: Employee demographics**

<sup>4</sup>Addressing the gender pay gap means we can recruit and retain the right talent, increase diversity at all workforce levels and ensure all our employees are valued.

## Achieving equal pay

In 2020/21, we completed a comprehensive analysis of the causes of GPG within our Ministry. This analysis found that while we have a 69 percent female workforce, our overall gender pay gap is due to the concentration of women in lower-paid roles.

Only 60 percent of women are in management roles compared to 73 percent in frontline positions, bringing the overall average female salary down considerably and in turn, increasing our gender pay gap.

We're taking these findings into consideration through our remediation processes, and looking ahead will progress this mahi further by continuing to identify and close any unexplained pay gaps between employees in like-for-like roles.

## Flexible by default policy launched

Becoming a flexible organisation supports our inclusion and diversity efforts by encompassing the many and unique dimensions of ourselves that we bring to the workplace, including how we work. We believe that flexible working can improve our people's experience at work and their overall engagement.

COVID-19 accelerated some aspects of applying flexible working, while highlighting challenges and opportunities with our Ministry's flexible-by-default approach. Our aspiration is that by the end of 2022, all appropriate types of flexible work will be normalised at our Ministry.

## Positive workplace behaviours

Building a positive workplace culture continues to be a priority for our Ministry. We've been focusing on supporting our employees to feel safe and supported and able to raise their concerns. We've been doing this by improving our policies, tools, processes and education. Inappropriate behaviours, including bullying and harassment, are not acceptable in our Ministry.

A significant step forward in this mahi has been the introduction of a new policy to create a safe, transparent and accessible process for staff to raise and address with concerns or complaints about judges. This policy reflects a shared commitment from the Ministry, Chief Justice and Heads of Bench to promote positive working relationships (as judges belong to a separate branch of government and are not Ministry employees).

## Growing our people networks

Our People Networks are an integral part of Te Tāhū o te Ture's focus on inclusion and diversity. These networks are increasingly able to provide valuable subject matter expertise. By the end of 2020/21, we were supporting seven in total, one of which (the Ethnic Network) was established in that financial year:

|                                 |                               |
|---------------------------------|-------------------------------|
| Pasifika Network                | Māori Network                 |
| Ethnic Network                  | Inclusion and Diversity Forum |
| Climate and Environment Network | Women's Network               |
| Tātou Rainbow Network           | Young Professionals Network   |
| Disability Network              |                               |

## Recognising excellence

### 2019/20 Chief Executive Award Recipients Recognised

Our Chief Executive's Awards formally recognise the outstanding contribution our people make to our Ministry. The mahi our people carry out is diverse and wide ranging, and the Chief Executive's Awards provide a great opportunity to recognise and celebrate this.

The previous year's recipients received their awards in 2020/21, with the Chief Executive's Supreme Award given to the team responsible for delivering an innovative new Justice Training and Development Centre for Court Security Officers at Trentham. This new training facility opened in 2020/21, providing a modern learning environment that includes a classroom, courtroom, and defence tactics room.

### Public service recognition

Every year, Te Kawa Mataaho – Public Service Commission celebrates outstanding public servants, services and initiatives with Te Hāpai Hāpori – the Spirit of Service Awards. These awards celebrate outstanding public sector governance, young leaders and initiatives that deliver great outcomes motivated by a spirit of service to the community.

In 2020/21, Te Tāhū o te Ture, on behalf of the justice sector, received the 2020 award Te Tohu mō te Ratonga Whakahirahira – the Service Excellence Award for delivering justice services in support of the Christchurch Masjid attacks sentencing<sup>5</sup>.

In addition, one of our staff received the 2020 award Te Tohu mō te Kaiārahi Rangatahi o te Tau - Young Leader of the Year Award for providing cultural advice to the Court and the Ministry to ensure the court process associated with the Christchurch Masjid attacks was informed by relevant cultural and religious considerations.

## What our people say

### Working for Justice pulse survey results

During the year, we released the 2020 results from our Working for Justice Pulse survey. This short survey was designed to 'check in' on how we're doing against the priorities we identified following the 2019 survey.

The 2020 results were generally positive, with a growing percentage of staff agreeing that the Ministry cares about the wellbeing of its people (71 percent in 2020 – up from 63 percent in 2019 and 41 percent in 2015). Equally encouraging was the increased level of engagement, rising from 59 percent in 2019 to 68 percent in 2020.

## Building capability to engage and partner with Māori

### Lifting our organisation's capability

We're committed to building resilient relationships with whānau, hāpu and iwi. This commitment includes supporting Ministry staff with developing their confidence around whakaaro<sup>6</sup> and tikanga Māori, Te Tiriti, and Aotearoa New Zealand history.

<sup>5</sup>Further information on our support can be found on page 29.

<sup>6</sup>Thoughts and considerations.

Good progress was made in the year with implementing Te Kokenga<sup>7</sup>, our multi-year programme of mahi that focuses on lifting our capability to partner and engage with Māori. As part of Te Kokenga, we also introduced the Kōkiri framework. This provides a structured te ao Māori, te reo Māori and tikanga Māori learning and development pathway tailored to the capability levels of individual staff.

**Click here to download the app:**  
<https://www.justice.govt.nz/kokiri>

We also launched a training programme known as Te Waharoa specifically for our Court Security Officers (CSOs) to ensure they have the appropriate cultural awareness and understanding when working or interacting with Māori. Our CSOs are often the first people our participants, whānau members and supporters interact with when they come to the court and it's important that everyone is treated with mana.

Integrating and embedding whakaaro and tikanga Māori into our systems, processes and resources is an ongoing responsibility, and we're planning more pathways for developing staff competency. Mahi is also under way to develop and implement a Ministry recruitment strategy with a focus on attracting and retaining Māori employees.

## Using evidence and insights to deliver better services and outcomes

### Justice Sector Projections 2020 released

We know that our data and what we learn about crime provides evidence and insights that can inform decision-making, provide greater transparency across the justice sector and enhance the services we provide.

Each year, we work with our justice sector partners to understand the long-term trends and project what may occur across the criminal justice system over the next ten years. These insights help inform strategic planning within the sector, including projections of the prison population, non-custodial sentences, fines and remittals, Crown Law workload and legal aid expenditure and volume.

In 2020/21, we delivered 'Justice Sector Projections 2020', reframing the narrative to tell the story of what happened across the justice system during the COVID-19 pandemic. These projections have been made into a publicly available report, providing an opportunity for all New Zealanders to engage with the justice sector by joining in the conversation about the future trajectory of the criminal justice system.

**Click here to read the Justice Sector projections 2020 report, and to learn more about Justice sector projections:**  
<https://www.justice.govt.nz/projections>

## Understanding the nature and level of victimisation in Aotearoa New Zealand

One of the key levers for justice sector transformation is the New Zealand Crime and Victims Survey (NZCVS). This is the only comprehensive source of data about victims of crime, making it a valuable taonga for understanding the nature and level of victimisation in Aotearoa and the effectiveness of government policies on crime. In 2020/21, we published the results from the third cycle of this survey. Further information is presented on page 26 of this report.

## Engaging with and listening to communities

### Te Ao Mārama – a way forward for people-centric justice

We're committed to supporting the aspirations of the three branches of government for the justice sector. An example of our Ministry's mahi in this area is with the District Court's vision to be a place where all people may seek justice, regardless of their means or abilities, their ethnicity, language or culture, and who they are or where they are from.<sup>8</sup>

In November 2020, Chief District Court Judge, Heemi Taumaunu, announced Te Ao Mārama, a vision for the future of the District Court. Reflecting the concept 'te ao mārama' or 'the world of light', the vision responds to long-standing calls for change to the justice system. It envisions the District Court moving towards an enlightened world, where all people can seek access to justice and feel as though they have been heard, seen, understood and have meaningfully participated.

Te Ao Mārama is intended to be adopted over time at all District Court sites across Aotearoa New Zealand – in the family, civil, youth and criminal courts to improve access to justice for all people. The vision focuses on:

- providing equitable treatment to all people, recognising that people come from different starting points
- increasing procedural fairness by ensuring that all people can experience best practice. Examples include toning down formalities to encourage everyone to contribute to discussion, using plain language so everyone understands, and supporting people to access restorative and rehabilitative pathways
- enhancing substantive fairness by providing judicial officers with the best information to enable well-informed decisions
- enhancing the relevance of the court to the wider community, and inviting the strength provided by local iwi and communities into the court.

We're supporting the judiciary to achieve this vision, with a view to incorporating it into our mahi.

<sup>7</sup>Te Kokenga is a milestone for Te Haerenga, our roadmap and plan for achieving our priorities of building capability to engage and partner with Māori and honouring our responsibilities to Māori. Further information on Te Haerenga is detailed on page 17 of this report.

<sup>8</sup>Judges of the District Court have already been leading innovation in solution-focused justice through courts that focus on offenders who have issues driving their offending, such as addiction, homelessness, cultural disconnection and poor mental health.



## Section Two

Our key achievements

# Tūmatakahuki – our Strategy

Our Strategy sets out our ambitions and priorities for delivering on our strategic intentions in three areas:



Figure 3: Our Strategy

We've named this strategy Tūmatakahuki – within the whare, the stories and the identity of the iwi are shown through the carvings, the kowhaiwhai patterns and the tukutuku panels. Tūmatakahuki is the first binding stitch that begins the tukutuku panel weaving.

## Our purpose

Our purpose, working together for a fair and safe Aotearoa New Zealand, guides what we do every day.

## Our priorities

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

Equally important is our culture as a Ministry; we express our commitment to honour our responsibilities to Māori as a priority with some notable projects contributing to it directly, but we also see this as a priority across everything we do.

This report presents our achievements and progress across these priorities in 2020/21.

## Our values

Our values underpin everything we do – the actions we take, the decisions we make and the relationships we build. Our success isn't just about what we do; it's how we do things that makes the difference – with respect, integrity, service and excellence.



# Our enduring priorities

## Honouring our responsibilities to Māori<sup>9</sup>

Honouring our responsibilities to Māori begins with greater involvement of whānau, hapū and iwi in the design and delivery of justice services for Māori. We're progressing an engagement approach with Māori in the justice system that reflects Te Tiriti o Waitangi partnership, improves outcomes for whānau Māori, and recognises the need to address the disproportionate representation of Māori in our criminal justice system.

We're building partnerships with Māori, community groups and businesses so we can collaborate and design long-term solutions that will continue to meet the needs of future generations. We'll work to ensure the justice sector improves its engagement with, and service to, Māori.

Honouring our responsibilities to Māori is both a standalone priority in Tūmatakahuki and a commitment that underpins all our mahi. In 2020/21, we responded to this commitment with the following achievements, as well as many others that are featured throughout this report.

### Te Haerenga<sup>10</sup>

Te Haerenga is our plan for achieving our priorities of building capability to engage and partner with Māori and honouring our responsibilities to Māori.

Te Haerenga is not just about achieving our goals through the delivery of services – it's also about how we do this and building partnerships along the way.

Te Haerenga is a statement of our commitment and approach to improving justice outcomes for Māori, and how we'll respond to emerging issues.

Our key achievements in 2020/21 are highlighted throughout this report and include:

- implementing Te Kokenga, our multi-year cultural capability programme, for improving the cultural capability of staff across the Ministry
- building meaningful relationships at different levels to progress significant pieces of mahi, for example, with National Iwi Chairs on national justice priorities, Ināia Tōnu Nei on criminal justice reform, and Tauranga-Moana iwi and Whanganui iwi on new court builds and renovations
- progressing Tiriti settlements as a sector
- securing funding from government in Budget21 for the Whakaoranga te Mana Tangata initiative. This will allow the Ministry to progress specific partnering opportunities with selected iwi to support whānau Māori through the court system in 2021/22 and outyears.

Although Te Haerenga is focused on the medium to long term (five years onwards), it is by no means static; looking ahead, we intend to revise Te Haerenga to ensure it remains relevant and fit for purpose.

## Honouring the Treaty and our Treaty partners

### Creating enduring change through partnership

In 2020/21 we concluded the Hāpaitia te Oranga Tangata Safe and Effective Justice Programme (Hāpaitia). This programme recognised the need for a common purpose, public confidence and strong Treaty-based partnerships with Māori to sustain the effort that would be required over successive terms of Government. Further information on this work is detailed on page 25 of this report.

### Strengthening our understanding of Māori perspectives

In 2020/21, we established a new business group, Ātea a Rangi,<sup>11</sup> to help us on our journey towards delivering improved justice outcomes for Māori and will contribute to honouring our responsibilities to Māori. To achieve these goals, our Ministry must work with Māori in a fundamentally different way and this requires us to deepen our understanding of whakaaro Māori.

During the year, we appointed a Pou Whakatere (Deputy Secretary Māori) to establish the Ātea a Rangi Group, including incorporating our existing Māori Engagement tīma into it. The Group began undertaking mahi to:

- lead system-level Māori-Crown relationships across the Ministry and the justice sector
- lead whakaaro Māori thinking and analysis across the Ministry's mahi
- support design and implementation of Te Ao Mārama in the District Court
- uplift Ministry capability in whakaaro Māori
- provide targeted support and advice from Māori perspectives for key projects led by other business groups.

### Growing Māori-Crown partnerships across the justice sector

As a steward and member of the justice sector, we recognise our Tiriti obligations to partner with Māori. These obligations extend across the justice system and require sector agencies to collectively honour joint responsibilities, including legislated Tiriti settlement commitments.

In 2020/21, justice sector chief executives committed to a mana ōrite agreement with Ināia Tōnu Nei to work together on criminal justice system reform. The agreement requires and enables all parties to acknowledge and accept each other's unique perspectives, knowledge systems and world views as being equally valid contributors to decision-making.

<sup>9</sup>This priority sits alongside our culture and capability priority 'Building capability to partner and engage with Māori', detailed on page 11 of this report.

<sup>10</sup>"Journey".

<sup>11</sup>This group is named after a whakaaro Māori-based celestial star compass located in Awatoto, Napier. Celestial navigation techniques were used by the tipuna (ancestors) of Māori and other Pacific peoples to explore and migrate across the Pacific Ocean to Aotearoa New Zealand in waka hourua (large double-hulled canoes). Navigators were critical members of the crew on waka, who used their knowledge to navigate towards islands vast distances away.

This mana ōrite partnership aims to drive justice sector reform. It has been made possible with a conditional grant that resources Ināia Tonu Nei to work with the Crown and the establishment of Te Roro<sup>12</sup> to support Ināia Tonu Nei.

### Building partnerships through the National Iwi Chairs Forum

We continued working with the National Iwi Chairs Forum<sup>13</sup> to build partnership between the National Iwi Chairs and lead Ministers. In 2020/21, the Chairs and lead Ministers confirmed aligned priorities, including justice system reform, eliminating racism, and the National Plan of Action (United Nations Declaration on the Rights of Indigenous People).

### Co-designing courthouses with iwi, hapū and local communities

One of the practical ways Te Tāhū o te Ture has been partnering with Māori is by working with local iwi and Māori organisations to co-design courthouses that are being replaced or significantly refurbished in the regions of Aotearoa New Zealand.

We know there is real value in this approach; many of our court buildings are outdated and no longer fit for purpose, often providing an unwelcoming and sometimes traumatising experience for court participants especially victims, witnesses and vulnerable participants.

Good progress was made with this mahi in 2020/21, with a co-design approach and process being used with iwi and communities in Tauranga Moana and Whanganui for major courthouse projects in their rohe.

A formal Relationship Agreement was signed with Whanganui iwi for construction of the new courthouse to be built under this approach. The proposed courthouse is a critical piece of a cross-sector and community project in Whanganui to develop a 'hub of wellbeing' under the Te Puna Hāpori concept. This is led by local iwi and sees other social agencies, New Zealand Police - Ngā Pirihimana o Aotearoa, and other service providers collaborating to bring wraparound services into one central location.

This Relationship Agreement extends beyond the construction of the courthouse. It formalises our ongoing ties with Whanganui iwi and provides a platform for strengthening the relationship between Whanganui iwi and Te Tāhū o te Ture.

### Simplifying processes for Māori landowners

Whānau development through whenua is about Māori landowners, trustees and whānau realising their aspirations, whether they be social, cultural, environmental or economic. The Whenua Māori programme is jointly led by Te Tāhū o te Ture and Te Puni Kōkiri as a response to the difficulties landowners face when navigating and complying with the complex systems for Māori freehold whenua.

In 2020/21, we implemented changes to the Te Ture Whenua Māori Act 1993 to simplify some of the legal and process requirements Māori landowners face, while simultaneously reducing the time and cost whānau spend trying to resolve whenua matters. With these changes, landowners will be able to resolve disputes more quickly and more landowners will be encouraged to succeed to their whenua interests.

The legislative changes provide for a new, tikanga-based mediation service and improvements to the Māori Land Court's succession process (succession makes up two-thirds of current applications to the Court).

The Māori Land Court has established new roles to support these changes, including:

- Pae Manawa (community liaisons) in each Court office
- Tiratū, a new tīma that will align and support the Māori Land Court and its services across Aotearoa.

**Click here to learn more about the changes provided by the Te Ture Whenua Māori (Succession, Dispute Resolution, and Related Matters) Amendment Act 2020:**

<https://bit.ly/3ypjMD>

### Tikanga Māori in the High Court process

Under the Marine and Coastal Area (Takutai Moana) Act 2011, it is possible to apply to the High Court for an order for recognition of protected customary rights and/or customary marine title.

Applications often involve multiple parties and complex hearings over several weeks. In 2020/21, our Ministry helped to support the High Court in the planning and implementation of four application hearings under the Act. Three were held in venues outside of a courthouse.

We will continue to support the High Court in the planning and implementation of these hearings going forward.

## Maintaining the integrity of the courts and tribunals

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

Our Ministry aims to maintain and build that trust by enabling courts and tribunals to provide services that:

- are easy to access and navigate
- are simple to understand
- don't create unnecessary delays or stress.

We're improving how we manage our operations, maximising our use of data and information and more effectively managing facilities and security. As we do so, we work with the judiciary through the courts in order to serve communities across Aotearoa New Zealand.

<sup>12</sup>Te Roro is a small tīma of Māori data, research, policy, and other specialists, which was established to support Ināia Tonu Nei.

<sup>13</sup>This forum is a platform for sharing knowledge and information between the tangata whenua of Aotearoa New Zealand, with hui four times a year hosted at different marae throughout the country. The primary focus is for participants to educate one another about what they are doing, how they are doing it and how they can best support one another.

## Improving and enhancing our services

### Enhancing our interpreter service

Most courts and tribunals in Aotearoa New Zealand conduct their hearings in the English language. For many participants, English is not their first language and they may struggle to understand and speak English, which could disadvantage them in the hearing process.

Our interpreters help participants get full and fair access to justice throughout the hearing process. They interpret for individuals participating in a hearing and help others to understand what's happening in a court or tribunal hearing.

We're taking steps to enhance the provision of this service. In 2020/21, we implemented standard terms and conditions for interpreter services in courts and tribunals and supporting contracting procedures to address the financial risk and inconsistencies with the service. We also implemented a new complaints management process to promote continuous improvement and maintain trust in the service.

We also took steps to develop a court-specific onboarding pack to support interpreters in their role and help them understand what's expected of them when interpreting in the courts.

Further enhancements will be introduced to this service from 2021/22 onwards, and we'll continue to progress the outcomes of the regulations review.

### Strengthening our partnership with the judiciary

Our relationship with the independent judiciary, the third branch of government, is unique. As the Principles observed by the Judiciary and Ministry of Justice in the Administration of the Courts (November 2018) recognise, the judiciary and the Ministry share responsibility for delivering justice through the courts. The judiciary is responsible for the mahi of the courts but is supported by the Ministry, a department of the executive branch of government.

We've been working with the judiciary to strengthen the governance arrangements that underpin that partnership while maintaining the constitutional convention of judicial independence. In 2019, the Chief Justice and Secretary for Justice established the Courts Strategic Partnership Group, consisting of the Heads of Bench and the Ministry's executive team, to provide a strategic forum that supports the Ministry and judiciary to meet their shared and individual responsibilities under the Principles. In 2020/21, that group agreed to its first shared programme of mahi.

We've established other committees as required to manage specific issues such as ICT and property and information management. This acknowledges our Ministry's responsibility for delivering the systems and infrastructure that enable the judiciary to meet its responsibilities and support the independent operation of the courts. The benefit and importance of this partnership approach has been particularly evident in the response to the COVID-19 pandemic. This has required a huge joint effort by the judiciary and the Ministry, working with the wider justice sector and the legal profession to maintain the integrity of the court system and enable continued access to justice.

### Judicial resource modelling

This year, we've worked closely with Te Whare o Ngā Kaihautū waka o te Kōti-a-Rohe o Aotearoa to develop a judicial resource projection model, which enables our Ministry and the Chief District Court Judge to have a shared view of future judicial requirements.

Key capabilities delivered within the judicial resource modelling tool in 2020/21 include the ability to:

- project judicial requirements over the next ten years
- estimate the judicial resourcing impacts of initiatives such as the Criminal Process Improvement Programme<sup>14</sup> (CPIP), Te Ao Mārama and the new Family Court Associates
- estimate these impacts by both jurisdiction and location
- monitor the impact of initiatives that are implemented.

The newly developed projection model enables easy collaboration around understanding initiative options and impacts and is already being used frequently to support decision-making.

### Improving our ability to provide reparation payments to victims of crime

In 2019, our Ministry began a pilot programme to proactively contact victims of crime to pay out reparation owed to them. Up until then, a large amount of reparation collected by the Ministry hadn't been paid out to victims because of problems finding them.

During the pilot, \$2.7M was paid to approximately 6,707 individual victims and \$4.87M to 8,479 victim organisations. In January 2021, the Ministry permanently implemented this programme.

Since being made permanent, a further \$1.4M has been paid to 1,850 victims. An additional \$780K will be automatically paid to victims once reparation is collected. A further \$2.6M will be paid to 4,353 victims upon contacting the Ministry.

<sup>14</sup>Refer to page 22 for further information on this programme.

## Our people, our taonga: Meet Renee



Our key operational role is to support the judiciary and the courts, providing registry and administrative services necessary to support the court system and judicial decision-making.

Our Service Managers ensure these services are delivered at consistently high levels of quality and consistency. It's a challenging frontline role that requires a high level of resilience and attention to detail to ensure participants in the courts have access to timely justice and can get the best outcomes possible at each stage of proceedings or transactions.

Renee is the Service Manager at the Porirua District Court but has held several other roles since joining the Te Tāhū o te Ture in 1987 as a Registrar. Supporting fair and safe justice has always been a big part of Renee's passion for her mahi – particularly since her tīma is often directly in contact with individuals and their whānau at what is often a vulnerable time in their lives.

The Service Manager role is a varied and at times unpredictable one that often sees Renee working directly with the judiciary, whānau, lawyers, police and social workers. From her unique perspective, Renee sees the importance of working together – not only within the courtroom, but also by improving the interface between courts and the communities they serve.

For Renee, this began when their Honours Judge Walker and Judge Kelly led with the Courts and Community Project in 2009, a local initiative to make Porirua District Court a visible, relevant and connected part of its community. Key to the success of this mahi was the judges' early engagement with mana whenua<sup>15</sup> - a relationship that informed and gave credibility to the programme's focus on using the court process to identify and address underlying causes of offending.

Porirua was chosen as the pilot location for the Young Adult List – an initiative aimed at enabling young adults aged 18 to 25 to better engage and participate with the court process. Similarly, the judiciary's Te Ao Mārama model and the Ministry's support and consideration of this approach in the design of new courtrooms signals a positive trajectory for justice reform.

"I'm heartened by the judiciary and Te Tāhū o te Ture sharing an increasingly common vision for justice in Aotearoa New Zealand," says Renee.

Recognising the value of connection extends further for Renee; as a Service Manager with a considerable background in justice, she has seen a lack of access to health and education become pathways into the courtroom environment. Insights like these demonstrate how our people can inform our approach to strengthening the justice sector and improving outcomes for Māori, and align well with one of Renee's favourite Whakataukī from Te Haerenga - our Ministry's Strategy for building capability to engage and partner with Māori and honour our responsibilities to Māori:

*Mā te rongo ka mōhio  
Mā te mōhio ka mārama  
Mā te mārama ka mātau  
Mā te mātau ka ora*

*Through perception comes awareness  
Through awareness comes understanding  
Through understanding comes knowledge  
Through knowledge comes wellbeing*

### Using data to identify and respond to trends in our courts

Our stewardship of the justice sector calls for us to maintain awareness of our sector partners' efforts to address crime. We use data to understand how these efforts can influence the demographic of courtroom participants.

Age is an important factor in the criminal justice system. It influences pathways within the system and is a strong predictor of future offending. People who enter the system at a young age have historically tended to be at risk of greater reoffending (more offences, more serious offences, and a longer period of offending). They've also had worse outcomes in education, employment, mental health and substance abuse than people who enter the system at an older age.

In 2020/21, we saw a further decrease in young people going through court (See figure 4).

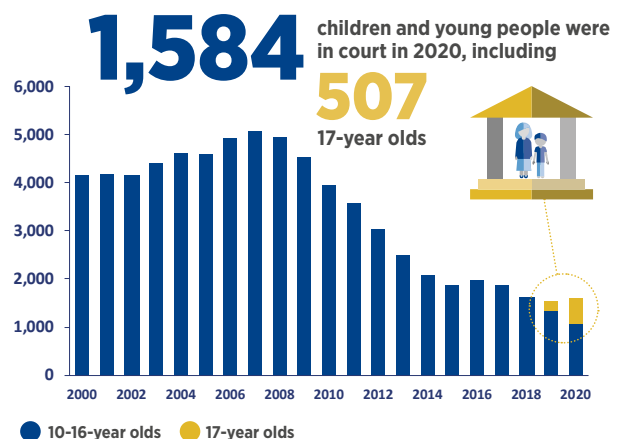


Figure 4: Youth in court

<sup>15</sup>Māori with ancestral claims to a particular area.

We know that that reducing reoffending among young people is not the sole responsibility of one justice sector agency. Around 75 to 80 percent of all tamariki and rangatahi in Aotearoa who are apprehended by police are subject to diversion and dealt with in an alternative way to a formal court process. This means that the only young people who appear in court are those individuals with complex needs for whom diversion has not worked or who have committed particularly serious offending. These are the young people whose lives we want to turn around through the therapeutic approach taken in youth court, and hence reduce future court volumes.

Using data in this way can help us develop responses to other emerging trends. For example, we're seeing more courtroom events taking place involving fewer people. These people are generally older, with the average age of those that offend increasing by five years since 2010, and reoffending more often on average. Shifts like this indicate that new interventions and measures are needed, and that we must keep a close eye on what's working so these successes can be applied to courts across Aotearoa.

### Supporting the courts through COVID-19

Courts and tribunals are an essential service and continued to operate throughout all COVID-19 alert levels in 2019/20. During heightened alert levels, the courts and tribunals operated according to protocols issued by the judiciary<sup>16</sup>. These protocols identified which matters would proceed under each alert level and how they would be dealt with; for example, whether they were held in-person or remotely.

The ongoing alert level changes in 2020/21 impacted on court and tribunal operations across the country. The most significant impact was the delay to peoples' access to justice, particularly in the Auckland region, which had three Alert Level 3 lockdowns.

The Ministry worked with the judiciary to develop a jury trials toolkit to ensure that jury trials could be held at Alert Level 2. This involved developing innovative approaches to jury management to ensure Ministry of Health guidelines were followed and the health and safety of court staff and participants was upheld.

Adjusting to alert level changes was a huge logistical exercise for the courts and tribunals, and required us to work closely with the judiciary, our colleagues from across the justice sector (including New Zealand Police, Ara Poutama Aotearoa and Oranga Tamariki), the legal profession, and with court participants, often at short notice. We built on our learnings from the alert level changes in 2019/20, and expanded our ability to support more court and tribunal matters remotely and receive applications and filing fees electronically.

By the end of 2020/21, the number of active cases across courts and tribunals, nationally, was lower than pre-COVID-19 levels. This was due to fewer cases coming into courts and tribunals and the reprioritisation of court resources into judge alone trials, while jury trials were suspended under Alert Level 3.

The number of cases awaiting a jury trial in the District Court, however, grew by 10% (from 2,579 in March 2020 to 2,831 at the end of June 2020), following the first lockdowns. The number of cases awaiting a jury trial continued to grow in 2020/21, to 3,331 by the end of June 2021. While exacerbated by the COVID-19 lockdowns, this growth in jury trials continues an existing trend which is primarily due to an increase in the number of defendants electing a trial by jury and also pleading guilty later in the court process. To address this, the District Court has increased the amount of jury trial time, using acting warranted judges and the additional judges funded through Budget 2020. Jury trials will continue to be an area of focus and priority in 2021/22.

The number of cases awaiting a jury trial in the High Court grew by 10% (from 106 in March 2020 to 117 at the end of June 2020) following the first lockdowns. By the end of June 2021, the number had increased to 153. This increase can be attributed to the disruption brought about by COVID-19 as there had been no increase in the 12 months prior to March 2020.

We are proud of the professional and agile way in which our frontline staff responded to each of the alert level changes in 2020/21, and of the commitment to public service that they demonstrated by helping to ensure that New Zealanders could continue to access justice during these periods.

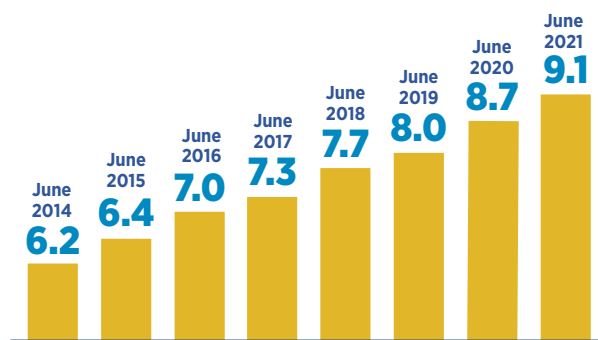


Figure 5: Number of court events required to resolve serious harm cases

### Responding to the increasing number of court events for serious harm cases

The work we initiated and progressed during and after the initial lockdown period has left us well-placed to manage the impact of future shifts in alert levels on active caseload. However, resolving serious harm cases through the courts in a timely manner continues to be a challenge.

Despite the number of Criminal cases entering the District Court falling, workload is growing. Around 150,000 more court events are needed to resolve incoming Criminal cases in June 2021, compared to June 2014. This is despite the overall number of new cases entering courts in 2020/21 being ~20,000 fewer than in the year ending June 2014.

<sup>16</sup>Copies of courts' protocols can be found on the Courts of New Zealand website. Copies of the tribunals' protocols can be found on the Te Tāhū o te Ture website.

Serious Harm cases now make up a greater proportion of this court inflow. The average number of court events for Serious Harm cases increased from 6.2 (per case) in June 2014, to 9.1 (per case) in June 2021. More events are required to resolve these cases and more events mean that cases spend longer in the system.

There are three main reasons why Serious Harm cases are requiring more court events:

- Defendants are pleading guilty later. While the percentage of cases where a defendant pleads guilty has remained relatively stable over the years at 86 percent, a greater proportion are pleading guilty later in the court process. The effect of this is more court events for these cases.
- Adjournment rates have been increasing across court events. As workloads increase in court, all parties tend to be less prepared for the next court event. This leads to more adjournments and the compounding effect of another court event to deal with the matter.
- More defendants are electing the jury trial pathway, which is more resource intensive. The number of active jury trials in the District Court has almost doubled (more than 80 percent) since late 2017, from around 1,800 cases to 3,400 cases now.

#### **Criminal process improvement programme**

As we move into 2021/22, we remain committed to supporting the courts and tribunals to manage their active caseloads and respond to pressures.

In 2020/21, the Chief District Court Judge established the Criminal Process Improvement Programme. The aim of this programme is to create simpler and more efficient processes within the criminal jurisdiction of the District Court.

The programme has completed its discovery phase, during which every stage of the criminal court process was examined to identify the underlying challenges and changes needed to resolve them.

In 2021/22, the changes will be developed and piloted, with a national roll-out starting in 2022 if successful. The Criminal Process Improvement Programme is a critical enabler for Te Ao Mārama. There is more information about how the Ministry is supporting this vision on page 25 of this report.

## **Providing sector leadership and policy stewardship**

We lead an integrated justice sector through strong sector governance, shared ambition and knowledge. Everyone has a stake in our justice system, and we all benefit when it works effectively.

We work with our Ministers and across the public sector to ensure our policies and laws allow us to deliver critical services, support our core democratic settings and make a significant difference in the everyday lives of New Zealanders.

We support our Ministers and the priorities of the government of the day. We must also develop and maintain capability to give free and frank advice to future ministers and governments. We design policies and programmes to improve the long-term wellbeing of New Zealanders. This means anticipating future issues and proactively offering advice on the issues we think matter the most.

## **Enabling New Zealand's democratic process**

### **Supporting the 2020 General Election**

Our support for the 2020 Election was largely with and through the Electoral Commission. Together with the Crown Law Office, we advised the Prime Minister that shifting the General Election to 17 October 2020 in response to the COVID-19 pandemic would allow for a safe and accessible election.

We also worked closely with Te Kawa Mataaho Public Service Commission to establish a contingent public service workforce to ensure electoral services would continue to be delivered in the event of any unexpected developments or impacts from the pandemic. This provided an additional safeguard to the Electoral Commission's usual planning that provided a workforce willing to:

- work at raised COVID-19 Alert Levels
- follow health and safety protocols, such as using PPE
- stand ready if called on by the Chief Electoral Officer.

Our people responded accordingly, stepping up together and supporting one of the most important events of the year, issuing voting papers and helping New Zealanders have their say at the 2020 General Election.

### **Supporting New Zealanders' informed decision-making**

In addition to the 2020 General Election, New Zealanders also voted on referendums for the Cannabis Legalisation and Control Bill and End of Life Choice Act 2019. Our challenge was to create an accessible information programme whilst upholding the impartiality and political neutrality of the public service.

This saw us:

- leading the development of public information materials and running a signposting campaign to ensure the public knew how to access these materials
- managing and responding to public inquiries, including media queries
- writing the initial content for website, factsheets and printed materials.

To ensure a seamless voter experience, we aligned with the Electoral Commission where suitable, for example, sending out our leaflets with the Commission's regular election mail-outs, and sharing an 0800 service centre to provide a single contact point for voters wanting election or referendum information. We needed to carefully manage what communication channels we shared in order to uphold the Commission's statutory independence in administering the elections.

We commissioned an independent, nationally representative post-referendum evaluation survey to assess the impact of our information programme. The programme achieved blanket national visibility, with a 99 percent reach across New Zealanders aged 18 and over, across all media channels, with 95 percent of people being aware of the referendums. The survey also indicated that 92 percent of people agreed the information was presented in an impartial and unbiased way and was not trying to influence the result.

## Leading the Justice Sector

### Support for the cross-government response to the Masjid attacks

Our Ministry led the response to three of the recommendations from the Royal Commission of Inquiry into the terrorist attack on Christchurch Masjid on 15 March 2019:

- recommendation 18 (reviewing all legislation related to the counter-terrorism effort, including the Terrorism Suppression Act 2002 and the Intelligence and Security Act 2017)
- recommendation 39 (relating to hate crime)
- recommendation 40 (relating to hate speech / incitement to hatred).

Our response has involved introducing the Counter-Terrorism Legislation Bill. The Bill improves the clarity of the Terrorism Suppression Act and provides law enforcement agencies with the means and clear legal authority to intervene early to help prevent harm and to avert escalation to a terrorist act. Further information on the support we provided to victims of these attacks can be found on page 29 of this report.

### Supporting the Chief Victims Advisor

Our Ministry supports the mahi of the Chief Victims Advisor, Dr Kim McGregor. The Chief Victims Advisor is an independent advisor appointed by, and accountable to, the Minister of Justice. Dr McGregor provides independent advice on justice sector-wide strategy and coordination relevant to victims.

This year, with the support of our Ministry, Dr McGregor:

- met regularly with the Minister of Justice and other justice sector ministers, chief executives and deputy chief executives as needed to raise issues of particular concern to victims of crime
- provided two reports and a range of other advice to the Minister of Justice on improving the justice system for victims
- commissioned research on possible victim-led alternative resolution pathways
- worked with the judiciary on ensuring victims' needs are considered in the development of Te Ao Mārama

- met with a range of key stakeholders concerned with victims' issues to explore opportunities to improve outcomes for victims of crime
- worked with justice sector agencies on:
  - › the Sexual Violence Legislation Bill
  - › the early design and development of the Innovative Courts at Tauranga Moana and Whanganui
  - › gaps in the implementation of victims' rights across agencies.

### Developing a three-year Strategic Plan for the justice sector

Our Ministry worked across the justice sector to develop a three-year Strategic Plan for the Justice Sector Leadership Board. The Plan was endorsed by justice sector chief executives and outlines the priorities for the Board, including:

- criminal justice transformation
- improving Māori-Crown relationships
- improving system performance.

## Creating a joined-up approach to criminal justice reform

### Our contribution to the Government's Child and Youth Wellbeing Strategy

While the majority of Aotearoa New Zealand's tamariki and rangatahi are doing well, the distressing reality is that many are not experiencing anything close to a good life. Too many tamariki, rangatahi and their whānau are facing significant and often ongoing adversity, deprivation and stress, which compromises their wellbeing and life opportunities. Issues can include poverty, intergenerational family violence, sexual violence, mental illness, or alcohol and other drug addictions.

We see the effects of this adversity and stress in the justice system, with 80 percent of those in the Youth Court having experienced family violence. The trauma of family violence and sexual violence is also evident among wider court users and in our prison population.

The Government has launched New Zealand's first Child and Youth Wellbeing Strategy to set out a shared understanding of what's important for child and youth wellbeing, what government is doing and how others can help.

Law and policy form part of the ecosystem that supports families and whānau to nurture their tamariki and rangatahi. We're progressing two key areas of mahi to help deliver on this Strategy:

- Strengthening the family justice system by giving effect to some of the recommendations from Te Korowai Ture ā-Whānau, published in 2019. This review took a human rights approach to ensure that the welfare and best interests of tamariki are paramount when settling disputes about their care.

- Working with the Ministry of Education to free tamariki and rangatahi from racism and discrimination.

Our focus in 2020/21 has been on implementing key recommendations of Te Korowai and promoting the Strategy within other agencies. In 2020/21 this saw us:

- supporting the progression of legislation to enhance the participation of tamariki in decision-making about their care
- recruiting new Kaiārahi-Family Court navigators to provide information about the resolution and support options available to caregivers and whānau who are considering applying to the Family Court
- working with the judiciary to develop a new role to undertake more straightforward judicial tasks in the Family Court, to support faster resolution of cases.

**Click here to learn more about the Government's Child and Youth Wellbeing Strategy:**  
<https://www.justice.govt.nz/cyw>

Our mahi on reforming Aotearoa Zealand's 66-year-old adoption laws also contributes to the Strategy's outcomes. The ultimate aim of this mahi is to ensure that the rights, best interests, and wellbeing of tamariki are at the heart of our adoption law.

The key focus for the 2020/21 year has been the development and public release of a consultation document about issues with the current law, and ideas for change. This public consultation, alongside targeted engagement with adoption-experienced individuals and groups, aims to support open kōrero about people's concerns and what reform should look like. Feedback will inform development of reform proposals into the next financial year.

### Monitoring the performance of Crown entities

Crown entities play a critical role in protecting human, indigenous, constitutional and privacy rights, and have strengthened Aotearoa New Zealand's international reputation in areas of transparency and accountability.

Te Tāhū o te Ture is responsible for overseeing the performance of, and managing the Crown's interest in, seven Crown entities:

- **Office of the Privacy Commissioner**
- **Electoral Commission**
- **Independent Police Conduct Authority**
- **Law Commission**
- **Human Rights Commission**
- **Real Estate Authority**
- **Te Kāhui Tātari Ture (Criminal Cases Review Commission)**

In 2020/21, we strengthened our governance and monitoring of these agencies to further inform the advice we provide to responsible ministers. It's also helped us better understand the risks faced by these Crown entities, particularly around demand for services, financial sustainability, governance matters, and regulatory stewardship.

## Investment in addressing crime and drug-related harm

### Strengthening the Proceeds of Crime Fund

One of the ways we help improve expenditure and investment in the justice sector is by administering contestable, cross-agency funds such as the Proceeds of Crime Fund (PoCF). The PoCF uses monies forfeited to the Crown under the Criminal Proceeds (Recovery) Act 2009 to fund initiatives from eligible public and private service departments that:

- address the harm caused by organised crime and drug-related harm
- test innovative solutions to complex issues relating to crime-related harm
- enable agencies to build an evidence-based case of what works in addressing crime-related harm.

In 2020/21, ministers approved \$5.3M from the PoCF to fund five initiatives. We also worked with stakeholders on the strategic direction for the fund, while strengthening our administration responsibilities to increase the rigor of recommendations and make it easier for agencies to apply to the fund.

We know that the initiatives supported by this fund can lift the wellbeing and resilience of communities affected by drugs and crime. With revenue into the fund expected to increase in 2021/22, we look forward to more initiatives being funded to address crime harm and drug harm in communities across Aotearoa.

**Click here to learn more about the PoCF and the initiatives it has supported to date:**  
<https://bit.ly/3BASYZK>



# Our transformational priorities

## Leading the transformation of the criminal justice system

We support the Minister of Justice and Minister for Courts in leading the reform of the criminal justice system. Our approach for this transformation involves agencies working together to develop long-term solutions that:

- support safe and peaceful communities
- address pathways to offending, so we can respond more effectively to criminal behaviour
- deliver better outcomes for everyone who encounters the justice system – those who have been harmed by crime and those who have harmed others, as well as families, whānau and witnesses.

## Creating enduring change through partnership

### Completion of Hāpaitia

The Hāpaitia te Oranga Tangata - Safe and Effective Justice Programme represents a new way of approaching system change. It involved a national kōrero about what an effective criminal justice system looked like, given that increased emphasis on punishment wasn't proving effective in addressing crime rates.

Through the public consultation, and subsequently published reports<sup>17</sup> resulting from this mahi, a new direction and vision is indicated for the criminal justice system – one that:

- is structured in a way that reflects Te Tiriti responsibilities
- is an integral part of the community rather than seen as outside of it
- creates accountability through connection with communities rather than separating people from their whānau and families
- builds the oranga (wellbeing, which includes safety) of people, whānau and communities – this should be just as important as protecting rights and procedural justice.

Looking ahead, we know that the problems experienced in the criminal justice system have taken over 150 years to develop, so they won't be completely reversed in only a few years. However, together with our justice sector partners, we're on track to see the changes associated with this shift begin to deliver results for the people and communities of Aotearoa.

**Click here to learn more about Hapaitia:**  
<https://bit.ly/2VzZuQi>

## Justice Sector Mana Ōrite agreement established

In 2020/21, justice sector chief executives joined Māori leaders in entering into a Mana Ōrite relationship to work together on transforming the criminal justice system. The basis of the Mana Ōrite relationship is that the respective views of the parties can be heard, considered, and afforded equal explanatory power within the justice sector. The agreement requires and enables all parties to acknowledge and accept each other's unique perspectives, knowledge systems and world views as being equally valid contributors to decision-making under the relationship.

This is a significant milestone for the justice sector in supporting Māori-Crown partnerships. A conditional grant to fund the establishment of a specialist group, Te Roro, to provide Māori advice and support to the relationship has also been made available.

## Supporting the District Court's vision

Gisborne and Hamilton District Courts have been announced as the pilot courts for Te Ao Mārama. These two locations provide a good level of contrast with each other; Gisborne is a smaller regional court with a number of aspects of Te Ao Mārama already, such as the Family Violence Intervention List, while Hamilton is a large court with high case volumes.

To progress this mahi, we've been supporting the judiciary in kōrero in these communities. Our early discussions have been with local iwi, to understand how we can work together in a spirit of partnership. We've also been working with Ngā Pirihimana o Aotearoa (the New Zealand Police), Ara Poutama Aotearoa (Department of Corrections), and Oranga Tamariki, to understand how we as justice sector agencies can support Te Ao Mārama to be successful.

Looking ahead, we'll be expanding our discussions to more groups, including local service providers; and moving towards the design and implementation of Te Ao Mārama at the two court sites. In 2021/22 we expect the next locations to adopt Te Ao Mārama will also be announced.

**Click here to learn more about Te Ao Mārama:**  
<https://www.justice.govt.nz/norris-ward>

## Improving justice outcomes

### Expanding the Alcohol and Other Drug Treatment (AODT) courts

Te Whare Whakapiki Wairua ki Kirikiriroa<sup>18</sup> – the Waikato AODT Court was opened to support participants recovery from addiction and in doing so, break the cycle of their addiction-driven offending. The programme involves mentoring, intensive monitoring, and alcohol and drug testing, and can take one to two years to complete.

<sup>17</sup>Te Waka Roimata Transforming our Criminal Justice System, Te Uepū Hāpai i te Ora, June 2019.  
Turuki! Turuki! Move Together! Transforming our Criminal Justice System, Te Uepū Hāpai i te Ora, December 2019.  
Hui Māori - Ināia Tonu Nei, Report from Hui Māori, July 2019.  
Te Tangi o te Manawanui Recommendations for Reform, Chief Victims' Advisor to Government, September 2019.

<sup>18</sup>Te Whare Whakapiki Wairua means 'the house that uplifts the spirit'. This name was gifted by Tā Pita Sharples when the AODT Court was first established in the Auckland and Waitākere District Courts in 2012. Waikato-Tainui added 'ki Kirikiriroa' for the Hamilton-based Court.

Participants are supported through the programme by a specialist multi-agency team. A specialist role – The Pou Oranga – has a key function in both supporting participants and helping to integrate te reo Māori and tikanga into the Court. The Pou Oranga is well placed to support AODT Court participants as they have lived experience of substance use recovery.

Another feature introduced in the Hamilton District Court is a new alcohol and drug screening service. Lawyers and judges can refer participants for alcohol and drug screening if alcohol and/or drug use could be driving their offending. Alcohol and drug screening can be a pathway to Te Whare Whakapiki Wairua ki Kirikiriroa or may help the participant to access other support services.

In the coming year, we're looking forward to supporting the first participants on their haerenga through Te Whare Whakapiki Wairua ki Kirikiriroa.

**Click here to learn more about Te Whare Whakapiki Wairua:**

<https://www.justice.govt.nz/aodt>

### Building victims' trust and confidence in the criminal justice system

Transforming the criminal justice system involves moving away from focusing solely on apprehending, trying and (if found guilty) holding offenders to account. It requires us to extend our influence to better serve the needs of victims of crime.

As a group, victims of crime often have no formal role in criminal justice processes, except as witnesses. This can often leave their needs unmet and, worse, often mean they're further harmed by the system itself. We're responding accordingly with the formation of the Victims Leadership Group to improve the experience of victims of crime who engage with the criminal justice system.

This is the first cross-agency leaders group with a primary focus on victims and their needs, and is comprised of senior leaders from Te Tāhū o te Ture, New Zealand Police - Ngā Pirihimana o Aotearoa, Ara Poutama Aotearoa – Department of Corrections, Crown Law, Serious Fraud Office, Oranga Tamariki and the Joint Venture, Family Violence and Sexual Violence Business Unit.

In 2020/21, the Victims Leadership Group began working to identify key points across the sector where victims' experience needs improvement and how agencies, collectively and/or individually, can address them.

Moving forward, the group will be using its experiences to date to ensure it's best placed to support improved outcomes for victims across the criminal justice sector.

### New Zealand Crime and Victim Survey: Results published

In 2020/21, we published the results from the third cycle of this survey, and for the first time were able to compare the data over the three years the survey has been run. This represents around 23,500 interviews with New Zealanders about their experiences of crime.

Some of the key findings include:

- The numbers of burglaries per household fell significantly from 118 per 100 in 2018, to 16 per 100 in 2019 and to 14 per 100 in 2020. The percentage of households affected by burglary fell significantly from 12 percent to 10 percent. There was already a downward trend in burglaries before the COVID-19 lockdown, and this trend appears to have accelerated since then.
- People who identified as bisexual were at twice the risk of experiencing a personal offence than the New Zealand average.
- Over three years of surveys, accounting for differences in average age, people with disabilities were significantly more likely to experience crime.

We know that the survey is already proving useful, with these and other key findings informing two papers<sup>19</sup> on Māori victimisation and victims' trust and confidence in the criminal justice system. In addition, the survey results are used by agencies involved in the Joint Venture to target family violence and sexual violence and looking ahead, we anticipate that value to grow.

**Click here to learn more about the survey:**

<https://www.justice.govt.nz/nzcvs>

### Improving justice outcomes using behavioural science

Behaviour is integral to so much happening in the justice sector, whether it's paying fines, showing up at court or complying with bail conditions. Our Ministry's Behavioural Science Aotearoa (BSA) tīma's mahi is focused on understanding people better in order to make our justice system work better for them. BSA uses evidence and research methods from social sciences to ensure policies and processes reflect the way people behave and make decisions. The tīma creates more accessible and culturally aware systems to improve outcomes for people who use justice services across Aotearoa New Zealand.

BSA worked with multiple justice sector agencies throughout 2020/21 to progress their programme of mahi, and our Ministry both supported and participated in this mahi.

**Click here to learn more about Behavioural Science**

**Aotearoa:**

<https://www.justice.govt.nz/bsa>

<sup>19</sup>Click here to read [Victims' Trust and Confidence in the Criminal Justice System](#)  
Click here to read [Māori victimisation in Aotearoa New Zealand](#)

### Encouraging attendance at court appearances

Many people don't turn up for their scheduled court appearances across Aotearoa. In the Eastern District, the figures are particularly high. Around 20 percent of people scheduled to appear in the Hastings District or Youth Court failed to appear at their first appearance between January 2019 and February 2020, compared to nine percent nationally.

Working with the New Zealand Police - Ngā Pirihimana o Aotearoa, BSA has consulted mana whenua, people in police cells, custody staff, cultural advisors, and language therapists working in youth justice to develop a sign to be attached to the cell walls that reads: "Show up at court. Sort out your stuff. Get back to whānau. MANA."

While the primary goal of the trial is to reduce the rate of failed attendances in court, small interventions like this may also reduce incidents of antagonistic and violent behaviour towards custody staff, and prompt participants to consider addressing their offending.



Inspector Damin Ormsby and BSA's Dr Matthew Davies with the in-cell message.

### Improving the effectiveness of fines reminders

Our Ministry is responsible for collecting payment for both infringement fines and court fines. Infringement fees from New Zealand Police - Ngā Pirihimana o Aotearoa (like speeding tickets) or local councils (like parking tickets) became fines if they're not paid on time.

In 2020/21, BSA improved the effectiveness of text message reminders sent to people before their fine became overdue. Following the trial of a range of different behaviourally-informed text messages, payments increased by 12 percentage (compared to no text message).

Over 6,000 people each year are expected to avoid additional enforcement fees as a result of paying before their fine becomes overdue, amounting to over \$640K. Costs related to enforcement actions and court attendance for failure to pay are also reduced.

### Supporting the All-of-Government response to COVID-19

Since the country's first lockdown during the COVID-19 pandemic, the BSA tīma provided critical advice and guidance to the National Crisis Operational Command Centre.

BSA applied behavioural science to inform decision-makers about the factors that contribute to people's behaviour and choices. This helped decision-makers understand how the public would act on recommendations for preventative health behaviours, like self-isolation and mask wearing. This was important, given that stopping the spread of COVID-19 relies on large-scale behaviour change such as physical distancing, handwashing, self-isolation and contact tracing.

Aotearoa New Zealand's widespread adherence to Alert Level conditions reflects on BSA's mahi for the Government's crisis management tīma. Aotearoa is now regarded internationally as a model for the excellence of its COVID-19 communications.

## Addressing family violence and sexual violence

Each year, New Zealand Police - Ngā Pirihimana o Aotearoa conducts more than 100,000 investigations related to family violence<sup>20</sup>. Nearly half of all homicides and reported violent crimes are related to family violence. It's estimated that one in four females and one in eight males experience sexual violence or sexual abuse in their lifetimes, many before the age of 16.

These statistics, and the real-life tragedies behind them, are the reason why reducing family violence and sexual violence is one of our Ministry's key priorities.

### Supporting the whole-of-government response to family violence and sexual violence

#### Support provided to the Joint Venture, Family Violence and Sexual Violence

The Joint Venture, Family Violence and Sexual Violence, aims to set a clear direction for the Government's commitment to eliminating family violence and sexual violence and providing strategic, whole-of-government advice to ministers to help achieve that.

Te Tāhū o te Ture supported the Joint Venture throughout the year. In addition to our Chief Executive serving as Deputy Chair of the Joint Venture Board, we hosted and provided corporate support to the Joint Venture Business Unit, the administrative unit of the Joint Venture. We also contributed additional funding and shared the results from the third New Zealand Crime and Victims Survey to inform the Joint Venture's mahi.

<sup>20</sup>Family violence is defined as: physical, sexual or psychological abuse against any person by someone with whom they have a close and personal relationship. Psychological abuse includes economic and financial abuse, threats of violence, property damage and causing tamariki to witness violence. Family violence includes intimate partner violence; child abuse and neglect by a family member; elder abuse and neglect by a family member; and abuse of a family member with disabilities.

The Joint Venture's initiatives support community-driven approaches that recognise the need for three kinds of support – strengthening, healing (and restoring), and responding – to be in place for people, families and whānau, while also strengthening frontline staff capability to safely identify and respond to violence before it escalates.

These initiatives include:

#### ***Designing a national strategy and action plans to prevent and reduce family violence and sexual violence***

This strategy and the accompanying action plans are being developed by the nine core Joint Venture agencies through an inclusive process with Tangata Whenua, specialist family violence and sexual violence (FVSV) sectors, independent advisors and community representatives. It sets a collective ambition and will guide our collective mahi to create peaceful homes where the families and whānau of tamariki thrive; to enable safe communities where all people are respected; and to support the wellbeing of our nation.

In May and June 2021, the Joint Venture Business Unit carried out the engagement phase of this mahi, facilitating 120 community-led hui with over 2,000 people nationwide, and received about 1,000 submissions on what the strategy should focus on and contain.

#### ***Tāngata Whenua Rōpū***

The Joint Venture works in collaboration with the Tāngata Whenua Rōpū, made up of family violence and sexual violence specialists and leaders in whakaaro Māori, to develop a national strategy for the elimination of family violence and sexual violence. This relationship is committed to weaving kaupapa Māori ways of working into the strategy.

#### ***Diverse Communities***

The diverse communities initiative develops understanding of violence prevention needs in diverse communities that are at higher risk of family violence and sexual violence, including rainbow, older people, disabled and new migrants. As part of this mahi, the Joint Venture Business Unit commissioned Massey University to develop community-driven solutions with a group of diverse communities.

#### ***Data and Insights***

The Data and Insights work programme was set up by justice sector agencies during the emergence of COVID-19 to improve how data and insights are used to help prevent family and sexual violence in Aotearoa. To date, the programme has provided regular reporting using a Family Violence/Sexual Violence (FVSV) dashboard to the Minister for Eliminating Family and Sexual Violence. Other achievements include establishing a data user group and a research and evaluators network. An all-of-government stocktake of FVSV data is also under way.

**Click here to learn more about these initiatives and the agencies participating in the Joint Venture:**

<https://www.justice.govt.nz/violence-free>

## **Supporting victims of family violence**

### **Increased funding for high-risk victims of family violence**

The Whānau Protect National Home Safety Service supports high-risk victims of family violence. The service provides practical safety assistance in the form of home security upgrades and monitored alarms that trigger police callouts. The service is delivered by the National Collective of Independent Women's Refuges.

A 2017 evaluation showed the service is successful in reducing victimisation by making victims' homes safer. This means victims can remain living in their homes and the offender is the one who has to leave. The service removes life disruption for victims and reduces the strain on emergency accommodation or refuges. It also holds offenders to account for their behaviour by requiring them to leave the house.

In 2020/21, Whānau Protect received an additional \$5.98M from the COVID-19 Response and Recovery Fund. This will reduce the risk of re-victimisation for a further 1,296 people over four years, by improving the safety of their homes. Our Ministry is commissioning its second evaluation of the Whānau Protect service. The purpose of this evaluation is to understand service effectiveness over time. The evaluation also aims to understand whether recommendations from the 2017 evaluation have been implemented and, if so, how effective these changes have been.

### **Family violence / sexual violence work programme**

We have a three-year programme of mahi under way in the District Court to normalise therapeutic-based solutions to family violence and sexual violence. These approaches promote access to services, support workforce capability and improve data and evidence. The programme is aligned to Te Ao Mārama and draws on the evaluations of specialist and therapeutic court pilots that have streamlined proceedings for people involved in family violence and sexual violence cases.

### **Nationwide expansion of the Family Violence Bail Report initiative**

The Family Violence Bail Report initiative promotes victim safety by providing additional information to decision-makers who consider bail applications for family violence-related charges. The initiative is led by the Principal Youth Court Judge, with the support of New Zealand Police - Ngā Pirihimana o Aotearoa and Te Tāhū o te Ture.

The initiative was initially operating in 15 District Courts and an evaluation found it showed promising results in terms of enabling decision-makers to make more informed bail decisions. In 2020/21, the initiative was expanded to the remaining 41 District Courts in Aotearoa New Zealand in a collaborative effort, including New Zealand Police - Ngā Pirihimana o Aotearoa and the judiciary.

## Improving access to justice

Access to justice is about ensuring people can use the legal system to enforce their rights by means of a fair and open process. People's needs can range from requiring information to obtaining legal representation and resolution in the courts.

- Provide clear and accessible law so people know and understand their rights.
- We fund the provision of quality legal services at an affordable price so that participants can access fair and impartial procedures that are easy to navigate, protect our most vulnerable, and provide timely resolution of disputes.

Our ability to improve access to justice involves partnering with the judiciary and other justice sector stakeholders, as well as supporting and implementing legislative reform.

## Response to the Christchurch Masjid terror attacks

On 15 March 2019, 51 people were killed and many others injured in a terrorist attack on the Deans Avenue and Linwood mosques in Christchurch. The New Zealand court system and agencies supporting the victims, including Te Tāhū o te Ture, had not previously dealt with an event of this magnitude.

### Sentencing of the offender

One of the ways the Ministry responded to the attacks was to support the courts through the prosecution and sentencing of the offender. There were nine pre-trial hearings and the scale of the four-day sentencing event in August 2020 was a first for Aotearoa. The support provided by the Ministry was designed to give full effect to relevant statutory obligations under the Victims' Rights Act 2002 and to minimise the trauma experienced by victims and the community.

Over the prosecution process, the Ministry:

- helped affected communities engage with the court process by:
  - › making a dedicated group of Court Victim Advisors available
  - › appointing counsel to assist the victims
  - › establishing an Operational Support Group (made up of subject matter experts from the Muslim community with experience in psychology, mediation, law, policy and Islamic studies).
- ensured the safety and wellbeing of those involved in the sentencing hearing through cross-justice sector security planning and implementation
- supported the court to livestream the sentencing hearing to victims and family members who could not attend the hearing in person, across 26 countries
- provided interpretation of the sentencing hearing in 12 languages.

## Independent coronial investigation

The Chief Coroner is undertaking an investigation into the Masjid attacks. Over the last nine months, the Ministry has provided support to the Chief Coroner, including:

- funding five lawyers to represent the families of the Shaheed through the coronial process
- funding cultural advice to guide the Chief Coroner and staff working on the investigation on how to engage with the families and victims of the Masjid attacks
- supporting the Chief Coroner to communicate with families, including translating all significant communications and establishing a dedicated webpage that is regularly updated.

## Victim services

Our Ministry funds Victim Support to provide ongoing practical, emotional and financial support to victims of the Christchurch Masjid attacks. In 2020/21, Victim Support helped 720 people who were directly or indirectly affected by the attacks. This included family members of the deceased, people who were injured, and other survivors, witnesses, and accompanying support people.

Victim Support were recognised as a crucial source of support in the immediate aftermath of the attacks, and throughout the court process and Royal Commission of Inquiry. This included trauma counselling, support to attend court and help with travel for both international and domestic victims.

Most of this support has been through the Victim Assistance Scheme that provides grants to victims of serious crime to reduce the financial burden of victimisation and increase participation in the criminal justice system. In 2020/21, Victim Support distributed 938 grants to victims of the Masjid attacks.

Victim Support will continue to provide tailored support to the victims of the attacks and their families, both in person and remotely.

## Strengthening the Family Court

### Our response to Te Korowai Ture ā-Whānau

In May 2019, *Te Korowai Ture ā-Whānau: The final report of the Independent Panel examining the 2014 family justice reforms* was released. The report makes recommendations to ensure that tamariki affected by caregiving disputes receive appropriate support, representation, and protection in the justice system.

Click here to read the final report:

<https://bit.ly/3Bc0A3T>

In 2020/21, we collaborated with the Principal Family Court Judge to examine the issues affecting the Family Court, particularly those relating to the care of tamariki. This deep dive combined data insights with judicial experiences and the key themes from Te Korowai Ture ā-Whānau.

## Our people, our taonga: Meet the Court Victim Advisors of the Project Aroha tīma

In order to provide the best support possible to victims of the Christchurch Masjid attacks, the Project Aroha tīma was established to ensure that victims were at the heart of the mahi. The tīma worked to provide timely, coordinated and victim-centric information to help the victims and their families understand the court process and to engage with court events if they wished to.

The tīma was made up of people from across our Ministry, including experienced Court Victim Advisors (CVAs) from all around Aotearoa. The name 'Project Aroha' was chosen because the tīma wanted to reflect the inclusiveness of their mahi, due to the widespread effect the attacks had on the Muslim community, the wider Christchurch community and those across Aotearoa who were also affected.

This inclusive approach involved building and maintaining collaborative partnerships with other agencies, such as Police Family Liaison Officers, Victim Support and Ministry of Social Development Case Managers to ensure the information being given to victims was as clear and consistent as possible.

The unique nature of the case led to some additional arrangements to support and advise victims. For example, Te Tāhū o te Ture introduced the role of Counsel to Assist, who was an experienced Crown Lawyer. This was an innovative move to ensure that the Project Aroha CVAs were able to access expert advice regarding the prosecution, and then accurately explain this to the 300 victims and their whānau. The Counsel to Assist was also available for face-to-face meetings with victims and whānau.

Te Tāhū o te Ture also established an Operational Support Group to advise CVAs and other Ministry staff on cultural competency and trauma for the duration of the prosecution.



The sheer scale of the attacks and the impact on so many people meant there was a shift away from some established processes for the CVAs. This led to innovations in practice that benefit other victims of crime, including a greater knowledge and understanding of other cultures, a more sophisticated understanding of trauma and creative thinking when responding to victims' needs.

For the tīma members of Project Aroha, and for all our Ministry CVAs who support victims on the frontline, the mahi can be challenging and emotionally demanding as the support CVAs provided required respect for, and sensitivity to, the huge trauma suffered to victims and the effects on them and their families. The Project Aroha tīma learnt a lot about managing staff wellbeing that may benefit others who work with vulnerable and traumatised people. However, the gratitude, kindness and appreciation of the families was extremely rewarding.

### **Family Court (Supporting Families in Court) Legislation Act 2020**

New legislation took effect in July 2020 that restored the right to access legal aid or a private lawyer at the start of a Family Court care of tamariki hearing. Before the legislation change, participants weren't allowed legal representation in the early stages of on-notice proceedings under the Care of Children Act 2004, and instead were expected to represent themselves in court.

People can still choose to represent themselves if they want to. This initiative means more people can engage a lawyer in their care of tamariki proceeding. This is one of several initiatives aimed at strengthening the Family Court and supporting parents and whānau through often emotional and financially stressful proceedings.

### **Resources and Information for Care of Children**

The Resources and Information for Care of Children initiative is developing quality resources and information that will help tamariki, parents and whānau navigate care of tamariki matters, both in and out of court. We're doing this by working with stakeholders to create resources and information that are fit for purpose, accessible and available where and when people need them.

This initiative arose in response to Te Korowai Ture ā-Whānau's recommendation to develop cohesive and consistent information for tamariki, parents and whānau. A review of our current resources and information for care of tamariki matters identified that, overall, the resources and information aren't fit for purpose and don't reflect the needs of tamariki, parents and whānau.

Material will be produced in a range of languages and be available in digital and non-digital formats. Resources and information will be accessible, consistent and clear, regardless of disability, literacy level, age, family form, culture or ethnic background.

We're working with a range of stakeholders in Aotearoa New Zealand, gathering their feedback and insights to inform the design of key outputs. New resources and information, including high-level information summaries, a website refresh and other materials, will be deployed as they're developed.

### **Kaiārahi**

We have created 50 new Kaiārahi – Family Court Navigator roles to provide guidance and information about the resolution and support options available to parents, caregivers and whānau who are considering applying to the Family Court. The Kaiārahi will aim to improve family justice outcomes for parents, whānau and tamariki by empowering families to make informed decisions on appropriate justice pathways and how to access them. They'll also provide information about how to engage with the court for legal matters or how to access out-of-court services.

The people in these new roles will be a vital link between the community and the court – ensuring better access to justice. The creation of these roles will help to demystify the Family Court system and ensure parents, whānau and tamariki are well supported throughout the court process.

### **Enhanced remuneration for lawyer for child**

Several Family Law Acts enable the court to appoint a lawyer for child to represent and advocate for a child who is the subject of, or who is a party to, an application in the court. Lawyers who wish to be considered for this role must be approved by a panel chaired by a judge, and be skilled practitioners. Remuneration levels for this role had not increased since 1996.

To incentivise the retention of skilled lawyers and attract new and diverse practitioners to the workforce, the Government approved an increase to the hourly rate for lawyer for child. The increase was approved at a rate of 2.5 percent per year for four years, from July 2020.

## **Improving access to civil justice**

### **Growing our understanding of the civil justice system and its users**

We are working in partnership with the judiciary to improve access to justice in the civil jurisdiction. In 2020/21, this collaboration led to the development of an Access to Justice Advisory Group to focus on identifying and progressing both long and shorter-term initiatives in the civil jurisdiction.

The Advisory Group is working on the initial scoping and design of a legal needs survey to better understand civil justice system users, identify their unmet needs and enable an evidence base for future interventions, with a particular focus on people who may experience additional barriers to accessing justice, such as Māori and Pasifika, and people with disabilities. The survey will run in 2021/22, following a procurement process.

The Advisory Group has appointed a Working Group made up of people with legal backgrounds and/or community outreach experience to think about how to better coordinate the approach to access to civil justice across the sector. They have developed a draft national strategic framework and plan to conduct engagement on this in 2021/22.

The national strategic framework is intended to be a catalyst for developing a shared vision of civil access to justice across the sector. This will support and encourage innovation, increase coordination and communication, and provide a common framework for the sector to work towards when planning and coordinating their access to justice initiatives.

## **Enhancing our operations and services to support better access to justice**

### **Improving how the courts schedule hearings**

Over the last two years (excluding COVID-19 Alert Levels 3 and 4), we've improved scheduling effectiveness in the non-jury criminal jurisdiction by three percent (allowing for approximately 300 additional judge sittings to be scheduled).

We built on this success in 2020/21 by:

- reducing the average delay to hearings in the criminal jurisdiction
- having all courts use nationally consistent schedule information, and real-time information about what is scheduled in every courtroom
- tracking and monitoring trends in scheduling performance to proactively respond to the scheduling needs of each District Court and ensure courts can respond to priorities set by the Chief District Court Judge or our Ministry.

Our initial focus has been on the criminal jurisdiction of the District Court. Other courts and tribunals will become the focus going forward.

### **Improving our legal aid services**

Access to legal aid is an important part of Aotearoa New Zealand's justice system. It helps people to resolve legal problems that may go to court and ensures that people are not denied justice because they can't afford a lawyer.

In 2020/21, we improved this service by:

- streamlining our onboarding of legal aid lawyers, making it easier for applicants to apply and commence their mahi
- introducing an electronic operating model for all legal aid applications in legal aid sites (except those relating to the Waitangi Tribunal).

These changes have improved our timely provision of legal aid and helped eliminate backlogs in the number of court cases. They've also allowed us to shift our focus to improving the administration of legal aid files.

<sup>21</sup>Cases are brought to the civil court by individuals or organisations and sometimes local or central government to help settle a dispute. Civil cases are usually about people's rights. Generally, civil cases are not about breaking a criminal law. Criminal cases are brought to the court by the State or government to maintain law and order and to protect society.

### Simplifying payment of court fees

Participants in the courts may need to pay fees when providing documents for a case when holding a hearing, sealing documents or when providing copies of documents.

In 2020/21, we made it easier to pay these fees through an online service known as File and Pay, providing an easy alternative to paying fees in person or by post. Courts that can currently accept electronic document filing and payment through File and Pay are the Supreme Court, Court of Appeal and High Court.

**Click here to learn more about File and Pay:**  
<https://www.justice.govt.nz/file-and-pay>

### Reducing debt from unpaid fines

Our Ministry is responsible for the collection and enforcement of unpaid court-imposed fines, reparation and infringements referred to the court for collection<sup>22</sup>.

The effective collection of fines not only helps enhance their credibility as a sentencing option, but also lifts public regard for the administration of justice, and fosters respect for, and compliance with, the law.

Over time, we've introduced new and innovative ways to help people pay their fines, including:

- payment using credit, debit or prezzzy cards
- internet banking
- over the phone on 0800 4 FINES, or if overseas 1800 144 239 (if in Australia); or +64 4 915 8568 if calling from another country
- through a money transfer company.

We can see the difference these increased options are making. In 2020/21, our collections debt book for fines and reparations had the lowest balance of unpaid debt since 2003.

**Click here to learn more about how to pay fines:**  
<https://www.justice.govt.nz/about-fines>

### Modernising our criminal record check service

We've been providing a paper-based criminal record check service to individuals and third parties since 2004. Since then, the number of requests has grown to over 500,000 each year, requiring a high level of manual processing to keep up with service demand.

In 2020/21, we moved the service online, providing a consistent standard of service for both the fee structure and timeframes. As at 30 June 2021, our Ministry has received over 90,000 individual requests and over 66,000 third party requests through the new service. Paper applications have dropped significantly. Over 2,000 third parties have registered for the new service.

<sup>22</sup>We also help people resolve their outstanding legal aid debt, and work to serve court documents and the enforcement of civil judgments and orders on behalf of judgment creditors, where payment has been ordered by the court.



# Managing our corporate responsibilities

## Governance and risk management

### Providing governance

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

The Risk and Assurance Committee provides independent advice and observations to the Secretary for Justice on the quality of risk management processes; internal control mechanisms; internal and external audit functions; integrity of performance information; business improvement initiatives; governance framework and processes; and policies and processes adopted to ensure compliance with legislation, policies, and procedures.

Our governance model is made up of the following:

- **Board** – responsible for setting and monitoring progress towards our strategic direction and priorities.
- **Business Committee** – provides a weekly update of key business and operational events and news, which can include approval of time-critical governance or operational decisions if required.
- **Health, Safety and Security Committee** – 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.
- **Investment Committee** – helps ensure that investment in projects is made visible and governed in a consistent way across the organisation. It oversees the delivery of projects and sub-portfolios to support the realisation of our transformational and enduring strategic priorities.

In 2020/21, we initiated a refresh of this model to increase our Ministry's governance maturity. This mahi will continue in 2021/22.

### Managing risk

Effective risk management is critical to achieving our strategic objectives and responsibilities to Aotearoa New Zealand. Our SLT reviews strategic risks on a quarterly basis, with supporting analysis helping them make decisions to strengthen mitigation activities.

Business groups manage operational risks, and projects manage risks associated with transformational initiatives. The risk framework ensures this all happens in a clear, consistent, and holistic manner.

Our internal audit programme provides independent assurance to the Secretary for Justice and senior managers that our system of internal control is operating effectively. The Risk and Assurance Committee provides independent advice and supports the Secretary for Justice on risk management. Specific fiscal risks are reported to Treasury on a regular basis.

We collaborate with our justice sector partners to understand and manage sector-wide risks, while our continuous improvement approach to risk management sees us regularly refreshing our risk-related policies and processes.

## Ensuring our people have the tools they need

### Future-proofing courtroom technology

Our security, properties and technology enable the delivery of services provided by our Ministry, the judiciary and our sector partners. In 2020/21, we continued replacing old technology to reduce the risk of courts not being able to access and use our email service and audio-visual services.

### Rolling out new technology

Alongside working to replace existing legacy technology, we've been able to start implementing more modern capabilities. During the COVID-19 lockdown in 2019, we rapidly implemented tools to help our people stay connected and work remotely. We're building on this and have been piloting new tools to help us share and manage Ministry information and enable better collaboration across our workforce.

### Maintaining our properties

We have one of the largest property portfolios in the public sector, with a third assessed as in poor condition. In July 2020, Cabinet noted our Property Capital Works Plan 2020-2030, which confirms the mahi and investment necessary to address degraded building conditions, major upgrades, and planned new builds.

In line with this plan, we've been working on the improvements needed to make our properties secure and provide healthy working environments for our people. To further this mahi, Cabinet has approved funding for further investigation into the significant remediation required for eight of our courthouses.

We've also signed up with the Construction Sector Accord Network to support a high-performing construction sector for a better Aotearoa New Zealand, particularly in the post-COVID-19 environment. The Accord signals a new way for government and industry to partner together to address some of the longstanding and systemic challenges the construction sector is facing.

### **Supporting our people with working in a COVID-19 climate**

COVID-19 continues to influence the decisions we make regarding the physical safety and mental wellbeing of our people. It also informs our ongoing role to ensure courthouses are safe and free from health and safety issues, including ensuring we can provide our people with Personal Protective Equipment (PPE) and cleaning protocols. We also introduced health and safety business partners across Aotearoa to support keeping all our sites healthy and safe.

The ongoing impact of the pandemic highlights the importance of business continuity. We responded accordingly in 2020/21, conducting a Disaster Recovery test to assess the resilience of our critical IT systems. The results have enabled us to identify the capability we need to restore critical services.

We also continued upgrading and improving our technology infrastructure to support flexible working arrangements, while at the same time investing in technology foundations such as network connectivity and security improvement mahi.

The wellbeing of our people is priority and we're committed to providing the tools and resources to support mental and emotional wellbeing and resilience. The Employee Assistance Programme (EAP) is available to provide counselling support for personal or work-related issues. Family violence support is available through our family violence support people or through a range of external service providers.

### **Carbon Neutral Government Programme**

The Carbon Neutral Government Programme came into effect in 2020/21, placing expectations on all agencies to accelerate the reduction of emissions within the public sector.

We acknowledge, and are working towards fulfilling, our emissions reporting requirements under the Programme and have upgraded some of our fleet vehicles, purchasing 26 Electric Vehicles (EVs) and 105 hybrid vehicles. We'll complete the roll-out of these vehicles in 2021/22, making three quarters of our fleet low or zero emission vehicles, and reducing our vehicle emissions by approximately 46 percent in the first year.

Where practical, our Ministry is aiming for 100 percent of our fleet (currently 160 vehicles) to be fully electric in the future, provided future EV models meet our requirements for size and battery range. We'll use data collated from our vehicles to regularly assess and identify where we can reduce our fleet size and further emissions.

We also became members of the Green Building Council in 2020 and will investigate Green Star building certification for upcoming major property refurbishments and new builds.

## **Health and Safety**

### **Our commitment to a safe and healthy workplace**

We're committed to providing a safe and healthy workplace for our people and participants. The broad range of services we offer means we have a complex range of health and safety critical risks. These include on-site and off-site violence, driving, communicable diseases (including COVID-19), psychosocial risks and musculoskeletal risks.

The Health, Safety and Security Committee includes members from the SLT and meets monthly. This committee ensures our Ministry meets its obligations under the Health and Safety at Work Act 2015, Protective Security Requirements, and the Court Security Act 1999. The National Health and Safety Committee, comprised of health and safety representatives from around the country, also meets monthly to co-ordinate on issues to support our Ministry's Strategy.

### ***SafePlus compliance with Health and Safety at Work Act 2015***

In September 2020, a SafePlus Assessment was completed across Te Tāhū o te Ture. SafePlus is a voluntary health and safety performance improvement toolkit for organisations. It defines what good health and safety should look like, above minimum legal compliance. This assessment found Te Tāhū o te Ture to be compliant with meeting legislative obligations under the Health and Safety at Work Act 2015.

### ***Launch of managing abusive and threatening behaviour workshops***

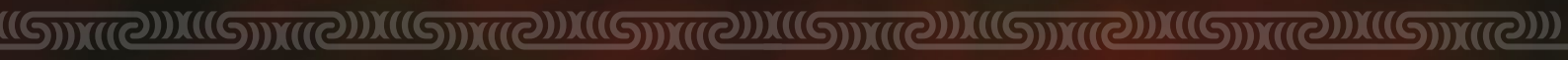
This course, specifically designed for our people, helps staff who are in contact with the public to develop skills to prevent or respond to incidents of verbal or physical abuse or other threatening behaviours.

# TOWARDS TRUE TREATY PARTNERSHIP



## Our Annual Report for 2020 to 2021

The Office for Māori Crown Relations — Te Arawhiti was established on 1 January 2019 as a departmental agency hosted by Te Tāhū o te Ture – Ministry of Justice.





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# Introduction from the Tumu Whakarae



*Tātai whetū ki te rangi, mau tonu mau tonu; tātai tāngata ki te whenua, ngaro noa, ngaro noa. Na reira e ngā mate hāere ki te pūtahitanga o Rēhua, ki te huinga o te kahurangi, ki reira oti atu ai. Ki a tātou te hunga ora, tena tāto e whai tonu nei i nga wawata a rātou ma, kia whītiki i nga taha e rua, ara a Te Arawhiti e.*

Stars adorn the heavens, standing eternally; humanity adorns the land, bound to perish. We lament our dearly departed as they ascend to the highest heavens. We strive to carry their legacy and aspirations for us, binding and joining as Te Arawhiti.

Despite the disruption caused by the COVID-19 pandemic, Te Arawhiti had a very productive year for 2020-2021 that we can look back on with pride. There was much achieved by our relatively small team and I would like to signal some of the highlights of the year.

**In our focus area of restoring the Treaty partnership**, key achievements included recognising a new mandate to enter into Treaty of Waitangi negotiations with Mōkai Pātea, signing a terms of negotiation with Waikato-Tainui for their remaining Treaty claims and initialling four deeds of settlement with Ngāti Rangitīhi, Ngāti Maru (Taranaki), Maniapoto and Te Ākitai Waiohū.

In addition, three deeds of settlement were signed with Ngāti Rangitīhi, Ngāti Maru (Taranaki) and Ngāti Paoa, two pieces of settlement legislation introduced with Ngāti Rangitīhi and Ngāti Maru (Taranaki), and one piece of settlement legislation enacted for Ngāti Hinerangi.

In working with groupings of ngā hapū o Ngāpuhi, we began developing mandate proposals to enter Treaty discussions. It is great to see a hapū-led process starting to gain momentum and we are looking forward to continuing this mahi.

We worked with groups who have applied for recognition of their customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011. We recognised eight Customary Marine Title areas in Ngā Rohe Moana o Ngā Hapū o Ngāti Porou and supported the Attorney-General in four High Court hearings. One of them, Re Edwards (Te Whakatōhea No. 2), is the first substantive judgment issued under the Takutai Moana Act to have considered a significant number of overlapping applications.

Despite the challenges of the COVID-19 restrictions, we also worked with 170 applicant groups regarding the Crown's draft Takutai Moana Engagement Strategy and comprehensive review of the Takutai Moana Financial Assistance Scheme.

**In our endeavours to sustain the Treaty partnership**, we engaged with over 40 Post-Settlement Governance Entities and worked hard with PSGEs and Crown agencies to resolve over 20 post-settlement issues. We also provided advice on 50 engagement processes, including significant engagement relating to reforms in the natural resources space - for example, Three Waters, Resource Management Act, and Freshwater Policy.

Te Arawhiti also plays a unique role by helping to resolve issues as to whether Crown actions or policies from 1992 to the present day are consistent with the Treaty. In 2020-21, we provided strategic support and advice to government agencies on a range of contemporary Treaty issues, including matters that have arisen in response to Waitangi Tribunal claims and inquiries.

As an example of this work in practice, we have helped agencies test how the Crown can support the growth of the kōhanga reo movement, and we have also advised on the Crown's approach to the proposed Kermadec/Rangitāhua Ocean Sanctuary. We also supported the Crown's response to current kaupapa inquiries such as the Housing Policy and Services Kaupapa Inquiry and the Mana Wāhine Kaupapa Inquiry.

**As we build towards true Treaty partnership**, in the 2020/21 financial year we agreed on a new way of working with the national iwi chairs through a new Statement of Engagement. This framework organises Ministers across government, and Chief Executives to work directly with iwi chairs and their Chief Executives on a set of social, economic, environmental and cultural priorities for the next 12 months. These priorities are organised into agreed work programmes across areas like Oranga Tamariki, the Resource Management Act, COVID-19 recovery, and housing.

**We have also led out strongly on building public sector capability.** Whāinga Amorangi is a capability framework we developed in 2020 to assist all Public Service Chief Executives to lift their personal capability as well as their agency's capability to work with Māori. It is now a part of the public service fabric and demonstrates the importance of learning basic competencies in order to service the public and Māori.

Last year to support Whāinga Amorangi, we provided guidance to agencies on how to engage effectively with Māori through the delivery of 17 "Introduction to Engaging with Māori" workshops to 15 central government agency's. To date, our workshop delivery has included 21 out of 36 central government agencies.

An example of our mahi across the public sector is an initiative which will benefit all Aotearoa New Zealand - the first Matariki public holiday. Using its philosophy of partnership, Te Arawhiti has ensured that mātauranga Māori has been at the forefront of the planning as to when and how the new Matariki Public Holiday will be celebrated.

We have also ensured that while our organisation works with our Treaty partners, our systems and processes as an organisation remain fit for purpose and that our most important resource – our people – are getting the support they need to feel confident and happy in their mahi and to do it to the best of their ability.

Our People Strategy – He Tangata 2021-2024 was launched in May 2021. It is a pathway for how Te Arawhiti will develop and evolve our people programmes and processes to enhance capability and performance over the next three years.

We want an inclusive and kind workplace which develops a high performing team of great people working with excellent processes and systems. It is only with such solid foundations that we can continue to provide outstanding service to Government, iwi Māori and Aotearoa New Zealand.



**Lil Anderson**

Tumu Whakarāe - Chief Executive  
The Office for Māori Crown Relations – Te Arawhiti

# Who we are and what we do

## Our purpose

Our name, Te Arawhiti, means 'the bridge'. This name symbolises the bridge between Māori and the Crown, and the past and the future.

The purpose of Te Arawhiti, the bridge, is to help guide the Māori Crown relationship from historical grievance towards true Treaty partnership, and to help guide the Crown, as a Treaty Partner, across the bridge into Te Ao Māori.

Our foundation as an organisation is reflected in our strategic intent, our values and our priorities. Our strategic intentions to restore, sustain and build the Māori Crown relationship towards true Treaty partnership, and our values - Mahi Tahī, Pono ki te Kaupapa, and Atawhaitia – underpin the work we do. These foundations of partnership help shape the Māori Crown relationship. They provide us a clear direction to work alongside other public sector agencies to engage with Māori and influence positive outcomes for whānau, hapū, iwi and Māori communities throughout Aotearoa.

Te Arawhiti is the steward for Māori Crown relations across government. As an enabling agency, we enable the restoration of the Crown's relationship with Māori through the settlement of historical breaches of the Treaty of Waitangi and by assisting in the recognition of customary rights to the Takutai Moana. We sustain the Māori Crown relationship by upholding the Crown's settlement commitments and by putting the Treaty at the heart of Government policy, and we build the Māori Crown relationship by realising Māori aspirations through lifting public service capability to engage and partner with Māori.

## Our role

Te Arawhiti is a departmental agency hosted by Te Tāhū o te Ture – the Ministry of Justice. We have 180 staff based in our Wellington office. We support the Minister for Māori Crown Relations: Te Arawhiti and the Minister for Treaty of Waitangi Negotiations.

The functions of Te Arawhiti include:

- overseeing Treaty settlement negotiations and policy
- supporting the Crown in ensuring it meets its Treaty settlement commitments
- administering and overseeing the Marine and Coastal Area (Takutai Moana) Act 2011
- providing strategic advice on the Māori Crown relationship
- monitoring the health of the Māori Crown relationship across government
- strengthening public sector capability to meaningfully engage with Māori
- providing strategic leadership and advice on contemporary Treaty issues
- brokering solutions to challenging relationship issues with Māori
- developing collaborative partnership principles to support agencies deliver optimal social, environmental, cultural and economic development solutions
- providing strategic advice on Māori Crown relationship risks and opportunities
- coordinating significant Māori Crown events on behalf of the Crown.



# TOWARDS TRUE TREATY PARTNERSHIP

## RESTORE

- » Settle historical Treaty claims
- » Resolve longstanding and contemporary issues
- » Engage with Māori on Takutai Moana

**Mahi Tahī**

## SUSTAIN

- » Uphold the Crown's Treaty settlement commitments
- » Actively support Crown agencies to engage effectively with Māori
- » Put the Māori Crown relationship at the heart of policy development

**Pono ki te Kaupapa**

## BUILD

- » Lift public sector capability to work with Māori
- » Broker Māori Crown partnerships
- » Partner in COVID-19 response and recovery

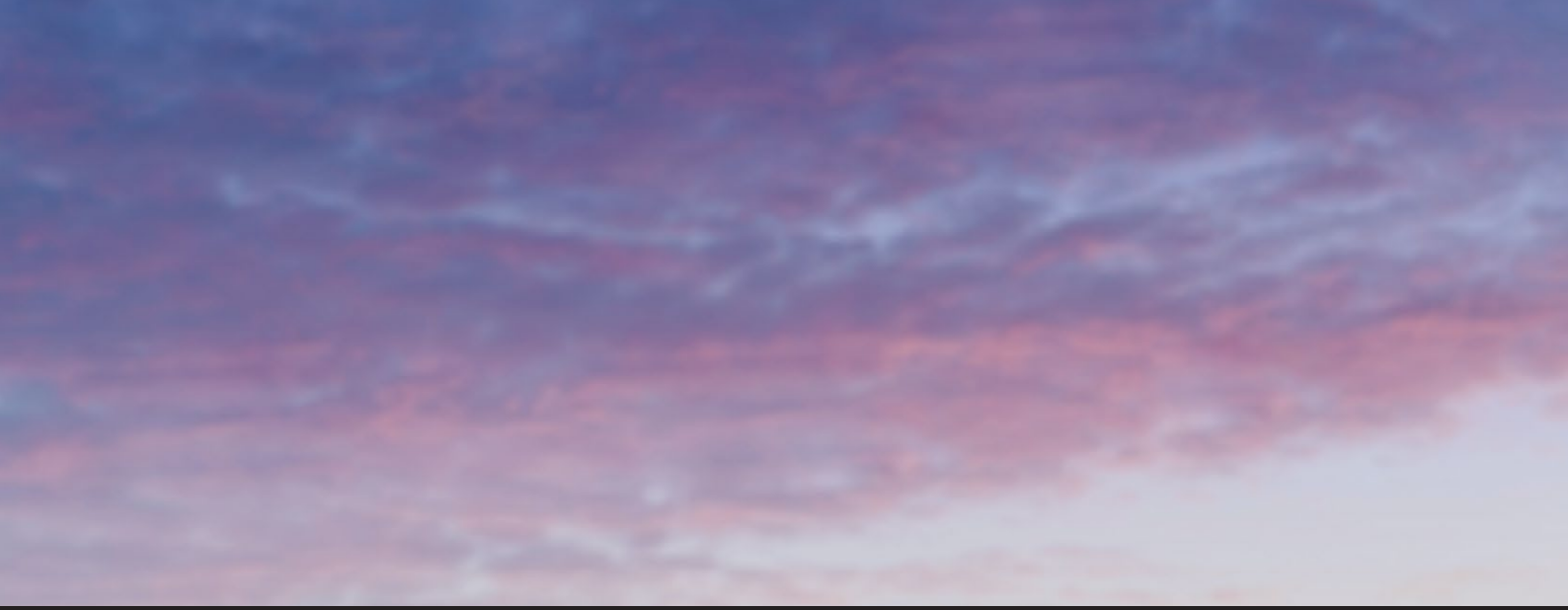
**Atawhaitia**

Working together in good faith with humility and authenticity



**Te Arawhiti**

THE OFFICE FOR MĀORI CROWN RELATIONS



**What we achieved this year**



# Restore

- Settle historical Treaty claims
- Resolve longstanding and contemporary issues
- Engage with Māori on Takutai Moana

*To build closer partnerships with Māori, we are focusing on addressing breaches of The Treaty of Waitangi. By addressing these issues, we can restore and move forward with renewed relationships built on trust and confidence.*

## Settle historical Treaty claims

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

This year, we have made some important steps in the settlement process by achieving the following milestones:

- a recognised deed of mandate with Mōkai Pātea
- signed terms of negotiation with Waikato-Tainui for the remainder of their Treaty of Waitangi claims – this marks the start of negotiations with the Crown for the settlement of the remaining historical Treaty of Waitangi claims on behalf of Waikato-Tainui
- initialled deeds of settlement with Ngāti Rangitihi, Ngāti Maru (Taranaki), Maniapoto and Te Ākitai Waiohūa respectively
- signed deeds of settlement with Ngāti Rangitihi, Ngāti Maru (Taranaki) and Ngāti Paoa respectively
- settlement legislation introduction for Ngāti Rangitihi and Ngāti Maru (Taranaki) respectively
- settlement legislation enactment for Ngāti Hinerangi

## Resolve longstanding and contemporary issues

Our mahi in this space is about Te Arawhiti leaning into issues across the Crown to develop fair resolutions that support and advance the Māori Crown relationship. We help agencies improve the effectiveness of Crown policy and actions.

Contemporary Treaty issues cover questions about whether Crown actions, omissions or policies from 1992 to the present day are consistent with the Treaty of Waitangi and its principles. We play a unique leadership role by:

- helping agencies establish a way to deal with issues as they arise
- supporting the Crown to be proactive in ensuring our policy, regulatory and service delivery functions are consistent with the Treaty
- supporting and helping agencies ensure Māori rights and interests are appropriately provided for.

## Progress of negotiations this year

This year we worked alongside ngā hapū o Ngāpuhi to develop mandate proposals to enter Treaty discussions. So far one hapū grouping has been confirmed and mandate development is ongoing with others. The Crown also established Tupu Tonu – Ngāpuhi Investment Fund Limited. This fund is a Crown company with initial capital of \$150 million, which aims to grow the fund and a portfolio of assets in the coming years. This mahi is laying the foundation for significant progress in coming years.

This year has also seen significant progress in the Ngāti Rangitihi Treaty settlement. Ngāti Rangitihi and the Crown have initialled and signed the deed of Settlement and introduced the Ngāti Rangitihi Claims Settlement Bill into the House of Representatives. The Ngāti Rangitihi settlement includes an acknowledgement of the Crown's failure to protect the Tarawera awa from pollution, which is the first acknowledgement of its kind. It also establishes the Tarawera Awa Restoration Strategy Group, which is tasked with the important role of restoring the mauri of the awa. The settlement also includes the vesting of 19 cultural redress sites, including at Tapahoro (the 'beating heart' of Ngāti Rangitihi rohe), and Waimangu Volcanic Valley (which Ngāti Rangitihi plan to share with their close neighbours, Tūhourangi).

Our mahi takes many forms, including:

- helping agencies to apply *Cabinet Office Circular CO (19) 3: Better Co-ordination of Contemporary Treaty of Waitangi Issues* to their mahi
- guiding and helping agencies as they approach the Waitangi Tribunal's kaupapa inquiry programme, which hears and reports on issues of pan-Māori or national significance.

This year, we provided strategic leadership and advice to agencies on a range of contemporary Treaty issues, including:

- how the Crown can support the growth of the kōhanga reo movement
- supporting the Crown response to freshwater issues

- advising on the Crown approach to the proposed Kermadec/Rangitāhua Ocean Sanctuary
- supporting the Crown response to current kaupapa inquiries (including Wai 2750: The Housing Policy and Services Kaupapa Inquiry and Wai 2700: The Mana Wāhine Kaupapa Inquiry) by being active members of the Cross-Agency Steering Groups
- supporting the development of Crown Treaty of Waitangi breach concessions to ensure they are authentic, mana-enhancing and consistent with the Crown approach
- matters that have arisen in response to Waitangi Tribunal claims and inquiries.

## Working to support contemporary issues

As a steward of the Māori Crown relationship, our mahi in this space is two-fold: finding an enduring outcome and helping restore the mana and balance of relationships.

Our mahi relies on strong relationships and the restoration of trust. With that in mind, we have been working alongside and supporting the Māori Spectrum Working Group over the year. We have been working together with the Ministry of Business, Innovation and Employment and Te Puni Kōkiri to support the Māori Spectrum Working Group to co-design a package to enable Māori participation in radio spectrum management and to forge a mature and adaptive partnership for the future. This area of our mahi provides a space where te ao Māori perspectives and insights are pivotal in moving the Māori Crown partnership forward.



## Engage with Māori on Takutai Moana

We work with whānau, hapū and iwi who have applied for recognition of their customary rights directly to the responsible Minister or through the High Court, under the Marine and Coastal Area (Takutai Moana) Act 2011.

We support applicants to progress their applications and advise the responsible Minister on the assessment of applications under the Takutai Moana legislation. We administer financial assistance to applicants, deliver a historical research programme and maintain the public Geographic Information System platform: Te Kete Kōrero a Te Takutai Moana Information Hub (Kōrero Takutai) to support the consideration of applications under the Act. We also support the Attorney-General in the High Court by providing research and other information.

This year, we have:

- recognised eight Customary Marine Title areas in Ngā Rohe Moana o Ngā Hapū o Ngāti Porou
- supported the Attorney-General in four High Court hearings, including Re Edwards (Te Whakatōhea No. 2), the first substantive judgment issued under the Marine and Coastal Area (Takutai Moana) Act 2011 to have considered a significant number of overlapping applications
- participated in the Waitangi Tribunal Marine and Coastal Area (Takutai Moana) Act Inquiry (Wai 2660) stage two
- while adhering to COVID-19 Alert Level restrictions, engaged directly with 170 applicant groups and emailed all applicant groups regarding the Crown's draft Takutai Moana Engagement Strategy and comprehensive review of the Takutai Moana Financial Assistance Scheme
- completed a comprehensive review of the Takutai Moana Finance Assistance Scheme. This review supports policy mahi that will develop options for changes to the scheme in consultation with applicant groups
- developed and launched the new Takutai Moana Engagement Strategy, enabling the Crown to better support all applicants to progress their applications.

## Takutai Moana Engagement Strategy

Following extensive engagement with applicant groups and considering the outcomes of the Waitangi Tribunal Marine and Coastal Area (Takutai Moana) Act 2011 Stage One inquiry, the Minister for Treaty of Waitangi Negotiations, Andrew Little, announced a new Takutai Moana Engagement Strategy on 12 June 2021 at Kaiuku Marae in Māhia.

The new approach set out in the Strategy aims to provide more timely, fair and transparent determinations compared to previous approaches. By putting more resources into supporting whānau, hapū and iwi, and promoting collaborative engagement with all applicants across 20 coastal areas, we expect that all applicants will have a determination of their application within 10 to 20 years.

The Strategy sets out that Te Arawhiti will work with applicant groups across three stages:

- 1. An initial engagement phase where the Crown and applicants agree the approach to their coastline.**
- 2. A research and evidence-gathering phase that focuses on the mahi of gathering evidence of customary interests.**
- 3. A recognition and determination phase that puts the evidence to the decision maker, either the Minister or the High Court, and then gives legal effect to determinations made.**

Under the Strategy, we will initially focus on working with applicant groups to build our understanding of their connection to the Takutai Moana, their tikanga, and their aspirations.

All applicants will have the opportunity to engage with the Crown about the progress of their applications, whether they have applied for recognition of their customary rights directly to the Crown or to the High Court. This will help to ensure greater consistency between these two pathways. Engagement can begin once applicants are ready.

We will work with applicants to provide support. This will ensure all applicants are well placed to progress applications, prepare historical research and evidence and work through shared or overlapping interests.

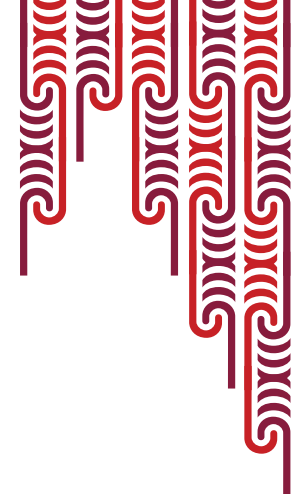
# Sustain

- Uphold the Crown's Treaty settlement commitments
- Actively support Crown agencies to effectively engage with Māori
- Place the Māori Crown relationship at the heart of policy development

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As we continue to settle historical claims, we are focused on sustaining ongoing Māori Crown relationships beyond settlement documents. We do this by ensuring we uphold Crown Treaty settlement commitments and promote partnership opportunities that may present themselves post settlement.

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## Uphold the Crown's Treaty settlement commitments

Treaty settlements provide a platform for a renewed relationship between Māori and the Crown, based not on grievance and transactions but genuine opportunity and partnership. Keeping that in mind, we work to ensure settlements support partnerships in three key ways:

- supporting iwi and agencies to implement commitments and resolve post-settlement issues
- providing advice on the impacts of policy initiatives on the durability of settlements
- fostering and growing partnerships with groups who have reached settlement.

This year, we have:

- engaged with 41 post-settlement governance entities and resolved 23 post-settlement issues, including the Crown's role in debts inherited by Te Rūnanga Nui o Te Aupōuri Trust from the Aupōuri Māori Trust Board when it was disestablished

- provided settlement durability advice to Ministers and agencies on:
  - COVID-19 Recovery (Fast-track Consenting) Act 2020
  - proposed reforms to the Resource Management Act
  - the transfer of Crown Forest Licensed Land
- developed draft guidance for:
  - amending settlements in situations where this is required to uphold the integrity of settlements
  - supporting Crown agencies undertaking development projects to ensure they include adequate protections for Māori interests and Treaty settlements.

## Te Pou Tupua, the 'human face' of the Whanganui River

Te Pou Tupua is the legal representative of Whanganui River under the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017. The terms of its appointees were due to expire on 3 September 2020. On 25 March 2020, the day of the nationwide COVID-19 Alert Level 4 lockdown, the post-settlement governance entity, Ngā Tāngata Tiaki o Whanganui Trust (Ngā Tāngata Tiaki), and Te Arawhiti discussed the impact of Alert Level restrictions on the process to make appointments to Te Pou Tupua by 3 September 2020.

The nomination process was scheduled to begin in March but was delayed due to the COVID 19 response. Given the process is joint, both the Ministry for the Environment (the Crown's lead) and Ngā Tāngata Tiaki were yet to formally commence the appointment process. The roles would have fallen vacant if appointments were not made by September.

The inaugural 2017 appointments process took over six months to complete. For that reason, it was not possible for the Crown and the eight iwi with interests in the Whanganui River to conduct the joint appointment process under the Settlement Act. Ngā Tāngata Tiaki requested a legislative amendment to enable current appointees (Turama Hawira and Dame Tariana Turia) to continue in the interim.

We proposed amending the Settlement Act to ensure Te Pou Tupua is not left vacant at the end of the current term or in any other exceptional circumstances. A vacancy would have created substantial legal and reputational risks and the office of Te Pou Tupua would have become inoperative. The risks of doing nothing also included risks to the durability of the settlement and flow-on effects to the Crown's relationship with Whanganui iwi and potentially the other seven iwi with interests in Whanganui River.

On 3 August 2020, Cabinet agreed to an Immediate Modification Order to modify the Settlement Act to extend the first appointees' three-year term for Te Pou Tupua by nine months.

On 24 August 2020, Cabinet approved the Immediate Modification Order, which was then signed by the Governor-General on the same day, ensuring that the current appointees could stay in term for a further nine months. Te Arawhiti is now seeking the inclusion of a continuity clause in the Settlement Act through the next Statutes Amendment Bill, which will prevent the same situation occurring in the future.

## Actively support Crown agencies to engage effectively with Māori

Over the last year, we have continued to actively support and advise the Crown on engagement with Māori in accordance with Cabinet's Crown Engagement with Māori Framework and Guidelines. Effective and meaningful engagement with Māori is crucial to generate better quality outcomes, nurture Māori Crown partnerships, and uphold the Crown's Treaty commitments.

Engaging with Māori is a focus area in the individual component of the Māori Crown Relations Capability Framework. The Framework is intended to provide a more coordinated approach to capability building across the public service. The Framework is split into three parts: The two capability components and a survey. We developed the 'Introduction to Engaging with Māori' workshop to raise awareness of our engagement tools to help lift individual capability.

Over the last year, we have provided advice on 50 new engagement processes, including significant engagement relating to reforms in the natural resources space. We have also delivered 17 'Introduction to Engaging with Māori' workshops to 15 central government agencies and 45 engagement workshops to 21 out of 36 central government agencies.

To support leaders and individuals who have participated in this workshop or have more experience engaging with Māori, we are in the process of developing a 'train-the-trainer' workshop that assists agencies to deliver their own Engaging with Māori workshops.

## How our guidance is used by other agencies to strengthen the Māori Crown relationship

Te Kāhui o Taranaki Trust approached the Ministry of Business, Innovation and Employment in 2020 to partner with the Crown on the decommissioning of the Tui oil fields approximately 50 kilometres off the coast of Taranaki. The Trust referenced our Guidelines for Engagement with Māori and highlighted this was a 'significant' kaupapa for them. We provided advice in 2020 to the Ministry of Business, Innovation and Employment that this was an excellent partnership opportunity.

In March 2021, the engagement continued with the Ministry of Business, Innovation and Employment and the Trust signed an agreement formalising iwi input into the project. The decommissioning of the oil field is ongoing but there has been a positive response from iwi to the Ministry of Business, Innovation and Employment's engagement with them on this project.

## Put the Māori Crown relationship at the heart of policy development

Our mahi in this space is all about embedding the Treaty of Waitangi into policy and lifting capability across the Crown to do this consistently and effectively. Being a better Treaty partner means ensuring that government policies are consistent with the Treaty and inclusive of te ao Māori perspectives. We work with agencies as they consider Māori rights and interests across their mahi including by engaging effectively with Māori to understand those perspectives.

In practical terms, we support:

- agencies to apply Cabinet Office Circular CO (19) 5 Te Tiriti o Waitangi/Treaty of Waitangi Guidance, meaning we get involved across the full range of the government's reform agenda. We help agencies to consider the Treaty of Waitangi in policy design and implementation
- Ministers' understanding and consideration of Māori Crown relations policy issues across the system
- government agencies to engage authentically with Māori. We know genuine and humble engagement leads to better kōrero, policy design and a strengthened Māori Crown relationship.

As the Māori Crown relationship continues to grow and evolve, our mahi to embed the Treaty in policy and support agencies to lift their Māori Crown capability has seen us get involved in a range of policy and reform issues. This year, we have provided advice on over one hundred Cabinet papers, covering topics as diverse as housing and urban development, the COVID-19 vaccine rollout, resource management, and the Three Waters Reform Programme.

Resource Management reform is a major priority for this government. We recognise the scale and diversity of Māori interests in this space and so this has been a big focus of our mahi over 2020/21. Te Arawhiti has worked with government agencies to ensure that Māori rights and interests and the Treaty relationship are built into the design of the new resource management system. We will continue to prioritise this mahi as it is a pivotal opportunity for Māori Crown relations.







## Working with other agencies on the Resource Management reform to put the Māori Crown relationship at the heart of policy development

Resource Management reform is a major priority for the government. We recognise the scale and diversity of Māori interests in this space and so this has been a big focus of our mahi over the year. We have worked with Ministers and government agencies to ensure that Māori rights and interests and the Treaty relationship are built into the design of the new Resource Management system. This is also reflected in the key recommendations of the independent Resource Management Review Panel chaired by retired Court of Appeal Judge, Hon Tony Randerson, QC.

We have been an active participant in this space over the year. We have advised on the wide-ranging engagement necessary to include Māori in the plans for system reform. This has included how to uphold Treaty settlements and Takutai Moana customary interests. We considered connections between Resource Management Act reform and Māori interests in other government initiatives like housing and Three Waters reform (drinking water, storm water, wastewater). We also considered the continual need to provide for existing Treaty settlement arrangements in the new regime and how partnership with Māori could be reflected across different levels of the resource management regulatory system.

We will continue to prioritise this mahi as it is a major opportunity for Māori Crown relations.



# Build

- Lift public sector capability to work with Māori
- Broker Māori Crown partnerships
- Partner in COVID-19 response and recovery

The gains achieved through restoring Māori Crown relationships provide the platform for sustained, long-lasting change and partnership opportunities that look towards the future. The build phase therefore focuses on ensuring the relationship is moving towards true Treaty partnership.

## Lift public sector capability to work with Māori

We are aiming to strengthen public sector capability to work with Māori and ensure the public sector can build on our relationships with Māori and enter into enduring partnerships that build mana of all parties.

Utilising the Minister for Māori Crown Relations: Te Arawhiti engagement hui in 2018, we have been able to describe the standard and direction for transformation of the public sector's capability to meaningfully engage and partner with Māori, to build relationships that are enduring, authentic and that result in better outcomes for our Treaty partners.

### Working with public service leaders

In order to support Māori Crown relations capability expectations established through the 2020 Public Service Act, we developed Whāinga Amorangi, a capability framework to support all public service Chief Executives to lift their own, and by extension, agency's capability to work with Māori. In 2021, all 36 Chief Executives of the core public service departments signed agreements to implement Whāinga Amorangi across their agencies.

### Support partner agencies with their capability-building journeys

We are committed to providing additional support to seven priority agencies, including Kāinga Ora, Ministry of Housing and Urban Development, Ministry for the Environment, Ministry of Education, Department of the Prime Minister and Cabinet, the Public Service Commission and Oranga Tamariki. We have established relationships with each of these agencies and supported them to embed both the individual and organisational capability expectations across their organisations. We have listened to their needs and continue to provide tailored support to each of them, particularly as they build their Whāinga Amorangi plans.

## Develop and advise on cross-government tools

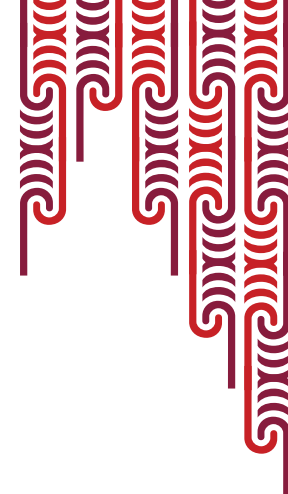
Cross-government tools present an opportunity to improve Māori Crown relations capability across the whole public sector, rather than one agency at a time. For example, we work with Te Kawa Mataaho (Public Service Commission) to utilise the latest public service census to gain key data and information about capability as per the Health of the Māori Crown Relationship Framework. Establishing a baseline and understanding of capability across the public service will inform future priorities and initiatives, as well as measure the impact of what agencies are in the process of implementing.

We also provided advice on the Leadership Development Centre's 'Leadership Development Guides', the Government Centre for Dispute Resolution's 'Dispute Resolution Model Standards', and the Policy Project's 'Community Engagement Guides.'

### Māori within the public service

We encourage leaders within agencies to include Māori staff in the development of their Whāinga Amorangi plans and to take responsibility for building the capability of all staff, whatever their level of capability may be.

Through this mahi, the needs of Māori public servants and what is required to support them at a system level is a key area going forward. We are working with the Public Service Commission on this kaupapa.





## Whāinga Amorangi: Transforming Leadership

We developed Whāinga Amorangi: Transforming Leadership to help Chief Executives meet their responsibilities under the Public Service Act 2020. Whāinga Amorangi is a coordinated approach across the public service to building public sector capability through development of tools and resources.

Fundamental to the success of Whāinga Amorangi is the focus placed on leaders to build their own capability. In focusing on their capability, leaders will become a role model for their people, inspiring and empowering them to go on their own journey.

All 36 public service Chief Executives have committed to Whāinga Amorangi which means they have committed to fostering their capability and developing a plan for their people to do the same. Agencies are expected to submit these plans to us in August 2021 and report on their progress in their annual reports.

Whāinga Amorangi is ambitious, but now more than ever, public servants must be better equipped to engage and partner with Māori on significant issues. Capability-building is not a one-off or 'tick the box' exercise; it is a commitment to enduring change, being the difference and modelling positive behaviours. All public service agencies will continue to monitor, report on, and adapt their Whāinga Amorangi plans over time.

### Broker Māori Crown partnerships

The government is committed to supporting opportunities for Māori Crown partnerships that uphold and build mana of both parties. We are always looking for opportunities to strengthen the partnerships between Māori and the Crown across government. We do this by supporting agencies where relationships are complex, providing guidance and advice on partnerships and identifying partnership opportunities. We also work with post-settlement governance entities on post-settlement engagements.

Our key achievements this year include:

- continuing to lead the implementation of the National Iwi Chairs Forum Statement of Engagement by supporting agencies responsible for aligned priorities to work at a rangatira ki te rangatira level to progress their work programmes. We are also working with the various Crown agencies and iwi pou to develop a monitoring and evaluation framework for the shared work programme
- working with Māori to develop a framework to track the health of the Māori Crown relationship. This year, we have completed the preliminary groundwork to pilot the health of the Māori Crown framework in the Māori housing domain. The pilot will be used to understand the maturity of the relationship and provide a basis for the Crown to work with Māori in taking steps towards building stronger partnerships
- supporting the Māori Crown relationship through the Whai Hononga programme, which provides funding to support Māori Crown events across Aotearoa. This year, the Whai Hononga programme supported four Māori-Crown events:
  - Whakaari He Rā Whakamaumaharatanga commemorating one year since the eruption of Whakaari-White Island
  - Waitangi Week 2021 in Waitangi
  - He Rua Whakautu mō te Riri – Te Ruapekapeka Pā 175th Anniversary, an event to unveil a memorial erected at Te Ruapekapeka pā for 12 British servicemen
  - Ngāti Pūkenga – He Tūruapō: Visions of iwi futures, celebrating Māori Leaders
- providing partnership support and brokering across government to help Māori to connect with the Crown, and the Crown to connect with Māori, to ensure positive and sustainable outcomes:
  - Heretaunga-Tamatea Settlement Trust - we supported both the Trust and the Ministry of Housing and Urban Development to resolve some concerns affecting their working relationship
  - we connected Ngāi Tai ki Tāmaki Trust with the right contacts within Kāinga Ora to assist with issues the Trust had been encountering in their housing developments
  - Taranaki Whānui ki te Upoko o Te Ika - In 2019, \$4 million was allocated to the Watts Peninsula project led by the Minister for Land Information. Funding will provide recreational, safety and cultural benefits through the establishment of a reserve at Watts Peninsula in Wellington. Te Arawhiti and the Department of Conservation are supporting Land Information New Zealand to brief all relevant Ministers on Watts Peninsula discussions
  - providing support to Te Whānau a Rangiwahakaahu to engage with Crown Property at Land Information New Zealand to provide lease information to Rangiwahakaahu. Land Information New Zealand has now confirmed that it received and approved the application from Rangiwahakaahu
  - brokering an opportunity for the Ministry of Housing and Urban Development to meet with Ngāti Rēhia together with Te Puni Kōkiri and Kāinga Ora to discuss Ngāti Rēhia's housing aspirations. At this meeting, Te Puni Kōkiri and Kāinga Ora agreed to undertake a site visit to determine potential housing locations. The Ministry of Housing and Urban Development will continue to work with Ngāti Rēhia to build their capability in supporting Ngāti Rēhia's development aspirations
  - Project Tāwhaki is a Māori Crown partnership with Te Papatipu Rūnanga (Te Taumutu Rūnanga and Wairewa Rūnanga) to realise joint economic, environmental and cultural interests on Kaitōrete Spit. We had been providing engagement advice throughout the year on this cutting-edge project.



## Working in partnership

We have been working with the Ministry for Business, Innovation and Employment and an independent Matariki Expert Advisory Group to establish the foundations of the first Matariki Public Holiday. As a result of taking the Māori Crown partnership approach, mātauranga Māori has been at the forefront of advice provided to the Crown as to when and how the new Matariki Public Holiday should be celebrated.

We have also worked with the Ministry for Business, Innovation and Employment and the Parliamentary Counsel Office in developing dual-language legislation to commemorate Matariki.



## Partner in COVID-19 response and recovery

When COVID-19 first sent Aotearoa into Alert Level 4 in March 2020, we played a vital role in supporting iwi, both directly and through our mahi across Government to support wider Government engagement with Māori. We utilised our experience and relationships to support a systems approach to ensure broader engagement with, and responsiveness to, Māori was top of mind during this critical time.

## COVID-19 Recovery (Fast-Track Consenting) Act 2020

The COVID-19 Recovery (Fast-Track Consenting) Act 2020 is one of the Government's actions to support New Zealand's economic recovery from COVID-19. The Act provides a streamlined consenting process as an alternative to consenting under the Resource Management Act 1991.

We perform key functions under the Act to help protect Māori rights and interests, ensure Treaty settlement commitments are upheld, and that relevant groups are provided the opportunity to comment on consent applications.

For each application made under the Act, we identify iwi with potentially affected interests and assess potential impacts on Treaty settlement negotiations and applications under the Marine and Coastal Area (Takutai Moana) Act 2011. We identify any risks or issues in relation to settlement legislation and Māori Crown relations in general. We advise the Minister for Māori Crown Relations: Te Arawhiti and the Minister for Treaty of Waitangi Negotiations when their comment is sought on consent applications. This enables our Ministers to raise potential risks or issues with the Minister for the Environment and Expert Consenting Panels for their consideration as decisionmakers.

We also assist the Ministry for the Environment to prepare reports considered by the Minister for the Environment to meet their Treaty of Waitangi obligations under section 17 of the Act. This has helped ensure relevant iwi groups are provided the opportunity to comment on applications that may affect their rights and interests.

In the 2020-21 year, we reported to Ministers 68 times on a total of 49 applications and worked with the Ministry for the Environment to produce 36 section 17 reports.

# Our People

## Our values

### Towards True Treaty Partnership



- » We will engage with purpose
- » We will work as one and make sure we have strong relationships - with each other, with Māori, with Ministers and across the public sector
- » We will listen and learn to expand our understanding and lift our capability
- » Manaakitanga and whanaungatanga will be evident in everything that we do.



- » We are committed to our purpose and direction
- » We will learn from the past
- » We will look to the future with optimism
- » We will act in good faith
- » We will work hard to always produce high quality work and achieve great results.



- » We aspire to do everything with humility, authenticity, generosity and kindness.

# Our staff

## Inclusion and Diversity Strategy

Our commitment to diversity and inclusion is evident in everything that we do and having a diverse workforce continues to be a great strength for Te Arawhiti. It brings a wide range of diverse experiences and views to everything we do and enhances our collective strength. Almost 53% of our staff identify as female and 63% of our management positions are filled by staff that identify as female.

As a departmental agency established in 2019, our work has evolved and grown, as has our organisation. In 2020/21, Te Arawhiti has seen a 4.7% increase in overall staff numbers and our total head count is now 175.7 full-time equivalent positions. We recognise the importance of having a diverse workforce. Of staff who have provided ethnicity details, 30.6% identify as Māori. This has increased by 5% from last year's total of 25.6%.

Te Arawhiti is operating in a market that has been significantly disrupted by COVID-19, particularly in the recruitment of executive support and other specialised skill areas. The demand for staff with expertise in Te Reo Māori and Tikanga Māori is also particularly difficult as the demand for these skills continuously increases across the public sector.

We continue to work collaboratively with Te Tāhū o te Ture – the Ministry of Justice to address the Gender Pay Action plan. Te Tāhū o te Ture – the Ministry of Justice continues to lead the plan, fully supported by Te Arawhiti. The current gender pay gap is 10.3%, which has increased from the previous year (9.3%) by 1%. As we are a small organisation, we expect this figure to fluctuate over the years as staff movements will affect these percentages.

## Engagement and culture

Our Te Arawhiti values and our Strategy underpin our culture. Our Strategy sets our strategic intentions to restore, sustain and build the Māori Crown relationship. This has formed the foundation of 'Our Goals 2019-2024', which is our input to Te Tāhū o te Ture Statement of Intent 2019-2024. It sets out how we will deliver on our broader mandate of improving the Māori Crown relationship. Our values support our Strategy, as outlined on the previous page, we are working towards true Treaty partnership by working together in good faith with humility and authenticity.

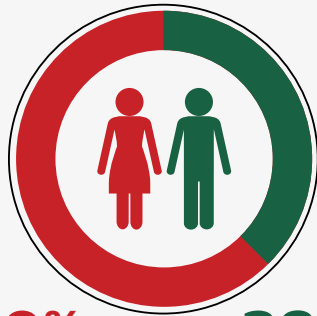
As an organisation, we assist other agencies to develop and build their capability to engage and partner with Māori. We also acknowledge that we need to be a role model in this space and take the lead on empowering and building our people's capability. Over the last year, we have undergone significant processes with an engagement and culture focus. We have developed a people strategy, He Tangata and also completed a cultural competency review. He Tangata and the cultural competency assessment seek to build these capabilities internally.



## Diversity and inclusion



### Gender (overall)



**60.0%**

Manager: 24  
Non-manager: 86  
Total: 110

**38.9%**

Manager: 14  
Non-manager: 56  
Total: 70

### Ethnicity **2021**

Results are self-reported, and staff can belong to more than one ethnicity group, so result may not total 100% in all years

New Zealand European/  
Pākehā **66.4%**

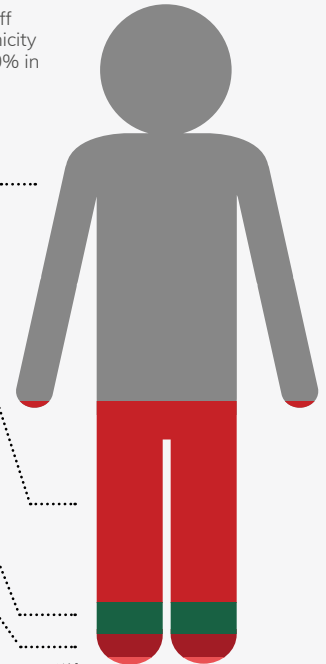
New Zealand Māori **30.6%**

Asian **4.5%**

Pacific Island **3.7%**

MELAA\* **3%**

\*Middle Eastern/Latin American/African



## Growth and maturity of our organisation

■ 2020 ■ 2021

### Headcount

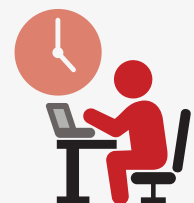


### FTE (Full time equivalent)



## Occupation (headcount)

|             | All Managers   | Policy Analysts/<br>Information Professionals | Social, Health & Education Workers* | Legal, HR & Finance Professionals | Clerical & Admin Workers |
|-------------|----------------|---|-------------------------------------|-----------------------------------|--------------------------|
| <b>2020</b> | <b>36</b>      | <b>100</b>                                    | <b>15</b>                           | <b>6</b>                          | <b>15</b>                |
| <b>2021</b> | <b>38</b>      | <b>106</b>                                    | <b>15</b>                           | <b>3</b>                          | <b>18</b>                |
| <b>#/%</b>  | <b>▲ 71.4%</b> | <b>▲ 11.1%</b>                                | <b>▲ 25%</b>                        | <b>▼ 50%</b>                      | <b>▲ 15.4%</b>           |



\*Our historians are categorised by ANZSCO (Australian and New Zealand Standard Classification of Occupations) as social, health and education workers.

## A high-performing organisation

We are a small, fast-moving and fast-growing organisation. Te Arawhiti has a mandate to negotiate historical Treaty settlements and administer the Marine and Coastal Area (Takutai Moana) Act 2011. In response to recent Cabinet decisions and new investment in engagement with Māori, we have agreed some structural changes in Te Kāhui Takutai Moana and Te Kāhui Whakataū. It has resulted in growth to ensure we can deliver commitments and foster the Māori Crown relationship.

These structural changes will now be implemented. They will see Te Kāhui Takutai Moana embarking on a new applicant-led, collaborative approach to engagement and progressing applications. Additional senior leadership in Te Kāhui Whakataū will drive cross-agency approaches to working with the Crown and Māori to progress settlement negotiations.

Te Arawhiti's 'Our People Strategy – He Tangata 2021-2024' was launched in May 2021. The Strategy provides a pathway for how we will develop and evolve Te Arawhiti people programmes and processes to enhance Te Arawhiti's capability and performance over the next three years. Our overall people purpose is Te Arawhiti: Our people are valued, capable and deliver our purpose - towards true Treaty partnership, and this shapes our Strategy. We have three priority areas for our Strategy:

- Inclusive and kind workplace
- Capable and high performing workforce
- Great people, processes and systems.

Each of these has associated focus areas and there is a corresponding programme of mahi to help us reach our Strategy aspirations.

The cultural capability review identified six key competency areas for individual development as well as five additional specialist areas. Following review, each area was given the following ratings. Te Reo Māori has been identified as the priority area of focus for us going into next year. We are working towards putting together plans that will move our staff to the 'comfortable' level.

We have developed a planning and reporting framework to ensure we meet our statutory requirements, allow leaders to make evidence-based decisions and ensure that we are on the right track as we work towards our goal of shifting the Māori Crown relationship from one of historical grievance toward true Treaty partnership. The framework is made up of five elements that connect and support one another:

- strategic
- government
- operational
- accountability
- monitoring and managing.

Under each of these five elements there are various processes, procedures, and tools used to support the mahi.

## A culturally-capable workforce

Our People Strategy sets out a high-level goal for Te Arawhiti to have a culturally capable workforce, we have begun to work towards this goal by strengthening our Māori Crown Relations capability.

The cultural capability review identified six key competency areas for individual development as well as five additional specialist areas. Te Reo Māori has been identified as the priority area of focus for us next year. We will be putting a plan in place that will move our staff to the 'comfortable' level.

During the year, we began drafting our Te Whāinga Amorangi Plan based on Māori Crown Relations Individual Capability Component Framework, which has been developed by Te Arawhiti, for public service agencies. The drafting of the Plan was based on a co-design model with staff internally and Māori experts externally. The Plan will be submitted for external review in the new financial year.

In the first year of the draft Plan, we selected three capability areas to develop for our people. These are Te Reo Māori, Tikanga/Kawa, and Aotearoa New Zealand history and Te Tiriti o Waitangi/Treaty of Waitangi. Over the next financial year, our leaders will continue to engage in conversations with their staff about their current level of capabilities and their learning needs going into the new year.

The implementation of the plan will also provide an opportunity to re-evaluate when appropriate and will include an assessment of the high-level outcomes. This will be in addition to tracking individual capability progression on an annual basis.



# What's next

As we head into our fourth financial year as a departmental agency, our purpose remains the same: To guide the Māori Crown relationship from historical grievance towards true Treaty partnership. Our strategic intentions to restore, sustain and build that relationship are increasingly relevant for Aotearoa New Zealand.

We reflect on our purpose: Te Arawhiti, the bridge. We were established to support 60,000-plus public servants to take steps over that bridge to understand Māori experiences and Te Ao Māori – a Māori world view.

For us this means continuing to focus on Treaty settlements next year. It also means continued focus on clarifying customary rights in the Marine and Coastal Area. As the new Takutai Moana Engagement Strategy was announced in 2021, it is important to build the momentum in this space and begin implementing our new way of working.

We will continue to seek opportunities to partner with Māori and support agencies in their efforts to build and nurture the Māori Crown relationship. It is becoming increasingly important to look for new ways to partner with Māori as the reform agenda continues and other government initiatives begin.

It will be important for Te Arawhiti to continue our own journey in Whāinga Amorangi. While our plans are ambitious, now more than ever, we must be well equipped to engage and partner with Māori on significant issues and provide guidance to others.



# Statement of responsibility

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

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



Lil Anderson

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

30 September 2021



Te Arawhiti

THE OFFICE FOR MĀORI CROWN RELATIONS



## **Section Three**

Our performance

## Statement of responsibility

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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 2021 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 2022 and its operations for the year ending on that date.



**Andrew Kibblewhite**

Secretary for Justice and Chief Executive  
Pou Whakarae mō te Ture  
30 September 2021

## To the readers of the Ministry of Justice's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of the Ministry of Justice (the Ministry). The Auditor-General has appointed me, Andrew Clark, 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 93 to 116, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2021, 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 2021 on pages 66 to 90;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2021 on pages 133 to 142; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 118 to 132 that comprise:
  - › the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2021;
  - › the schedules of expenses; and revenue for the year ended 30 June 2021;
  - › the statement of trust monies for the year ended 30 June 2021; and
  - › the notes to the schedules that include accounting policies and other explanatory information.
- the performance information of the Ministry on pages 66 to 90:
  - › presents fairly, in all material respects, for the year ended 30 June 2021:
    - 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 133 to 142 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 118 to 132 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - › the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2021;
  - › expenses; and revenue for the year ended 30 June 2021; and
  - › the statement of trust monies for the year ended 30 June 2021.

Our audit was completed on 30 September 2021. 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.

## Opinion

In our opinion:

- the financial statements of the Ministry on pages 93 to 116:
  - › present fairly, in all material respects:
    - its financial position as at 30 June 2021; and
    - its financial performance and cash flows for the year ended on that date; and
  - › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

## 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 Department for preparing:

- financial statements that present fairly the Department'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 Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- 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'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.

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## 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 2019/2024, the Estimates and Supplementary Estimates of Appropriation 2020/21 and the 2020/21 forecast financial figures included in the Ministry's 2019/20 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 Department'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.

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## Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 2 to 60 and 144 to 149, 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.

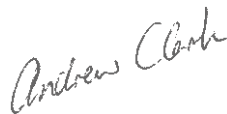
Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there 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 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: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the annual report, we performed a limited assurance engagement related to the Mangatū voting process. Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry or Te Arawhiti (Departmental Agency).



**Andrew Clark**  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

# Audit and Risk Committee report for the Period of 1 July 2020 to 30 June 2021

## Background

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

The Committee provides independent critical review, insights and advice on:

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

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

## Current Members

The Committee comprises four independent external members:

- Lyn Provost (Chair)
- Viv Rickard
- Naomi Ferguson
- Jim Donovan

There have been no changes to the Committee's independent membership during this reporting period.

It is noted as a potential conflict of interest that Jim Donovan is also the chair of the Skylight Trust which is a supplier to Ministry for services related to supporting victims of sexual violence. The Risk & Assurance Committee has no involvement in Ministry supplier selection or evaluation.

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

## Report of the Risk and Assurance Committee

Between 1 July 2020 and 30 June 2021, the Committee met formally on five occasions to fulfil its duties and responsibilities. This included four quarterly meetings and a meeting on the 16th of November 2020 to consider the Ministry's draft Annual Report prior to it being signed by the Chief Executive.

The Committee provided critical review and insights on:

- key parts of the Ministry's programme of work and responsibilities, including:
  - › Election 2020 (September 2020)
  - › our COVID-19 response (September 2020)
  - › Strategic alignment of IT and Property portfolios (September 2020)
  - › Emergency & Business Continuity Management and ICT Resilience (September 2020)
  - › Internal Control Assessment Tool (ICAT) survey results (September 2020)
  - › Strategic Initiative: Improving Access to Justice (December 2020)
  - › Portfolio risk management refresh (December 2020)
  - › Te Arawhiti overview (March 2021)
  - › Legal Aid valuations (March 2021)
  - › Honouring our responsibilities to Māori (June 2021)
  - › Strategic priorities, Budget 21, Sector Governance and the Justice Cluster (June 2021)



- strategic risks
- external auditors audit planning and reporting
- the Internal Audit work programme for the year (including endorsement)
- progress on resolving findings from Internal Audit reports
- the legislative compliance programme and mitigation of fraud risks
- the Ministry's Annual Report and provided advice to the Chief Executive and CFO on content and disclosure.

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

The Committee regularly reviews its performance to ensure that it continues to be focused, effective, and providing a quality service to our Chief Executive.

# Statement of Intent indicators

## As at 30 June 2021

### Achieving our purpose

Our justice system is trusted, has a high level of integrity and helps to provide safe communities.

The indicators we use, and the desired trend are set out below. Progress towards achieving our purpose is reported in the Ministry's annual report.

| Primary strategic priority it contributes to | Key indicators  | Desired trend      | Result  |
|--|---|--------------------|---|
| Our purpose                                  | New Zealand's ranking in the Transparency International Corruption Perceptions Index (see Note 1)   | Maintain           | 2020: Global ranking 1=/180 (score: 88/100)<br>2019: Global ranking 1=/180 (score: 87/100)<br>2018: Global ranking 2/180 (score: 87/100)<br>2017: Global ranking 1/180 (score: 89/100)<br>2016: Global ranking 1=/176 (score: 90/100) |
| Our purpose                                  | From the New Zealand Crime and Victims Survey: <ul style="list-style-type: none"> <li>Percentage of New Zealanders who are confident (completely or fairly) that the criminal justice system as a whole is effective</li> </ul> | Increase over time | 2020: not measured (see Note 2)<br>2019: 53% (baseline)   |
| Our purpose                                  | From the New Zealand Crime and Victims Survey: <ul style="list-style-type: none"> <li>Proportion of adults who have experienced one or more victimisation incidents in the past year (victimisation prevalence)</li> </ul>      | Decrease over time | 2020: 29%<br>2019: 30%<br>2018: 29%   |

Note 1 - <https://www.transparency.org/en/cpi/2020/index/nzl>

Note 2 – Survey question not asked in 2020.

## Achieving our strategic priorities

The indicators we use, and the desired trend are set out below. We regularly report our performance to the Ministry's Strategic Leadership Team. A summary is included in the Ministry's annual report.

| Primary strategic priority it contributes to          | Key indicators  | Desired trend      | Result   |
|---|---|--------------------|--|
| Honouring our responsibilities to Māori               | Institutional Trust – trust by Māori in the courts as measured by the New Zealand General Social Survey.*   | Increase over time | NZ GSS 2018: 44.3% of Māori have a high level of trust in the Courts. (See note 1)<br><br>NZ GSS 2016: 48.6% of Māori have a high level of trust in the Courts. (See note 1)                   |
|   | Due to COVID-19 the General Social Survey was delayed until 2021 so no measure is available. However, although not directly comparable, results from the Public Sector Reputation Index 2021 suggest the institutional trust of Māori has not yet improved. When respondents to the 2021 Colmar Brunton survey were asked if the Ministry of Justice works positively with Māori, 28 percent agreed with this statement. This compares to 33 percent in 2020 when the question was first asked. |                    |  |
| Honouring our responsibilities to Māori               | From the Crime and Victims Survey:  |                    |  |
|   | <ul style="list-style-type: none"> <li>Proportion of Māori adults who have experienced one or more victimisation incidents in the past year (victimisation prevalence)</li> </ul>   | Decrease over time | 2020: 35%<br>2019: 38%<br>2018: 37%  |
|   | <ul style="list-style-type: none"> <li>Proportion of Māori adults who have experienced multiple victimisations</li> </ul>   | Decrease over time | 2020: 17%<br>2019: 19%*<br>2018: 18%   |
|   |   |                    | *2019's result has been amended from 18% to 19% after applying new population weights based on the Census-2018 results.  |
| Maintaining the integrity of the courts and tribunals | We resolve all serious harm cases within 12 months*   | Increase over time | 2020/21: 80%<br>2019/20: 83%<br>2018/19: 86%   |
|   | *Serious harm cases are category 3 and 4 criminal cases where offenders can get more than 2 years imprisonment  |                    |  |
|   | The Ministry's annual target for 2020/21 was to resolve 90% of serious harm cases within 12 months. As at June 2021, 80% of serious harm cases were disposed of within 12 months. The main contributing factors for the decrease in the disposal rate are:  |                    |  |
|   | <ul style="list-style-type: none"> <li>COVID-19. Due to the suspension of jury trials during COVID-19 alert level restrictions, serious harm cases make up a greater proportion of the District Court criminal active cases, and</li> <li>an increase in the average number of events required to dispose serious harm cases.</li> </ul>  |                    |  |
|   | The Ministry is working with the judiciary and sector partners to address delays in the criminal justice system. The Criminal Process Improvement Programme (CPIP) aims to reduce the time it takes to dispose cases while making every court appearance meaningful.  |                    |  |
| Maintaining the integrity of the courts and tribunals | Institutional Trust – trust in the courts as measured by the New Zealand General Social Survey.*  | Increase over time | NZ GSS 2018: 64.1% of New Zealanders have a high level of trust in the Courts. (see Note 1)<br><br>NZ GSS 2016: 63.4% of New Zealanders have a high level of trust in the Courts. (see Note 1) |
|   | Due to COVID-19 the General Social Survey was delayed until 2021 so no measure is available. However, although not directly comparable, results from the Public Sector Reputation Index 2021 suggests institutional trust has improved. When respondents to the 2021 Colmar Brunton survey were asked if the Ministry of Justice of Justice was trustworthy, 48 percent agreed with this statement. This compares to 46 percent in 2020 and 40 percent in 2018.                                 |                    |  |
| Addressing family violence and sexual violence        | From the New Zealand Crime and Victims Survey:  |                    |  |
|   | <ul style="list-style-type: none"> <li>Proportion of adult victims of offences by family members</li> </ul>   | Decrease over time | 2020: 2.2% (see notes below for the definition)<br>2019: 2.0% (see notes below for the definition)   |
|   | <ul style="list-style-type: none"> <li>Proportion of Māori adult victims of offences by family members</li> </ul>   | Decrease over time | 2020: 5.2% (see notes below for the definition)<br>2019: 5.0% (see notes below for the definition)   |

| Primary strategic priority it contributes to | Key indicators   | Desired trend       | Result         |
|--|--|---------------------|----------------|
| Make the Ministry a great place to be        | Employee engagement score*   | Maintain or improve | 2020/21: 68%   |
|  | *An engagement survey was not undertaken in 2019.  |                     | 2018/19: 59%   |
| Make the Ministry a great place to be        | The Ministry's Gender pay gap  | Maintain or improve | 2020/21: 12.9% |
|  | There has been a 0.9 percentage point (pp) increase in MOJ's gender pay gap over the last financial year. This was due to employee movements and does not reflect a worsening of our practices. The Ministry's 2021/22 Gender Pay Gap will have a large focus on resolving occupational segregation which is the primary driver of the Ministry's GPG. |                     | 2019/20: 12.0% |
| Make the Ministry a great place to be        | Unplanned turnover rate  | Maintain or improve | 2020/21: 15.8% |
|  | Last year's unplanned turnover was heavily affected by the first NZ lockdowns. The Ministry's 12-month unplanned turnover has been returning to pre-COVID-19 levels.   |                     | 2018/19: 17.4% |

Note 1 - [stats.govt.nz/information-releases/wellbeing-statistics-2018](https://stats.govt.nz/information-releases/wellbeing-statistics-2018)

| Term                       | Definition  |
|----------------------------|---|
| Adults                     | Refers to people aged 15 or over.   |
| Offences by family members | In the New Zealand Crime and Victims Survey, offences by family members include the following offence types: robbery and assault (except sexual assault); sexual assault; harassment and threatening behaviour; and damage to motor vehicles and property damage provided the offender is a family member. Family members include a current partner (husband, wife, partner, boyfriend or girlfriend), ex-partner (previous husband, wife, partner, boyfriend or girlfriend), or other family member (parent or step-parent; parent's partner, boyfriend or girlfriend; son or daughter including in-laws; sibling or step-sibling; other family members including extended family). Offences by family members are a subset of all family violence offences as defined by current legislation. |
| Period covered             | 12 months prior to the interview.   |

# Reporting against appropriations

## For the year ended 30 June 2021

Our outputs are specified in the Estimates of Appropriations for 2020/21.

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

# MINISTRY OF JUSTICE

## Vote Justice

### Administration of Legal Services

#### Scope of Appropriation

This appropriation is limited to the administration of community, legal and related services; and the management and collection of related debt.

#### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve increased trust in the justice system by providing responsive and accessible legal services.

#### Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|---|----------------|------------------|----------------|---|
| Number of legal aid applications processed  | New measure    | 80,000 – 90,000  | 83,480         |   |
| Legal aid applications for criminal cases assessed within one working day   | 97%            | 90%              | 99%            | Legal Aid Services has started working electronically, which has improved timeliness and eliminated backlogs. |
| Legal aid applications for family cases assessed within three working days  | 94%            | 90%              | 97%            | Legal Aid Services has started working electronically, which has improved timeliness and eliminated backlogs. |
| Legal aid applications for civil cases assessed within five working days- excluding Waitangi Tribunal proceeding applications | 90%            | 85%              | 98%            | Legal Aid Services has started working electronically, which has improved timeliness and eliminated backlogs. |

#### Output class statement – Administration of legal services

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 29,110            | Crown                 | 29,509            | 29,271                      | 29,509                                      | 29,682                        |
| 548               | Departmental          | 122               | 209                         | 303   | 93                            |
| 52                | Other                 | 43                | 24                          | 24  | 24                            |
| 29,710            | Total Revenue         | 29,674            | 29,504                      | 29,836                                      | 29,799                        |
| 29,207            | Total Expenses        | 29,819            | 29,504                      | 29,836                                      | 29,799                        |
| 503               | Net Surplus/(Deficit) | (145)             | 0                           | 0   | 0                             |

## Establishing the Criminal Cases Review Commission

### Scope of Appropriation

This appropriation is limited to establishing the Criminal Cases Review Commission.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the establishment of New Zealand's Criminal Cases Review Commission.

### Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| The Criminal Cases Review Commission is on schedule to be established by the date confirmed by Parliament | Achieved       | Achieved         | Achieved       |                      |

### Output class statement – Establishing the Criminal Cases Review Commission

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 911               | Crown                 | 40                | 40                          | 40  | 0                             |
| 0                 | Departmental          | 0                 | 0                           | 0   | 0                             |
| 0                 | Other                 | 0                 | 0                           | 0   | 0                             |
| 911               | Total Revenue         | 40                | 40                          | 40  | 0                             |
| 892               | Total Expenses        | 37                | 40                          | 40  | 0                             |
| 19                | Net Surplus/(Deficit) | 3                 | 0                           | 0   | 0                             |

Note 1 – This appropriation ceased in August 2020.

## Justice and Emergency Agencies Property and Shared Services

### Scope of Appropriation

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

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a public facility with justice and emergency services that are modern, accessible, resilient and people-centred, and provide for improved joint outcomes and service delivery.

### Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/2021 | Actual 2020/2021 | Variance explanation |
|---|----------------|--------------------|------------------|----------------------|
| Services meet the standards agreed with the other agencies (see Note 1) | Achieved       | Achieved           | Achieved         |                      |

### Output class statement – Justice and Emergency Agencies Property and Shared Services

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 25,907            | Crown                 | 24,991            | 20,640                      | 24,991                                      | 21,097                        |
| 8,131             | Departmental          | 7,966             | 9,564                       | 9,564                                       | 9,564                         |
| 3,250             | Other                 | 3,259             | 3,339                       | 3,339                                       | 3,339                         |
| 37,288            | Total Revenue         | 36,216            | 33,543                      | 37,894                                      | 34,000                        |
| 35,012            | Total Expenses        | 32,133            | 33,543                      | 37,894                                      | 34,000                        |
| 2,276             | Net Surplus/(Deficit) | 4,083             | 0                           | 0   | 0                             |

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



## Public Defence Service

### Scope of Appropriation

This appropriation is limited to the provision of legal services by the Public Defence Service.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve increased trust in the justice system by providing a high quality, responsive, accessible and cost-effective Public Defence Service to the New Zealand public.

### Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/2021  | Actual 2020/2021 | Variance explanation  |
|---|----------------|---------------------|------------------|---|
| Number of hours per annum Public Defence Service provides duty lawyer supervision and duty lawyer service in courts where the Public Defence Service operates | 20,055         | 16,000-17,000 hours | 20,085 hours     | There has been a focus on increasing office contributions to the duty lawyer service to ensure that we are meeting expectations. As a result, we will be increasing our target to between 19,000-20,000 hours for the next financial year.            |
| Number of new cases accepted during the year  | 13,111         | 15,000-16,000       | 14,110           | Resourcing challenges in some offices impacted the number of cases accepted. COVID-19 alert level changes also impacted case volumes particularly in the Auckland region where we have four offices, two of which are our largest offices nationally. |
| Average cost of PAL1 cases (see Note 1)   | \$1,021.52     | <=\$1,200.00        | \$1,150.00       |   |

### Output class statement – Public Defence Service

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 38,511            | Crown                 | 39,916            | 39,062                      | 39,916                                      | 41,253                        |
| 91                | Departmental          | 24                | 114                         | 152   | 98                            |
| 59                | Other                 | 57                | 16                          | 16  | 16                            |
| 38,661            | Total Revenue         | 39,997            | 39,192                      | 40,084                                      | 41,367                        |
| 38,466            | Total Expenses        | 39,674            | 39,192                      | 40,084                                      | 41,367                        |
| 195               | Net Surplus/(Deficit) | 323               | 0                           | 0   | 0                             |

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

## Public Provision of Referendum-Related Information

### Scope of Appropriation

This appropriation is limited to the provision of information to the public relating to referendums initiated by the government, or through a referendum statute enacted by Parliament.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of factual and impartial public information for referendums initiated by the government, or through a referendum statute enacted by Parliament.

### Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| The public information programme for the two referendums being held alongside the General Election on 19 September 2020 is on schedule in providing factual and impartial information in line with Cabinet decisions (see Notes 1, 2 and 3) | Achieved       | Achieved         | Achieved       |                      |

### Output class statement – Public Provision of Referendum-Related Information (see Note 4)

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 3,960             | Crown                 | 4,374             | 3,127                       | 4,374                                       | 0                             |
| 0                 | Departmental          | 20                | 0                           | 0   | 0                             |
| 0                 | Other                 | 2                 | 0                           | 0   | 0                             |
| 3,960             | Total Revenue         | 4,396             | 3,127                       | 4,374                                       | 0                             |
| 2,792             | Total Expenses        | 4,203             | 3,127                       | 4,374                                       | 0                             |
| 1,168             | Net Surplus/(Deficit) | 193               | 0                           | 0   | 0                             |

Note 1 – The public information programme includes signposting publicity in the two to three-month period immediately before the referendums, as well as the official referendum website, the development of explanatory materials and use of a contact centre.

Note 2 – The public information programme for the two referendums held alongside the 2020 General Election was delivered on the new election date of 17 October 2020.

Note 3 – The independent post-election survey indicated that 94% of people showed awareness of the referendums, and 92% agreed the public information programme was presented in an impartial and unbiased way.

Note 4 – This appropriation ceased in 2020/21.

## Reducing Family Violence and Sexual Violence

### Scope of Appropriation

This appropriation is limited to leading a whole-of-government approach to prevent, address and reduce family violence and sexual violence, as well as services and support to Ministers.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve coordinated, efficient and effective efforts to reduce family violence and sexual violence

### Assessing Performance

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|--|----------------|------------------|----------------|---|
| The satisfaction of the Minister for the Prevention of Family and Sexual Violence with the quality of support and advice provided by the Joint Venture, supported by the Joint Venture Business Unit | New measure    | At least 8/10    | 7.0/10         | We will work with the Minister to ensure that we are providing support and advice to a high standard.   |
| The satisfaction of the Joint Venture of the Social Wellbeing Board (Family Violence and Sexual Violence) with the advice and support provided by the Joint Venture Business Unit                    | 7.2/10         | At least 8/10    | 6.9/10         | We will work with the Joint Venture of the Social Wellbeing Board (Family Violence and Sexual Violence) to ensure that advice and support is provided to a high standard. |

### Output class statement – Reducing Family Violence and Sexual Violence

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 7,619             | Crown                 | 9,011             | 5,957                       | 9,011                                       | 12,880                        |
| 0                 | Departmental          | 1,259             | 0                           | 1,169                                       | 0                             |
| 8                 | Other                 | 138               | 0                           | 73  | 0                             |
| 7,627             | Total Revenue         | 10,408            | 5,957                       | 10,253                                      | 12,880                        |
| 6,106             | Total Expenses        | 9,280             | 5,957                       | 10,253                                      | 12,880                        |
| 1,521             | Net Surplus/(Deficit) | 1,128             | 0                           | 0   | 0                             |

## Sector Leadership and Support

### Scope of Appropriation

This appropriation is limited to advice and services focused on the Ministry's leadership role in the justice sector. This covers enhancing the Ministry's coordination with other sector and Government agencies, advice and information about judicial and statutory appointments and monitoring specific crown entities.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a coordinated, efficient and effective justice sector, which delivers joined-up justice services.

## Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/21           | Actual 2020/21 | Variance explanation   |
|---|----------------|----------------------------|----------------|--|
| 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  | 8.5/10         | At least 8/10              | 8.0/10         |  |
| The satisfaction of the Justice Sector Leadership Board with the leadership, advice and support provided by the Ministry  | 7.5/10         | At least 8/10              | 6.8/10         | We will continue to work with the Justice Sector Leadership Board to ensure that the Ministry's leadership, advice and support is provided to a high standard.   |
| An annual prison population projection report is published on the Ministry of Justice website (see Note 1)  | Not Achieved   | Published by 31 March 2021 | Achieved       |  |
| The satisfaction of the Chief Victims Advisor with the advice and support provided by the Ministry  | 9/10           | At least 8/10              | 9/10           |  |
| The satisfaction of the Minister of Justice with the quality of support, advice and sector leadership for the strategic reform of the justice system  | New measure    | At least 8/10              | 7.5/10         |  |
| The satisfaction of the Minister of Justice with the quality of support, advice and management of contestable funds across the justice sector   | New measure    | At least 8/10              | 7/10           | We will continue to work with the Minister to ensure that support, advice and management of contestable funds is provided to a high standard.  |
| Publish at least two annual reports based on findings from the New Zealand Crime and Victims Survey and at least one evaluation report to provide a comprehensive picture on the justice system and victim experience in New Zealand (see Note 1) | New measure    | Achieved                   | Achieved       |  |
| Produce and publish every six months- crime and justice tier 1 statistics (see Note 1)  | New measure    | Achieved                   | Achieved       |  |
| Number of formal relationships developed and progressed with iwi and Māori organisations to progress specific partnership opportunities agreed with those organisations   | New measure    | At least 8                 | 6              | The Ministry identified seven other iwi/Māori organisations with whom opportunities to develop formal relationships and progress initiatives will be explored. The Ministry is at different stages of discussions with each group. |

## Output class statement – Sector Leadership and Support

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 14,772            | Crown                 | 14,490            | 11,074                      | 14,490                                      | 11,590                        |
| 423               | Departmental          | 292               | 106                         | 885   | 258                           |
| 380               | Other                 | 572               | 23                          | 23  | 23                            |
| 15,575            | Total Revenue         | 15,354            | 11,203                      | 15,398                                      | 11,871                        |
| 14,434            | Total Expenses        | 15,366            | 11,203                      | 15,398                                      | 11,871                        |
| 1,141             | Net Surplus/(Deficit) | (12)              | 0                           | 0   | 0                             |

Note 1 – To enable planning and policy decision-making across the justice sector.

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

### Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

### Scope of Appropriation

#### Justice Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to civil, criminal and constitutional law and the justice sector.

#### Legal and Ministerial Services

This category is limited to the provision of legal and ministerial services to support decision-making by Ministers on government matters (other than policy decision-making).

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve efficient and effective policy advice, legal and ministerial services to support Ministers in discharging their portfolio responsibilities.

### Assessing Performance – Performance of the multi-category appropriation as a whole

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| The satisfaction of the Minister of Justice, the Minister for Courts, the Associate Minister of Justice, and the Associate Minister for Courts, and the Minister for Prevention of Family and Sexual Violence with policy advice and related services, as per the common satisfaction survey | New measure    | At least 4/5     | 3.9/5          |                      |

### Justice Policy Advice

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|---|----------------|------------------|----------------|---|
| Average score for policy advice papers that are assessed (see Note 1)   | 3.1/5          | 3.5/5            | 3.6/5          | The quality of policy advice papers has increased substantially over the last year. |
| Percentage of policy advice papers that are assessed a score of 3 or higher out of 5 (see Note 1)                 | 69%            | 80%              | 93%            | The quality of policy advice papers has increased substantially over the last year. |
| Percentage of policy advice papers that are assessed a score of 4 or higher out of 5 (see Note 1)                 | 14%            | 40%              | 43%            | The quality of policy advice papers has increased substantially over the last year. |
| Percentage of policy advice papers that are assessed a score of 2.5 or less out of 5 (see Note 1)                 | 31%            | <20%             | 7%             | The quality of policy advice papers has increased substantially over the last year. |
| The satisfaction of the Minister of Justice with the policy advice service, as per the common satisfaction survey | 4.9/5          | At least 4/5     | 4.6/5          |   |

## Output class statement – Justice Policy Advice

| Actual<br>2020<br>\$000 | Revenue               | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|-------------------------|-----------------------|-------------------------|--------------------------------------|---|--|
| 19,922                  | Crown                 | 21,127                  | 20,798                               | 21,127  | 0                                      |
| 478                     | Departmental          | 297                     | 279                                  | 281   | 0                                      |
| 30                      | Other                 | 23                      | 58                                   | 58  | 0                                      |
| 20,430                  | Total Revenue         | 21,447                  | 21,135                               | 21,466  | 0                                      |
| 18,501                  | Total Expenses        | 18,658                  | 21,135                               | 21,466  | 0                                      |
| 1,929                   | Net Surplus/(Deficit) | 2,789                   | 0                                    | 0   | 0                                      |

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

Note 2 – This category transfers to new Justice Policy appropriation from 2021/22.

## Legal and Ministerial Services

| Performance measure  | Actual<br>2019/20 | Standard<br>2020/21 | Actual<br>2020/21 | Variance explanation   |
|--|-------------------|---------------------|-------------------|--|
| The satisfaction of the Minister of Justice with the quality of legal advice, as per the common satisfaction survey  | 10/10             | At least 8/10       | 9/10              |  |
| The satisfaction of the Minister of Justice, the Minister for Courts, the Associate Minister of Justice, and the Associate Minister for Courts, and the Minister for Prevention of Family and Sexual Violence with ministerial services, as per the common satisfaction survey | New measure       | At least 8/10       | 7/10              | We will continue to work with Ministers to ensure that ministerial services are provided to a high standard. |

## Output class statement – Legal and Ministerial Services

| Actual<br>2020<br>\$000 | Revenue               | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|-------------------------|-----------------------|-------------------------|--------------------------------------|---|--|
| 6,213                   | Crown                 | 6,438                   | 6,361                                | 6,438   | 0                                      |
| 180                     | Departmental          | 112                     | 81                                   | 82  | 0                                      |
| 9                       | Other                 | 8                       | 17                                   | 17  | 0                                      |
| 6,402                   | Total Revenue         | 6,558                   | 6,459                                | 6,537   | 0                                      |
| 7,034                   | Total Expenses        | 6,613                   | 6,459                                | 6,537   | 0                                      |
| (632)                   | Net Surplus/(Deficit) | (55)                    | 0                                    | 0   | 0                                      |

Note 1 – This category transfers to new Justice Policy appropriation from 2021/22.

# THE OFFICE FOR MĀORI CROWN RELATIONS – TE ARAWHITI

## Vote Justice

### Māori Crown Relations (multi-category appropriation)

#### Overarching Purpose Statement

The single overarching purpose of this appropriation is to support the strengthening of the relationship between Māori and the Crown. Te Arawhiti works alongside other public sector agencies to engage with Māori and influence positive outcomes for whānau, hapū, iwi and communities throughout Aotearoa.

#### Scope of Appropriation

##### Policy Advice - Māori Crown Relations

This category is limited to advice (including second opinion advice and contributions to policy led by other agencies) to support decision making by Ministers on government policy matters relating to Māori Crown relations.

##### Services to Ministers

This category is limited to the provision of support, information and services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities on matters relating to the Māori Crown relationship

##### Strengthening Crown Capability

This category is limited to the provision of services to strengthen Crown capability in building sustainable and productive Māori Crown relationships.

#### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve strong, ongoing and effective relationships between Māori and the Crown. This appropriation contributes to our goals to resolve longstanding and contemporary issues, uphold the Crown's Treaty settlement commitments, actively support Crown agencies to engage effectively with Māori, put the Māori Crown relationship at the heart of policy development, lift public sector capability to work with Māori and broker Māori Crown partnerships. To enable the shift from grievance to partnership, we are focusing on three foundations of partnership that help shape the Māori Crown relationship – Restore, Sustain, and Build. These foundations of partnership have informed our strategic priorities for the next four years, giving us a clear direction to support the public sector and communities in progressing true Treaty partnership.

#### Assessing Performance – Performance of the multi-category appropriation as a whole

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| The satisfaction of the Minister for Māori Crown Relations: Te Arawhiti and the Minister for Treaty Negotiations with the strengthening of the relationship between Māori and the Crown, as per the common satisfaction survey. | 6/10           | At least 8/10    | 9/10           |                      |

## Policy Advice – Māori Crown Relations

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| The satisfaction of the Minister for Māori Crown Relations: Te Arawhiti with the policy advice service, as per the common satisfaction survey. | 3.2/5          | At least 4/5     | 4/5            |                      |
| An average score for policy advice papers that are assessed.   | 3.5/5          | 3.5/5            | 3.65           |                      |
| Percentage of policy advice papers that are assessed score 3 or higher out of 5  | 90%            | 80%              | 100%           |                      |
| Percentage of policy advice papers that are assessed score 4 or higher out of 5  | 20%            | 40%              | 40%            |                      |
| Percentage of policy advice papers that are assessed score 2.5 or less out of 5  | 10%            | <20%             | 0%             |                      |

## Output class statement – Policy Advice–Māori Crown Relations

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 2,096             | Crown                 | 3,002             | 3,002                       | 3,002                                       | 0                             |
| 36                | Departmental          | 78                | 0                           | 0   | 0                             |
| 2                 | Other                 | 11                | 0                           | 0   | 0                             |
| 2,134             | Total Revenue         | 3,091             | 3,002                       | 3,002                                       | 0                             |
| 1,639             | Total Expenses        | 6,098             | 3,002                       | 3,002                                       | 0                             |
| 495               | Net Surplus/(Deficit) | (3,007)           | 0                           | 0   | 0                             |

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

Note 2 - This category moves to a new Māori Crown Relations appropriation in Vote Te Arawhiti in 2021/22.

## Services to Ministers

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| The satisfaction of the Minister for Māori Crown Relations: Te Arawhiti with ministerial services, as per the common satisfaction survey. | 8/10           | At least 8/10    | 9/10           |                      |



## Output class statement – Services to Ministers

| Actual<br>2020<br>\$000 | Revenue               | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|-------------------------|-----------------------|-------------------------|--------------------------------------|---|--|
| 698                     | Crown                 | 998                     | 998                                  | 998   | 0                                      |
| 12                      | Departmental          | 8                       | 0                                    | 0   | 0                                      |
| 1                       | Other                 | 1                       | 0                                    | 0   | 0                                      |
| 711                     | Total Revenue         | 1,007                   | 998                                  | 998   | 0                                      |
| 546                     | Total Expenses        | 562                     | 998                                  | 998   | 0                                      |
| 165                     | Net Surplus/(Deficit) | 445                     | 0                                    | 0   | 0                                      |

Note 1 - This category moves to a new Māori Crown Relations appropriation in Vote Te Arawhiti in 2021/22.

## Strengthening Crown Capability

| Performance measure  | Actual<br>2019/20 | Standard<br>2020/21 | Actual<br>2020/21 | Variance explanation |
|--|-------------------|---------------------|-------------------|----------------------|
| Number of engagement processes advised on  | 50                | 50                  | 50                |                      |
| Number of people signed up to use Te Haeata  | New measure       | 700                 | 700               |                      |
| Percentage of all legislated settlements published on Te Haeata (except where Post Settlement Governance Entities have asked to pause the publication of the settlement) | New measure       | 100%                | 100%              |                      |
| Percentage of target agencies that have expressed their commitment to Whāinga Amorangi   | New measure       | 100%                | 100%              |                      |
| Number of Māori Crown engagement workshops   | New measure       | 15                  | 15                |                      |

## Output class statement – Strengthening Crown Capability

| Actual<br>2020<br>\$000 | Revenue               | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|-------------------------|-----------------------|-------------------------|--------------------------------------|---|--|
| 2,891                   | Crown                 | 6,500                   | 6,000                                | 6,500   | 0                                      |
| 73                      | Departmental          | 46                      | 0                                    | 0   | 0                                      |
| 5                       | Other                 | 4                       | 0                                    | 0   | 0                                      |
| 2,969                   | Total Revenue         | 6,550                   | 6,000                                | 6,500   | 0                                      |
| 3,278                   | Total Expenses        | 3,373                   | 6,000                                | 6,500   | 0                                      |
| (309)                   | Net Surplus/(Deficit) | 3,177                   | 0                                    | 0   | 0                                      |

Note 1 - This category moves to a new Māori Crown Relations appropriation in Vote Te Arawhiti in 2021/22.

# THE OFFICE FOR MĀORI CROWN RELATIONS – TE ARAWHITI

## Vote Justice

### Crown Response to Wakatu Litigation and Related Proceedings

#### Scope of Appropriation

This appropriation is limited to the development and delivery of a Crown response to the Wakatū litigation and any related proceedings.

#### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the development and delivery of a coordinated Crown response to the Wakatū litigation and related proceedings.

#### Assessing Performance – Performance of the multi-category appropriation as a whole

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| An interagency panel is established to inform the Crown's ongoing response to the Wakatu proceedings. | New measure    | Achieved         | Achieved       |                      |

#### Output class statement – Crown Response to Wakatu Litigation and Related Proceedings (MYA)

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 0                 | Crown                 | 717               | 0                           | 1,800                                       | 1,800                         |
| 0                 | Departmental          | 0                 | 0                           | 0   | 0                             |
| 0                 | Other                 | 0                 | 0                           | 0   | 0                             |
| 0                 | Total Revenue         | 717               | 0                           | 1,800                                       | 1,800                         |
| 0                 | Total Expenses        | 717               | 0                           | 1,800                                       | 1,800                         |
| 0                 | Net Surplus/(Deficit) | 0                 | 0                           | 0   | 0                             |

Note 1 - This is a new appropriation in 2020/21. This appropriation moves to the new Vote Te Arawhiti in 2021/22.

# MINISTRY OF JUSTICE

## Vote Courts

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

#### Overarching Purpose of Appropriation

The single overarching purpose of this appropriation is to provide courts, tribunals and other authorities services, including the collection and enforcement of fines and civil debts services.

#### Scope of Appropriation

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.

#### What is Intended to be Achieved with this Appropriation

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 priorities to maintain the integrity of the courts and tribunals, honour our responsibilities to Māori, and improve access to justice.

#### Assessing Performance – Performance of the multi-category appropriation as a whole

| Performance measure  | Actual 2019/20   | Standard 2020/21 | Actual 2020/21 | Variance explanation   |
|--|--|------------------|----------------|--|
| Satisfaction of court users with court services and facilities                                     | Not measured (Survey conducted biennially)                     | 80%              | 80%            |  |
| Percentage of juror survey responses that rate overall juror satisfaction as "satisfied" or better | Unable to measure (Jury trials suspended during survey period) | 90%              | 89%            |  |
| Percentage of criminal trials - category 3 & 4 resolved within 12 months                           | 83%  | 90%              | 80%            | Changes in COVID-19 alert levels in 2020/21 had a significant effect on the operation of the courts and disposal of category 3 and 4 cases. The overall active criminal caseload has decreased, but the number of active category 3 jury trial cases has increased due to COVID-19 delays such as the suspension of jury trials during alert level restrictions. |

## Collection and enforcement of fines and civil debts services

| Performance measure   | Actual 2019/20 | Standard 2020/21       | Actual 2020/21 | Variance explanation   |
|---|----------------|------------------------|----------------|--|
| Total amount of fines collected   | \$198 million  | At least \$180 million | \$212 million  | The total amount of fines collected has increased as a result of the following initiatives: <ul style="list-style-type: none"> <li>Improved contact campaign.</li> <li>Imbedded data matching with an external credit agency.</li> <li>New decision-making framework to resolve fines more effectively.</li> </ul> |
| Percentage of court-imposed and infringement fines collected or placed under arrangement within four months | 75%            | 80%                    | 80%            |  |
| Civil enforcement applications processed in 3 days  | 81%            | 90%                    | 87%            |  |
| Percentage of Offender Levy collected or placed under arrangement within four months                        | 74%            | 75%                    | 79%            |  |
| Percentage of debt that is under arrangement  | 42%            | 45%                    | 48%            |  |
| Average time to answer calls to the Contact Centre (mm:ss) (see Note 1)                                     | 0:49           | 1:30                   | 1:32           | Changes in staffing levels have affected the average call answer times.  |

## Output class statement – Collection and Enforcement of Fines and Civil Debts Services

| Actual 2020 |                       | Actual 2021 | Unaudited Budget 2021 | Unaudited supplementary estimate 2021 | Unaudited forecast 2022 |
|-------------|-----------------------|-------------|-----------------------|---------------------------------------|-------------------------|
| \$000       | Revenue               | \$000       | \$000                 | \$000                                 | \$000                   |
| 52,363      | Crown                 | 55,438      | 54,791                | 55,438                                | 56,067                  |
| 227         | Departmental          | 50          | 543                   | 617                                   | 534                     |
| 1,524       | Other                 | 1,510       | 4,496                 | 4,496                                 | 4,496                   |
| 54,114      | Total Revenue         | 56,998      | 59,830                | 60,551                                | 61,097                  |
| 57,470      | Total Expenses        | 56,893      | 59,830                | 60,551                                | 61,097                  |
| (3,356)     | Net Surplus/(Deficit) | 105         | 0                     | 0                                     | 0                       |

## District Court Services

| Performance measure   | Actual 2019/20 | Standard 2020/21           | Actual 2020/21 | Variance explanation  |
|---|----------------|----------------------------|----------------|---|
| Percentage of Care of Children Act applications resolved within 12 months in the Family Court         | 75%            | 75%                        | 69%            | An increase in the number of defended Family Court applications (that take longer to resolve) and COVID-19 restrictions delaying the progression of cases, are increasing the time to dispose of Care of Children Act applications. |
| Percentage of category 2 cases resolved within 3 months   | 68%            | 70%                        | 65%            | Changes in COVID-19 alert levels in 2020/21 had a significant effect on the operation of the courts and the disposal of category 2 cases.   |
| Number of District Court criminal cases (including youth) disposed                                    | 119,728        | >110,000                   | 117,778        |   |
| District Court civil cases disposed   | 17,345         | >16,000                    | 17,079         |   |
| Number of Family Court substantive applications disposed  | 54,394         | >55,000                    | 62,009         | The number of disposals is exceeding the number of new applications received. The number of applications received by the Family Court is demand driven.   |
| Number of calls received by the 0800 victims of crime information line                                | 28,003         | 17,000-19,000 (see Note 2) | 26,720         | Demand for the information line is high and work is underway to improve the management of incoming calls.   |
| Percentage of calls received by the 0800 victims of crime information line answered within 30 seconds | 76%            | 80%                        | 76%            |   |
| Average time to answer calls to the Registry Contact Centre (mm:ss) (see Note 3)                      | 0:52           | 1:30                       | 2:14           | High staff turnover has affected our ability to answer calls within the target timeframe. Once staffing levels are back to normal, we expect the answer time to return to target levels.  |
| Dissolution of marriage applications processed within 6 days  | 90%            | 90%                        | 91%            |   |
| Applications to commence civil proceedings processed within 6 days                                    | 86%            | 90%                        | 94%            |   |

## Output class statement – District Court Services

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 260,893           | Crown                 | 286,542           | 274,151                     | 286,542                                     | 298,876                       |
| 880               | Departmental          | 243               | 1,408                       | 1,580                                       | 1,252                         |
| 16,906            | Other                 | 18,106            | 18,206                      | 18,481                                      | 18,441                        |
| 278,679           | Total Revenue         | 304,891           | 293,765                     | 306,603                                     | 318,569                       |
| 273,837           | Total Expenses        | 289,685           | 293,765                     | 306,603                                     | 318,569                       |
| 4,842             | Net Surplus/(Deficit) | 15,206            | 0                           | 0   | 0                             |

## Senior Court Services

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| Number of Supreme Court civil and criminal applications for leave to appeal and appeals disposed | 149            | 100-200          | 160            |                      |
| Number of Court of Appeal civil and criminal appeals disposed                                    | 615            | 570-730          | 645            |                      |
| Number of High Court civil and criminal appeals disposed   | 1,583          | 1,400-1,700      | 1,673          |                      |
| Number of High Court civil and criminal cases disposed   | 2,324          | 2,100 - 2,700    | 2,472          |                      |

## Output class statement – Senior Court Services

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 75,266            | Crown                 | 77,623            | 76,477                      | 77,623                                      | 77,294                        |
| 329               | Departmental          | 55                | 1,256                       | 1,294                                       | 680                           |
| 10,307            | Other                 | 9,750             | 10,221                      | 10,221                                      | 10,221                        |
| 85,902            | Total Revenue         | 87,428            | 87,954                      | 89,138                                      | 88,195                        |
| 87,894            | Total Expenses        | 98,626            | 87,954                      | 89,138                                      | 88,195                        |
| (1,992)           | Net Surplus/(Deficit) | (11,198)          | 0                           | 0   | 0                             |

## Specialist Courts, Tribunals and Other Authorities Services

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|---|----------------|------------------|----------------|---|
| <b>Accident Compensation Appeals District Court Registry (ACA DCR)</b>                                  |                |                  |                |   |
| Percentage of Accident Compensation Appeals District Court Registry cases disposed                      | 113%           | 85%              | 146%           | Additional judicial resource has worked to address Accident Compensation Appeals back-logs. |
| <b>Alcohol Regulatory Licensing Authority</b>   |                |                  |                |   |
| Percentage of Alcohol Regulatory Licensing Authority appeals, and enforcements resolved within 6 months | 77%            | 75%              | 74%            |   |

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|---|----------------|------------------|----------------|---|
| <b>Coronial Services Unit</b>                                     |                |                  |                |   |
| Percentage of coronial cases on hand under 12 months old          | 48%            | 60%              | 45%            | The circumstances of some deaths mean they may take longer to investigate. Coroners consider evidence from a range of sources and may consult with multiple agencies, such as Police, WorkSafe or the Health and Disability Commissioner. Depending on the circumstances of the death, a coroner may put their inquiry on hold pending the outcome of another agency's investigation or any criminal proceedings. This means coronial investigations may take longer, with some investigations not completed until sometime after a person has died.  |
| Number of coronial cases disposed                                 | 2,943          | >3,100           | 3,300          | The increase in the number of coronial cases disposed is due to an increase in judicial resource. In Budget 2019, the government provided additional funding to appoint 8 0.75 FTE relief coroners to help reduce the growing backlog of coronial cases. 7 full-time coroners left the bench in 2020 and 2021, which meant that the impact of the relief coroners was not as great as anticipated. The addition of the relief coroners has helped the court to dispose of more cases in 2020/21 compared to 2019/20 and will continue to help more families access justice and get answers regarding the death of their loved one sooner. |
| <b>Disputes Tribunal</b>  |                |                  |                |   |
| Number of Disputes Tribunal claims disposed                       | 10,144         | >12,000          | 12,524         | Process improvements, such as the utilisation of hearing timeslots and using teleconference technology for selected hearings, have improved the disposal rate of Disputes Tribunal cases.   |
| Percentage of Disputes Tribunal claims disposed within 3 months   | 60%            | 75%              | 60%            | Delays caused by COVID-19 restrictions and under-utilised sitting time have affected the percentage of claims disposed within 3 months.   |
| Disputes Tribunal applications processed within 6 days            | 76%            | 85%              | 98%            | Changes to how we record Disputes Tribunal applications have caused the increase in our completion rate. Filing dates are now recorded when an application is ready for filing (i.e, all information is provided), and not from when it is received.  |
| <b>Employment Court</b>   |                |                  |                |   |
| Number of Employment Court cases disposed                         | 224            | >150             | 226            |   |
| Percentage of Employment Court cases on hand under 12 months old  | 68%            | 75%              | 59%            | The percentage of cases on hand over 12 months old is due to matters undergoing due process and waiting for final determination and/or are on hold under directions from a judge.   |
| <b>Environment Court</b>  |                |                  |                |   |
| Number of Environment Court cases disposed                        | 500            | >350             | 364            |   |
| Percentage of Environment Court cases on hand under 18 months old | 60%            | 75%              | 38%            | The percentage of cases under 18 months old has increased, due to 3 plan reviews that were filed in 2018. These resulted in 343 appeals being filed (over 40% of the Environment Court's workload). Once resolved, the Ministry expects the aged profile of cases to reduce.  |
| <b>Human Rights Review Tribunal</b>                               |                |                  |                |   |
| Percentage of Human Rights Review Tribunal cases disposed         | New measure    | 80%              | 70%            | The Chairperson is supporting Deputy Chairpersons by providing oversight of decisions made for hearings held within this period. This may add time for cases to be heard.   |
| <b>Immigration and Protection Tribunal</b>                        |                |                  |                |   |
| Percentage of Immigration and Protection Tribunal cases disposed  | 111%           | 90%              | 95%            | An increase in new business, and processing delays caused by COVID-19 alert level restrictions, has reduced the overall case disposal rate.   |

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|---|----------------|------------------|----------------|---|
| <b>Māori Land Court</b>   |                |                  |                |   |
| Percentage of all Māori Land Court and Māori Appellate Court applications disposed within 12 months             | 68%            | 80%              | 75%            |   |
| Māori Land Court and Māori Appellate Court applications disposed  | 5,116          | >5,000           | 5,547          |   |
| <b>Tenancy Tribunal</b>   |                |                  |                |   |
| Number of Tenancy Tribunal applications resolved  | 12,761         | >18,300          | 12,431         | The number of applications resolved is lower than estimated due to changes in the housing and tenancy market (which has resulted in fewer applications received by the tribunal). |
| <b>Waitangi Tribunal</b>  |                |                  |                |   |
| Percentage of Waitangi Tribunal claims processed within 30 days   | 93%            | 90%              | 91%            |   |
| Percentage of Waitangi Tribunal urgent applications determined in 1 month of receipt of last submissions        | 77%            | 90%              | 68%            | Urgent applications that contained complex issues required more time for the tribunal to consider.  |
| Percentage of Waitangi Tribunal drafts completed to the Chief Historian's standard and by the agreed timeframes | 91%            | 90%              | 100%           |   |
| Number of Waitangi Tribunal reports completed to the Chief Historian's standard and by the agreed timeframes    | 7              | 5-10             | 0              | The commissioning of reports is set by judicial timeframes and none were ordered.   |

## Output class statement – Specialist Courts, Tribunals and Other Authorities Services

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 86,416            | Crown                 | 91,308            | 89,161                      | 91,308                                      | 91,842                        |
| 291               | Departmental          | 83                | 2,329                       | 2,376                                       | 2,282                         |
| 10,637            | Other                 | 10,215            | 12,753                      | 12,843                                      | 12,738                        |
| 97,344            | Total Revenue         | 101,606           | 104,243                     | 106,527                                     | 106,862                       |
| 98,892            | Total Expenses        | 108,541           | 104,180                     | 106,566                                     | 106,904                       |
| (1,548)           | Net Surplus/(Deficit) | (6,935)           | 63                          | (39)  | (42)                          |

Note 1 - The 2019/20 measure referred to the contact centre as the Fines Contact Centre.

Note 2 - The Standard has been updated to align with the Service Level Agreement with the provider.

Note 3 - The 2019/20 measure referred to the contact centre as 0800 Courts.



# THE OFFICE FOR MĀORI CROWN RELATIONS — TE ARAWHITI

## Vote Treaty Negotiations

### Treaty Negotiations and Marine and Coastal Area Customary Interests

#### Scope of Appropriation

This appropriation is limited to departmental expenses incurred in settling historical Treaty of Waitangi claims, determining customary interests in marine and coastal areas, and implementing such settlements of claims and determinations of interests.

#### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve supporting the Crown in the negotiation, administration and implementation of historical Treaty of Waitangi settlement claims and Marine and Coastal Area customary interests.

#### Assessing Performance

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| The satisfaction of the Minister for Treaty of Waitangi Negotiations with progress towards negotiation milestones                     | 7/10           | At least 8/10    | 8/10           |                      |
| The satisfaction of the Minister for Treaty of Waitangi Negotiations with ministerial services, as per the common satisfaction survey | 10/10          | At least 8.5/10  | 10/10          |                      |

#### Representation – Waitangi Tribunal and Courts

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| The Crown is represented at 100% of current Waitangi Tribunal District inquiries | 100%           | 100%             | 100%           |                      |

## Treaty Negotiations and Marine and Coastal Area

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|---|----------------|------------------|----------------|---|
| Percentage of settlement date obligations met   | 100%           | 100%             | 100%           |   |
| Deeds of Mandate recognised (see Note 2 and 3)  | 1              | 1                | 1              |   |
| Agreements in Principle signed (see Notes 2 and 4)  | 1              | 1                | 0              | An Agreement in Principle was forecast for Ngāti Hāua but was not achieved. A proposed Crown offer (not formally made) was unlikely to be accepted by iwi and negotiations stalled.   |
| Deeds of Settlement initialled (see Notes 2 and 5)  | 1              | 5                | 4              | Four initialled deeds of settlement were achieved, a further initialled deed was forecast but not achieved. This was Whakatōhea, where unresolved overlapping interests meant we could no longer achieve initialled Deed of Settlement within the target timeframe. |
| Number of applications in formal engagement processes with the Crown regarding customary interests in the takutai moana | 6              | 12               | 13             | The cumulative total is made up of seven existing commitments and six Nga Hapu o Ngati Porou Management Trusts.   |
| The Crown is represented at 100% of current High Court hearings in relation to takutai moana cases                      | 100%           | 100%             | 100%           | Main hearings include: Whakatōhea (Edwards), Eriha whanau (Clarkson), Ngāti Pāhauwera (Taylor), Ngā Pōtiki (Reeder)   |

## Output class statement –Treaty Negotiations and Marine and Coastal Area Customary Interests

| Actual 2020 \$000 | Revenue               | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited forecast 2022 \$000 |
|-------------------|-----------------------|-------------------|-----------------------------|---|-------------------------------|
| 16,507            | Crown                 | 38,843            | 38,705                      | 38,843                                      | 39,448                        |
| 239               | Departmental          | 369               | 346                         | 351   | 97                            |
| 61                | Other                 | 73                | 35                          | 35  | 35                            |
| 16,807            | Total Revenue         | 39,285            | 39,086                      | 39,229                                      | 39,580                        |
| 13,946            | Total Expenses        | 37,144            | 39,086                      | 39,229                                      | 39,580                        |
| 2,861             | Net Surplus/(Deficit) | 2,141             | 0                           | 0   | 0                             |

Note 1 - A agreed time is to enable the Minister to meet the ten-day statutory timeframe for providing response.

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

Note 3 - An Agreement in Principle is agreed between the Crown and a claimant group. The document describes the broad outline of a settlement package and is signed by the claimant group and the Minister for Treaty of Waitangi Negotiations.

Note 4 - A Deed of Settlement is the complete, detailed and formal settlement agreement between the Crown and the claimant group.

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

Note 6 - This appropriation moves to the new Vote Te Arawhiti in 2021/22.

# Our financial statements



# Departmental financial statements

# Statement of comprehensive revenue and expense

## For the year ended 30 June 2021

| Actual<br>2020<br>\$000  |  | Notes | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|--|--|-------|-------------------------|--------------------------------------|---|--|
| <b>Revenue</b>   |  |       |                         |                                      |   |  |
| 666,137  | Crown  |       | 710,867                 | 679,615                              | 711,950   | 719,765                                |
| 12,647   | Department   |       | 11,024                  | 16,235                               | 18,654  | 14,971                                 |
| 43,284   | Other revenue  | 2     | 43,773                  | 49,188                               | 49,626  | 49,408                                 |
| <b>722,068</b>   | <b>Total revenue</b>                                 |       | <b>765,664</b>          | <b>745,038</b>                       | <b>780,230</b>  | <b>784,144</b>                         |
| <b>Expenses</b>  |  |       |                         |                                      |   |  |
| 355,608  | Personnel costs                                      | 3     | 375,501                 | 350,463                              | 389,326   | 378,170                                |
| 181,878  | Operating costs                                      | 4     | 211,932                 | 217,388                              | 219,159   | 233,834                                |
| 82,861   | Capital charge                                       | 6     | 71,890                  | 81,497                               | 71,890  | 71,553                                 |
| 92,751   | Depreciation and amortisation expenses               | 8,9   | 97,645                  | 95,627                               | 99,894  | 100,629                                |
| <b>713,098</b>   | <b>Total expenses</b>                                |       | <b>756,968</b>          | <b>744,975</b>                       | <b>780,269</b>  | <b>784,186</b>                         |
| <b>8,970</b>   | <b>Net surplus/(deficit)</b>                         |       | <b>8,696</b>            | <b>63</b>                            | <b>(39)</b>   | <b>(42)</b>                            |
| <b>Other comprehensive revenue and expense</b>                     |  |       |                         |                                      |   |  |
| <i>Item that will not be reclassified to net surplus/(deficit)</i> |  |       |                         |                                      |   |  |
| 76,952   | Gain on property revaluations                        |       | 23,585                  | -                                    | -   | -                                      |
| <b>76,952</b>  | <b>Total other comprehensive revenue and expense</b> |       | <b>23,585</b>           | <b>-</b>                             | <b>-</b>  | <b>-</b>                               |
| <b>85,922</b>  | <b>Total comprehensive revenue and expense</b>       |       | <b>32,281</b>           | <b>63</b>                            | <b>(39)</b>   | <b>(42)</b>                            |

Explanations of significant variances against budget are detailed in note 17.

*The accompanying notes form part of these financial statements.*

# Statement of financial position

## As at 30 June 2021

| Actual<br>2020<br>\$000        |                                      | Notes | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|--------------------------------|--------------------------------------|-------|-------------------------|--------------------------------------|---|--|
| <b>Assets</b>                  |                                      |       |                         |                                      |   |  |
| <b>Current assets</b>          |                                      |       |                         |                                      |   |  |
| 60,270                         | Cash and cash equivalents            |       | 54,492                  | 48,219                               | 42,999  | 41,161                                 |
| 112,927                        | Receivables                          | 7     | 152,187                 | 115,255                              | 139,285   | 170,644                                |
| 3,441                          | Prepayments                          |       | 7,489                   | 2,073                                | 3,441   | 3,441                                  |
| 596                            | Assets held for sale                 |       | -                       | 596                                  | -   | -                                      |
| <b>177,234</b>                 | <b>Total current assets</b>          |       | <b>214,168</b>          | <b>166,143</b>                       | <b>185,725</b>  | <b>215,246</b>                         |
| <b>Non-current assets</b>      |                                      |       |                         |                                      |   |  |
| 1,288,904                      | Property, plant and equipment        | 8     | 1,286,598               | 1,206,822                            | 1,277,263   | 1,252,348                              |
| 70,750                         | Intangible assets                    | 9     | 69,964                  | 84,292                               | 70,027  | 67,744                                 |
| <b>1,359,654</b>               | <b>Total non-current assets</b>      |       | <b>1,356,562</b>        | <b>1,291,114</b>                     | <b>1,347,290</b>  | <b>1,320,092</b>                       |
| <b>1,536,888</b>               | <b>Total assets</b>                  |       | <b>1,570,730</b>        | <b>1,457,257</b>                     | <b>1,533,015</b>  | <b>1,535,338</b>                       |
| <b>Liabilities</b>             |                                      |       |                         |                                      |   |  |
| <b>Current liabilities</b>     |                                      |       |                         |                                      |   |  |
| 42,203                         | Payables and deferred revenue        | 10    | 40,713                  | 43,731                               | 38,259  | 38,259                                 |
| 31,979                         | Employee entitlements                | 11    | 34,922                  | 28,876                               | 30,943  | 29,908                                 |
| 4,222                          | Provisions                           | 12    | 1,453                   | 5,000                                | 4,222   | 4,222                                  |
| 9,040                          | Return of operating surplus          | 13    | 8,749                   | -                                    | -   | -                                      |
| <b>87,444</b>                  | <b>Total current liabilities</b>     |       | <b>85,837</b>           | <b>77,607</b>                        | <b>73,424</b>   | <b>72,389</b>                          |
| <b>Non-current liabilities</b> |                                      |       |                         |                                      |   |  |
| 9,367                          | Employee entitlements                | 11    | 9,455                   | 8,303                                | 9,367   | 9,367                                  |
| 1,160                          | Provisions                           | 12    | 2,802                   | -                                    | 1,160   | 1,160                                  |
| <b>10,527</b>                  | <b>Total non-current liabilities</b> |       | <b>12,257</b>           | <b>8,303</b>                         | <b>10,527</b>   | <b>10,527</b>                          |
| <b>97,971</b>                  | <b>Total liabilities</b>             |       | <b>98,094</b>           | <b>85,910</b>                        | <b>83,951</b>   | <b>82,916</b>                          |
| <b>1,438,917</b>               | <b>Net assets</b>                    |       | <b>1,472,636</b>        | <b>1,371,347</b>                     | <b>1,449,064</b>  | <b>1,452,422</b>                       |
| <b>Equity</b>                  |                                      |       |                         |                                      |   |  |
| 937,528                        | Taxpayers' funds                     | 14    | 948,500                 | 947,558                              | 948,323   | 951,681                                |
| 646                            | Memorandum accounts                  | 14    | 593                     | -                                    | -   | -                                      |
| 500,743                        | Property revaluation reserves        | 14    | 523,543                 | 423,789                              | 500,741   | 500,741                                |
| <b>1,438,917</b>               | <b>Total equity</b>                  |       | <b>1,472,636</b>        | <b>1,371,347</b>                     | <b>1,449,064</b>  | <b>1,452,422</b>                       |
| <b>1,536,888</b>               | <b>Total equity and liabilities</b>  |       | <b>1,570,730</b>        | <b>1,457,257</b>                     | <b>1,533,015</b>  | <b>1,535,338</b>                       |

Explanations of significant variances against budget are detailed in note 17.

*The accompanying notes form part of these financial statements.*

# Statement of changes in equity

## For the year ended 30 June 2021

| Actual<br>2020<br>\$000   |  | Notes | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|---------------------------|--|-------|-------------------------|--------------------------------------|---|--|
| <b>1,384,024</b>          | <b>Equity as at 1 July</b>               |       | <b>1,438,917</b>        | <b>1,362,397</b>                     | <b>1,438,916</b>  | <b>1,449,064</b>                       |
| 85,922                    | Total comprehensive revenue and expense  |       | 32,281                  | 63                                   | (39)  | (42)                                   |
| <b>Owner transactions</b> |  |       |                         |                                      |   |  |
| (9,040)                   | Return of operating surplus to the Crown | 13    | (8,749)                 | -                                    | -   | -                                      |
| 3,272                     | Capital contribution from the Crown      |       | 11,287                  | 8,887                                | 11,287  | 3,400                                  |
| (25,261)                  | Capital withdrawal                       |       | (1,100)                 | -                                    | (1,100)   | -                                      |
| <b>1,438,917</b>          | <b>Equity as at 30 June</b>              | 14    | <b>1,472,636</b>        | <b>1,371,347</b>                     | <b>1,449,064</b>  | <b>1,452,422</b>                       |

Explanations of significant variances against budget are detailed in note 17.

*The accompanying notes form part of these financial statements.*

# Statement of cash flows

## For the year ended 30 June 2021

| Actual<br>2020<br>\$000                     | Notes   | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 | Unaudited<br>forecast<br>2022<br>\$000 |
|---|---|-------------------------|--------------------------------------|---|--|
| <b>Cash flows from operating activities</b> |   |                         |                                      |   |  |
| 637,114                                     | Receipts from the Crown                                 | 670,753                 | 657,615                              | 685,591   | 688,406                                |
| 889   | Receipts from other departments                         | 10,832                  | 15,696                               | 18,654  | 14,971                                 |
| 52,487                                      | Receipts from others                                    | 44,365                  | 49,727                               | 49,626  | 49,408                                 |
| (1,494)                                     | Goods and services tax (net)                            | (1,569)                 | -                                    | -   | -                                      |
| (345,693)                                   | Payments to employees                                   | (372,089)               | (351,498)                            | (390,361)   | (379,205)                              |
| (196,686)                                   | Payments to suppliers                                   | (210,682)               | (217,388)                            | (223,607)   | (233,834)                              |
| (82,861)                                    | Payments for capital charge                             | (71,890)                | (81,497)                             | (71,890)  | (71,553)                               |
| <b>63,756</b>                               | <b>Net cash flows from operating activities</b>         | <b>69,720</b>           | <b>72,655</b>                        | <b>68,013</b>   | <b>68,193</b>                          |
| <b>Cash flows from investing activities</b> |   |                         |                                      |   |  |
| 25,265                                      | Receipts from sale of property, plant and equipment     | 1,961                   | -                                    | 1,100   | -                                      |
| (46,957)                                    | Purchase of property, plant and equipment               | (58,541)                | (54,250)                             | (68,350)  | (54,250)                               |
| (19,181)                                    | Purchase of intangible assets                           | (20,065)                | (27,000)                             | (19,181)  | (19,181)                               |
| <b>(40,873)</b>                             | <b>Net cash flows from investing activities</b>         | <b>(76,645)</b>         | <b>(81,250)</b>                      | <b>(86,431)</b>   | <b>(73,431)</b>                        |
| <b>Cash flows from financing activities</b> |   |                         |                                      |   |  |
| 3,272                                       | Capital injections                                      | 11,287                  | 8,887                                | 11,287  | 3,400                                  |
| (25,261)                                    | Capital withdrawal                                      | (1,100)                 | -                                    | (1,100)   | -                                      |
| (6,665)                                     | Return of operating surplus                             | (9,040)                 | -                                    | (9,040)   | -                                      |
| <b>(28,654)</b>                             | <b>Net cash flows from financing activities</b>         | <b>1,147</b>            | <b>8,887</b>                         | <b>1,147</b>  | <b>3,400</b>                           |
| <b>(5,771)</b>                              | <b>Net increase/(decrease) in cash held</b>             | <b>(5,778)</b>          | <b>292</b>                           | <b>(17,271)</b>   | <b>(1,838)</b>                         |
| 66,041                                      | Cash and cash equivalents at the beginning of the year  | 60,270                  | 47,927                               | 60,270  | 42,999                                 |
| <b>60,270</b>                               | <b>Cash and cash equivalents at the end of the year</b> | <b>54,492</b>           | <b>48,219</b>                        | <b>42,999</b>   | <b>41,161</b>                          |

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 17.

*The accompanying notes form part of these financial statements.*



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

| Actual<br>2020<br>\$000  |   | Actual<br>2021<br>\$000 |
|--|---|-------------------------|
| 8,970  | Net surplus/(deficit)   | 8,696                   |
| <b>Add/(less) non-cash items</b>   |   |                         |
| 92,727   | Depreciation and amortisation                                   | 103,660                 |
| <b>92,727</b>  | <b>Total non-cash items</b>                                     | <b>103,660</b>          |
| <b>Add/(less) items classified as investing and financing activities</b> |   |                         |
| 58   | Net (gains)/losses on disposal of property, plant and equipment | (452)                   |
| <b>58</b>  | <b>Total movement in investing and financing activities</b>     | <b>(452)</b>            |
| <b>Add/(less) movements in statement of financial position items</b>     |   |                         |
| (31,579)   | (Increase)/decrease in debtors and other receivables            | (39,260)                |
| (1,368)  | (Increase)/decrease in prepayments                              | (4,048)                 |
| (7,531)  | Increase/(decrease) in payables and deferred revenue            | (781)                   |
| 5,971  | Increase/(decrease) in employee entitlements                    | 3,032                   |
| (3,492)  | Increase/(decrease) in provisions                               | (1,127)                 |
| <b>(37,999)</b>  | <b>Total movements in statement of financial position items</b> | <b>(42,184)</b>         |
| <b>63,756</b>  | <b>Net cash flows from operating activities</b>                 | <b>69,720</b>           |

*The accompanying notes form part of these financial statements.*

# Statement of commitments

## As at 30 June 2021

### 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 1 to 33 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 \$1.747 million (2020: \$1.747 million).

| Actual<br>2020<br>\$000   |  | Actual<br>2021<br>\$000 |
|---|--|-------------------------|
| <b>Capital commitments</b>  |  |                         |
| 2,574   | Buildings  | 1,707                   |
| <b>2,574</b>  | <b>Total capital commitments</b>                         | <b>1,707</b>            |
| <b>Operating leases as lessee</b>   |  |                         |
| The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows: |  |                         |
| 20,083  | Not later than one year                                  | 20,700                  |
| 63,156  | Later than one year and not later than five years        | 62,041                  |
| 110,736   | Later than five years                                    | 101,210                 |
| <b>193,975</b>  | <b>Total non-cancellable operating lease commitments</b> | <b>183,951</b>          |
| <b>196,549</b>  | <b>Total commitments</b>                                 | <b>185,658</b>          |

The accompanying notes form part of these financial statements.

# Statement of contingent liabilities and contingent assets

## As at 30 June 2021

### Quantifiable contingent liabilities

| Actual<br>2020<br>\$000 |                                     | Actual<br>2021<br>\$000 |
|-------------------------|-------------------------------------|-------------------------|
| 30                      | Personal grievances                 | 80                      |
| 147                     | Legal proceedings and disputes      | 62                      |
| <b>177</b>              | <b>Total contingent liabilities</b> | <b>142</b>              |

### Personal grievances

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

### Legal proceeding and disputes

Legal proceedings and disputes represent the amounts claimed by plaintiffs in relation to the performance of the Ministry's statutory role and estimated associated legal costs. The Ministry is currently disputing these claims.

### Unquantifiable contingent liabilities

The Ministry has no unquantifiable contingent liabilities (2020: nil).

### Contingent assets

The Ministry has no contingent assets (2020: nil).

*The accompanying notes form part of these financial statements.*

# Notes to the financial statements

## Note 1 Statement of accounting policies

### Reporting entity

The Ministry of Justice (the Ministry) is a government department as defined by section 5 of the Public Service Act 2020. The relevant legislation governing the Ministry's operations includes the Public Finance Act 1989 (PFA), Public Service Act 2020, and the Public Accountability Act 1998. The Ministry's ultimate parent is the New Zealand Crown. Office for Māori Crown relations -Te Arawhiti (Te Arawhiti) is a departmental agency as defined by section 2 of the PFA, which is hosted within the Ministry. Unless explicitly stated references to the Ministry covers both the Ministry and Te Arawhiti.

The Ministry 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 117 to 132.

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 the purposes of complying with generally accepted accounting practice (GAAP).

The Ministry is responsible for the following core functions:

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

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

The financial statements of the Ministry are for the year ended 30 June 2021, and were authorised for issue by the Chief Executive on 30 September 2021.

### 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 the Ministry's accounting policies since the date of the last audited financial statements.

### Standards issued and not yet effective and not adopted early

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

#### *Amendments to PBE IPSAS 2 Cash Flow Statement*

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Ministry assessed the application of the amendment and concluded it will not affect the Ministry's cash flow disclosure.

#### *Financial Instruments*

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

#### *Service Performance Reporting*

PBE FRS48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. The Ministry has not assessed how application of PBE FRS 48 will affect its statement of performance.

### Summary of significant accounting policies

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

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

## Revenue Crown

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

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

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three 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 investing and financing 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.

## 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 11.

## Budget and forecast figures

### Basis of the budget and forecast figures

The 2021 budget figures are for the year ended 30 June 2021 and were published in the 2020 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to The Treasury for the Budget Economic and Fiscal Update (BEFU) for year ended 30 June 2021.

In addition, the financial statements also present the updated budget information for 2021 submitted to The Treasury for the Supplementary Estimates.

The 2022 forecast figures are for the year ending 30 June 2022, which are consistent with the best estimate financial forecast information submitted to The Treasury for the BEFU for the year ended 30 June 2022.

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 8 April 2021. 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 2022 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 2022 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Budget was finalised.

The main assumptions, which were adopted as at 8 April 2021, 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 4,000 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 2021 was used as the opening position for the 2022 forecasts.

The actual financial results achieved for 30 June 2022 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 2021. This resulted in a revaluation increase of approximately 2%.

### Changes to disclosures

Classification changes within the notes have been made in 2021 compared to 2020. Where classification changes have been made the 2020 comparatives have also been restated. A change has been made to Key Management Personnel within note 15, information for Te Arawhiti senior management staff are now separately identified within this note. In note 8 Property, plant and equipment a table has been added to show the comparison of the carrying value of building using depreciated replacement cost and building valued using market-based evidence.

### Impact of COVID-19

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19.

During the 2020/21 financial year, Auckland and Wellington have experienced increased alert levels that affected Court operations.

COVID-19 and its effect on the economy has the potential to affect the estimates and assumptions used in determining the carrying value of the Ministry's assets and liabilities. Note 8 Property, plant and equipment, includes additional commentary on the uncertainty in the carrying value of land and buildings due COVID-19.

## Note 2 Other revenue

### Other Revenue

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

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

## Interest Revenue

Interest revenue is accrued using the effective interest rate method.

| Actual<br>2020<br>\$000 |                            | Actual<br>2021<br>\$000 |
|-------------------------|----------------------------|-------------------------|
| 25,451                  | Filing fees                | 25,107                  |
| 17,474                  | Other                      | 18,566                  |
| 359                     | Interest                   | 100                     |
| <b>43,284</b>           | <b>Total other revenue</b> | <b>43,773</b>           |

## Note 3 Personnel costs

### 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<br>2020<br>\$000 |  | Notes | Actual<br>2021<br>\$000 |
|-------------------------|--|-------|-------------------------|
| 310,581                 | Salaries and wages                                   |       | 338,200                 |
| 19,587                  | Contractors  | 5     | 13,889                  |
| 9,267                   | Employer contributions to defined contribution plans |       | 10,024                  |
| 8,004                   | Increase/(decrease) in employee entitlements         |       | 3,684                   |
| 8,169                   | Other  |       | 9,704                   |
| <b>355,608</b>          | <b>Total personnel costs</b>                         |       | <b>375,501</b>          |

## Note 4 Operating costs

### 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<br>2020<br>\$000 |   | Notes | Actual<br>2021<br>\$000 |
|-------------------------|---|-------|-------------------------|
| 49,728                  | Computer and telecommunications                       |       | 55,761                  |
| 21,773                  | Professional services                                 |       | 29,617                  |
| 25,681                  | Property related costs                                |       | 26,980                  |
| 20,531                  | Property operating lease expense                      |       | 21,474                  |
| 14,059                  | Maintenance of facilities                             |       | 12,862                  |
| 12,117                  | Staff and judicial travel                             |       | 12,147                  |
| 6,134                   | Consultants   | 5     | 8,922                   |
| 5,586                   | Jurors fees and expenses                              |       | 7,100                   |
| 6,846                   | Printing, stationery and postage                      |       | 7,058                   |
| -                       | Intangible asset impairment                           | 9     | 6,016                   |
| 5,260                   | Judicial library and information services             |       | 5,346                   |
| 1,463                   | Ministry library and information services             |       | 1,364                   |
| 519                     | Audit fees for financial statements audit             |       | 510                     |
| -                       | Audit fees for other services                         |       | 5                       |
| 72                      | Allowance for credit losses on receivables            |       | (378)                   |
| 34                      | Net loss on disposal of property, plant and equipment |       | -                       |
| 12,075                  | Other operating costs                                 |       | 17,148                  |
| <b>181,878</b>          | <b>Total operating expenses</b>                       |       | <b>211,932</b>          |

## Note 5 Contractors and consultants

The Ministry uses contractors and consultants to provide backfill for vacant positions or cover short-term demand, where specialist skills or independent external advice are needed (such as for specific programmes or projects), and in periods of peak demand.

A contractor is a person who is not considered an employee, providing backfill or extra capacity in a role that exists within the Ministry or acts as an additional resource for a time-limited piece of work.

A consultant is a person or firm who is not considered a contractor or employee, engaged to perform a piece of work with a clearly defined scope and provide expertise, in a particular field, not readily available from within the Ministry.

| Actual<br>2020<br>\$000  |  | Notes | Actual<br>2021<br>\$000 |
|--------------------------|--|-------|-------------------------|
| <b>Operating expense</b> |  |       |                         |
| 19,587                   | Contractors  | 3     | 13,889                  |
| 6,134                    | Consultants  | 4     | 8,922                   |
| <b>25,721</b>            | <b>Total operating expense - contractors and consultants</b> |       | <b>22,811</b>           |
| <b>Capital expense</b>   |  |       |                         |
| 6,816                    | Contractors and consultants capitalised to assets            |       | 6,881                   |
| <b>32,537</b>            | <b>Total contractors and consultants</b>                     |       | <b>29,692</b>           |

## Note 6 Capital charge

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

The Ministry pays a capital charge to the Crown on its equity (adjusted for memorandum accounts and the retention of \$500,000 of the 2013 surplus) as at 31 December and 30 June each year. The capital charge rate for the year ended 30 June 2021 was 5 % (2020: 6 %).

## Note 7 Receivables

Short term receivables are recorded at the amount due, less an allowance for credit losses. The Ministry applies the simplified approach to providing for expected credit losses to receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

| Actual<br>2020<br>\$000            |  | Actual<br>2021<br>\$000 |
|------------------------------------|--|-------------------------|
| 104,787                            | Debtor Crown                               | 144,901                 |
| 8,716                              | Sundry receivables                         | 7,365                   |
| (576)                              | Less: allowance for credit losses          | (79)                    |
| <b>8,140</b>                       | <b>Total sundry receivables</b>            | <b>7,286</b>            |
| <b>112,927</b>                     | <b>Total receivables</b>                   | <b>152,187</b>          |
| <b>Total receivables comprise:</b> |  |                         |
| 8,140                              | Receivables from exchange transactions     | 7,286                   |
| 104,787                            | Receivables from non-exchange transactions | 144,901                 |
| <b>112,927</b>                     | <b>Total Receivables</b>                   | <b>152,187</b>          |

The allowance for credit losses was determined as follows:

| Gross<br>2020<br>\$000 | Life time expected<br>credit loss 2020<br>\$000 | Net<br>2020<br>\$000 | Receivable days past due            | Gross<br>2021<br>\$000 | Life time expected<br>credit loss 2021<br>\$000 | Net<br>2021<br>\$000 |
|------------------------|---|----------------------|-------------------------------------|------------------------|---|----------------------|
| 108,754                | -   | 108,754              | Current                             | 150,670                | -   | 150,670              |
| 2,940                  | -   | 2,940                | Receivables < 6 months              | 1,289                  | (4)   | 1,285                |
| 632                    | (29)  | 603                  | Receivables > 6 months but < 1 year | 152                    | (9)   | 143                  |
| 687                    | (87)  | 600                  | Receivables > 1 year but < 2 year   | 112                    | (36)  | 76                   |
| 490                    | (460)   | 30                   | Receivables - > 2 years             | 43                     | (30)  | 13                   |
| <b>113,503</b>         | <b>(576)</b>                                    | <b>112,927</b>       | <b>Total</b>                        | <b>152,266</b>         | <b>(79)</b>                                     | <b>152,187</b>       |

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

| Actual<br>2020<br>\$000 |   | Actual<br>2021<br>\$000 |
|-------------------------|---|-------------------------|
| <b>513</b>              | <b>Balance as at 1 July</b>                   | <b>576</b>              |
| 118                     | Additional provisions made during the year    | 35                      |
| (35)                    | Less: reversal of prior year provision        | (470)                   |
| (20)                    | Less: receivables written off during the year | (62)                    |
| <b>576</b>              | <b>Balance as at 30 June</b>                  | <b>79</b>               |



## Note 8 Property, plant and equipment

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. Assets under construction are included in the relevant asset class.

Land is measured at fair value. Buildings, excluding assets under construction, are measured at fair value less accumulated depreciation and impairment losses. All other asset 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. Land and buildings are valued annually by a registered valuer. Land and buildings are inspected by the valuer on a rolling three yearly basis. For the remaining properties a desktop valuation is undertaken.

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.

Assets under construction are recognised at cost less impairment and are 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.

### 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.

|  | Land<br>\$000  | Buildings<br>\$000 | Fitout/<br>leasehold<br>improvements<br>\$000 | Computer<br>equipment<br>\$000 | Furniture and<br>fittings, office<br>equipment<br>\$000 | Motor<br>vehicles<br>\$000 | Total<br>\$000   |
|--|----------------|--------------------|---|--------------------------------|---|----------------------------|------------------|
| <b>Year ended 30 June 2021</b>                   |                |                    |   |                                |   |                            |                  |
| Cost   | 230,016        | 978,593            | 58,416  | 74,880                         | 121,039   | 4,844                      | 1,467,788        |
| Accumulated depreciation                         | -              | -                  | (48,482)                                      | (52,895)                       | (73,755)  | (3,752)                    | (178,884)        |
| <b>Opening net book value</b>                    | <b>230,016</b> | <b>978,593</b>     | <b>9,934</b>                                  | <b>21,985</b>                  | <b>47,284</b>   | <b>1,092</b>               | <b>1,288,904</b> |
| Additions  | 9,323          | 19,656             | 726   | 8,039                          | 13,006  | 4,907                      | 55,657           |
| Transfers  | 6              | (1,000)            | (342)   | 200                            | 958   | -                          | (178)            |
| Revaluation                                      | 5,014          | (38,804)           | -   | -                              | -   | -                          | (33,790)         |
| Asset Transfers                                  | 596            | (90)               | -   | -                              | 90  | -                          | 596              |
| Disposals  | (1,100)        | -                  | -   | (516)                          | (215)   | (3,102)                    | (4,933)          |
| Depreciation and impairment                      | -              | (57,375)           | (1,801)                                       | (8,090)                        | (12,440)  | (749)                      | (80,455)         |
| Depreciation on disposals                        | -              | -                  | -   | 516                            | 215   | 2,691                      | 3,422            |
| Accumulated depreciation reversed on revaluation | -              | 57,375             | -   | -                              | -   | -                          | 57,375           |
| Cost   | 243,855        | 958,355            | 58,800  | 82,603                         | 134,878   | 6,649                      | 1,485,140        |
| Accumulated depreciation and impairment          | -              | -                  | (50,283)                                      | (60,469)                       | (85,980)  | (1,810)                    | (198,542)        |
| <b>Closing net book value</b>                    | <b>243,855</b> | <b>958,355</b>     | <b>8,517</b>                                  | <b>22,134</b>                  | <b>48,898</b>   | <b>4,839</b>               | <b>1,286,598</b> |
| Includes assets under construction               | 24             | 32,321             | 574   | 4,664                          | 8,341   | 126                        | 46,050           |
| <b>Year ended 30 June 2020</b>                   |                |                    |   |                                |   |                            |                  |
| Cost   | 248,338        | 931,327            | 57,154  | 70,368                         | 112,535   | 4,926                      | 1,424,648        |
| Accumulated depreciation                         | -              | -                  | (46,570)                                      | (46,867)                       | (61,752)  | (3,512)                    | (158,701)        |
| <b>Opening net book value</b>                    | <b>248,338</b> | <b>931,327</b>     | <b>10,584</b>                                 | <b>23,501</b>                  | <b>50,783</b>   | <b>1,414</b>               | <b>1,265,947</b> |
| Additions  | -              | 29,993             | 500   | 9,123                          | 9,058   | -                          | 48,674           |
| Transfers  | -              | (27)               | 762   | (4,611)                        | (554)   | -                          | (4,430)          |
| Revaluation                                      | 6,940          | 18,844             | -   | -                              | -   | -                          | 25,784           |
| Disposals  | (25,262)       | -                  | -   | -                              | -   | (82)                       | (25,344)         |
| Depreciation and impairment                      | -              | (52,712)           | (1,912)                                       | (6,028)                        | (12,003)  | (311)                      | (72,966)         |
| Depreciation on disposals                        | -              | -                  | -   | -                              | -   | 71                         | 71               |
| Accumulated depreciation reversed on revaluation | -              | 51,168             | -   | -                              | -   | -                          | 51,168           |
| Cost   | 230,016        | 980,137            | 58,416  | 74,880                         | 121,039   | 4,844                      | 1,469,332        |
| Accumulated depreciation and impairment          | -              | (1,544)            | (48,482)                                      | (52,895)                       | (73,755)  | (3,752)                    | (180,428)        |
| <b>Closing net book value</b>                    | <b>230,016</b> | <b>978,593</b>     | <b>9,934</b>                                  | <b>21,985</b>                  | <b>47,284</b>   | <b>1,092</b>               | <b>1,288,904</b> |
| Includes assets under construction               | -              | 32,628             | 500   | 1,704                          | 2,713   | -                          | 37,545           |

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 \$152.029 million listed under the Historic Places Trust Act 1993 (2020: \$139.788 million), which are included in the assets above.

Land at 46 Cameron Road and 26 McLean Street, Tauranga will be transferred upon enactment of a Treaty settlement.

### Critical accounting estimates and assumptions

The land and buildings were valued at fair value as at 30 June 2021 by an independent valuer, Marvin Clough, FPINZ, Technical Director - Valuations and Nick Funnell, MPINZ, NZIV Registered Valuer, of Beca Projects NZ Limited.

#### COVID-19

COVID-19 has continued to affect the level of uncertainty in the valuation. The fair value of land and buildings may change significantly and unexpectedly over a relatively short period of time as a result of COVID-19 or other factors that are currently unknown or uncertain.

#### 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.

- Market rents range from \$70 to \$330 per square metre.
- Capitalization rates are market-based rates of return and range from 5% to 10%

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

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

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

A comparison of the carrying value of building using depreciated replacement cost and buildings valued using market-based evidence is as follows:

| Actual<br>2020<br>\$000 |  | Actual<br>2021<br>\$000 |
|-------------------------|--|-------------------------|
| 586,434                 | Depreciation replacement cost            | 516,606                 |
| 392,159                 | Market - based evidence                  | 441,749                 |
| <b>978,593</b>          | <b>Total carrying value of buildings</b> | <b>958,355</b>          |

## Note 9 Intangible Assets

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. Direct costs include the costs of services, software development employee costs, and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred.

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 14           |

|                                       | Acquired Software<br>\$000 | Internally Generated Software<br>\$000 | Total<br>\$000 |
|---------------------------------------|----------------------------|--|----------------|
| <b>Year ended 30 June 2021</b>        |                            |  |                |
| Cost                                  | 70,669                     | 222,165                                | 292,834        |
| Accumulated amortisation              | (41,631)                   | (180,453)                              | (222,084)      |
| <b>Opening net book value</b>         | <b>29,038</b>              | <b>41,712</b>                          | <b>70,750</b>  |
| Additions                             | 12,278                     | 9,964                                  | 22,242         |
| Transfers                             | (1,435)                    | 1,613                                  | 178            |
| Disposals                             | (4,406)                    | (1,896)                                | (6,302)        |
| Impairment losses                     | -                          | (6,016)                                | (6,016)        |
| Amortisation                          | (2,341)                    | (14,849)                               | (17,190)       |
| Amortisation on disposals             | 4,406                      | 1,896                                  | 6,302          |
| Cost                                  | 77,106                     | 231,846                                | 308,952        |
| Accumulated amortisation & impairment | (39,566)                   | (199,422)                              | (238,988)      |
| <b>Closing net book value</b>         | <b>37,540</b>              | <b>32,424</b>                          | <b>69,964</b>  |
| Includes assets under construction    | 18,468                     | 5,456                                  | 23,924         |
| <b>Year ended 30 June 2020</b>        |                            |  |                |
| Cost                                  | 62,903                     | 206,585                                | 269,488        |
| Accumulated amortisation              | (38,411)                   | (164,060)                              | (202,471)      |
| <b>Opening net book value</b>         | <b>24,492</b>              | <b>42,525</b>                          | <b>67,017</b>  |
| Additions                             | 8,289                      | 10,821                                 | 19,110         |
| Transfers                             | (494)                      | 4,924                                  | 4,430          |
| Disposals                             | (29)                       | (165)                                  | (194)          |
| Amortisation                          | (3,246)                    | (16,539)                               | (19,785)       |
| Amortisation on disposals             | 26                         | 146                                    | 172            |
| Cost                                  | 70,669                     | 222,165                                | 292,834        |

|                                    | Acquired Software<br>\$000 | Internally Generated Software<br>\$000 | Total<br>\$000 |
|------------------------------------|----------------------------|--|----------------|
| Accumulated amortisation           | (41,631)                   | (180,453)                              | (222,084)      |
| <b>Closing net book value</b>      | <b>29,038</b>              | <b>41,712</b>                          | <b>70,750</b>  |
| Includes assets under construction | 11,631                     | 11,460                                 | 23,091         |

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

### Impairment

The Ministry has recognised an impairment loss of \$6.016 million (2019/20: nil) for two items of internally developed software.

The Ministry's content management software, capitalised in 2018, has been found to not be fit for purpose for all jurisdiction and locations. It has been superseded by developments expected in the Leverage M365 – SharePoint project. The impairment expense is based on the remaining net book value of \$5.485 million.

Software developments for on-line court payments was simplified following a review of the initial trial. The current system utilises 48% of the initial development cost and results in an impairment of \$0.531 million.

The impairment loss has been recognised in the Statement of Comprehensive Revenue and Expenses in the line item 'Operating costs'.

### Critical accounting estimates and assumptions

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.

## Note 10 Payables and deferred revenue

Short-term creditors and other payables are recorded at the amount payable.

| Actual<br>2020<br>\$000  |  | Actual<br>2021<br>\$000 |
|--|--|-------------------------|
| <b>Payables and deferred revenue under exchange transactions</b>     |  |                         |
| 15,838   | Creditors and other payables   | 13,567                  |
| 19,949   | Accrued expenses   | 22,270                  |
| -  | Deferred revenue for cost recovered services                           | 30                      |
| <b>35,787</b>  | <b>Total payables and deferred revenue under exchange transactions</b> | <b>35,867</b>           |
| <b>Payables and deferred revenue under non-exchange transactions</b> |  |                         |
| 6,416  | Taxes payable (eg GST)   | 4,846                   |
| <b>42,203</b>  | <b>Total payables and deferred income</b>                              | <b>40,713</b>           |

## Note 11 Employee entitlements

### Short-term employee entitlements

Employee entitlements that are expected to be settled before 12 months after the end of the reporting 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 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.

### Long-term employee entitlements

Employee entitlements that are not expected to be settled before 12 months after the end of the reporting period in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis.

The calculations are based on:

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

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

### Presentation of employee entitlements

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

| Actual<br>2020<br>\$000        |  | Actual<br>2021<br>\$000 |
|--------------------------------|--|-------------------------|
| <b>Current liabilities</b>     |  |                         |
| 19,940                         | Annual leave                                     | 24,461                  |
| 5,089                          | Salaries   | 6,019                   |
| 3,184                          | Retirement and long-service leave                | 3,339                   |
| 9                              | Sick leave                                       | 9                       |
| 3,757                          | Other employee entitlements                      | 1,094                   |
| <b>31,979</b>                  | <b>Total current liabilities</b>                 | <b>34,922</b>           |
| <b>Non-current liabilities</b> |  |                         |
| 9,367                          | Retirement and long-service leave                | 9,455                   |
| <b>9,367</b>                   | <b>Total Non-current liabilities</b>             | <b>9,455</b>            |
| <b>41,346</b>                  | <b>Total provision for employee entitlements</b> | <b>44,377</b>           |

### Critical accounting estimates and assumptions

The present value of the retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible to, the estimated future cash outflows. The discount rate used was 0.38 % with 2.88 % salary inflation for year one of the projection (2020: 0.22 % with 1.83% salary inflation).

If the discount rate was 1 % lower from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$901,000 higher.

If the salary inflation factor was 1 % higher from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$881,000 higher.

The valuations of long service leave and retirement leave as at 30 June 2021 were conducted by an independent actuary, Simon Ferry, FIA FNZSA, of AON New Zealand.

## Note 12 Provisions

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 net deficits from future operating activities.

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 an interest expense and is included in "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<br>\$000 | Restructuring<br>\$000 | Other<br>Provision<br>\$000 | Total<br>\$000 |
|--------------------------------|--------------------|------------------------|-----------------------------|----------------|
| <b>Year ended 30 June 2021</b> |                    |                        |                             |                |
| <b>Opening balance</b>         | <b>3,163</b>       | <b>215</b>             | <b>2,004</b>                | <b>5,382</b>   |
| Additional provisions made     | 250                | 923                    | -                           | 1,173          |
| Amount utilised                | (243)              | -                      | (1,810)                     | (2,053)        |
| Unused provisions reversed     | (118)              | (129)                  | -                           | (247)          |
| <b>Closing balance</b>         | <b>3,052</b>       | <b>1,009</b>           | <b>194</b>                  | <b>4,255</b>   |
| Current portion                | 250                | 1,009                  | 194                         | 1,453          |
| Non-current portion            | 2,802              | -                      | -                           | 2,802          |
| <b>Year ended 30 June 2020</b> |                    |                        |                             |                |
| <b>Opening balance</b>         | <b>2,746</b>       | <b>564</b>             | <b>5,564</b>                | <b>8,874</b>   |
| Additional provisions made     | 693                | 25                     | 2,351                       | 3,069          |
| Amount utilised                | (276)              | (45)                   | (5,911)                     | (6,232)        |
| Unused provisions reversed     | -                  | (329)                  | -                           | (329)          |
| <b>Closing balance</b>         | <b>3,163</b>       | <b>215</b>             | <b>2,004</b>                | <b>5,382</b>   |
| Current portion                | 2,003              | 215                    | 2,004                       | 4,222          |
| Non-current portion            | 1,160              | -                      | -                           | 1,160          |

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

Restructuring provisions provide for the expected costs arising from the reorganisation within the Ministry. All these costs are expected to be expensed during 2022.

## Note 13 Return of operating surplus

| Actual<br>2020<br>\$000 |  | Note | Actual<br>2021<br>\$000 |
|-------------------------|--|------|-------------------------|
| 8,970                   | Net surplus/(deficit)                    |      | 8,696                   |
| 70                      | (Surplus)/deficit of memorandum accounts | 14   | 53                      |
| <b>9,040</b>            | <b>Total return of operating surplus</b> |      | <b>8,749</b>            |

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

## Note 14 Equity

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.

### 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.

| Actual<br>2020<br>\$000    |  | Actual<br>2021<br>\$000 |
|----------------------------|--|-------------------------|
| <b>Taxpayers' funds</b>    |  |                         |
| <b>951,665</b>             | <b>Balance at 1 July</b>                                       | <b>937,528</b>          |
| 8,970                      | Surplus/(deficit)  | 8,696                   |
| (9,040)                    | Return of operating surplus to the Crown                       | (8,749)                 |
| 3,272                      | Capital contribution from the Crown                            | 11,287                  |
| (25,261)                   | Capital withdrawal   | (1,100)                 |
| 70                         | Transfer of memorandum account net (surplus)/deficit           | 53                      |
| 7,852                      | Transfer realised revaluation from property valuation reserves | 785                     |
| <b>937,528</b>             | <b>Balance at 30 June</b>                                      | <b>948,500</b>          |
| <b>Memorandum accounts</b> |  |                         |
| <b>716</b>                 | <b>Balance at 1 July</b>                                       | <b>646</b>              |
| (70)                       | Net memorandum account surplus/(deficit) for the year          | (53)                    |
| <b>646</b>                 | <b>Balance at 30 June</b>                                      | <b>593</b>              |



| Actual<br>2020<br>\$000                        |   | Actual<br>2021<br>\$000 |
|--|---|-------------------------|
| <b>Property revaluation reserves</b>           |   |                         |
| <b>431,643</b>                                 | <b>Balance at 1 July</b>                          | <b>500,743</b>          |
| 76,952   | Revaluation gains                                 | 23,585                  |
| (7,852)  | Transfer realised revaluation to taxpayers' funds | (785)                   |
| <b>500,743</b>                                 | <b>Balance at 30 June</b>                         | <b>523,543</b>          |
| <b>Property valuation reserves consist of:</b> |   |                         |
| 80,708   | Land revaluation reserve                          | 84,938                  |
| 420,035  | Buildings revaluation reserve                     | 438,605                 |
| <b>500,743</b>                                 | <b>Total property valuation reserves</b>          | <b>523,543</b>          |
| <b>1,438,917</b>                               | <b>Total equity</b>                               | <b>1,472,636</b>        |

## Memorandum accounts

| Actual<br>2020<br>\$000                    |                           | Actual<br>2021<br>\$000 |
|--|---------------------------|-------------------------|
| <b>Second Hand Dealers and Pawnbrokers</b> |                           |                         |
| <b>519</b>                                 | <b>Balance at 1 July</b>  | <b>517</b>              |
| 137  | Revenue                   | 251                     |
| (139)                                      | Expenses                  | (165)                   |
| (2)  | Surplus/(deficit)         | 86                      |
| <b>517</b>                                 | <b>Balance at 30 June</b> | <b>603</b>              |
| <b>Legal Complaints Review Officers</b>    |                           |                         |
| <b>197</b>                                 | <b>Balance at 1 July</b>  | <b>129</b>              |
| 1,763                                      | Revenue                   | 1,848                   |
| (1,831)                                    | Expenses                  | (1,987)                 |
| (68)                                       | Surplus/(deficit)         | (139)                   |
| <b>129</b>                                 | <b>Balance at 30 June</b> | <b>(10)</b>             |

These memorandum accounts summarise financial information related to the accumulated surpluses and deficits incurred by the Ministry on a full cost recovery basis. 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 and Legal Complaints Review Officers memorandum accounts require separate recognition within the financial statements.

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.

## Note 15 Related party transactions and key management personnel

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

| Ministry<br>Actual<br>2020<br>\$000 | Te Arawhiti<br>Actual<br>2020<br>\$000 |                            | Ministry<br>Actual<br>2021<br>\$000 | Te Arawhiti<br>Actual<br>2021<br>\$000 |
|-------------------------------------|--|----------------------------|-------------------------------------|--|
| 2,702                               | 1,306                                  | Remuneration               | 2,941                               | 1,395                                  |
| 7                                   | 4.7                                    | Full-time equivalent staff | 7.7                                 | 4.9                                    |

The above key management personnel disclosure excludes the Minister of Justice, Minister for Courts, the Minister for Treaty of Waitangi Negotiations and the Minister for Māori Crown Relations: Te Arawhiti. The Ministers' remuneration and other benefits are not received only for their roles as members of key management personnel of the Ministry. The Ministers' 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 Financial Instruments

### Categories of financial Instruments

The carrying amounts of financial assets and liabilities in each of the PBE IFRS 9 financial instrument categories are as follows:

| Actual<br>2020<br>\$000                                 |   | Note | Actual<br>2021<br>\$000 |
|---|---|------|-------------------------|
| <b>Financial assets measured at amortised cost</b>      |   |      |                         |
| 60,270  | Cash and cash equivalents                                     |      | 54,492                  |
| 112,927   | Debtors and other receivables (excluding taxes receivable)    | 7    | 152,187                 |
| <b>173,197</b>  | <b>Total financial assets measured at amortised cost</b>      |      | <b>206,679</b>          |
| <b>Financial liabilities measured at amortised cost</b> |   |      |                         |
| 35,787  | Payables (excluding deferred revenue and taxes payable)       | 10   | 35,837                  |
| <b>35,787</b>   | <b>Total financial liabilities measured at amortised cost</b> |      | <b>35,837</b>           |

### Fair Value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the statement of financial position.

### Financial Instrument risk

#### Market risk

##### *Currency risk and interest rate risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Ministry has no exposure to these risks because it has no financial instruments measured in a foreign currency or issued at variable interest rates.

## 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 and deposits with banks.

The Ministry is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank. 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 receivables. 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 Ministry has financial liabilities of \$35.837 million payable within six months from balance date (2020: \$35.787 million). The carrying value equals the contractual cash flow for these liabilities.

## Note 17 Explanation of major variances against budget

Explanations for major variances from the Ministry's original 2021 budget figures are as follows:

### Statement of comprehensive revenue and expense

Crown Revenue was \$31.252 million higher than budgeted. This was due to approved increases in the Ministry's budget during the 2020/21 financial year. This includes the addressing the impacts of property revaluations and remuneration cost pressures, initiatives to Strengthen the Family Court and Justice Sector Resourcing to address Covid-19 related backlogs.

Personnel costs were \$25.038 million higher than budgeted. This was mainly due to approved increases in the Ministry's budget for additional staff and salary remuneration cost pressures. Personnel costs were \$13.825 million lower than the supplementary estimate due to the timing of placements and changes to projects and work programmes.

Operating expenses were \$5.456 million lower than budgeted and \$7.227 million lower than the supplementary estimate. This was mainly due to changes in phasing of projects and work programmes. A number of under spends were anticipated and approvals in-principle were obtained to carry these forward to 2021/22.

Capital charge was \$9.607 million lower than budgeted mainly due to the reduction of the capital charge rate from 6% to 5%.

### Statement of financial position

Cash and cash equivalents were \$6.273 million higher than budgeted and \$11.493 million higher than the supplementary estimates. This primarily relates to the actual opening balance of cash and cash equivalents being higher than the budgeted balance due to timing of when the budget was prepared and also reflects the surplus on operating costs.

Receivables were \$36.932 million higher than budgeted and \$12.902 million higher than the supplementary estimate. This is mainly due to higher Crown Debtor balance as at the 30 June than expected.

Property, plant and equipment was \$79.776 million higher than budgeted and \$9.335 million higher than the supplementary estimate. This is due to the recognition of the unbudgeted increases in value from the revaluation of the Ministry's land and building assets and timing of asset additions and disposals.

Current and non-current employee entitlements were \$7.198 million higher than budgeted. This is mainly due to the Annual leave provision being higher than budgeted due to lower leave taken during the year.

Property revaluation reserves were \$99.754 million higher than budgeted and \$22.802 million higher than the supplementary estimate. The variances are due to the property valuations not being included in the budget.

## Statement of cash flows

Variances in the statement of cash flows are in line with variances in the statement of comprehensive revenue and expense and statement of financial position as explained above.

## Note 18 Summary Analysis of the Ministry and Te Arawhiti

On 18th September 2018, Cabinet approved the establishment of a new Crown Agency, Office for Māori Crown relations Te Arawhiti (Te Arawhiti) and the scope of the portfolio [CAB-18-MIN-0456]. The new Crown Agency was established on 1 January 2019 and is housed within the Ministry and brings together the Office of Treaty Settlements, the Marine and Coastal Area (Takutai Moana) Unit, the Post Settlement Commitments Unit and the Crown/Māori Relations Rōopu.

The Ministry's financial statements include Te Arawhiti. Te Arawhiti does not have any separately identifiable assets or liabilities. A reconciliation between the revenue and expenses of the Ministry and Te Arawhiti is shown below.

| Ministry<br>Actual<br>2020<br>\$000 | Te Arawhiti<br>Actual<br>2020<br>\$000 | Total<br>Actual<br>2020<br>\$000 |   | Ministry<br>Actual<br>2021<br>\$000 | Te Arawhiti<br>Actual<br>2021<br>\$000 | Total<br>Actual<br>2021<br>\$000 |
|-------------------------------------|--|----------------------------------|---|-------------------------------------|--|----------------------------------|
| <b>Revenue and expenses</b>         |  |                                  |   |                                     |  |                                  |
| <b>Revenue</b>                      |  |                                  |   |                                     |  |                                  |
| 621,863                             | 44,274                                 | 666,137                          | Crown                                     | 660,807                             | 50,060                                 | 710,867                          |
| 11,576                              | 1,071                                  | 12,647                           | Department                                | 10,523                              | 501                                    | 11,024                           |
| 43,162                              | 122                                    | 43,284                           | Other revenue                             | 43,684                              | 89                                     | 43,773                           |
| <b>676,601</b>                      | <b>45,467</b>                          | <b>722,068</b>                   | <b>Total revenue</b>                      | <b>715,014</b>                      | <b>50,650</b>                          | <b>765,664</b>                   |
| <b>Expenses</b>                     |  |                                  |   |                                     |  |                                  |
| 329,039                             | 26,569                                 | 355,608                          | Personnel costs                           | 347,664                             | 27,837                                 | 375,501                          |
| 167,744                             | 14,134                                 | 181,878                          | Operating costs                           | 193,330                             | 18,602                                 | 211,932                          |
| 82,458                              | 403                                    | 82,861                           | Capital charge                            | 71,603                              | 287                                    | 71,890                           |
| 91,675                              | 1,076                                  | 92,751                           | Depreciation, amortisation and impairment | 96,486                              | 1,159                                  | 97,645                           |
| <b>670,916</b>                      | <b>42,182</b>                          | <b>713,098</b>                   | <b>Total expenses</b>                     | <b>709,083</b>                      | <b>47,885</b>                          | <b>756,968</b>                   |
| <b>5,685</b>                        | <b>3,285</b>                           | <b>8,970</b>                     | <b>Net surplus/(deficit)</b>              | <b>5,931</b>                        | <b>2,765</b>                           | <b>8,696</b>                     |

## Note 19 Events after balance date

On 17 August 2021 the New Zealand Government raised its Alert Level to 4, full lockdown of non-essential services. Due to the lockdown Ministry of Justice operations were affected. Access to courts was limited and Jury trials suspended. It is not practicable to estimate the financial impact on the Ministry at this time. The Ministry will continue to monitor and assess the financial and non-financial implications as the situation evolves.

# Non-departmental statements and schedules

The following non-departmental statements and schedules record the revenue, capital receipts, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that the Ministry manages on behalf of the Crown.

## Schedule of non-departmental revenue

### For the year ended 30 June 2021

| Actual<br>2020<br>\$000 |   | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 |
|-------------------------|---|-------------------------|--------------------------------------|---|
| 131,761                 | Court fines                                 | 134,700                 | 111,173                              | 111,173   |
| 6,927                   | Legal Aid Debt established                  | 16,517                  | 12,904                               | 12,904  |
| 6,954                   | Community Law Centre receipts               | 4,092                   | 8,804                                | 4,800   |
| 2,685                   | Offender levies                             | 2,760                   | 3,663                                | 3,663   |
| 2,905                   | Recovery of judicial salaries               | 2,232                   | 550                                  | 550   |
| 711                     | Interest on treaty settlement prepaid lease | 689                     | 708                                  | 708   |
| 810                     | Family Court Cost Contribution Orders       | 641                     | 6,459                                | 1,600   |
| 8                       | Money forfeited to the Crown                | 92                      | 200                                  | 200   |
| 10,360                  | Other revenue                               | 12,565                  | 9,374                                | 9,374   |
| <b>163,121</b>          | <b>Total non-departmental revenue</b>       | <b>174,288</b>          | <b>153,835</b>                       | <b>144,972</b>  |

## 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 2021 (2020: nil).

Explanations of significant variances against budget are detailed in note 8.

*The accompanying notes form part of these statements and schedules.*

*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 2021.*

# Schedule of non-departmental expenses

## For the year ended 30 June 2021

| Actual<br>2020<br>\$000 |   | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 |
|-------------------------|---|-------------------------|--------------------------------------|---|
| 139,328                 | Personnel - Judges'/Coroners' salaries and allowances | 161,731                 | 158,683                              | 162,118   |
| 368,370                 | Crown expenditure Vote Justice                        | 456,456                 | 408,794                              | 496,926   |
| 135,228                 | Crown expenditure Vote Courts                         | 141,655                 | 149,496                              | 145,184   |
| 26,146                  | Crown expenditure Vote Treaty Negotiations            | 218,038                 | 510,054                              | 662,755   |
| 72,325                  | GST input expense                                     | 86,714                  | 65,603                               | 65,603  |
| <b>741,397</b>          | <b>Total non-departmental expenditure</b>             | <b>1,064,594</b>        | <b>1,292,630</b>                     | <b>1,532,586</b>  |

Further split of non-departmental expenses can be found in the 'Statement of budgeted and actual non-departmental expenses and capital expenditure incurred against appropriations' schedules on pages 134 to 141. Personnel – Judges'/Coroners' salaries and allowances are included in Vote Courts.

Explanations of significant variances against budget are detailed in note 8.

*The accompanying notes form part of these statements and schedules.*

*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 2021.*

# Schedule of non-departmental assets

## As at 30 June 2021

| Actual<br>2020<br>\$000   |  | Notes | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 |
|---------------------------|--|-------|-------------------------|--------------------------------------|---|
| <b>Current assets</b>     |  |       |                         |                                      |   |
| 67,543                    | Cash and cash equivalents                      |       | 49,668                  | 52,260                               | 54,613  |
| 12,058                    | Legal Aid receivables                          | 2     | 15,330                  | 14,012                               | 12,058  |
| 74,575                    | Fines and other receivables                    | 3     | 78,066                  | 77,335                               | 67,582  |
| <b>154,176</b>            | <b>Total current assets</b>                    |       | <b>143,064</b>          | <b>143,607</b>                       | <b>134,253</b>  |
| <b>Non-current assets</b> |  |       |                         |                                      |   |
| 34,553                    | Legal Aid receivables                          | 2     | 44,554                  | 39,866                               | 34,553  |
| 87,830                    | Fines and other receivables                    | 3     | 87,305                  | 86,310                               | 94,823  |
| 8,577                     | Assets held for Treaty of Waitangi settlements | 4     | 8,577                   | 8,577                                | 8,577   |
| <b>130,960</b>            | <b>Total non-current assets</b>                |       | <b>140,436</b>          | <b>134,753</b>                       | <b>137,953</b>  |
| <b>285,136</b>            | <b>Total non-departmental assets</b>           |       | <b>283,500</b>          | <b>278,360</b>                       | <b>272,206</b>  |

Te Arawhiti monitors the Ngāpuhi Investment Fund Ltd as a Crown Company. The Crown's investment in this entity is consolidated in the Financial Statements of the Government on a line-by-line basis. The investment in this entity is not included in this schedule.

The Ministry of Justice monitors seven Crown entities. These are the Privacy Commissioner, Law Commission, Independent Police Conduct Authority, Human Rights Commission, Real Estate Agents Authority, Criminal Cases Review Commission and the Electoral Commission. The investment in these entities is consolidated in the Financial Statements of the Government on a line-by-line basis. The investment in these entities is not included in this schedule.

Explanations of significant variances against budget are detailed in note 8.

*The accompanying notes form part of these statements and schedules.*

*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 2021.*



## Schedule of non-departmental liabilities

### As at 30 June 2021

| Actual<br>2020<br>\$000        | Notes                                     | Actual<br>2021<br>\$000 | Unaudited<br>budget<br>2021<br>\$000 | Unaudited<br>supplementary<br>estimate<br>2021<br>\$000 |
|--------------------------------|---|-------------------------|--------------------------------------|---|
| <b>Current liabilities</b>     |   |                         |                                      |   |
| 109,591                        | Treaty settlements payables               | 84,348                  | 479,403                              | 105,888   |
| 62,483                         | Creditors and other payables              | 71,775                  | 58,774                               | 62,891  |
| 36,904                         | Judges' entitlements                      | 39,589                  | 65,112                               | 45,071  |
| <b>208,978</b>                 | <b>Total current liabilities</b>          | <b>195,712</b>          | <b>603,289</b>                       | <b>213,850</b>  |
| <b>Non-current liabilities</b> |   |                         |                                      |   |
| 292,041                        | Treaty settlements payables               | 491,657                 | 281,907                              | 810,650   |
| 39,904                         | Judges' entitlements                      | 38,999                  | 36,705                               | 39,904  |
| <b>331,945</b>                 | <b>Total non-current liabilities</b>      | <b>530,656</b>          | <b>318,612</b>                       | <b>850,554</b>  |
| <b>540,923</b>                 | <b>Total non-departmental liabilities</b> | <b>726,368</b>          | <b>921,901</b>                       | <b>1,064,404</b>  |

## Schedule of non-departmental commitments

### As at 30 June 2021

The Ministry on behalf of the Crown has no non-cancellable capital or lease commitments (2020: nil).

Explanations of significant variances against budget are detailed in note 8.

*The accompanying notes form part of these statements and schedules.*

*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 2021.*

# Schedule of non-departmental contingent liabilities and contingent assets

**As at 30 June 2021**

## Quantifiable contingent liabilities and contingent assets

| Actual<br>2020<br>\$000       |  | Actual<br>2021<br>\$000 |
|-------------------------------|--|-------------------------|
| <b>Contingent liabilities</b> |  |                         |
| 1,175                         | Māori Land Court                                 | 492                     |
| -                             | Legal Aid GST                                    | 1,839                   |
| <b>1,175</b>                  | <b>Total quantifiable contingent liabilities</b> | <b>2,331</b>            |
| <b>Contingent assets</b>      |  |                         |
| -                             | Legal Aid GST                                    | 3,139                   |
| -                             | <b>Total quantifiable contingent assets</b>      | <b>3,139</b>            |

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.

### Vote Justice

#### *Legal Aid GST*

The Ministry of Justice collects GST on repayments made for the cost of service provided under legal aid. A system error has meant that some revenue has been recognised, when GST should have been deducted. The Ministry estimates the cost of this system error to be \$1.839 million. The Ministry is seeking a binding ruling from the Inland Revenue Department to clarify the nature of the relationship between the Ministry and the legally aided person and appropriate treatment for GST. This may result in all repayments being classified as having no GST, and increase the revenue repaid to the Crown. Due to this uncertainty the Ministry has a contingent liability of \$1.839 million (2020: nil).

## Unquantifiable contingent 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.

### Vote Treaty Negotiations

#### *Treaty of Waitangi claims*

Under the Treaty of Waitangi Act 1975, any Māori may lodge certain claims relating to land or actions counter to the principles of the Treaty with the Waitangi Tribunal. Where the Tribunal finds a claim is well founded, it may recommend to the Crown that action be taken to compensate those affected. The Tribunal can make recommendations that are binding on the Crown with respect to land which has been transferred by the Crown to a State-owned Enterprise (SOE) or tertiary institution, or is subject to the Crown Forest Assets Act 1989.

On occasion, Māori claimants pursue the resolution of claims against the Crown through higher courts. Failure to successfully defend such actions may result in a liability for historical Treaty grievances in excess of that currently anticipated.

On occasion, Māori claimants pursue the resolution of claims against the Crown through higher courts. Failure to successfully defend such actions may result in a liability for historical Treaty grievances in excess of that currently anticipated.

#### *Treaty of Waitangi claims – settlement relativity payments*

The Deeds of Settlement negotiated with Waikato-Tainui, and Ngāi Tahu include a relativity mechanism. The mechanism provides that, where the total redress amount for all historical Treaty settlements exceeds \$1 billion in 1994 present-value terms, the Crown is liable to make payments to maintain the real value of Waikato-Tainui's, and Ngāi Tahu's settlements as a proportion of all Treaty settlements. The agreed relativity proportions are 17 percent for Waikato-Tainui and approximately 16 percent for Ngāi Tahu.

As the relativity mechanism has been triggered additional costs are likely to be incurred, in future years, 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

### Vote Justice

#### *Legal Aid GST*

The Ministry of Justice has recognised and paid GST to Inland Revenue on legal aid receivables established during the year. These transactions have been recognised as if the service was delivered by the Ministry. However, the Ministry is seeking an Inland Revenue ruling to clarify the nature of the relationship between the Ministry and the Legally Aided Person and appropriate treatment for GST. This does not alter the amount to be repaid by the legally aided person. The amount recognised as GST collected and paid to Inland Revenue in the 2020/21 financial year was \$3.139 million. The ruling by Inland Revenue will determine if this amount should be treated as revenue and repaid to the Crown. Due to this uncertainty the Ministry has a contingent asset of \$3.139 million (2020: nil).

*The accompanying notes form part of these statements and schedules.*

*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 2021.*

## Statement of trust monies

### For the year ended 30 June 2021

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.

|                                | Court Law<br>\$000 | Fines<br>\$000 | Employment<br>Court<br>\$000 | Māori Land<br>Court<br>\$000 | Prisoners'<br>and Victims'<br>Claims<br>\$000 | Supreme<br>Court<br>\$000 | Foreign<br>currency<br>\$000 |
|--------------------------------|--------------------|----------------|------------------------------|------------------------------|---|---------------------------|------------------------------|
| <b>Year ended 30 June 2021</b> |                    |                |                              |                              |   |                           |                              |
| <b>Opening cash balance</b>    | <b>21,102</b>      | <b>36,758</b>  | <b>281</b>                   | <b>120</b>                   | <b>498</b>                                    | <b>162</b>                | <b>-</b>                     |
| Contributions                  | 12,253             | 208,904        | 199                          | 26                           | 604   | 75                        | 35,725                       |
| Distributions                  | (23,145)           | (206,465)      | (210)                        | -                            | (684)   | (126)                     | (25,592)                     |
| <b>Closing cash balance</b>    | <b>10,210</b>      | <b>39,197</b>  | <b>270</b>                   | <b>146</b>                   | <b>418</b>                                    | <b>111</b>                | <b>10,133</b>                |
| <b>Year ended 30 June 2020</b> |                    |                |                              |                              |   |                           |                              |
| <b>Opening cash balance</b>    | <b>20,953</b>      | <b>44,291</b>  | <b>290</b>                   | <b>61</b>                    | <b>269</b>                                    | <b>116</b>                | <b>-</b>                     |
| Contributions                  | 26,490             | 230,217        | 288                          | 59                           | 582   | 136                       | -                            |
| Distributions                  | (26,341)           | (237,750)      | (297)                        | -                            | (353)   | (90)                      | -                            |
| <b>Closing cash balance</b>    | <b>21,102</b>      | <b>36,758</b>  | <b>281</b>                   | <b>120</b>                   | <b>498</b>                                    | <b>162</b>                | <b>-</b>                     |

## **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.

## **Foreign currency trust accounts**

These trust accounts, on instruction from court judges, hold deposits made from time to time where the final outcome of cases is yet to be determined. There is one trust account for US Dollars and one for Euros. The Euro trust account has a nil balance (2020:nil). The US Dollars account has a \$10.133 million balance in NZ dollar equivalent as at 30 June 2021. (2020:nil)

## **Other trust accounts**

### **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 account has a nil balance (2020: nil).

*The accompanying notes form part of these statements and schedules.*

*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 2021.*

# Notes to the non-departmental financial statements and schedules

## Note 1 Statement of significant accounting policies

### Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2021. 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 2021.

### 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.

### Presentation currency and rounding

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

### Measurement base

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

### Changes in accounting policies

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

### Standards issued and not yet effective and not adopted early

These are the same as disclosed in the departmental financial statements. This information can be found in Note 1 to the departmental financial statements.

PBE IPSAS 41 Financial Instruments replaces PBE IFRS 9 Financial Instruments and is effective for year ending 30 June 2022, with earlier adoption permitted. The Ministry has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Ministry does not intend to early adopt the standard for the non-departmental statements.

## 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 from non-exchange transactions

#### *Court fines and legal aid debt established*

Revenue from fines is recognised when the notice of fine is issued. 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. Fair value is determined using a model that uses past experience to forecast the expected collectability and timing of receipts and discounts these to present value using an appropriate discount rate. The initial fair value write-down is netted off against the revenue recognised.

#### *Community law centre receipts*

In accordance with section 298 of the Lawyers and Conveyancers Act 2006 the New Zealand Law Society distributes interest on the Special Fund to the Ministry for the purpose of funding community law centres. Receipts are recognised as revenue upon entitlement.

### Revenue from exchange transactions

All other revenue is deemed exchanged. Revenue is measured at fair value. The revenue recognition point is when the obligation to pay has been incurred.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit and funds held in bank accounts administered by the Ministry. All cash held in bank accounts is held in on demand accounts and no interest is payable to the Ministry.

### Treaty settlement payables

Treaty settlement payables are recorded when a treaty settlement deed has been initialled. These are recorded at the amount payable. These are classified as non-exchange payables.

### Goods and services tax (GST)

All items in the financial statements and schedules, 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:

- Estimating the fair value of legal aid receivable – see note 2
- Estimating the allowance for credit losses for fines receivable – see note 3
- Valuation of legal aid accrual – see note 5
- Measuring retirement gratuities and sabbatical leave – see note 6.

## Budget figures

### Basis of the budget figures

The 2021 budget figures are for the year ended 30 June 2021 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 ended 30 June 2021.

In addition, the financial statements also present the updated budget information for 2021 submitted to The Treasury for the Supplementary Estimates.

### Impact of COVID-19

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19.

During the 2020/21 financial year, Auckland and Wellington have experienced increased alert levels that affected Court operations. The overall economic impact of COVID-19 remains uncertain.

Note 8 includes commentary on major variances against budget, including significant variances as a result of COVID-19.

COVID-19 and its effect on the economy has the potential to affect the estimates and assumptions used in determining the carrying value of the Ministry's assets and liabilities. Note 2 Legal Aid receivables and note 3 Fines and other receivables, include additional commentary on the uncertainty in the carrying value of these assets.

## Note 2 Legal Aid receivables

Legal aid receivables arise from granting of legal aid under the Legal Services Act. Legal aid receivables are designated at fair value through surplus or deficit under PBE IFRS 9 Financial Instruments.

The nominal balance of the receivable is the sum of all obligations that borrowers have including legal aid loan principal and interest. The carrying value represents the fair value of these receivables.

| Actual<br>2020<br>\$000        |  | Actual<br>2021<br>\$000 |
|--------------------------------|--|-------------------------|
| <b>Fair value</b>              |  |                         |
| 53,878                         | Fair value as at 1 July                | 46,611                  |
| 39,515                         | Nominal value of new legal aid debt    | 59,021                  |
| (22,496)                       | Fair value write-down on new debt      | (35,962)                |
| (12,912)                       | Legal aid debt repaid                  | (17,291)                |
| 3,526                          | Time value of money adjustment         | 2,942                   |
| (14,900)                       | Fair value remeasurement               | 4,563                   |
| <b>46,611</b>                  | <b>Fair value as at 30 June</b>        | <b>59,884</b>           |
| 12,058                         | Current portion                        | 15,330                  |
| 34,553                         | Non-current portion                    | 44,554                  |
| <b>Fair value consists of:</b> |  |                         |
| 16,946                         | Secured                                | 20,538                  |
| 29,665                         | Unsecured                              | 39,346                  |
| <b>46,611</b>                  | <b>Fair value as at 30 June</b>        | <b>59,884</b>           |
| <b>Nominal value</b>           |  |                         |
| <b>182,083</b>                 | <b>Nominal value of legal aid debt</b> | <b>204,449</b>          |

## Critical accounting estimates and assumptions

The Ministry engaged PwC to estimate the fair value of the legal aid receivables as at 30 June 2021. Key assumptions used by the actuary in the valuation are explained below:

Forecast cash flows are based on the payment rate experience of the portfolio. Payment rate experience is primarily based on the average payment ratio over past years. The fair value of legal aid receivable has been determined on an actuarial basis by discounting the expected flow of repayments. The fair value of the legal aid receivable is dependent on ongoing repayment rates as well as the discount rate utilised in the valuation. This assessment takes into account whether the debt is secured against property and receipts to date against the debt.

To date we have not experienced any material impact due to COVID-19, and the amount of uncertainty related to the impact of COVID-19 has decreased since 30 June 2020. There is however, ongoing uncertainty about the economic effects that COVID-19 will have on the payment behaviour in the future. The actuary has considered the nature of the legal aid receivables and compared repayment behaviours before and after the COVID-19 lockdown. There is no indication of a change to the payment ratios as a result of this. However, there is still a level of uncertainty with this assumption.

The discount rate used was 5.46 % (2020: 6.65 %). The discount rate is made up of the 2 components, a risk free rate and a risk premium rate. The risk free rate of 1.46 % (2020: 0.65 %) is based on the 7 year government yield at 31 Dec 2020. The risk premium rate of 4.0 % (2020: 6.0 %) 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.

## Sensitivity analysis

If the repayment ratio were to improve by 10%, with all other factors held constant, the carrying value of legal aid receivable would increase by \$4.190 million. If the repayment ratio were to decrease by 10%, with all other factors held constant, the carrying value of the legal aid receivable would decrease by \$4.290 million.

If the discount rate was 1 % higher from the Ministry's estimates, with all other factors held constant, the carrying value of legal aid receivable would decrease by \$1.900 million (2020: \$1.530 million). If 1 % lower the carrying value would increase by \$2.070 million (2020: \$1.650 million).

The fair value was calculated by Ben Coulter, Actuary, FNZSA, FIAA, of PricewaterhouseCoopers as at 30 June 2021.

## Note 3 Fines and other receivables

Short term receivables are recorded at the amount due, less an allowance for credit losses. The Ministry applies the simplified approach to providing for expected credit losses to receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

| Actual<br>2020<br>\$000            |  | Actual<br>2021<br>\$000 |
|------------------------------------|--|-------------------------|
| 354,442                            | Fines receivable                                       | 328,207                 |
| (216,542)                          | Less: Allowance for credit losses on fines receivable  | (194,207)               |
| <b>137,900</b>                     | <b>Carrying value of fines receivables</b>             | <b>134,000</b>          |
| 9,064                              | Receivables from fines trust                           | 10,451                  |
| 18,856                             | Other receivables                                      | 24,258                  |
| (3,415)                            | Less: Allowance for credit losses on other receivables | (3,338)                 |
| <b>162,405</b>                     | <b>Total fines and other receivables</b>               | <b>165,371</b>          |
| 74,575                             | Current portion  | 78,066                  |
| 87,830                             | Non-current portion                                    | 87,305                  |
| <b>Total receivables comprise:</b> |  |                         |
| 3,149                              | Receivables from exchange transactions                 | 3,388                   |
| 159,256                            | Receivables from non-exchange transactions             | 161,983                 |
| <b>162,405</b>                     | <b>Total fines and other receivables</b>               | <b>165,371</b>          |

The allowance for credit losses was determined as follows:

| Gross<br>2020<br>\$000 | Life time<br>expected<br>credit loss<br>2020<br>\$000 | Net<br>2020<br>\$000 | Receivable days past due            | Gross<br>2021<br>\$000 | Life time<br>expected<br>credit loss<br>2021<br>\$000 | Net<br>2021<br>\$000 |
|------------------------|---|----------------------|-------------------------------------|------------------------|---|----------------------|
| 36,290                 | (8,924)   | 27,366               | Current                             | 37,784                 | (5,215)   | 32,569               |
| 63,265                 | (38,604)  | 24,661               | Receivables < 6 months              | 58,640                 | (34,680)  | 23,960               |
| 63,255                 | (38,604)  | 24,651               | Receivables > 6 months but < 1 year | 58,421                 | (34,680)  | 23,741               |
| 78,635                 | (47,851)  | 30,784               | Receivables > 1 year but < 2 year   | 73,109                 | (43,245)  | 29,864               |
| 140,917                | (85,974)  | 54,943               | Receivables > 2 years               | 134,962                | (79,725)  | 55,237               |
| <b>382,362</b>         | <b>(219,957)</b>                                      | <b>162,405</b>       | <b>Total</b>                        | <b>362,916</b>         | <b>(197,545)</b>                                      | <b>165,371</b>       |

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

| Fines receivable<br>Actual<br>2020<br>\$000 | Other receivables<br>Actual<br>2020<br>\$000 |   | Fines receivable<br>Actual<br>2021<br>\$000 | Other receivables<br>Actual<br>2021<br>\$000 |
|---|--|---|---|--|
| 229,008                                     | 3,508  | Balance at 1 July                             | 216,542                                     | 3,415  |
| 36,811                                      | 474  | Additional provisions made during the year    | 33,577                                      | 487  |
| (18,932)                                    | -  | Less: reversal of prior year provision        | (18,888)                                    | -  |
| (30,345)                                    | (567)  | Less: receivables written off during the year | (37,024)                                    | (564)  |
| 216,542                                     | 3,415  | Balance at 30 June                            | 194,207                                     | 3,338  |

### Critical accounting estimates and assumptions

The Ministry engaged PWC to estimate the fair value of the fines receivables as at 30 June 2021. Key assumptions used by the actuary in the valuation are explained below:

The allowance for credit losses of fines receivable has been determined on an actuarial basis by discounting the expected flow of repayments. The credit losses of fines receivable is dependent on ongoing repayment rates as well as the discount rate utilised in the valuation.

To date we have not experienced any material impact due to Covid-19, and the amount of uncertainty related to the impact of Covid-19 has decreased since 30 June 2020. There is however, ongoing uncertainty about the economic effects that Covid-19 will have on the payment behaviour in the future. No explicit allowance has been made as part of the valuation due to Covid-19, and this is consistent with the approach adopted at 30 June 2020. The actuary has considered the nature of the fines and penalties receivables and compared repayment behaviours before and after the Covid-19 lockdown. Nothing was identified at this stage that indicated that a change to the payment assumption was required. However, there is still a level of uncertainty with this assumption.

The discount rate used was rounded to 4.5 % (2020: 5 %). 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 0.3 % (2020: 0.3 %) is based on the 30-month spot rate as issued by Treasury. The risk premium rate of 4.0 % (2020: 4.7 %) reflecting traded risky debt with similar characteristics to the fines debt.

### Sensitivity Analysis

If the repayment ratio were to improve by 10%, with all other factors held constant, the carrying value of fines receivable would increase by \$10.100 million (2020: \$10.400 million). If the repayment ratio were to decrease by 10%, with all other factors held constant, the carrying value would decrease by \$10.800 million (2020: \$11.000 million).

If the discount rate was 2 % higher from the Ministry's estimates, with all other factors held constant, the carrying value of fines receivable would decrease by \$5.200 million (2020: \$5.000 million). If 2 % lower the carrying value would increase by \$5.700 million (2020: \$5.600 million).

The allowance for credit losses was calculated by Ben Coulter, Partner, FNZSA, FIAA, of PricewaterhouseCoopers as at 30 June 2021.

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

### Note 5 Creditors and other payables

Short-term payables are recorded at the amount payable.

| Actual<br>2020<br>\$000 |                   | Actual<br>2021<br>\$000 |
|-------------------------|-------------------|-------------------------|
| 26,268                  | Legal aid accrual | 26,432                  |
| 24,374                  | Accrued expenses  | 38,379                  |
| 8,459                   | Creditors         | 2,425                   |
| 3,106                   | Taxes payable     | 3,828                   |



| Actual<br>2020<br>\$000                             |   | Actual<br>2021<br>\$000 |
|---|---|-------------------------|
| 276   | Other payables                            | 711                     |
| <b>62,483</b>                                       | <b>Total creditors and other payables</b> | <b>71,775</b>           |
| <b>Total creditors and other payables comprise:</b> |   |                         |
| 59,377  | Payables from exchange transactions       | 67,947                  |
| 3,106   | Payables from non-exchange transactions   | 3,828                   |
| <b>62,483</b>                                       | <b>Total creditors and other payables</b> | <b>71,775</b>           |

## Critical accounting estimates and assumptions

The Ministry engaged PWC to assist the Ministry to calculate the legal aid accrual figure as at 30 June 2021. Key assumptions used by the actuary in the valuation are explained below:

- The model excludes cases determined as inactive based on a probability mechanism that assesses the likelihood a case will have an additional claim.
- The cost of service still to be incurred is based on estimates of the total cost of the case (based on the law type, matter type and average case length) less invoices paid.

At each balance date, the Ministry also produces an accrual for legally aided cases before the Waitangi Tribunal. The unique nature of each individual Waitangi legal aid case means it is not possible to calculate this accrual using the actuarial model. The accrual for Waitangi legal aid is based on the average monthly invoice amount for active cases multiplied by the number of months since the last invoice was received.

## Note 6 Judges' entitlements

### Short-term entitlements

Judges' entitlements that are due to be settled within 12 months after the end of the period in which the judge 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 sabbatical leave entitlements expected to be settled within 12 months.

### Long-term entitlements

Judges' entitlements that are due to be settled beyond 12 months after the end of the reporting period in which the judge renders the related service, such as retiring and sabbatical leave entitlements, are calculated on an actuarial basis.

The calculations are based on:

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

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

### Presentation of judges' entitlements

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

| Actual<br>2020<br>\$000    |                               | Actual<br>2021<br>\$000 |
|----------------------------|-------------------------------|-------------------------|
| <b>Current liabilities</b> |                               |                         |
| 29,505                     | Retiring and sabbatical leave | 31,003                  |
| 5,192                      | Annual leave                  | 6,098                   |

| Actual<br>2020<br>\$000        |   | Actual<br>2021<br>\$000 |
|--------------------------------|---|-------------------------|
| 2,207                          | Salaries  | 2,488                   |
| <b>36,904</b>                  | <b>Total current liabilities</b>                | <b>39,589</b>           |
| <b>Non-current liabilities</b> |   |                         |
| 39,904                         | Retiring and sabbatical leave                   | 38,999                  |
| <b>39,904</b>                  | <b>Total non-current liabilities</b>            | <b>38,999</b>           |
| <b>76,808</b>                  | <b>Total provision for judges' entitlements</b> | <b>78,588</b>           |

## Critical accounting estimates and assumptions

The present value of the retirement gratuities and sabbatical leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible to the estimated future cash outflows. The discount rate used was 0.38 % with 2.88 % salary inflation for year 1 of the projection (2020: 0.22 % with 1.83 % salary inflation).

If the discount rate was 1 % lower than the Ministry's estimates, with all other factors held constant, the carrying value of the liability would be an estimated \$3.020 million higher (2020: \$3.178 million higher).

If the salary inflation factor was 1 % higher than the Ministry's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$2.952 million higher (2020: \$3.095 million higher).

The valuation of retirement gratuities and sabbatical leave was conducted by an independent actuary, Simon Ferry, FIA FNZSA, of AON New Zealand as at 30 June 2021.

## Note 7 Financial instruments

### Categories of financial instruments

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

| Actual<br>2020<br>\$000   |   | Actual<br>2021<br>\$000 |
|---|---|-------------------------|
| <b>Financial assets measured at amortised cost</b>                        |   |                         |
| 67,543  | Cash and cash equivalents   | 49,668                  |
| 11,864  | Other receivables <sup>1</sup>  | 11,816                  |
| 8,577   | Assets held for Treaty of Waitangi settlements                                  | 8,577                   |
| <b>87,984</b>   | <b>Total Financial assets measured at amortised cost</b>                        | <b>70,061</b>           |
| <b>Financial assets measured at fair value through surplus or deficit</b> |   |                         |
| 46,611  | Legal Aid receivables   | 59,884                  |
| <b>46,611</b>   | <b>Total Financial assets measured at fair value through surplus or deficit</b> | <b>59,884</b>           |
| <b>Financial liabilities measured at amortised cost</b>                   |   |                         |
| 401,632   | Treaty settlements payables   | 576,005                 |
| 59,377  | Creditors and other payables (excluding taxes payable)                          | 67,947                  |
| <b>461,009</b>  | <b>Total Financial liabilities measured at amortised cost</b>                   | <b>643,952</b>          |

<sup>1</sup>Other receivables excludes fines and receivables arising from the exercise of sovereign power as these items do not meet the definition of a financial instrument.

## Fair Value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the schedule of non-departmental assets and the schedule of non-departmental liabilities.

### Fair value hierarchy

For those instruments recognised at fair value, fair values are determined according to the following hierarchy:

- Quoted market prices (level 1)
- Valuation techniques using observable inputs (level 2)
- Valuation techniques with significant non-observable inputs (level 3)

Legal aid receivables were valued at fair value using non-observable inputs (level 3).

There were no transfers between the different levels of the fair value hierarchy.

## Financial Instrument risk

### Market Risk

#### *Currency risk and interest rate risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Ministry on behalf of the Crown has no exposure to these risks because it has no financial instruments measured in a foreign currency or issued at variable interest rates.

### Credit risk

Credit risk is the risk that a third 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.

In the normal course of its business, the Ministry, on behalf of the Crown, incurs credit risk from receivables, including fines and legal aid receivables, and deposits with banks.

Funds must be deposited with Westpac, a registered bank.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, legal aid receivables, and fines and other receivables. There is collateral held as security for some legal aid receivables as shown in note 2. Other than Westpac bank, there are no significant concentrations of credit risk. The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, legal aid receivables, and fines and other receivables. There is collateral held as security for some legal aid receivables as shown in note 2. Other than Westpac bank, there are no significant concentrations of credit risk. The Standard & Poor's credit ratings for cash and cash equivalents held at Westpac is AA-. Although cash and cash equivalents as at 30 June 2021 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

### 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 New Zealand Debt Management Office through Treasury. The Ministry maintains a target level of available cash to meet liquidity requirements.

#### *Contractual maturity analysis of financial liabilities*

At balance date, the remaining periods to the contractual maturity dates were less than 6 months for all creditors and other payables. The amounts, disclosed above, are the contractual undiscounted cash flows.

For treaty payables initial payments are made in line with the treaty settlement deed and final payments made on settlement date, as included in the relevant settlement legislation. As settlement legislation has not been enacted for all treaty payables at balance date, the below maturity analysis is based on average timeframes and the current status of the claim.

| Carrying amount<br>2020<br>\$000 | Expected cash flow<br>2020<br>\$000 | Treaty payables            | Carrying amount<br>2021<br>\$000 | Expected cash flow<br>2021<br>\$000 |
|----------------------------------|-------------------------------------|----------------------------|----------------------------------|-------------------------------------|
| 109,183                          | 109,348                             | Within 1 year              | 83,956                           | 84,036                              |
| 166,323                          | 166,668                             | Between 1 year and 2 years | 342,823                          | 343,608                             |
| 125,718                          | 125,741                             | Greater than 2 years       | 148,834                          | 149,221                             |
| <b>401,224</b>                   | <b>401,757</b>                      | <b>Total</b>               | <b>575,613</b>                   | <b>576,865</b>                      |

## Note 8 Explanations of major variances against budget

Explanations for major variances from the Ministry's non-departmental budget figures are as follows:

### Schedule of revenue and schedule of expenses

Court fines was \$23.527 million higher than budgeted. The annual valuation of fines receivables resulted in a \$23.278 million fair value adjustment that is reflected in revenue.

Crown Expenditure in Vote Justice was \$47.662 million higher than the main estimate budget. The increase includes an additional \$28.705 million approved for Electoral Services to support the delivery of the 2020 General Election in a COVID-19 environment and \$13.448 million in additional funding due to the change of the Election Date. The remaining increase is mainly due to Legal Aid approved through the supplementary estimates process to ensure legal representation is available for participants who otherwise cannot afford a lawyer.

Crown Expenditure in Vote Justice was \$40.470 million lower than the supplementary estimate. This was mainly due to \$19.787 million not spent on mediating and arbitrating commercial leases under COVID-19, as there was less demand for this service than expected. Legal aid expenditure of \$12.220 million was lower than budget. Legal aid expenditure is driven by demand from legal aid applicants. Additionally, Electoral Services spent \$6.086 million less than forecasted.

Crown Expenditure in Vote Courts was \$7.841 million lower than the main estimate budget. This decrease was mainly due to \$5.063 million of funding transferred to Vote Health following the disestablishment of the Abortion Supervisory Committee.

Crown expenditure in Vote Treaty Negotiations was \$292.016 million lower than the main estimate budget and \$444.717 million lower than the supplementary estimate. This was due to lower than expected Treaty settlement expenses which, by their nature, are hard to predict with accuracy in terms of timing and amount.

### Schedule of assets and schedule of liabilities

The total for Legal Aid receivables was \$6.006 million higher than budgeted and \$13.273 million higher than the supplementary estimate. The actual figure for 2021 is based on an independent valuation.

The total for Treaty settlement payables was \$185.305 million lower than budgeted and \$340.533 million lower than the supplementary estimate. This is due to lower than expected Treaty settlement expenses which by their nature, are hard to predict with accuracy in terms of timing and amount. The current and non-current split are based on average timeframes for settlements to occur and the current status of the claim.

Creditors and other payables was \$13.001 million higher than budgeted and \$8.884 million higher than the supplementary estimate. This is mainly due to CMS accrued expenditure being \$5 million dollars higher than budget as there has been a 20% increase in cases accrued for.

The total for judges' entitlements was \$23.229 million lower than budgeted and \$6.387 million lower than the supplementary estimate. This was due to the annual valuation of judges' entitlements resulting in a reduction in the liability.

## Note 9 Events after the Balance Date

On 17 August 2021 the New Zealand Government raised its Alert Level to 4, full lockdown of non-essential services. Due to the nature of the countrywide lockdown and flow on economic impacts, Ministry of Justice operations were affected. It is not practicable to estimate the financial impact on the Ministry at this time. The Ministry will continue to monitor and assess the financial and non-financial implications as the situation evolves.

# 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 2021. 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 expenses and capital expenditure incurred against appropriations

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020 \$000 | Expenditure including Remeasurements 2021 \$000                           | Remeasurements <sup>A</sup> 2021 \$000 | Expenditure excluding Remeasurements 2021 \$000 | Approved Appropriation <sup>B</sup> 2021 \$000 | Location of end-of-year performance information <sup>C</sup> |
|---|---|--|---|--|--|
| Appropriation title                             |   |  |   |  |  |
| <b>Vote Justice</b>                             |   |  |   |  |  |
| <b>Departmental Output Expenses</b>             |   |  |   |  |  |
| 29,207  | Administration of Legal Services  | 29,810                                 | 9   | 29,819   | 29,836 1   |
| -   | Crown Response to Wakatu Litigation and Related Proceedings (MYA Expense) | 717                                    | -   | 717  | 1,800  |
| 892   | Establishing the Criminal Cases Review Commission                         | 37                                     | -   | 37   | 40 1   |
| 35,012  | Justice and Emergency Agencies Property and Shared Services               | 32,133                                 | -   | 32,133   | 37,894 1   |
| 38,466  | Public Defence Service  | 39,618                                 | 56  | 39,674   | 40,084 1   |
| 2,792   | Public Provision of Referendum-Related Information                        | 4,201                                  | 2   | 4,203  | 4,374 1  |
| 6,106   | Reducing Family Violence and Sexual Violence                              | 9,284                                  | (4)   | 9,280  | 10,253 1   |
| 14,434  | Sector Leadership and Support   | 15,368                                 | (2)   | 15,366   | 15,398 1   |
| <b>126,909</b>                                  | <b>Total Departmental Output Expenses</b>                                 | <b>131,168</b>                         | <b>61</b>                                       | <b>131,229</b>                                 | <b>139,679</b>   |
| <b>Departmental Capital Expenses</b>            |   |  |   |  |  |
| 66,138  | Ministry of Justice - Capital Expenditure PLA                             | 78,606                                 | -   | 78,606   | 77,100 1   |
| <b>66,138</b>                                   | <b>Total Departmental Capital Expenditure</b>                             | <b>78,606</b>                          | <b>-</b>  | <b>78,606</b>                                  | <b>77,100</b>  |

# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020 |  | Expenditure including Remeasurements 2021 |  | Expenditure excluding Remeasurements 2021 |                | Approved Appropriation <sup>B</sup> 2021 | Location of end-of-year performance information <sup>C</sup> |
|---|--|---|--|---|----------------|--|--|
| \$000                                     | Appropriation title  | \$000                                     | Remeasurements <sup>A</sup> 2021 \$000 | \$000                                     | \$000          | \$000                                    |  |
| Non-Departmental Output Expenses          |  |   |  |   |                |  |  |
| 13,260                                    | Community Law Centres  | 16,545                                    | -                                      | 16,545                                    | 16,545         | 16,545                                   | 2  |
| -   | COVID-19: Mediating and Arbitrating Commercial Lease Disputes          | 213                                       | -                                      | 213                                       | 20,000         |  |  |
| 12,710                                    | Crime Prevention and Community Safety Programmes                       | 12,492                                    | -                                      | 12,492                                    | 13,004         |  | 2  |
| 75,518                                    | Electoral Services   | 130,282                                   | -                                      | 130,282                                   | 136,368        |  | 3  |
| 6,930                                     | Family Dispute Resolution Services                                     | 7,227                                     | -                                      | 7,227                                     | 7,360          |  | 2  |
| 1,164                                     | Inspector-General of Intelligence and Security                         | 1,259                                     | -                                      | 1,259                                     | 1,489          |  | 4  |
| 192,533                                   | Legal Aid  | 225,524                                   | -                                      | 225,524                                   | 226,068        |  | 2  |
| 2,627                                     | Provision of Protective Fiduciary Services                             | 3,540                                     | -                                      | 3,540                                     | 3,617          |  | 5  |
| -   | Provision of Services from the Electoral Commission - Broadcasting PLA | 3,605                                     | -                                      | 3,605                                     | 3,605          |  |  |
| 801                                       | Services from the Criminal Cases Review Commission                     | 3,987                                     | -                                      | 3,987                                     | 3,987          |  | 4  |
| 14,466                                    | Services from the Human Rights Commission                              | 13,310                                    | -                                      | 13,310                                    | 13,310         |  | 6  |
| 5,171                                     | Services from the Independent Police Conduct Authority                 | 5,700                                     | -                                      | 5,700                                     | 5,700          |  | 7  |
| 3,993                                     | Services from the Law Commission                                       | 4,293                                     | -                                      | 4,293                                     | 4,293          |  | 8  |
| 5,708                                     | Services from the Privacy Commissioner                                 | 7,276                                     | -                                      | 7,276                                     | 7,276          |  | 9  |
| 10,214                                    | Support and Assistance provided by Victim Support to Victims of Crime  | 9,519                                     | -                                      | 9,519                                     | 9,544          |  | 2  |
| <b>345,095</b>                            | <b>Total Non-Departmental Output Expenses</b>                          | <b>444,772</b>                            | <b>-</b>                               | <b>444,772</b>                            | <b>472,166</b> |  |  |

# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020 \$000        | Appropriation title  | Expenditure including Remeasurements 2021 \$000 | Remeasurements <sup>A</sup> 2021 \$000 | Expenditure excluding Remeasurements 2021 \$000 | Approved Appropriation <sup>B</sup> 2021 \$000 | Location of end-of-year performance information <sup>C</sup> |
|--|--|---|--|---|--|--|
| <b>Non-Departmental Other Expenses</b>                 |  |   |  |   |  |  |
| 12,041   | Impairment of Legal Aid Debt   | -   | -                                      | -   | 12,220   | 4  |
| -  | Māori Crown Relations Ex-Gratia Payments   | 702   | -                                      | 702   | 702  |  |
| 440  | Remuneration for the Inspector-General and the Deputy Inspector-General of Intelligence and Security PLA | 504   | -                                      | 504   | 644  | 4  |
| 6,784  | Victims' Services  | 9,246   | -                                      | 9,246   | 10,194   | 2  |
| <b>19,265</b>  | <b>Total Non-Departmental Other Expenses</b>   | <b>10,452</b>                                   | <b>-</b>                               | <b>10,452</b>                                   | <b>23,760</b>                                  |  |
| <b>Non-Departmental Capital Expenditure</b>            |  |   |  |   |  |  |
| 1,689  | Capital Expenditure Criminal Cases Review Commission   | -   | -                                      | -   | -  | 4  |
| <b>1,689</b>   | <b>Total Non-Departmental Capital Expenditure</b>  | <b>-</b>  | <b>-</b>                               | <b>-</b>  | <b>-</b>                                       |  |
| <b>Multi-Category Expenses and Capital Expenditure</b> |  |   |  |   |  |  |
| <b>25,535</b>  | <b>Justice Policy Advice and Related Services MCA</b>  | <b>25,240</b>                                   | <b>31</b>                              | <b>25,271</b>                                   | <b>28,003</b>                                  | <b>1</b>   |
|  | Departmental Output Expenses   |   |  |   |  |  |
| 18,501   | - Justice Policy Advice  | 18,635  | 23                                     | 18,658  | 21,466   |  |
| 7,034  | - Legal and Ministerial Services   | 6,605   | 8                                      | 6,613   | 6,537  |  |



# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure<br>excluding<br>Remeasurements<br>2020<br>\$000 | Appropriation title  | Expenditure<br>including<br>Remeasurements<br>2021<br>\$000 | Remeasurements <sup>A</sup><br>2021<br>\$000 | Expenditure<br>excluding<br>Remeasurements<br>2021<br>\$000 | Approved<br>Appropriation <sup>B</sup><br>2021<br>\$000 | Location of<br>end-of-year<br>performance<br>information <sup>C</sup> |
|---|--|---|--|---|---|---|
| <b>Māori Crown Relations - Te Arawhiti</b>                  |  |   |  |   |   |   |
| 6,520   | <b>Māori Crown Relations MCA</b>                             | 10,480  | (1)  | 10,479  | 11,500  | 1   |
| <b>Departmental Output Expenses</b>                         |  |   |  |   |   |   |
| 1,639   | - Policy Advice - Māori Crown Relations                      | 6,100   | (2)  | 6,098   | 3,002   |   |
| 546   | - Services to Ministers                                      | 562   | -  | 562   | 998   |   |
| 3,278   | - Strengthening Crown Capability                             | 3,372   | 1  | 3,373   | 6,500   |   |
| <b>Non-Departmental Output Expenses</b>                     |  |   |  |   |   |   |
| 592   | - Supporting Significant Māori Events                        | 446   | -  | 446   | 1,000   |   |
| <b>Non-Departmental Other Expenses</b>                      |  |   |  |   |   |   |
| 465   | - Supporting Iwi COVID-19 Responses                          | -   | -  | -   | -   |   |
| <b>32,055</b>   | <b>Total Multi-Category Expenses and Capital Expenditure</b> | <b>35,720</b>   | <b>30</b>                                    | <b>35,750</b>   | <b>39,503</b>   |   |
| <b>591,151</b>  | <b>Total Vote Justice</b>                                    | <b>700,718</b>  | <b>91</b>                                    | <b>700,809</b>  | <b>752,208</b>  |   |

<sup>A</sup> 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 employee entitlements.

<sup>B</sup> This includes adjustments made in the supplementary estimates.

<sup>C</sup> The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:

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6. Human Rights Commission annual report.
7. Independent Police Conduct Authority annual report.
8. Law Commission annual report.
9. Privacy Commissioner annual report.
10. Reported by the Minister for Courts in a report appended to the Ministry of Justice's annual report.
11. Reported by the Minister for Treaty of Waitangi Negotiations in a report appended to the Ministry of Justice's annual report.

# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020 \$000 | Expenditure including Remeasurements 2021 \$000  | Remeasurements <sup>A</sup> 2021 \$000 | Expenditure excluding Remeasurements 2021 \$000 | Approved Appropriation <sup>B</sup> 2021 \$000 | Location of end-of-year performance information <sup>C</sup> |
|---|--|--|---|--|--|
| Appropriation title                             |  |  |   |  |  |
| <b>Vote Courts</b>                              |  |  |   |  |  |
| <b>Non-Departmental Other Expenses</b>          |  |  |   |  |  |
| 3,341   | Abortion Supervisory Committee - Certifying Consultants Fees   | -                                      | -   | -  | 4  |
| 35  | Assistance to Victims of Crime   | -                                      | -   | 40   | 4  |
| 1,245   | Community Magistrates Salaries and Allowances PLA  | 1,357                                  | -   | 1,357  | 4  |
| 6,925   | Coroners Salaries and Allowances PLA   | 9,972                                  | (17)  | 9,955  | 4  |
| 112,861   | Court and Coroner Related Costs  | 122,779                                | -   | 122,779  | 10   |
| 62,902  | District Court Judges' Salaries and Allowances PLA   | 99,829                                 | (545)   | 99,284   | 4  |
| 15,186  | District Court Part-time or Acting Judges' Salaries and Allowances                                   | -                                      | -   | -  | 4  |
| 4,369   | Employment Court Judges' Salaries and Allowances PLA   | 3,118                                  | (20)  | 3,098  | 4  |
| 200   | Impairment of Debt Established to Recognise Contributions towards Family Court Professional Services | 127                                    | -   | 127  | 4  |
| 1,958   | Judicial Review Costs  | -                                      | -   | -  | 4  |
| 449   | Justices of the Peace Association  | 449                                    | -   | 449  | 4  |
| 7,988   | Maori Land Court Judges' Salaries and Allowances PLA   | 5,108                                  | (96)  | 5,012  | 4  |
| 60  | Senior Courts Acting Judges' Salaries and Allowances PLA   | -                                      | -   | -  | 4  |
| 39,299  | Senior Courts Judges' Salaries and Allowances PLA  | 44,173                                 | (235)   | 43,938   | 4  |
| 16,383  | Tribunal Related Fees and Expenses   | 18,087                                 | -   | 18,087   | 4  |
| <b>273,201</b>                                  | <b>Total Non-Departmental Other Expenses</b>   | <b>304,999</b>                         | <b>(913)</b>                                    | <b>304,086</b>                                 | <b>307,302</b>   |

# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020              |   | Expenditure including Remeasurements 2021 |              | Expenditure excluding Remeasurements 2021 |                | Approved Appropriation <sup>B</sup> 2021 | Location of end-of-year performance information <sup>C</sup> |
|--|---|---|--------------|---|----------------|--|--|
| \$000  | Appropriation title   | \$000                                     | \$000        | \$000                                     | \$000          | \$000                                    |  |
| <b>Multi-Category Expenses and Capital Expenditure</b> |   |   |              |   |                |  |  |
| 518,093  | <b>Courts, Tribunals and Other Authorities Services, including the Collection and Enforcement of Fines and Civil Debts Services MCA</b> | 553,392                                   | 353          | 553,745                                   | 562,858        |  | 1  |
| <b>Departmental Output Expenses</b>                    |   |   |              |   |                |  |  |
| 57,470   | - Collection and Enforcement of Fines and Civil Debts Services  | 56,838                                    | 55           | 56,893                                    | 60,551         |  |  |
| 273,837  | - District Court Services   | 289,455                                   | 230          | 289,685                                   | 306,603        |  |  |
| 87,894   | - Senior Courts Services  | 98,595                                    | 31           | 98,626                                    | 89,138         |  |  |
| 98,892   | - Specialist Courts, Tribunals and Other Authorities Services   | 108,504                                   | 37           | 108,541                                   | 106,566        |  |  |
| <b>518,093</b>   | <b>Total Multi-Category Expenses and Capital Expenditure</b>  | <b>553,392</b>                            | <b>353</b>   | <b>553,745</b>                            | <b>562,858</b> |  |  |
| <b>791,294</b>   | <b>Total Vote Courts</b>  | <b>858,391</b>                            | <b>(560)</b> | <b>857,831</b>                            | <b>870,160</b> |  |  |

<sup>A</sup> 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 valuations of employee entitlements and judges' entitlements.

<sup>B</sup> This includes adjustments made in the supplementary estimates.

<sup>C</sup> The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:

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8. Law Commission annual report.
9. Privacy Commissioner annual report.
10. Reported by the Minister for Courts in a report appended to the Ministry of Justice's annual report.
11. Reported by the Minister for Treaty of Waitangi Negotiations in a report appended to the Ministry of Justice's annual report.

# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020 \$000        | Expenditure including Remeasurements 2021 \$000   | Remeasurements <sup>A</sup> 2021 \$000 | Expenditure excluding Remeasurements 2021 \$000 | Approved Appropriation <sup>B</sup> 2021 \$000 | Location of end-of-year performance information <sup>C</sup> |
|--|---|--|---|--|--|
| Appropriation title                                    |   |  |   |  |  |
| <b>Vote Treaty Negotiations</b>                        |   |  |   |  |  |
| <b>Māori Crown Relations - Te Arawhiti</b>             |   |  |   |  |  |
| <b>Departmental Output Expenses</b>                    |   |  |   |  |  |
| 13,946   | Treaty Negotiations and Marine and Coastal Area Customary Interests   | 37,133                                 | 11  | 37,144   | 39,229 1   |
| <b>13,946</b>  | <b>Total Departmental Output Expenses</b>   | <b>37,133</b>                          | <b>11</b>                                       | <b>37,144</b>                                  | <b>39,229</b>  |
| <b>Non-Departmental Output Expenses</b>                |   |  |   |  |  |
| -  | Operations of the Ngāpuhi Sovereign Fund Entity   | 1,000                                  | -   | 1,000  | 1,000  |
| <b>-</b>   | <b>Total Non-Departmental Output Expenses</b>   | <b>1,000</b>                           | <b>-</b>  | <b>1,000</b>                                   | <b>1,000</b>   |
| <b>Non-Departmental Other Expenses</b>                 |   |  |   |  |  |
| 4,433  | Claimant Funding  | 5,138                                  | -   | 5,138  | 8,102 11   |
| 63   | Contribution to Parihaka community engagement with the Crown support package                                      | 15                                     | -   | 15   | 15 4   |
| 2,549  | Contribution toward Determining Customary Interests in the Marine and Coastal Area                                | -                                      | -   | -  | - 11   |
| 36   | Crown Contribution to Facilitate the Transfer of Landcorp Assets to Ngati Kahungunu ki Wairarapa Tamaki nui-a-Rua | -                                      | -   | -  | 2,389 4  |
| 1,749  | Financial Assistance Toward Determining Customary Interests in the Marine and Coastal Area                        | 7,577                                  | -   | 7,577  | 9,688 11   |
| 17,316   | Historical Treaty of Waitangi Settlements (MYA Expense)   | 205,307                                | -   | 205,307  | 350,000 4  |
| -  | Specific Redress Arrangements   | -                                      | -   | -  | 20,000 4   |
| <b>26,146</b>  | <b>Total Non-Departmental Other Expenses</b>  | <b>218,037</b>                         | <b>-</b>  | <b>218,037</b>                                 | <b>390,194</b>   |
| <b>Multi-Category Expenses and Capital Expenditure</b> |   |  |   |  |  |
| <b>22,747</b>  | <b>Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCA</b>                                    | <b>-</b>                               | <b>-</b>  | <b>-</b>                                       | <b>-</b>   |
| <b>Departmental Output Expenses</b>                    |   |  |   |  |  |
| 808  | - Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act                             | -                                      | -   | -  | -  |

# Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (continued)

## For the year ended 30 June 2021

| Expenditure excluding Remeasurements 2020   |   | Expenditure including Remeasurements 2021 |           | Expenditure excluding Remeasurements 2021 |                | Approved Appropriation <sup>B</sup> 2021 | Location of end-of-year performance information <sup>C</sup> |
|---|---|---|-----------|---|----------------|--|--|
| \$000                                       | Appropriation title   | \$000                                     | \$000     | \$000                                     | \$000          | \$000                                    |  |
| 2,241                                       | - Representation - Waitangi Tribunal and Courts   | -   | -         | -   | -              | -  |  |
| 19,698                                      | - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act                     | -   | -         | -   | -              | -  |  |
| <b>22,747</b>                               | <b>Total Multi-Category Expenses and Capital Expenditure Departmental Output Expenses</b> | -   | -         | -   | -              | -  |  |
| <b>Non-Departmental Capital Expenditure</b> |   |   |           |   |                |  |  |
| -   | Capital Investment in the Ngāpuhi Sovereign Fund Entity                                   | 150,000                                   | -         | 150,000                                   | 150,000        | 150,000                                  |  |
| -   | <b>Total Non-Departmental Capital Expenditure</b>   | <b>150,000</b>                            | -         | <b>150,000</b>                            | <b>150,000</b> | <b>150,000</b>                           |  |
| <b>22,747</b>                               | <b>Total Multi-Category Expenses and Capital Expenditure</b>                              | -   | -         | -   | -              | -  |  |
| <b>62,839</b>                               | <b>Total Vote Treaty Negotiations</b>   | <b>406,170</b>                            | <b>11</b> | <b>406,181</b>                            | <b>580,423</b> |  |  |

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<sup>B</sup> This includes adjustments made in the supplementary estimates.

<sup>C</sup> The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:

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5. Public Trust annual report.
6. Human Rights Commission annual report.
7. Independent Police Conduct Authority annual report.
8. Law Commission annual report.
9. Privacy Commissioner annual report.
10. Reported by the Minister for Courts in a report appended to the Ministry of Justice's annual report.
11. Reported by the Minister for Treaty of Waitangi Negotiations in a report appended to the Ministry of Justice's annual report.

<sup>D</sup> Historical Treaty of Waitangi Settlements. This multi-year appropriation reflects the Crown's commitment to settling historical Treaty of Waitangi claims. The Supplementary Estimates for 2019/20 established the \$1,400 million for the period 30 June 2020 to 30 June 2024 and replaced the unexpended balances of the appropriation covering the period 30 June 2019 to 30 June 2023. Actual expenditure over the last five years was:

|   | 2020/21<br>\$000 | 2019/20<br>\$000 | 2018/19<br>\$000 | 2017/18<br>\$000 | 2016/17<br>\$000 | 2015/16<br>\$000 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Historical Treaty of Waitangi Settlements | 205,307          | 17,316           | 51,793           | 241,607          | 134,521          | 415,229          |

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

### For the year ended 30 June 2021

| Unappropriated expenditure<br>2020<br>\$000 | Appropriation title          | Expenditure excluding Remeasurements<br>2021<br>\$000 | Approved Appropriation <sup>B</sup><br>2021<br>\$000 | Unappropriated expenditure<br>2021<br>\$000 |
|---|------------------------------|---|--|---|
| <b>Vote Justice</b>                         |                              |   |  |   |
| <b>Non-Departmental Other Expenses</b>      |                              |   |  |   |
| 2,510                                       | Impairment of Legal Aid Debt | -   | -  | -   |

#### Expenses and capital expenditure incurred in excess of appropriation

The Ministry of Justice commissioned an independent actuarial valuation of Legal Aid Debt held at 30 June 2020. The resulting impairment of the debt value was greater than the appropriated impairment expense provided. Due to the timing around completion of the valuation, the Ministry was unable to seek additional authority for the expense.

This unappropriated expenditure was included in the Appropriation (Confirmation and Validation) Act for validation by Parliament in compliance with section 26C of the Public Finance Act 1989.

The Ministry did not incur any expenditure in 2020/2021 in excess of appropriations. (2019/2020 : \$2.510 million)

#### Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

There has been no expenses and capital expenditure incurred without appropriation or outside the scope or period of appropriation. (2019/2020 : nil)

## Statement of departmental capital injections

### For the year ended 30 June 2021

| Actual<br>2020<br>\$000 | Appropriation title                     | Actual<br>2021<br>\$000 | Approved<br>Appropriation <sup>B</sup><br>2021<br>\$000 |
|-------------------------|---|-------------------------|---|
| <b>Vote Justice</b>     |   |                         |   |
| 3,272                   | Ministry of Justice - Capital Injection | 11,287                  | 11,287  |
| <b>3,272</b>            | <b>Total Capital Injections</b>         | <b>11,287</b>           | <b>11,287</b>   |

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

### For the year ended 30 June 2021

The Ministry has not received any capital injections during the year without, or in excess of, authority. (2019/2020 : nil)



**Additional performance  
information**

# Asset Performance Measures

## Digital Office portfolio

| Treasury Performance Indicator                    | Performance Measure  | 2020/21 Actual | 2020/21 Target   | 2019/20 Actual | Variance Commentary   |
|---|--|----------------|------------------|----------------|---|
| <b>Asset Class: Software Application Services</b> |  |                |                  |                |   |
| Utilisation                                       | Availability over total business days (see Note 1)   | 99.7%          | 99.5%            | 99.3%          |   |
| Condition   | The number of Priority 1 incidents experienced across the core 14 applications (see Note 2)            | 59             | Decreasing Trend | 55             | <p>Most Priority 1 incidents come from 3 of the core 14 applications due to;</p> <ul style="list-style-type: none"> <li>• 26 incidents related to Data Switch congestion</li> <li>• 9 incidents related to Contact Centres</li> <li>• 8 incidents related to the Case Management System (CMS).</li> </ul> |
| Functionality                                     | Software applications with a functionality rating of 'green' (see Note 3)                              | 27%            | 30%              | 33%            | Software functionality has improved. Of the 15 software application services; 7 are 'green', 6 are 'amber', and 2 are 'red'.  |
| <b>Asset Class: ICT Infrastructure Services</b>   |  |                |                  |                |   |
| Utilisation                                       | Availability over total business days (see Note 4)   | 99.9%          | 99.5%            | 99.7%          |   |
| Condition   | The number of Priority 1 incidents experienced across the core 11 infrastructure services (see Note 5) | 28             | Decreasing trend | 7              | <p>Priority 1 incidents experienced across the core 11 infrastructure services have increased. Most relate to AV services while some are related to Desktop Operating Systems and Network Switches.</p> <p>Proactive asset management and reporting continues to be a focus.</p>                          |
| Functionality                                     | Infrastructure with a functionality rating of 'green' (see Note 6)                                     | 27%            | 45%              | 33%            | <p>There are 11 infrastructure assets included in this dataset; 3 are 'green', 5 are 'amber', and 3 are 'red'.</p> <p>Most of the Ministry's 'red' and 'amber' ratings are for infrastructure at end-of-life or nearing end-of-life.</p>  |

Note 1 - Due to the nature of the Ministry's ICT assets, where these need to be available but not necessarily utilised, the Ministry will use 'Availability' as a proxy for 'Utilisation.' Performance will be measured based on the availability of the following applications - Case Management System, Collect, Hub2, National Transcription Service (which includes Transcription File Manager, Transcription Service Manager and Automated Workflow Distributor), For the Record, Judicial Decision Interface, Jury Management System, eLibs, Māori Land Information System, Jukebox, E-mail, Ready Government Contact Centre, Financial Management Information System, Electronic Operating Model (iBench).

Note 2 - The 14 applications included in this measure are the Case Management System, Collect, Hub2, National Transcription Service, For the Record, Judicial Decision Interface, Jury Management System, eLibs, Māori Land Information System, Jukebox, E-mail, Ready Government Contact Centre, Financial Management Information System, Electronic Operating Model (iBench). Note that reporting on National Transcription Service includes Transcript Service Manager, Transcription File Manager and Automated Workflow Distributor systems. While reporting includes incidents for other systems as affecting 'NTS application availability', it does not always result in the National Transcription Service being unavailable. For example, an outage for AWD does not result in an outage for the National Transcription Service.

Note 3 - The 15 business applications included in this measure are Collect, National Transcription Service (which also includes Transcription File Manager, Transcription Service Manager, Automated Workflow Distributor), For the Record, Māori Land Information System, Hub, Case Management System, Rostering and Scheduling (component of CMS), Contact Centre Service, Judicial Decision Interface, the Ministry's website, Financial Management Information System, Electronic Operating Model (iBench), Office Productivity (Office 365, Word, Excel, Outlook) and Exchange (email and calendar server). The overall functionality of an application is based on three criterion - fit-for-purpose (from an end-user perspective), support and maintenance, and security.

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



Note 5 - The eight core ICT infrastructure included in this performance measure are Infrastructure-as-a-Service, Network/ Domain Access Service, Voice over Internet Protocol Service, Web Service, Active Directory, Firewalls, File and Print, and Novell/ Microsoft Exchange services.

Note 6 - The 12 ICT infrastructure included in this performance measure are End User Device (ie physical end user devices desktops, laptops), Home Agent environment, Microsoft Desktop Operating System, iPads, Standard Operating Environment, Meeting Room Technology, Disaster Recovery for the Secure File Transfer Protocol, Regional Servers, Uninterrupted Power Supply, National Transcription Service Archive Server, PABX phone system and Network Switches. The overall functionality of an infrastructure is based on three criterion – fitness-for-purpose, support and maintenance, and security.

Note that reporting on National Transcription Service includes Transcript Service Manager, Transcription File Manager and Automated Workflow Distributor systems. While reporting includes incidents for other systems as affecting ‘NTS application availability’, it does not always result in the National Transcription Service being unavailable. For example, an outage for AWD does not result in an outage for the National Transcription Service.

## Property measures

### Property portfolio

| Treasury Performance Indicator | Performance Measure  | 2020/21 Actual | 2020/21 Target   | 2019/20 Actual | Variance Commentary   |
|--------------------------------|--|----------------|--|----------------|---|
| Availability                   | Courthouses available and suitable for use (see Note 7)  | 99.2%          | 99.5%  | 94%            |   |
| Condition                      | The average Asset Condition Rating of the assets on a site compared to their baseline Asset Condition Rating | 1.87%          | Less than 2% compared to the baseline condition rating based on the project deterioration curve of the associated assets | 1.82%          |   |
| Functionality                  | Maintenance of Critical Assets – available at all times (see Note 8)   | 89%            | 95% across critical assets (specified sites)   | 71%            |   |
| Utilisation                    | Offices using > 89% of footprint (see Note 9)  | 101%           | 89% across all offices   | 88%            | Full-time employees have increased at the Justice Centre, however, decreases in other locations balance the Ministry's overall footprint. |

Note 7 - Excluded from this dataset were closures due to natural events beyond control; ie flooding, failure of service providers ie power outage.

Note 8 – Critical Assets across the Property portfolio have been defined as;

- Building Management Systems
- Chilled Water Systems
- Condenser Water systems
- Gas Flooding Systems
- Heating Systems
- Lifts
- Power Conditioning
- Power Generation
- Switchboards and Miniature Circuit Breakers)

Note 9 - Offices considered in this calculation consist of

- National Office
- Ellerslie Contact Centre
- Hamilton Data Capture
- Gilmer Terrace Contact Centre
- Assumed ratio of 14sqm per FTE

The Asset Performance measures and results are being reported in line with Cabinet Circular CO (19) 6: Investment Management and Asset Performance in the State Services rather than the Public Finance Act 1989 and are therefore not subject to audit.

# Official Correspondence

## For the year ended 30 June 2021

| Performance measure <sup>1</sup>   | Actual 2019/20 <sup>2</sup> | Standard 2020/21 | Actual 2020/21 |
|--|-----------------------------|------------------|----------------|
| Number of ministerial correspondence replies drafted   | 775                         | N/A              | 1,006          |
| Percentage of draft replies to ministerial correspondence submitted to Ministers within required timeframes        | 86%                         | 95%              | 95%            |
| Number of Official Information Act 1982 requests responded to <sup>3</sup>   | 793                         | N/A              | 809            |
| Percentage of replies to Official Information Act 1982 requests completed within statutory timeframes <sup>3</sup> | 92%                         | 100%             | 94%            |
| Number of replies drafted in response to written parliamentary questions   | 879                         | N/A              | 760            |
| Percentage of draft replies to written parliamentary questions submitted to Ministers within required timeframes   | 96%                         | 100%             | 99%            |
| Number of Privacy Act (2020) requests responded to <sup>4</sup>  | 215                         | N/A              | 280            |
| Percentage of replies to Privacy Act (2020) requests completed within statutory timeframes <sup>4</sup>            | 92%                         | 100%             | 94%            |
| Number of formal replies drafted in response to external complaints <sup>5</sup>                                   | New measure                 | N/A              | 552            |
| Percentage of replies drafted in response to external complaints within required timeframes <sup>5</sup>           | New measure                 | 95%              | 97%            |

<sup>1</sup>These measures are excluded from the Audit Opinion.

<sup>2</sup>Last year's Annual Report for the year ended 30 June 2020 incorrectly reported the 2019/20 Actual as being the 2018/19 Actual, and vice versa.

<sup>3</sup>Note that OIA responses included only Ministry OIA responses, not Ministers' OIA responses.

<sup>4</sup>New measure reported from 2020/21.

<sup>5</sup>New measure reported from 2020/21, and data is not available for prior years.

# 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 2021 the Ministry shared information about 7,780,953 criminal charges. This represents all the criminal charges finalised in New Zealand from January 1992 to December 2020 and includes information about 1,249,365 personal identities and 20,257 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 67 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
- 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
- MAA2015-49 Families and Whanau Wellbeing Research Programme
- MAA2016-05 Health pathways and outcomes
- MAA2016-15 Supporting the Social Investment Unit
- MAA2016-15-1 Supporting the Social Investment Unit 2
- MAA2016-23 Vulnerable Children Investment Approach Microdata Project
- MAA2016-40 Quantifying the size and characteristics of the transient population in New Zealand
- MAA2016-45 Porirua City Housing Needs Analysis
- MAA2016-46 Housing First
- MAA2016-61 Characteristics, Pathways and Services Used by Injury Clients
- MAA2017-16 What happens to young people with mental health conditions – evidence from the New Zealand Data Infrastructure?
- MAA2017-25 Raraunga a iwi (Iwi Data Project)
- MAA2017-31 Tertiary graduate outcomes 3 and 5 years' post-graduation
- MAA2017-60 Education system performance for pre-school and school-age children
- MAA2017-72 Tamaki Regeneration
- MAA2018-08 Improving the prediction of cardiovascular events and health costs using machine learning and detailed datasets
- MAA2018-09 Explaining Ethnic Differences in Student Success at University in New Zealand
- MAA2018-38 Measuring the wellbeing of Ngāi Tahu Whanui
- MAA2018-48 Modelling Social Outcomes
- MAA2018-54 An Empirical Investigation of the New Zealand Crime Curve
- MAA2018-56 In-work poverty
- MAA2018-59 Using big data to create measures of social vulnerability
- MAA2018-63 Analysis for Pathways to First Episode Psychosis and Outcomes in Māori - Project One
- MAA2018-66 Neighbourhood Exposure Effect on Intergenerational Mobility
- MAA2018-72 The intergenerational effects of parental incarceration
- MAA2018-73 Chronic opioid use following joint replacement surgery

- MAA2018-75 Outcomes for New Zealand prisoners with serious mental illness or addictions: a feasibility study
- MAA2018-80 Are child safety seats effective at reducing traffic fatalities and injuries?
- MAA2018-83 Understanding characteristics of Housing New Zealand tenant and household member population.
- MAA2018-84 Improving outcomes for young adults through effective service delivery
- MAA2018-86 Characteristics of different subpopulations experiencing injury and their access to ACC services
- MAA2018-87 Evaluating the Family Start Programme
- MAA2019-05 Student pathways and outcomes
- MAA2019-14 Impact of head injury on economic outcomes
- MAA2019-25 Causes and consequences of criminal activities in New Zealand
- MAA2019-34 Predicting suicide and self-harm risk in linked administrative data
- MAA2019-40 Kāinga Whānau Ora: A framework for improving whānau wellbeing
- MAA2019-58 The impacts of sinking lid policies on gambling behaviour in New Zealand
- MAA2019-59 Transport and wellbeing
- MAA2019-61 Impacts of Sexual Harm on Health and Wellbeing Outcomes
- MAA2019-65 Turning the tap on the prison pipeline – an investigation into child and youth offending
- MAA2019-71 He Ture Kia Tika: Let the Law be Right
- MAA2019-79 Neurodevelopmental impairment in the Justice Sector
- MAA2019-85 Equity Index of socioeconomic disadvantage in education
- MAA2019-91 The expression, experience and transcendence of low-skill in Aotearoa New Zealand
- MAA2019-93 Examining the social origins of school exclusions, and the associated social costs
- MAA2019-96 Long-term impact of traumatic brain injury
- MAA2019-100 Returns to secondary and tertiary education in New Zealand: An analysis
- MAA2019-101 High use of health and social services: Intergenerational transmission and implications for population mortality
- MAA2020-11 Predicting diabetes complications risks and costs using machine learning with equity analysis
- MAA2020-17 Health outcomes after release from prison for Māori
- MAA2020-51 Determinants and Consequences of Crime Victimization in New Zealand
- MAA2020 61 Data For Iwi
- MAA2020-66 The New Zealand Justice System: An Intersectional Perspective
- MAA2020-73 Gap in new fathers' employment and income
- MAA2020-81 Be kind: domestic violence and mental health during a strict COVID-19 lockdown
- MAA2021-15 Building a strong, sustainable and diverse education workforce to ensure that all tamariki/children and ākonga/students are engaged, thrive and able to succeed.
- MAA2021-17 Examining the Extent of Mental Health Conditions Among People Interacting with the Justice System
- MAA2021-22 Physical Activity and Well-Being
- MAA2021-27 A Micro-Data Approach to Establishing an Evidence Base and Understanding Causal Drives of Hate Crimes in Aotearoa New Zealand
- MAA2021-30 Public Sector System Performance for Māori
- MAA2021-33 A Latent Class Trajectory Analysis of Family Violence Perpetration in New Zealand

## Assurance

The agreement is operating effectively. No complaints have been received about alleged interference with privacy. There have been no alleged privacy breaches. No amendments have been required to the agreement since it was approved.

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

## **Scope of the information shared**

The AISA came into force on the 15th of September 2017. In the period from commencement to 30th June 2021 the Ministry shared information on 1,903,967 criminal charges and 1,105,473 criminal cases (1,090,217 criminal cases, 15,256 appeals) 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 additional safeguards have been required to protect the privacy of individuals. No amendments have been required to the agreement since it was approved.

# Minister of Justice's reports on non-departmental appropriations – B.14 (Vote: Justice)

## **For the year ended 30 June 2021**

The following pages of this document meet the requirement, set out in the supporting information to the 2020/21 Estimates or 2020/21 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 2021 (including reporting by the Ministry of Justice on appropriations for that year).

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

# Vote Justice

## Community Law Centres

### Scope of Appropriation

This appropriation is limited to funding programmes to support Community Law Centres.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve responsive, accessible and cost-effective community legal services for 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

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|--|----------------|------------------|----------------|---|
| Number of individual clients assisted with legal advice, assistance and representation   | 46,196         | 30,000-35,000    | 43,634         | The high number of individual clients is a result of the increase in demand for free legal services due to the ongoing impacts of COVID-19.   |
| Percentage of casework clients who report that the service helped them understand their options  | 97.18%         | 90%              | 99.00%         | This is a positive reflection of the quality of free legal advice Community Law Centres provide to vulnerable and low-income New Zealanders.  |
| Number of participants in law-related education sessions   | 20,725         | 20,000-25,000    | 27,803         | The high number of participants is a result of the increase in demand for free legal services due to the ongoing impacts of COVID-19, and Community Law Centres efforts to provide sessions through more accessible and remote means. |
| Percentage of law-related education sessions delivered to local Māori, rūpū, hapū and iwi and community groups or providers who aim to support and develop Māori | 55.05%         | 45%              | 56.37%         | Community Law Centres continue to focus on improving outcomes for Māori by establishing and maintaining positive and collaborative relationships with local iwi for the delivery of LRE sessions.                                     |

### Community Law Centres (see Note 1)

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| 13,260            | 16,545            | 15,307                      | 16,545                                      | -                             |

Note 1 - Moves to Community Justice Support and Assistance MCA from 1 July 2021.

## COVID-19: Mediating and Arbitrating Commercial Lease Disputes

### Scope of Appropriation

This appropriation is limited to procuring mediation and arbitration services for commercial lease disputes arising due to the impacts of COVID-19.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve subsidised arbitration and mediation services to achieve resolution of commercial lease disputes arising from COVID-19.

### Assessing Performance

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| Percentage of disputes that reached a result within 50 business days   | New measure    | No less than 95% | 100%           |                      |
| Percentage of written mediated agreements or notices of outcome (that are supplied to the participants within five working days after the completion of mediation) | New measure    | No less than 95% | 100%           |                      |

### COVID-19: Mediating and Arbitrating Commercial Lease Disputes (see Note 1)

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| -                 | 213               | -                           | 20,000                                      | -                             |

Note 1 - Ceased in 2020/21.



## Crime Prevention and Community Safety Programmes

### Scope of Appropriation

This appropriation is limited to the funding of programmes to prevent and reduce crime and harm.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a reduction in crime, victimisation and harm by the delivery of programmes that focus on increasing community safety and reducing crime.

### 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

| Performance measure   | Actual<br>2019/20 | Standard<br>2020/21 | Actual<br>2020/21 | Variance explanation   |
|---|-------------------|---------------------|-------------------|--|
| Percentage of Harmful Digital Communication complaints resolved by the approved agency (see Note 1) | 59%               | 65%                 | 54%               | The low percentage of complaints resolved is due to an increase in the number of partial rather than full resolutions, and instances where the provider is unable to make contact or receive a response from the online source/producer. |

### Crime Prevention and Community Safety Programmes (see Note 2)

| Actual<br>2020<br>\$000 | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary estimate<br>2021<br>\$000 | Unaudited<br>Forecast<br>2022<br>\$000 |
|-------------------------|-------------------------|--------------------------------------|--|--|
| 12,710                  | 12,492                  | 15,954                               | 13,004   | -                                      |

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

Note 2 - Moves to Community Justice Support and Assistance MCA from 1 July 2022.

## Family Dispute Resolution Services

### Scope of Appropriation

This appropriation is limited to approved family dispute resolution services.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve responsive, accessible and cost-effective support and services for separating families, and where possible, to prevent problems from escalating in the courts.

### Description of activities

The services and activities under this category cover the provision of family dispute resolution mediation services. The services are contracted by the Ministry of Justice from approved providers.

### Assessing Performance

| Performance measure   | Actual<br>2019/20 | Standard<br>2020/21 | Actual<br>2020/21 | Variance explanation |
|---|-------------------|---------------------|-------------------|----------------------|
| Number of participants completing Parenting through Separation  | 4,678             | 4,800-5,200         | 5,107             |                      |
| Percentage of Family Dispute Resolution participants reaching an agreement on completion of mediation (includes partial and full) | 80%               | 80%                 | 80%               |                      |

### Family Dispute Resolution Services (see Note 1)

| Actual<br>2020<br>\$000 | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary estimate<br>2021<br>\$000 | Unaudited<br>Forecast<br>2022<br>\$000 |
|-------------------------|-------------------------|--------------------------------------|--|--|
| 6,930                   | 7,227                   | 7,360                                | 7,360  | -                                      |

Note 1 - Moves to Community Justice Support and Assistance MCA from 1 July 2022.

## Legal Aid

### Scope of Appropriation

This appropriation is limited to the payments of legal aid to approved providers.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve responsive and accessible services by ensuring that people who need 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

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| Number of Legal aid cases granted (excluding the Public Defence Service) | New measure    | 61,000-67,000    | 65,360         |                      |

## Legal Aid

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| 192,533           | 225,524           | 205,674                     | 226,068                                     | 234,563                       |

## 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).

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a reduction in victimisation and harm by supporting victims of crime.

### 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

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation   |
|---|----------------|------------------|----------------|--|
| Total number of victims supported   | 37,529         | 22,000-28,000    | 42,376         | The high number of victims supported is due to the growing service demand for victims, particularly victims of family violence. In addition, Victim Support has provided support and assistance to 728 victims of the Christchurch mosque attacks. |
| Percentage of victims of serious crime who reported a positive difference in one or more predetermined impacts (see Note 1) | 88%            | 90.00%           | 90%            |  |
| Percentage of victims rating the support provided by Victim Support as being either 'helpful' or 'very helpful'             | 88%            | 90.00%           | 94%            |  |

### Support and Assistance provided by Victim Support to Victims of Crime (see Note 2)

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| 10,214            | 9,519             | 9,544                       | 9,544                                       | -                             |

Note 1 - ('felt listened to', 'less stressed', 'more in control', and 'more confident').

Note 2 - Moves to Community Justice Support and Assistance MCA from 1 July 2022.

## Victims' Services

### Scope of Appropriation

This appropriation is limited to the provision of funding for entitlements and services for victims of crime.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve a reduction in victimisation and harm by providing funding for entitlements and services for victims of crime.

### 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

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|--|----------------|------------------|----------------|---|
| Number of victims who received grants  | 3,280          | 2,500-3,500      | 3,801          | The number of victims who receive Victim Assistance Scheme financial grants is rising in line with the increasing number of victims supported.  |
| Number of Whānau Protect clients who have received a National Home Safety Service upgrade                            | New measure    | 724              | 878            | 878 clients entered the whānau protect service and received a safety alarm and safety planning services; some full home safety upgrades were also undertaken. The service is demand driven. |
| Percentage of Whānau Protect clients reporting no further family violence at home at the point of service conclusion | New measure    | 85%              | 88%            |   |

### Victims' Services (see Note 1)

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| 6,784             | 9,246             | 8,499                       | 10,194                                      | -                             |

Note 1 - Moves to Community Justice Support and Assistance MCA from 1 July 2022.

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

## **For the year ended 30 June 2021**

The following pages of this document meet the requirement, set out in the supporting information to the 2020/21 Estimates or 2020/21 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 2021 (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 meeting the costs of professional services directed by or provided to courts (including coroners), including costs required to be met by the Crown under legislation, remuneration of Lay Members and Visiting Justices, and payments ordered from the Maori Land Court Special Aid Fund.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve 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 several 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

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation  |
|--|----------------|------------------|----------------|---|
| Number of Oranga Tamariki Act professional services appointed in the Family Court (see Note 1 and 2) | 4,806          | >4,800           | 3,536          | In 2019, the process for appointing a Lawyer for Child in Oranga Tamariki cases was amended. Previously, new appointments of Lawyer for Child were made for each review of a plan. Now, a Lawyer for Child appointment continues between reviews. This has resulted in less appointments being made over the last three financial years.  |
| Number of external professional services appointed in the Family Court (see Note 1 and 3)            | 13,236         | >13,000          | 14,371         |   |
| Percentage of people who started a non-violence programme who completed the programme                | 71%            | 65% (see Note 4) | 76%            | Changes have been made to help clients complete their programmes. For example, enabling remote participation, which increases both initial engagement and attendance.   |
| Number of protected persons/victims of family violence referred to safety programmes                 | 5,787          | 6,000-7,000      | 6,601          | This service is demand-driven. We observed a higher uptake of safety programmes in 2020/21 as a result of the 2020 COVID-19 alert level changes, as many families/whānau accessed more support throughout this period. Also, a new process was implemented in February 2021 where court staff pro-actively make contact with protection order applicants to offer them a safety programme |

Note 1 - This is the same measure as 2019/20, but the wording of the measure has been clarified.

Note 2 - The services provided are demand driven and dependent on the type of cases before the court. The services are judicially ordered.

Note 3 - 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.

Note 4 - The Standard has been updated to align with the service level agreement with the service provider.

## Court and Coroner Related Costs (see Note 5)

| Actual<br>2020<br>\$000 | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary estimate<br>2021<br>\$000 | Unaudited<br>Forecast<br>2022<br>\$000 |
|-------------------------|-------------------------|--------------------------------------|--|--|
| 112,861                 | 122,779                 | 121,006                              | 122,957  | 126,353                                |

Note 5 - Includes Judicial Review Costs from 1 July 2020.



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

## **For the year ended 30 June 2021**

The following pages of this document meet the requirement, set out in the supporting information to the 2020/21 Estimates or 2020/21 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 2021 (including reporting by the Ministry of Justice on appropriations for that year).

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

# Vote Treaty Negotiations

## Claimant Funding

### Scope of Appropriation

This appropriation is limited to payment of claimant funding related to the settlement of historical Treaty of Waitangi claims.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an effective process for providing financial assistance for claimant groups, to achieve durable historical Treaty of Waitangi settlements.

### 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

| Performance measure   | Actual<br>2019/20 | Standard<br>2020/21 | Actual<br>2020/21 | Variance explanation   |
|---|-------------------|---------------------|-------------------|--|
| Number of claimant groups funded (see Note 1)                                     | 29                | 40                  | 30                | Claimant funding payments have been limited due to the low number of claimant groups seeking funding related to active negotiations. |
| Percentage of payments made to groups within 10 working days of approval of claim | 97%               | 95%                 | 100%              |  |

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.

### Claimant Funding (see Note 2)

| Actual<br>2020<br>\$000 | Actual<br>2021<br>\$000 | Unaudited<br>Budget<br>2021<br>\$000 | Unaudited<br>supplementary estimate<br>2021<br>\$000 | Unaudited<br>Forecast<br>2022<br>\$000 |
|-------------------------|-------------------------|--------------------------------------|--|--|
| 4,433                   | 5,138                   | 8,102                                | 8,102  | 8,102                                  |

Note 2 - Funding transferred to Vote Te Arawhiti from 1 July 2021.

## Financial Assistance Toward Determining Customary Interests in the Marine and Coastal Area

### Scope of Appropriation

This appropriation is limited to providing financial assistance to applicant groups to investigate their customary interests in the marine and coastal area under the Marine and Coastal Area (Takutai Moana) Act 2011.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve an efficient process for providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011.

### 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

| Performance measure   | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|---|----------------|------------------|----------------|----------------------|
| Percentage of funding payments made to groups within 10 days of approval of claim | 100%           | 95%              | 100%           |                      |

### Financial Assistance Toward Determining Customary Interests in the Marine and Coastal Area (see Note 1 and 2)

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| 1,749             | 7,577             | 10,450                      | 9,688                                       | 13,450                        |

Note 1 – Funding transferred to Vote Te Arawhiti from 1 July 2021.

Note 2 – Funding was transferred on 1 April 2020 from the previous appropriation, Contribution toward Determining Customary Interests in the Marine and Coastal Area.

## Capital Investment in the Ngāpuhi Sovereign Fund Entity

### Scope of Appropriation

This appropriation is limited to the administration and management of Ngāpuhi Investment Fund Limited. The Ngāpuhi Investment Fund Limited was established by the Crown in December 2020 as part of Crown efforts to restore its relationship with ngā hapū o Ngāpuhi and, support ngā hapū meet their economic aspirations for the future.

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the funding of the Ngāpuhi Investment Fund Limited (NIFL)

### Description of activities

The purpose of this appropriation is to establish and manage an investment portfolio that can support any future agreements the Crown may make regarding the historical Treaty of Waitangi grievances of Ngāpuhi.

### Assessing Performance

| Performance measure  | Actual 2019/20 | Standard 2020/21 | Actual 2020/21 | Variance explanation |
|--|----------------|------------------|----------------|----------------------|
| A subscription agreement is agreed between Ngāpuhi Investment Fund Limited and the Crown | New measure    | Achieved         | Achieved       |                      |

## Capital Investment in the Ngapuhi Sovereign Fund Entity

| Actual 2020 \$000 | Actual 2021 \$000 | Unaudited Budget 2021 \$000 | Unaudited supplementary estimate 2021 \$000 | Unaudited Forecast 2022 \$000 |
|-------------------|-------------------|-----------------------------|---|-------------------------------|
| -                 | 150,000           | -                           | 150,000                                     | -                             |



ISSN 1178-2730 (PRINT) | ISSN 1178-2749 (ONLINE)

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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.