



MINISTRY OF

JUSTICE

Te Manatū Ture

Building a fairer and safer New Zealand

ANNUAL REPORT

for the Ministry of Justice for the year ending 30 June 2003



ANNUAL REPORT

for the Ministry of Justice for the year ending 30 June 2003

MINISTRY OF
JUSTICE

Te Manatū Ture

Building a fairer and safer New Zealand

Our vision

*We will help build a fairer and safer
New Zealand by contributing to:*

- *Safer communities*
- *a fairer, more credible and more effective New Zealand*

Our mission

*We will work towards a fairer and safer
New Zealand through:*

- *leadership and collaboration*
- *knowledge and learning*
- *enabling systems and processes.*

To mātou matakite

*Ka arahi mātou ki te hanga i a Aotearoa
hei whenua haumarū, whenua pono, mā o
mātou mahinga atu ki:*

- *ngā hapori haumarū*
- *tētahi pūaha ture e pono ake ana, e hāngai ana, e whai mana ana hoki.*

To mātou koronga

*Ka anga atu a mātou mahi ki tētahi
Aotearoa e haumarū ana, e pono ana, mā:*

- *te kaiarahitanga, me te mahinga ngātahi*
- *te mātauranga me te akoranga*
- *ngā pūnaha me ngā hātepe whakamana.*

To: **Hon Phil Goff Minister of Justice**

In accordance with section 39 of the Public Finance Act 1989, I am pleased to submit the Annual Report of the Ministry of Justice for the year ended 30 June 2003.



Belinda Clark
Secretary for Justice

Contents

PART A: Strategic overview

| | |
|--|----|
| Key legislation at a glance | 8 |
| Treaty of Waitangi settlements at a glance | 9 |
| Chief Executive's overview | 10 |
| Ministry activities and government's policy outcomes | 12 |
| The role of the Ministry | 13 |
| Achievements against outcomes | 19 |
| Report on reducing inequality | 33 |
| Ownership issues | 40 |

PART B: Performance information

| | |
|---|----|
| Statement of responsibility | 48 |
| Statement of objectives and service performance | 49 |
| Financial information | 69 |
| Report of the Auditor-General | 92 |

PART C: Other information

| | |
|-----------------------------|-----|
| Ministry organisation chart | 96 |
| Publications issued | 98 |
| Acts administered | 100 |
| Contacts | 105 |



PART A | STRATEGIC OVERVIEW

| | |
|--|----|
| Key legislation at a glance | 8 |
| Treaty of Waitangi settlements at a glance | 9 |
| Chief Executive's overview | 10 |
| Ministry activities and government's policy outcomes | 12 |
| The role of the Ministry | 13 |
| Achievements against outcomes | 19 |
| Report on reducing inequality | 33 |
| Ownership issues | 40 |

Key legislation at a glance

(as at 30 June 2003)

Process for a Bill to become law

Initial consultation and policy work
 Bill introduced/ 1st reading
 Sent to Select Committee for study and public submission
 2nd reading main debate
 Committee of the Whole House consideration (clause by clause)
 Third reading concluding debate
 Assent given – the Bill becomes an Act

Bill

| Bill | Initial consultation and policy work | Bill introduced/ 1st reading | Sent to Select Committee for study and public submission | 2nd reading main debate | Committee of the Whole House consideration (clause by clause) | Third reading concluding debate | Assent given – the Bill becomes an Act |
|--|--------------------------------------|------------------------------|--|-------------------------|---|---------------------------------|--|
| Victims Rights Act 2002 | • | • | • | • | • | • | • |
| Crimes Amendment Act 2003 | • | • | • | • | • | • | • |
| Terrorism Suppression Act 2002 | • | • | • | • | • | • | • |
| Trustee Companies Amendment Act 2002 | • | • | • | • | • | • | • |
| Crown Organisations (Criminal Liability) Act 2002 | • | • | • | • | • | • | • |
| Te Uri o Hau Claims Settlement Act 2002 | • | • | • | • | • | • | • |
| Ngāti Ruanui Claims Settlement Act 2003 | • | • | • | • | • | • | • |
| Prostitution Reform Act 2003 | • | • | • | • | • | • | • |
| Criminal Investigations (Bodily Samples) Amendment | • | • | • | • | | | |
| Criminal Justice Amendment Bill (No 7) | • | • | • | • | | | |
| Counter Terrorism Bill | • | • | • | | | | |
| Supreme Court Bill | • | • | • | | | | |
| Ngāti Tama Claims Settlement Bill | • | • | • | | | | |
| Independent Police Complaints Authority Amendment | • | • | • | | | | |
| Second Hand Dealers and Pawnbrokers Bill | • | • | • | | | | |
| Care of Children Bill | • | • | • | | | | |
| Telecommunications (Interception Capability) Bill | • | • | • | | | | |
| Criminal Records (Clean Slate) Bill | • | • | • | | | | |
| SOP to Human Assisted Reproductive Technology Bill | • | • | • | | | | |
| Statutes Amendment Bill (No 3) | • | • | • | | | | |
| Lawyers and Conveyancers Bill | • | • | | | | | |

Treaty of Waitangi settlement process at a glance

(as at 30 June 2003)

| | Progress to reach settlement | | | | | |
|---------------------------|------------------------------|-----------------------|----------------|------------------------|--------------------|---|
| | Mandate achieved | Terms of negotiations | In negotiation | Agreement in principle | Deed of settlement | Legislation enacted and/or settlement implemented |
| Northland | | | | | | |
| Te Uri o Hau | • | • | • | • | • | • |
| Te Roroa | • | • | • | | | |
| Te Rarawa | • | • | • | | | |
| Ngāti Kahu | • | • | • | | | |
| Ngāti Kahu ki Whangaroa | • | | | | | |
| Waikato | | | | | | |
| Waikato Tainui | • | • | • | • | • | • |
| Taranaki | | | | | | |
| Ngāti Ruanui | • | • | • | • | • | • |
| Ngāti Tama | • | • | • | • | • | |
| Ngā Rauru | • | • | • | • | | |
| Ngāti Mutunga | • | • | • | • | | |
| Te Ati Awa* | • | • | • | • | | |
| Bay of Plenty | | | | | | |
| Ngāti Tūwharetoa (BOP) | • | • | • | • | • | |
| Ngāti Awa | • | • | • | • | • | |
| Ngāti Awa Ancillaries (3) | • | • | • | • | | |
| Te Arawa Lakes | • | • | • | | | |
| South Island | | | | | | |
| Ngai Tahu | • | • | • | • | • | • |
| Fisheries | | | | | | |
| Commercial Fisheries | • | • | • | • | • | • |
| Other regions | | | | | | |
| Ngāti Turangitukua | • | • | • | • | • | • |
| Pouakani People | • | • | • | • | • | • |
| Rangitaane o Manawatu* | • | • | • | • | | |
| Whanganui River | • | • | | | | |
| Ngāti Whatua o Orakei | • | • | • | | | |

* Mandate review process

Note – excludes several small, non-comprehensive settlements

Chief Executive's overview

During 2002/2003 the Ministry continued to progress government's busy legislative programme. It also co-ordinated a number of activities across the sector, such as crime reduction, research and evaluation, sector information technology management, and purchase advice and planning.

The Ministry met the key justice priorities set by ministers. Eight bills were passed by Parliament, two were at second reading stage and ten with select committees. The links between the goals of government and the Ministry's work are outlined on page 12.

The Ministry's key achievements in the context of outcomes are presented in the section *Achievements against outcomes*. Some of these achievements include:

2002 general election

The 2002 general election was held on 27 July 2002 and was the culmination of three years planning by the Chief Electoral Office. It was a major logistical exercise involving 16,000 staff employed on the day. A full report on the election is on page 31.

Legislative programme

Eight Acts were passed during 2002/2003. These were:

- *The Victims' Rights Act 2002*
- *Terrorism Suppression Act 2002*
- *Trustee Companies Amendment Act 2002*
- *Crown Organisations (Criminal Liability) Act 2002*
- *Te Uri o Hau Claims Settlement Act 2002*
- *Ngāti Ruanui Claims Settlement Act 2003*
- *Crimes Amendment Act 2003*
- *Prostitution Reform Act 2003*

The Ministry also released the second New Zealand National Survey of Crime Victims. This research indicates that victimisation levels in New Zealand have stabilised since the increases of the late 1980s and early 1990s. However, regular surveys need to be undertaken before robust conclusions can be made.

Treaty settlements

More deeds of settlement and settlement Acts were completed in 2002/2003 than in any other year. Deeds of settlement for Ngāti Awa and Ngāti Tuwharetoa (Bay of Plenty) were signed, and the Ngā Rauru deed of settlement neared completion. Parliament considered three pieces of settlement legislation. *The Ngāti Ruanui*

Settlement Act and *Te Uri o Hau Settlement Act* were passed and the *Ngāti Tama Settlement Bill* was introduced and referred to the Māori Affairs select committee. Two deeds of mandate were recognised and a total of four terms of negotiation were signed – Ngāti Whātua o Ōrākei, Te Iwi o Whanganui, Te Rarawa and Ngāti Kahu. These achievements met and in some areas exceeded the government's targets for Treaty settlements for the year.

Sector leadership

Sector leadership is an increasingly important focus for the Ministry. The Ministry continued to work at chief executive level with Police, Department for Courts, Department of Corrections, Crown Law Office and Child, Youth and Family. This collaboration is producing results with a number of sector projects endorsed by chief executives and ministers. Key work included:

- Publishing *Te Ara Hei Mua - The Pathway Forward 2003-06*, to co-ordinate sector information needs to 2006.
- Approval for the justice sector outcomes project to align planning processes and outcomes between justice agencies.
- Completing a justice sector communications strategy.
- Participating in the Department of Corrections' Output Pricing Review and independent reviews of purchase aspects of the Public Trust, Legal Services Agency and Privacy Commission.
- Continuing to further the objectives of the crime reduction strategy and the youth offending strategy, reported under *Reduced crime* on page 21.

Capability

Staff consistently produced excellent results to ministers in all areas of the business. They worked under considerable pressure to manage large projects and met ever-decreasing deadlines. The section, *Ownership issues*, shows that the Ministry's capability continues to develop and that ministerial satisfaction levels continue to improve.



Belinda Clark
Secretary for Justice

Ministry activities and government's policy outcomes

GOVERNMENT GOALS

- Maintain trust in government and providing strong social services.
- Reducing inequalities.
- Strengthening national identity and upholding the principles of the Treaty of Waitangi.

MINISTERS' KEY JUSTICE PRIORITIES

REDUCED CRIME

- Reduced youth offending and re-offending.
- Reduced violent crime (including sexual violence).
- Reduced burglary.
- Reduced organised crime.
- Reduced family violence and child abuse.
- Reduced car-related theft.

RESPECT FOR RIGHTS AND THE RULE OF LAW

- A fair and effective justice system.
- Effective relationships between government and citizens, and citizens with each other, including commercial and family relationships.
- A parliamentary electoral process in which citizens have confidence.
- Fair and durable settlements that resolve historical grievances relating to the Treaty of Waitangi.

MINISTRY OF JUSTICE OUTPUT CLASSES

VOTE JUSTICE

- Ministerial servicing and management of non-departmental output classes.
- Policy advice.
- Management of the Parliamentary electoral process.
- Services to support crime prevention and community safety.

VOTE TREATY NEGOTIATIONS

- Policy advice: Treaty negotiations.
- Representation: Waitangi Tribunal.
- Land portfolio management.

GOVERNMENT'S OUTCOMES SOUGHT

- A principled and effective justice system to support law and order.
- Law and institutions to protect democratic governance and the rights of individuals.
- Effective co-ordination of information and policy and efficient allocation of resources among justice sector agencies.
- High-quality Ministerial appointments.
- Effective use of public funds and proper management of assets by Crown entities.
- Strategies to reduce crime.
- The conduct of impartial, efficient and democratic parliamentary elections, by-elections and referenda.
- Effective partnerships with government agencies, local authorities and communities that support crime prevention and community safety.
- Policy and operational framework for the direct negotiation and durable settlement of well-founded historical Treaty claims.
- Proper management of properties acquired for potential use in Treaty settlements.

The role of the Ministry

The Ministry performs two key roles in the justice sector. It provides advice and a number of services to government on justice-related issues, and undertakes a leadership role across the sector.

To carry out this work the Ministry administers two Votes. In 2002/2003 Vote Justice had a total appropriation of \$187.199m (including GST). This was made up of \$37.623m to the Ministry and \$149.576m for the non-departmental output classes. Vote Treaty Negotiations totalled \$85.849m for Office of Treaty Settlements' operations, land management and Treaty settlement claims.

Vote Justice

Departmental outputs

The Ministry's services

The Ministry's primary role is to provide policy advice to the Minister and Associate Ministers of Justice and government. It provides briefing papers to Ministers, policy papers to Cabinet and support to the Justice and Electoral, Law and Order and Māori Affairs select committees. This advice contributes to the strategic direction of government and changes to legislation. The Ministry also provides a number of services to government such as crime prevention activities, elections administration and Treaty settlements.

| Group | Services provided |
|---|---|
| Crime Prevention and Criminal Justice Group | <ul style="list-style-type: none"> Oversees criminal law and procedures, the crime reduction strategy, youth justice, sentencing regimes and practices, victims, family violence and restorative justice. Administers crime prevention contracts; develops and supports specific crime prevention and community safety initiatives by working with government agencies, local authorities and communities. Carries out research and supplies statistical information on issues relating to the justice sector. |

| Group | Services provided |
|---|--|
| Public Law Group | <ul style="list-style-type: none"> • Provides ministerial services and policy on constitutional issues, access to justice, human rights and Bill of Rights, family law, medico-legal, commercial, property and regulatory law issues and the electoral system. • Provides advice and assistance to other agencies on the compliance of policy and legislative proposals with the Bill of Rights, including advice to the Attorney-General on all Bills (except Justice Bills) prior to introduction. |
| Chief Electoral Office | <ul style="list-style-type: none"> • Administers the parliamentary elections, by-elections and referenda. |
| The Office of Treaty Settlements (reports directly to the Minister in Charge of Treaty of Waitangi Negotiations) ¹ | <ul style="list-style-type: none"> • Negotiates settlement of historical claims arising from the Treaty of Waitangi. • Manages a portfolio of property for potential use in Treaty settlements. • Represents the Crown before the Waitangi Tribunal. |
| Office of Legal Counsel | <ul style="list-style-type: none"> • Provides advice to Ministers on Royal prerogatives of mercy. • Administers judicial, statutory and Justice of the Peace appointments. |
| Information Services Group | <ul style="list-style-type: none"> • Provides advice to Ministers on justice sector information requirements. • Leads the justice sector information strategy. • Administers the justice sector data warehouse. |
| Purchase Advice Team | <ul style="list-style-type: none"> • Advises the government on funding priorities and work programmes across justice sector agencies. |

The achievements of these groups are outlined in the section *Achievements against outcomes*.

1. Funded through Vote Treaty Negotiations.

There are also a number of corporate support teams. The Information Services and Corporate Services groups provide corporate support to the organisation through human resource development; audit and assurance advice; information technology; information, financial and ministerial services; and corporate planning. The Office of Legal Counsel provides internal legal advice as required. The achievements of these groups are included in the section *Ownership issues*.

Sector-wide initiatives

Much of the work outlined so far requires co-ordinating initiatives so that the justice sector works efficiently and effectively. Key leadership activities and progress during 2002/2003 included:

| Sector leadership activity | Progress in 2002/2003 |
|---|---|
| Co-ordinating the whole-of-government crime reduction strategy and youth justice initiatives outlined in the youth offending strategy. | The crime reduction strategy work continued with an annual review of the strategy due later in 2003. Work continued on developing crime reduction targets and the general violence reduction strategy. |
| Managing the Safer Community Councils network and crime prevention projects throughout New Zealand. | The network is under review. A discussion document was produced and regional meetings, an iwi hui and Pacific fono were held in April and May 2003 to discuss reform options. 148 submissions were received. |
| Providing a service to check that government legislation complies with the <i>New Zealand Bill of Rights Act</i> . | 41 bills were considered with three reports of inconsistency forwarded to the Attorney General under section 7 of the Act. |
| Co-ordinating justice information management and information technology systems that involve more than one agency, and advising the government on issues and priorities affecting the sector. | <i>Te Ara Hei Mua - The Pathway Forward 2003-06</i> was approved by Cabinet in June 2003. A work programme for the next 12 months was developed and approved in June. |
| Improving the capacity and quality of statistical data by developing and managing a justice data warehouse. | The justice data warehouse went live on 14 July 2003. |

| Sector leadership activity | Progress in 2002/2003 |
|--|---|
| <p>Providing advice to the government on priorities and work programmes across justice sector agencies and Crown entities.</p> | <p>The Ministry worked with Crown entities and other bodies to develop memoranda of understanding.</p> <p>Independent reviews of purchase aspects of the Public Trust, Legal Services Agency and the Privacy Commission were commissioned.</p> |
| <p>Advising on ownership interests and the purchase of services from justice sector Crown entities and agencies (non-departmental output classes) and monitoring their output performance.</p> | <p>All agencies completed quarterly reporting. This encompassed ownership and purchase interests and concentrated on risk elements to the agencies.</p> |
| <p>Advising and administering statutory, Justice of the Peace and judicial appointments.</p> | <p>There were 322 appointments, made up of 35 judicial, 120 statutory and 167 Justices of the Peace.</p> |
| <p>Leading the Justice Sector Outcomes project, and co-ordinating planning between the Police, Department for Courts, Department of Corrections, Crown Law Office, Child, Youth and Family and the Ministry.</p> | <p>Two justice sector outcomes of <i>safer communities</i> and a <i>fairer, more credible and more effective justice system</i> were agreed in February 2003.</p> <p>A planning structure and project terms of reference were developed to ensure shared planning around sector priorities continues and that work towards sector outcomes is co-ordinated.</p> |

Non-departmental outputs

Approximately 80 per cent of all Vote Justice funding was provided to non-departmental output classes delivered by Crown entities and other bodies acting independently of the Ministry. They provided a variety of services to the government and the public. The following Crown entities and other bodies (*) were funded through Vote Justice:

| | Actual cost at 30 June 2002 GST incl \$m | Actual cost at 30 June 2003 GST incl \$m |
|--|---|---|
| Legal Services Agency (legal aid) | \$88.460 | \$87.102 |
| Legal Services Agency (administration) | \$11.790 | \$11.769 |
| Electoral Enrolments Centre (NZ Post) * ² | \$18.875 | \$16.945 |
| Human Rights Commission ³ | \$6.792 | \$8.175 |
| Crime Prevention Programmes * ⁴ | \$5.236 | \$4.541 |
| Law Commission | \$3.347 | \$3.068 |
| NZ Council of Victim Support Groups * | \$2.355 | \$2.555 |
| Privacy Commissioner | \$2.198 | \$2.337 |
| Public Trust ⁵ | \$1.695 | \$4.838 |
| Electoral Commission ⁶ | \$1.029 | \$3.470 |
| Police Complaints Authority ⁷ | \$0.825 | \$1.132 |
| Ngai Tahu Ancillary Claims Trust | - | - |

Vote Treaty Negotiations

Departmental outputs

The Office of Treaty Settlements acts on behalf of the Crown and is directly responsible to the Minister in Charge of Treaty of Waitangi Negotiations. It negotiates settlements of historical claims arising from the Treaty of Waitangi, instructs the Crown Law Office in Waitangi Tribunal hearings of historical claims, provides advice to the Minister, and manages a portfolio of property for Treaty settlements.

Non-departmental outputs

The single Crown entity funded through Vote Treaty negotiations is the Ngāi Tahu Ancillary Claims Trust, which was established under the Ngāi Tahu Claim Settlement Act 1998.

² Reduction due to the early announcement of the general election in July 2002.

³ Reflects introduction of the Equal Opportunities Commissioner into the Commission and work on the Human Rights National Plan of Action.

⁴ Reduced expenditure resulting from the review of the Safer Community Council Network.

⁵ First full year of funding to the Public Trust. Funding for 2001/2002 was from March 2002.

⁶ Cyclical increase due to election year, particularly costs associated with electoral advertising.

⁷ Reflects amendments to the Police Complaints Authority Act to improve independence of the Authority's investigative capacity.

Other relationships

The Ministry's leadership role requires it to maintain important justice sector relationships with agencies including the Departments for Courts and of Corrections, the Police, Ministries of Social Development, Māori Development (Te Puni Kokiri), Health, Child, Youth and Family, Education, and the non-departmental output class agencies. In addition, the Ministry works closely with central agencies on budget and performance issues.

Effective performance requires strong relations with other stakeholders including rights groups, district law societies, local authorities, victims of crime, Māori, Pacific peoples, iwi and hapū in Treaty negotiations and settlements, and Safer Community Councils.

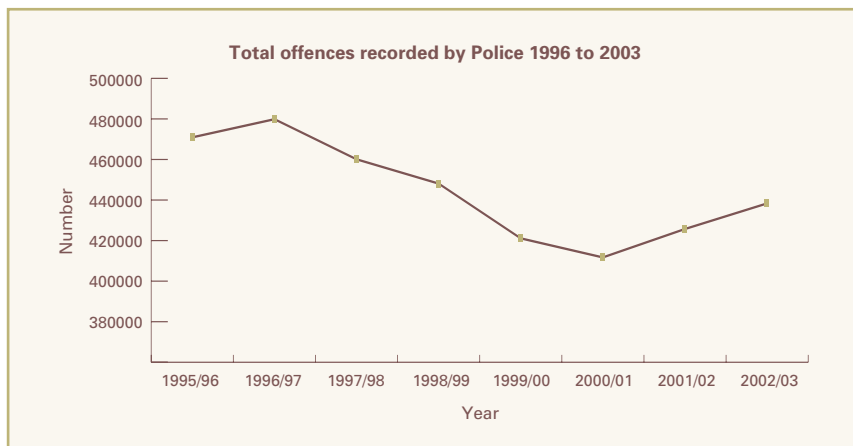
Fair, timely and durable Treaty settlements rely on the successful involvement of a range of parties including claimant groups, who play a pivotal role. Other significant parties that may be part of the negotiation process along with the Office of Treaty Settlements include Treasury, Te Puni Kokiri, Department of Conservation, Crown Law Office, Ministry of Fisheries, Ministry for the Environment and Land Information New Zealand. The Waitangi Tribunal and Crown Forestry Trust also participate in pre-negotiations.

Achievements against outcomes

This section presents the Ministry's achievements in relation to the Ministers' justice, crime prevention and Treaty settlement initiatives for 2002/2003. It reports against objectives set in the 2002/2003 Statement of Intent towards its two outcomes of *reduced crime* and *respect for rights and the rule of law*.

Reduced crime

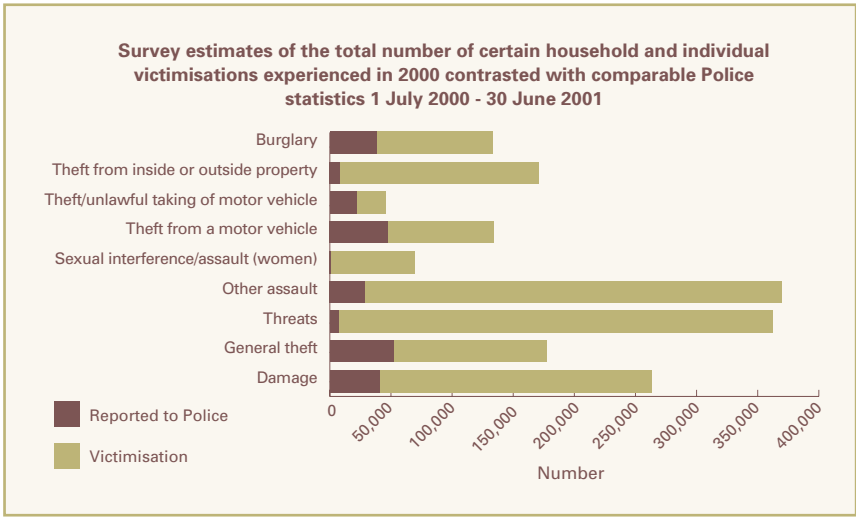
Crime measurement has historically relied on Police statistics. These show that crime has decreased since the mid 1990s.



Source: NZ Police Statistics for fiscal year ending 30 June 2003

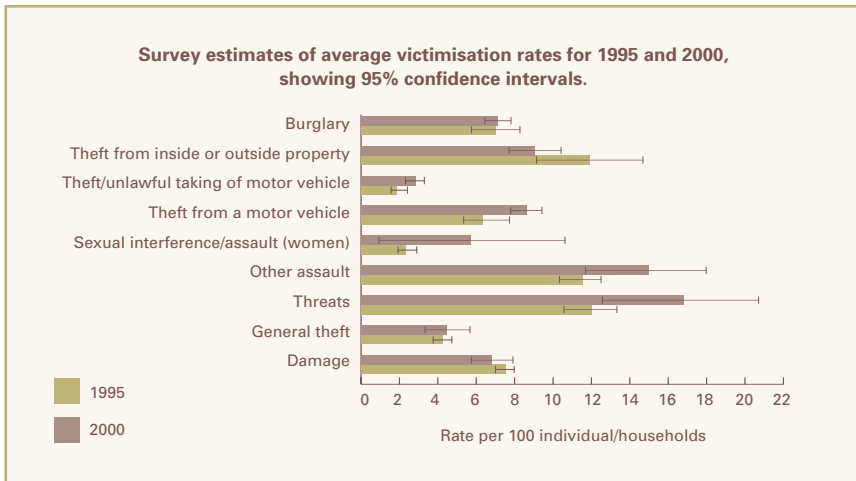
However, the results of the second New Zealand National Survey of Crime Victims released in May 2003, found that only 15 per cent of the incidents of victimisation, disclosed in the survey, were recorded in Police statistics (shown in the graph below).

This means that small changes in the degree to which victims report offences to Police, or to which Police record offences, can have a major impact on Police statistics without any change in the volume of crime itself. For this reason it is necessary to rely on other measures to understand changes in crime rates.



Source: New Zealand National Survey of Crime Victims (2001)

The results of the survey also showed little change between 1995 and 2000⁸. While the data (shown in the graph below) does not show any marked decline in the volumes of crime in recent years, it suggests that the significant growth in crime believed to have occurred in the 1980s and early 1990s has stabilised.



Source: New Zealand National Survey of Crime Victims (2001)

⁸ While violent crime (sexual assault, other assaults and threats) reduced, this was not statistically significant.

It is important to note that further surveys will be necessary before the Ministry can establish whether crime reduction initiatives put in place since 2000 have had an impact on actual crime levels. There are also margins of error that make it difficult to detect small changes.

Despite this, the survey gives a useful overview of crime victimisation. It has become an important source of information for the justice sector on levels of victimisation (including family violence), risks of victimisation, levels of worry about crime, reporting victimisation to the Police, satisfaction with victim services, and levels of security. The information underpins much of government policy and practice covering areas such as crime reduction, services to victims, Police and court services, family violence services, and the development of legislation.

Crime reduction strategy

The Ministry co-ordinates the government's crime reduction strategy. This aims to ensure a whole-of-government approach to reducing crime. It has a number of intermediate outcomes and the Ministry is developing targets and measures for these. The outcomes are explained below.

Reduced youth offending and re-offending

Youth offending is a key priority for the government. The Ministry's Youth Justice team leads work across agencies to implement the youth offending strategy, released in April 2002. The Ministry is responsible for co-ordinating and reporting on progress in implementing the strategy. This work has focused on building leadership and co-operation in the youth justice sector.

The Youth Justice team has undertaken the following priority work during the year:

- Leadership in the youth justice sector has been enhanced. The Ministry has been confirmed as lead agency and three new groups established – the Ministers' Group, the Youth Justice Leadership Group and the Youth Justice Independent Advisory Group. These groups oversee service delivery and implementation of the strategy. The Ministry chairs the Leadership Group and provides administrative support for the Leadership Group and the Independent Advisory Group.
- Youth offending teams, comprising front-line practitioners and managers from Police, Child, Youth and Family, Health and Education, have been established in 30 localities. This has brought about improvements in local practice and inter-agency co-operation as well as identifying local service gaps and cross-agency initiatives. Apart from its role in establishing these teams, the Ministry has an ongoing role in monitoring their performance and collating reports in order to disseminate information about best practice and identify systemic policy issues.

- The Ministry, in partnership with Waikato-Tainui, is well advanced in planning for *Te Hurihanga*, an intensive residential programme for serious recidivist young offenders aged 14 to 16. The District Court will refer offenders to the programme.

The Youth Justice team also co-ordinated the review of dealings with the young people convicted for their roles in the robbery and murder of Michael Choy in South Auckland. The review identified three key lessons from this case:

1. The importance of addressing risk factors in the lives of young offenders.
2. The need to improve school participation among at risk youth.
3. The need to improve responsiveness to child offenders to prevent them from becoming persistent adolescent and adult offenders.

Reduced violent crime including sexual violence

Work is underway to develop a more comprehensive strategy to tackle violence in the community and will be reported to government in late 2003. So far, work has involved extensive research and consultation with key government and community stakeholders.

Managing offenders who sexually offend against children (child sex offenders) is a key priority for government. The Ministry co-ordinates the agencies involved in actively managing child sex offenders in the community. Work has been completed to identify and address gaps. This work has involved considerable inter-agency co-ordination and collaboration.

- A proposal for introducing an extended supervision regime for child sex offenders has been developed and policy development is advanced, with the Ministry working with the Department of Corrections to introduce legislation in the next financial year. The regime aims to manage the long-term risks posed by child sex offenders in the community who are no longer subject to parole and release conditions.
- The Dunedin Best Practice Pilot started on 1 July 2003, involving representatives from the Department of Corrections, Child Youth and Family, Police, the Ministry of Social Development and Housing New Zealand. The pilot focuses on collaboration and information-sharing between agencies, in order to improve the management of child sex offenders during parole. It is expected to result in information-sharing protocols nationwide.
- The Ministry provided information to the Minister of Justice on the private member's *Sex Offender Registry Bill* on an as-required basis. At 30 June 2003, the Bill was awaiting its first reading.
- The Ministry provided instructions to draft the *Crimes Amendment Bill 2003* to update the sexual offence provisions of the Crimes Act 1961. These provisions will ensure that criminal law regarding sexual offending is gender neutral and more consistent with contemporary social attitudes. The Bill will be introduced late 2003.

Reduced burglary

The Ministry continued to progress two legislative initiatives to reduce burglary:

- The *Second-Hand Dealers and Pawnbrokers Bill*, to better control the market in second-hand goods, has been introduced and referred to select committee.
- The *Criminal Investigations (Bodily Samples) Amendment Act*, enabling repeat burglars to be more readily apprehended, was reported back to the House on 23 June 2003 and at 30 June 2003 was awaiting its second reading.

A review of targeted policing initiatives, which focus on repeat offenders and burglary hot spots, has been undertaken. Various data is being analysed and the first of three research reports will be released early next year.

Work has continued on the target hardening scheme, to support low income victims of repeat burglary. The Auckland University of Technology is drafting a report reviewing the operation and impact of the scheme.

Reduced organised crime

The Ministry has contributed work aimed at reducing the level of organised criminal activity in New Zealand.

The *Crimes Amendment Act 2003* was passed on 1 July 2003 and received assent on 7 July 2003. The Act updates property offences in light of recent technological change and case law. It extends the existing interception offences to include electronic forms of communication and amends the Police's interception warrant powers.

The Ministry is reviewing the *Proceeds of Crime Act 1991* to identify reforms that will increase the effectiveness of that legislation in recovering property used in or derived by criminals from the commission of serious criminal offences.

The *Telecommunications (Interception Capability) Bill* is before a select committee and imposes obligations on telecommunication operators to ensure that their networks are capable of being intercepted by authorised agencies for investigative purposes. When the *Crimes Amendment Act 2003* takes effect from October 2003 these obligations will include the ability to intercept emails and faxes that cannot currently be lawfully intercepted by the Police.

The *Terrorism Suppression Act 2002* (passed on 8 October 2002 and received assent on 17 October 2002) and the *Counter Terrorism Bill 2002* contain provisions that target terrorist activity. The latter alters investigative and enforcement powers in relation to terrorism and organised crime.

The Ministry is involved in negotiating and implementing a range of trans-national organised crime conventions and protocols. An example of this is the Convention against Corruption that the United Nations is negotiating.

Reduced family violence and child abuse

The Ministry's work in relation to family violence over the past year has focused on implementing *Te Rito – the New Zealand Family Violence Prevention Strategy* and the Family Violence Funding Circuit Breaker.

In particular, the Ministry has worked with the *Te Rito* National Executive to promote a high level of cross-sector commitment to and consistency in family violence prevention, and to monitor the implementation and progress of *Te Rito*.

The Ministry has also been involved in and contributed to several of the project teams established to progress different *Te Rito* areas of action. These actions include public education and awareness, and improving inter-agency co-ordination, collaboration and communication.

The Family Violence Funding Circuit Breaker began in mid-September 2002. The purpose of the project was to identify the nature and impact of funding provided by multiple government agencies to community family violence services, and to recommend ways to address any funding process issues identified. One of the outcomes is to develop common funding approval processes between regional agencies that can be used nationally. The project includes national co-ordination between agencies and a pilot project between funding agencies and community providers in the Waikato region. The Ministry has been involved at a national level.

Reduced car-related theft

Police and justice officials are working together to identify best practice approaches to reducing car-related theft and will develop proposals to introduce sector-wide initiatives as part of the crime reduction strategy.

Respect for rights and the rule of law

Societies look to government for the vision and leadership necessary to balance rights and responsibilities of individuals, organisations, peoples and government in daily life. A balanced rights environment gives people freedom to participate in political, economic, social and cultural activities.

The graphs below show New Zealand's international standing in the governance indicators of Voice and Accountability⁹ and Political Stability¹⁰. These are World Bank sponsored measures that look at the processes used to select those in authority, to show the relationship between the state and its citizens.

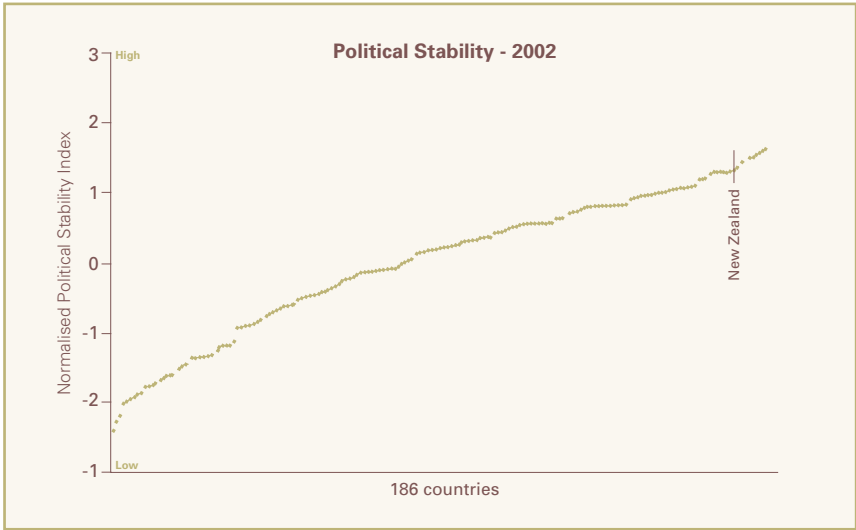


Source: "Governance Matters III: Governance Indicators for 1996-2002" by Daniel Kaufmann, Apart Kraay and Massimo Mastruzzi, 2003.

Disclaimer: The governance indicators presented here reflect the statistical compilation of responses on the quality of governance given by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organisations, and international organisations. The aggregate indicators in no way reflect the official position of the World Bank, its Executive directors, or the countries they represent. Countries' relative positions on these indicators are subject to margins of error that are clearly indicated. Consequently, precise country rankings should not be inferred from this data.

9 Voice and Accountability includes in it a number of indicators measuring various aspects of the political process, civil liberties and political rights. These indicators measure the extent to which citizens of a country are able to participate in the selection of governments. It also includes indicators measuring the independence of the media, which serves an important role in monitoring those in authority and holding them accountable for their actions.

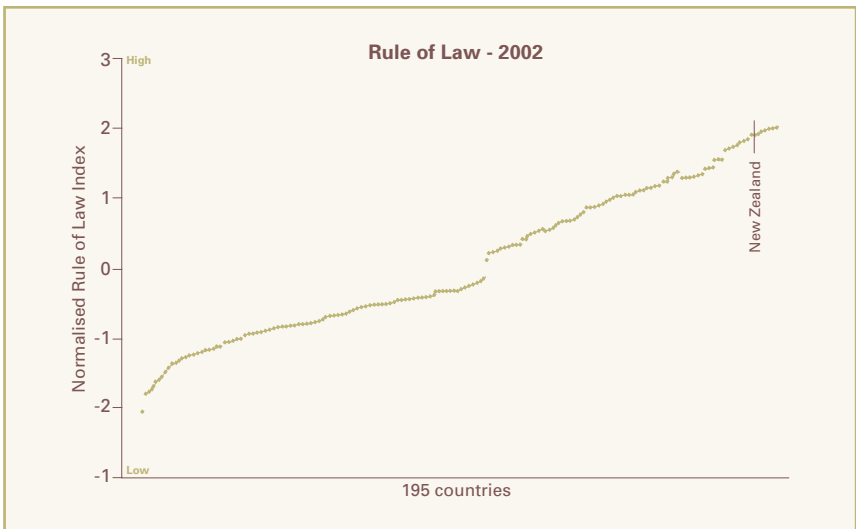
10 Political Stability combines several indicators that measure perceptions of the likelihood that the government in power will be destabilised or overthrown by possibly unconstitutional and/or violent means, including domestic violence and terrorism. This index captures the idea that the quality of governance in a country is compromised by the likelihood of wrenching changes in government, which not only has a direct effect on the continuity of policies, but also at a deeper level undermines the ability of all citizens to peacefully select and replace those in power.



Source: "Governance Matters III: Governance Indicators for 1996-2002" by Daniel Kaufmann, Apart Kraay and Massimo Mastruzzi, 2003.

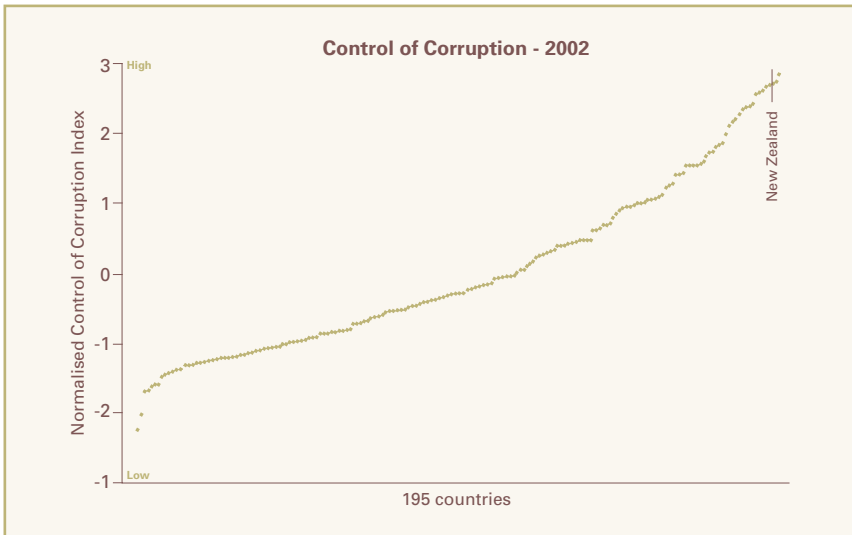
Disclaimer: The governance indicators presented here reflect the statistical compilation of responses on the quality of governance given by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organisations, and international organisations. The aggregate indicators in no way reflect the official position of the World Bank, its Executive directors, or the countries they represent. Countries' relative positions on these indicators are subject to margins of error that are clearly indicated. Consequently, precise country rankings should not be inferred from this data.

The next two governance indicators Rule of Law¹¹ and Control of Corruption¹² indicate the respect of citizens and the state for the institutions that govern economic and social interactions among them.



Source: "Governance Matters III: Governance Indicators for 1996-2002" by Daniel Kaufmann, Apart Kraay and Massimo Mastruzzi, 2003.

Disclaimer: The governance indicators presented here reflect the statistical compilation of responses on the quality of governance given by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organisations, and international organisations. The aggregate indicators in no way reflect the official position of the World Bank, its Executive directors, or the countries they represent. Countries' relative positions on these indicators are subject to margins of error that are clearly indicated. Consequently, precise country rankings should not be inferred from this data.



Source: "Governance Matters III: Governance Indicators for 1996-2002" by Daniel Kaufmann, Apart Kraay and Massimo Mastruzzi, 2003.

Disclaimer: The governance indicators presented here reflect the statistical compilation of responses on the quality of governance given by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organisations, and international organisations. The aggregate indicators in no way reflect the official position of the World Bank, its Executive directors, or the countries they represent. Countries' relative positions on these indicators are subject to margins of error that are clearly indicated. Consequently, precise country rankings should not be inferred from this data.

Together this data indicates New Zealand has high international standing in these categories. While contributions to the data presented are wider than the Ministry alone, its work towards the outcomes plays an important role in ensuring high levels of political and social stability are maintained through robust legal and policy advice, elections management and historical Treaty of Waitangi settlements.

A fair and effective justice system

During the year the Ministry undertook to ensure there are institutional structures in which the public has confidence because they are perceived as fair, accessible and upholding the integrity of the law. Key work included:

- The *Crown Organisations (Criminal Liability) Act* was passed on 8 October 2002. The Act removes the Crown's exemption from prosecution under the *Health and Safety in Employment Act 1992* and the *Building Act 1991*, allowing Crown organisations to be prosecuted for breaching those Acts.

11 Rule of law is the principle that every person and organisation, including government, is subject to the same laws. The graph measures the extent to which agents have confidence in and abide by the rules of society.

These include perceptions of the incidence of crime, the effectiveness and predictability of the judiciary, and the enforceability of contracts. Together, these indicators measure the success of a society in developing an environment in which fair and predictable rules form the basis for economic and social interactions, and importantly, the extent to which property rights are protected.

12 Control of Corruption measures perceptions of corruption, conventionally defined as the exercise of public power for private gain. Despite this straightforward focus, the particular aspect of corruption measured by the various sources differs somewhat, ranging from the frequency of "additional payments to get things done," to the effects of corruption on the business environment, to measuring "grand corruption" in the political arena or in the tendency of elite forms to engage in "state capture". The presence of corruption is often a manifestation of a lack of respect of both the corrupter (typically a private citizen or firm) and the corrupted (typically a public official or politician) for the rules which govern their interactions, and hence represents a failure of governance according to the author's definition.

- The *Supreme Court Bill* was introduced to Parliament on 9 December 2002 and referred to the select committee on 17 December 2002. Since then the Ministry has provided ongoing advice to the committee. The Bill repeals the right of appeals to the Privy Council and establishes the Supreme Court as New Zealand's final court of appeal.
- A Coroners Review is underway, with a particular focus on the recommendations of the Law Commission in *Report 62 Coroners*. Cabinet decisions are expected later in 2003, with a new *Coroners Bill* in the following year.
- The first reading of the *Independent Police Complaints Authority Bill*, to enhance the independent investigative capacity of the Authority, was on 20 February 2003. The Ministry provided advice and support to the select committee, and a departmental report summarising submissions will be considered in July 2003.

There was work across civil and criminal processes to ensure processes are transparent, appropriate, fair, efficient and effective:

- The *Victims' Rights Act* was passed on 15 October 2002 and received assent on 17 October 2002. The Act makes most existing victims' rights mandatory and enforceable by law, and creates new rights for victims. This includes the right to be informed of certain matters, to present victim impact statements orally or through a representative, and to make submissions to the Parole Board or District Prisons Board at a venue other than prison.
- The *Criminal Justice Amendment Bill (No 7)* to amend the *Criminal Justice Act 1985* in relation to mentally impaired persons appearing before the Courts was reported back on 30 April 2001. It is awaiting its second reading along with the *Intellectual Disability (Compulsory Care) Bill*, which contains closely-related amendments.
- The Ministry provided support to the Justice and Electoral select committee on the *Criminal Records (Clean Slate) Bill*. The Bill will support a legislative regime to allow criminal convictions for certain offences to be sealed after a specified period during which the person has not been convicted of a further offence.
- The Legal Aid Eligibility discussion document was completed and released for targeted consultation in December 2002. The submissions have been analysed and a summary released. Further policy work is underway, taking into account the views expressed in the submissions. A focus of the review is on providing assistance to those with the greatest need for legal aid and preventing misuse of the system by unmeritorious claimants.
- Policy work was undertaken on a number of matters relating to judicial officers and resources. Cabinet decisions were secured on a number of issues including a system for dealing with complaints about judicial conduct; judicial appointments; judicial immunity; provisions to allow for part-time judges; and setting the maximum number of judges. Some further decisions were to be sought from Cabinet in July, so that the draft *Judicial Matters Bill* could be completed ready for introduction.

- The Ministry provided advice on petitions for the Royal prerogative of mercy so that claims of miscarriage of justice are properly assessed and corrective action taken when necessary. A document to review the processes used to assess petitions was circulated in February 2003.
- The *Evidence Bill* is being drafted and will be introduced in early 2004. This will introduce legislation to organise rules governing admissibility of evidence, in order to consolidate existing common law and statutory provisions into one comprehensive evidence code.
- Drafting instructions have been prepared for the *Criminal Procedure Bill*. The Bill will simplify current legislation and procedures for determining jurisdiction in criminal proceedings by consolidating provisions into one new Act.
- The Ministry continued to monitor progress of the *Sentencing Act 2002*.

Effective relationships between government and citizens, and citizens with each other, including commercial and family relationships

Priority work focused on securing compliance with, and confidence in, the law and societal norms to ensure laws, regulations, government policy and practices are fair and seen to be fair. They must reflect an appropriate balance between the powers of the state and individual rights and freedoms. They must also provide certainty for citizens in the conduct of their affairs, and enable harmonious relationships between citizens, with a fair balance between the rights and responsibilities of citizens toward one another.

The Ministry's contributions to effective relationships between government and citizens, and citizens with each other, including commercial and family relationships were:

Relationships between state and citizen

- Advice was provided to the Minister regarding possible amendments to the Privacy Act to address a number of outstanding concerns including the implementation of recommendations from past reviews and possible next steps for the Law Commission.
- For the year to 30 June 2003, 41 bills were considered for consistency with the rights and freedoms contained in the *New Zealand Bill of Rights Act 1990*. Three reports of inconsistency were forwarded to the Attorney General and tabled in Parliament under section 7 of the Act.

Relationships between citizens

- The *Trustee Companies Amendment Act* was passed on 19 November 2002 and received assent on 26 November 2002. The Act permits management fees to be charged against group investment funds (subject to disclosure and reporting certain information to beneficiaries or clients) and increases certain value thresholds relating to estate administration.

- The *Prostitution Reform Act* was passed on 25 June 2003 and received assent on 27 June 2003. The Act decriminalises prostitution while not endorsing or morally sanctioning prostitution or its use. It creates a framework that safeguards the human rights of sex workers and protects them from exploitation, promotes the welfare and occupational health and safety of sex workers, and prohibits the use in prostitution of persons under 18 years of age.
- The *Lawyers and Conveyancers Bill* was introduced to Parliament on 24 June 2003 and is ready to go to the select committee. It replaces the Law Practitioners Act 1982 and implements a new regulatory regime for lawyers and conveyancers. Priority has been given to its relationship with the *Real Estate Agents Bill*, so that the real estate industry's regulatory regime enables greater competition and efficiency while ensuring consumer protection.
- The *Care of Children Bill* was introduced on 10 June 2003. The Bill has been referred to the Justice and Electoral select committee with the closing date for public submissions being 25 September 2003. The Bill will modernise the legal framework for guardianship, custody of and access to children to better reflect the needs of all New Zealand families.
- The Supplementary Order Paper to the *Human Assisted Reproductive Technology Bill* was introduced to the Health select committee in May 2003. The Bill proposes a number of legislative changes for assisted human reproductive procedures and research. These prohibit fundamentally unacceptable actions, provide for a mandatory ethical review, and establish an information keeping scheme for children born from donated gametes.
- Cabinet papers are being prepared on the *Sale of Liquor Amendment Bill*, to restructure the Liquor Licensing Authority. Consultation has also continued with the Liquor Licensing Authority review and initiatives to curb youth drinking.
- In June 2003, Cabinet supported a policy framework for addressing discrimination between married and de facto (including same sex) couples. The Ministry is working with affected departments on amendments to the *Legal Recognition of Same Sex/De Facto Couples Omnibus Bill* and the *Registration of Same Sex and Different Sex De Facto Partnerships Bill*.
- The *Crimes Amendment Bill 2003* to update sex offence provisions, ensuring gender neutrality in the *Crimes Act*, is being drafted.
- Significant work was undertaken in consulting and providing briefings to the Minister of Justice on the *Films, Video and Publications Amendment Bill*. The Bill will make a number of amendments to classifying material, including DVDs and digital publications.

- Policy work continued on the *Private Investigators and Security Guards Amendment Bill*, to update the regulatory regime for the security industry and remove unnecessary compliance costs; and the *Protection of Personal and Property Rights Amendment Bill*, to give better protection to persons with enduring powers of attorney.

A parliamentary electoral process in which citizens have confidence

The general election was held on 27 July 2002 and preliminary results were produced quickly with 77 per cent of polling places reported by 10pm and 98 per cent by 11.30pm. Official results including the special votes were provided over the following 10 days, as required by law. There were no applications for recounts.

The streamlined voting process was well received by all participants. It was helped considerably by the high number of voters (84 per cent) who used the new EasyVote card and the speedy dissemination of results direct to the media and the Chief Electoral Office's website. New Zealanders overseas were also able to download their voting papers over the Internet and fax them back. For the first time all voters on the Māori roll were given the same level of service as those on the general roll with the need for tangata whenua voting, based on special declarations, abolished. This was also well received.

Market research (voters and stakeholder surveys) confirmed that public and political confidence in managing the election was restored after damage to confidence following the 1999 election.

While the turnout of registered voters was down from 85 per cent in 1999 to 77 per cent, market research indicates that non-voting was not caused by institutional barriers to voting.

A number of areas for improvement were identified, especially relating to the efficiency of the official count processes. These will be tackled by the Chief Electoral Officer in planning for the next general election.

Fair and durable settlements that resolve historical grievances relating to the Treaty of Waitangi

A historical Treaty claim is one that is founded on the Treaty of Waitangi and relates to events before 21 September 1992. Broadly speaking, the Crown objective is to reach fair, durable and final settlements for these claims in a timely manner, through negotiation with claimant groups. The Office of Treaty Settlements is the lead agency for these negotiations. It co-ordinates the input of other departments, as necessary.

In 2002/2003 the Office worked with more than 25 claimant groups. Two deeds of settlement were signed and two settlements passed into law. Significant progress was also made with a number of other claimant groups. Highlights include:

- A new claims development team formed to ensure a future supply of well mandated, large natural groups ready to enter negotiations. During the year two mandates were recognised by the Crown for Ngāti Whātua o Ōrākei and Whanganui River. Moriori, Ngāti Apa and, as a result of dialogue with Central North Island iwi, Ngāti Manawa, Ngāti Whare, and Ngāti Tūwharetoa also undertook mandating processes. Terms of negotiation were signed with four claimant groups – Te Rarawa, Whanganui River, Ngāti Whātua o Ōrākei and Ngāti Kahu. This is double the number expected for the year.
- The negotiation process continues to be streamlined and significant progress made with a number of claimant groups. Legislation was passed for the Te Uri o Hau and Ngāti Ruanui settlements, and legislation introduced for the Ngāti Tama settlement. Two new deeds of settlement were signed with Ngāti Awa and Ngāti Tūwharetoa (Bay of Plenty). Both settlements involve Crown forest licensed land in the Central North Island area – the first time forest land from this area has been included in a Treaty settlement. Deeds of settlement are expected with Nga Rauru and Ngāti Mutunga later in 2003. Other negotiations, including Te Roroa, Whanganui River and Te Arawa Lakes made good progress. An additional negotiation team established from 1 July 2003 will enable the Office to continue to achieve at least one settlement every six months and respond positively to all claimant groups ready to enter into negotiations.
- Settlement implementation is now occurring over a shorter period, with the deed of settlement with Te Uri o Hau fully implemented within six months of legislation being enacted, and the implementation of the Ngāti Ruanui settlement progressing along similar timelines. Work continues on completing transactions relating to the Ngai Tahu and Waikato Tainui settlements.

Report on reducing inequality

One of the government's key goals is to reduce inequalities. Vote Justice and Vote Treaty Negotiations contribute to reducing a range of inequalities in New Zealand society. The Ministry of Justice provided policy advice on the *Bill of Rights* and human rights, family law, legal aid, crime prevention and criminal justice issues. Underlying this advice was a focus on disadvantaged groups including Māori, Pacific peoples, and gender inequalities. Advice was implemented through justice sector agencies (including the Police, the Department for Courts and Department of Corrections) and the non-departmental output classes of Vote Justice.

The main issues

Crime and victimisation are not evenly distributed in the community. Some groups are more prone to committing and being victimised by crime. These include Māori and Pacific peoples and lower socio-economic communities. Crime reduction strategies at central government and local community level need to target these groups.

Issues have arisen over time as the composition and structures of families and society have changed. Concerns over some family members being disadvantaged in guardianship issues, the status of de facto and same-sex relationships and the rights of the child are all matters being addressed in the area of family law.

An overview of strategies, policies and programmes

Crime prevention policies and programmes that target at risk communities and groups

Crime prevention programmes

Approximately \$2.381m of funding was allocated to six project areas and to Safer Community Councils for approved crime prevention activities that contribute to the priority areas outlined in the crime reduction strategy. This was distributed as follows:

| | |
|---|--------------------|
| Projects | |
| Community managed restorative justice | \$725,770 |
| Neighbourhood-based safety | \$171,564 |
| Youth at risk | \$378,000 |
| Family violence and repeat victimisation prevention | \$45,700 |
| Reducing inequalities and capacity building | \$302,912 |
| Other projects | \$38,000 |
| Safer Community Councils | |
| Funding aimed at Māori and Pacific Safer Community Councils | \$274,644 |
| Safer Community Councils' funding to Māori and Pacific peoples (based on these groups comprising 15% of the total population) | \$444,703 |
| Total | \$2,381,293 |

Restorative justice

Restorative justice provides a way for parties with a stake in specific offences to collectively resolve them through mediation and conferences. Although this is not unique to Māori, the concept is strongly aligned with Māori cultural values such as reconciliation, reciprocity and whanau hui.

The Ministry funds 17 restorative justice programmes throughout New Zealand with funds totalling approximately \$726,000. There are six mainstream programmes that are delivered by iwi and Māori community providers and receive mainly Māori referrals.

The Ministry will produce best practice principles to further develop restorative justice processes and provide advice on the extent and way in which the government should fund those processes.

Joint Police and Crime Prevention Unit programmes for youth at risk

This is a package of 14 programmes to reduce youth offending and/or general violence funded from the 2002 budget. It targets youth at risk, including Māori in Northland, Auckland, Counties Manukau, Hastings and Christchurch. Funds of approximately \$850,000 have been distributed in the five areas. Local communities, including iwi and Māori community-based providers, have developed these programmes in consultation with Police and Ministry officials. Twelve of the programmes target Māori. The projects are known as community youth projects. Most contracts are for three years and, where appropriate, will be evaluated to establish their effectiveness in reducing youth offending. In one case, the contract to the provider is a joint contract involving Justice, Police, and Child, Youth and Family, with the Ministry acting as the agent of all three agencies for the purpose of monitoring and accountability.

Te Ārai Taihara o Counties-Manukau Project

Te Ārai Taihara o Counties-Manukau Project is an integrated set of crime prevention programmes developed as a direct result of consultation with Māori and the wider Counties-Manukau community. Funding of \$300,000 was allocated for specific programmes focused on victims and offenders from Papakura and Manurewa:

- A neighbourhood-based safety programme specifically for Papakura. This programme will focus on providing social, environmental and youth crime prevention programmes to people living in Papakura East. The service provider has been selected and an environmental audit and implementation plan are being completed. It is expected the programme will begin delivering services in September 2003.
- A community-managed restorative justice programme. A five-month contract has been given to establish the restorative justice programme. The focus will be on offenders from Papakura and Manurewa and will deal with dishonesty and violence offences.

- A crime prevention programme linked to Project Awhi in Otara. The programme offers an early childhood centre and after-school programmes. This will include youth at risk of offending and victimisation.

Safer Community Councils network

The purpose of a Safer Community Council is to enhance the community's capacity to respond to crime at the local level. In establishing the network, the Ministry envisaged that local crime prevention responses would be achieved by the councils having the following roles:

- Helping the community to prioritise crime prevention issues.
- Providing mechanisms for co-ordinating crime prevention activities.
- Exchanging information related to crime prevention between various community stakeholders.
- Facilitating, supporting and monitoring local crime prevention initiatives.

There are 63 councils, including four iwi (Māori tribal) and three Pacific-based. There are also a number that city councils sponsor in association with iwi groups. Total funding for the whole network for 2002/2003 was \$2,879,147.

Domestic violence

An evaluation of access to protection orders under the *Domestic Violence Act 1995* suggests that costs, availability of information and language barriers are the main reasons that Māori and Pacific victims of domestic violence do not apply for protection orders. A review of the Act has just started and will ensure Māori and Pacific peoples have greater access to orders.

Victims of crime

The second New Zealand National Survey of Crime Victims highlights the ethnic distribution and needs of over-represented groups of repeat victims and groups particularly vulnerable to victimisation. Young people, Māori (especially Māori women), women, students, beneficiaries and solo parents were among the groups most likely to be victims of crime and repeat victims of crime. This research will inform future priorities in crime prevention funding and policy decisions.

The Needs of Pacific Peoples When They are the Victims of Crime was a qualitative study of the needs of Pacific peoples who have been victims of violence, family violence and property offences. The research aimed to:

- gather in-depth information to increase and enhance our knowledge of Pacific peoples who were victims of crime
- ascertain the use and appropriateness of informal and formal support services for Pacific victims of crime

- identify health-related needs and appropriate measures to meet those needs
- identify appropriate support mechanisms provided by criminal justice sector agencies.

The desired outcome is a better understanding of Pacific victims of crime so that future policy advice and services better meets their needs.

Target hardening for repeat low income burglary victims

The target hardening project aims to prevent repeat burglary victimisation of lower socio-economic households and increase victims' sense of security. Burglary prevention information and increased property security such as the installation of dead bolts on doors, window locks, and burglar alarms, is offered to lower socio-economic households that have been burgled twice or more.

Policies and programmes that reduce inequalities and improve respect for rights and the law

Treaty of Waitangi negotiations and settlements

Under the Treaty of Waitangi, Māori are guaranteed certain rights and obligations in exchange for the Crown being given the right to govern and make laws in the interests of all New Zealanders.

It is now generally recognised that, in the past, the Crown has not always met its obligations under the Treaty. This has led to Māori grievances. Government seeks to give recognition to the Treaty by resolving historical grievances in a fair, timely and durable way. The Office of Treaty Settlements administers the negotiation and settlement of Treaty grievances on behalf of the Crown.

Review of legal aid eligibility

The Legal Aid Eligibility discussion document was released for targeted consultation in December 2002. Further policy work is underway. One purpose of the review is to ensure equity of access to justice for persons with insufficient means. The review will examine whether individuals or groups not currently eligible for legal aid should, for reasons of access to justice, be eligible.

Care of Children Bill

The *Care of Children Bill* will modernise the legal framework for guardianship and custody of, and access to, children to better reflect the needs of all New Zealand families. The current legal framework uses language and key concepts that many consider outdated. The Bill may also include refinements to Family Court procedures relating to guardianship, custody and access.

Māori interest groups have been consulted on this legislation, and a publication *Guardianship, Custody and Access: Māori Perspectives and Experiences* has been produced to inform policy decisions in relation to Māori perspectives. The outcome for Māori will be updated concepts and language to ensure legislation accounts for Māori perspectives on guardianship, custody and access.

The Bill will also help parents, families and children by removing discriminatory provisions that are barriers to families. The Bill removes unfair distinctions between married and de facto partners, for example:

- Biological fathers will be guardians if they are living or have lived in a de facto relationship with the mother at any time between conception and birth. This puts these fathers on the same footing as a father married to the mother.
- The same-sex partner of a birth mother who has conceived using assisted human reproduction technology will have the same legal parental status as a different-sex partner under current legislation.

Same-sex de facto couples will be able to access counselling through the Family Court. In addition, amendments to the *Status of Children Act 1969* will allow men to apply for paternity orders in the Family Court. Currently only a mother may seek such an order and men wanting to prove paternity must apply to the High Court.

Review of adoption law

Policy decisions have not yet been made, but the Bill will implement the results of a major review of adoption legislation that included the *Adoption Act 1955*, *Adult Adoption Information Act 1985* and *Adoption (Intercountry Adoption) Act 1997*. Māori communities have been widely consulted to ensure Māori perspectives are incorporated into the legislation.

New Zealand Action Plan for Human Rights

The Human Rights Commission has initiated the development of a New Zealand Action Plan for Human Rights. The Ministry is co-ordinating public sector input into this. The plan will establish government goals in respect of human rights. The United Nations describes the purpose of plans like this, as to:

- strengthen the national human rights institutions and organisations
- prevent human rights violations
- identify those people in society who are presently deprived of their full human rights and ensure that effective steps are taken to redress their situation.

Māori electoral roll

The Chief Electoral Office will continue to provide for Māori on the Māori electoral roll. This includes providing voting facilities of the same quality as the general roll and an easy-vote information pack targeted for those on the Māori roll.

Coroners Bill

The *Coroners Bill* will modernise and restructure coronial services in New Zealand following the government's consideration of the Law Commission's report on Coroners. The new Bill will modernise and restructure the current coronial regime, largely along the lines proposed by the Law Commission's report. The Law Commission's report identified problems with the current system including the perception that there is little or no regard taken of cultural values and beliefs of communities, particularly of Māori.

Legal Recognition of Same-Sex and De Facto Couples Omnibus Bill and the Registration of Same-Sex and Different Sex De Facto Partnerships Bill

On 9 May 2001, Cabinet agreed in principle that recognition of same-sex couples for social assistance purposes should be achieved by treating them the same as married or de facto different-sex couples. On 3 September 2001, Cabinet agreed in principle that neutral laws on relationships, whether married, de facto or same-sex, should apply across the board.

The *Legal Recognition of Same-Sex and De Facto Couples Omnibus Bill* will mean that the legal consequences (benefits and obligations) of marriage will be conferred on same-sex and different-sex de facto couples. The *Registration of Same-Sex and Different-Sex De Facto Partnerships Bill* will enable a registration scheme to be established so that same-sex and different-sex de facto couples can have their relationship publicly and legally recognised by the state.

The Ministry has carried out policy work and consultation with stakeholders in preparation for these Bills being drafted in late 2003.

Crimes Amendment Bill 2003

This legislation will end the legal anomaly where women cannot be prosecuted for having a sexual relationship with a minor.

Ongoing policy work has been undertaken to review all the sex offence provisions of the *Crimes Act* with a view to introducing gender neutrality and ensuring that male and female offenders and victims are dealt with on an equal footing. It is expected that legislation giving effect to this will be introduced before the end of 2003.

Effectiveness of programmes and policies

Over the last half of the financial year, the Safer Community Council network has been reviewed to ensure that the available funding is used efficiently and effectively and is appropriately targeted to areas of need. That review is due to be completed by October 2003 and is likely to result in changes designed to strengthen, and make more transparent, the relationship between central government, local government and local communities in delivering crime prevention programmes.

The Ministry's Research and Evaluation Unit, in consultation with Police, is designing effectiveness evaluations for the Te Ārai Taihara project and community youth projects.

Work is being undertaken to evaluate the Target Hardening Scheme. This evaluation examines the impact of the programme's pilot on repeat burglary victimisation and the victims' sense of security. It examines and describes the implementation and operation of the pilot to determine the programme's continuation and expansion.

Expenditure on reducing inequalities 2002/2003

Much of the Ministry's work towards reducing inequalities is funded through Vote Treaty and Vote Justice baseline budgets. Policy advice is often targeted at specific issues with a particular emphasis on Māori, Pacific and gender inequalities. Therefore it is difficult to accurately report actual spending on reducing inequalities for these population groups outside of the figures already outlined in the report.

Ownership issues

The Ministry continues to build its capability. Human resource data indicates in 2003 staff generally remained longer in employment and were better rewarded leading to improved ministerial feedback. Figure 1 shows that since 2001 remuneration rates have increased towards higher salary bands which, supported by a longer serving staff profile (figure 2), more appropriately reflects the Ministry's requirement for skilled and experienced policy, negotiation and project management staff. A remuneration review during 2001 influenced this and brought Ministry remuneration rates up to the median of market levels. After a high in 2001, staff turnover (figure 3) has also stabilised and is at sustainable levels. The ratio of female to male staff (figure 4) also remains at 71:29, with 64 per cent female representation at senior management level (including the Secretary for Justice) and 50 per cent at manager or team leader level.

These positive signs are reflected in ministerial feedback (figures 5 and 6), which has improved since 2001, both formally through survey data and informally at ministerial meetings.

During 2002/2003 the Ministry continued to implement management systems, policies and strategies to build its capability now and in the future, to:

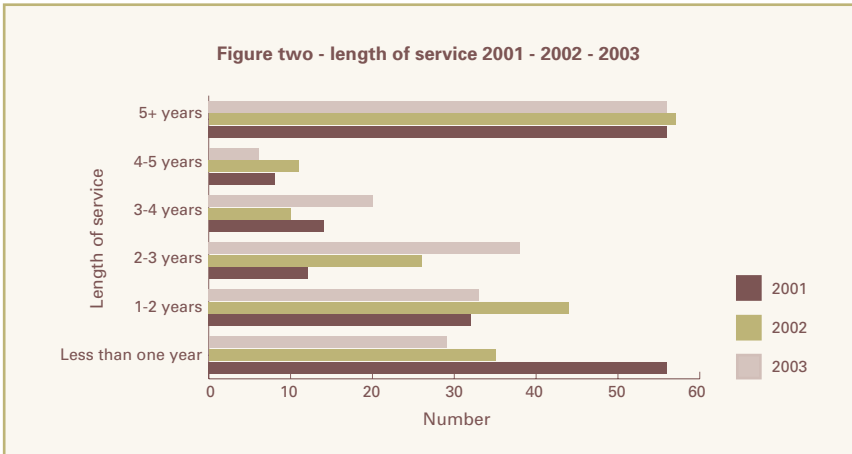
- ensure it is seen to be, and respected as, sector leader
- provide consistently high standards of policy advice and services to government
- be an employer of choice.

Specific initiatives undertaken throughout the year are shown below.

Leadership

- The Secretary for Justice continued to chair the Justice Sector Chief Executives Forum.
- The Ministry continued to develop its role in overseeing the crime reduction strategy, youth justice strategy and vetting government policy for consistency with the *Bill of Rights Act*.
- The Crime Prevention Unit is reviewing its relationship with Safer Community Councils to improve partnerships, co-ordination and funding issues through the Future Directions discussion document.
- The Ministry has built sector partnerships, and the Information Services Group (with other sector agencies) completed the *Te Ara Hei Mua – The Pathway Forward 2003-06* and the justice sector communications strategy.
- The Ministry led the Justice Sector Outcomes Project to align planning towards outcomes across the sector. Terms of reference for the project have been completed, outlining the work to be undertaken over the next two years.

- A number of research and consultation exercises were undertaken during 2002/2003. These include the second National Survey of Crime Victims and Pacific Island focus groups as well as planning and preparation for the Seeking Solutions National Hui held in Taupo in July 2003.

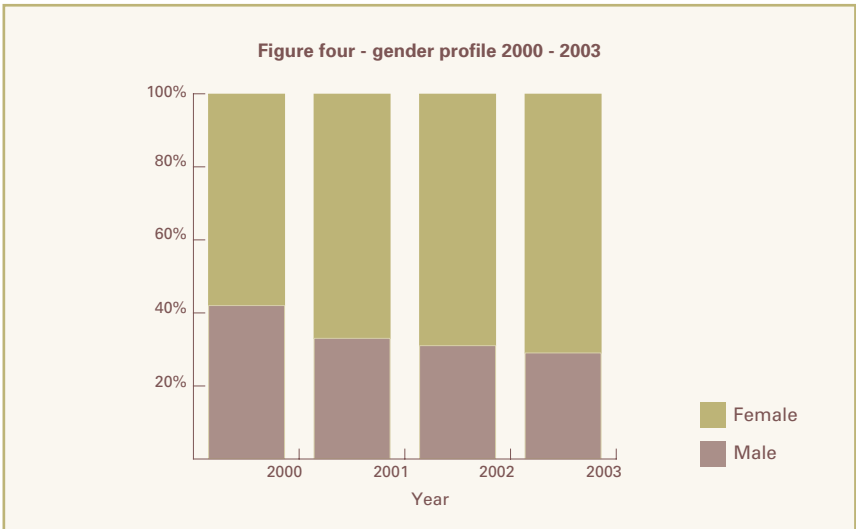
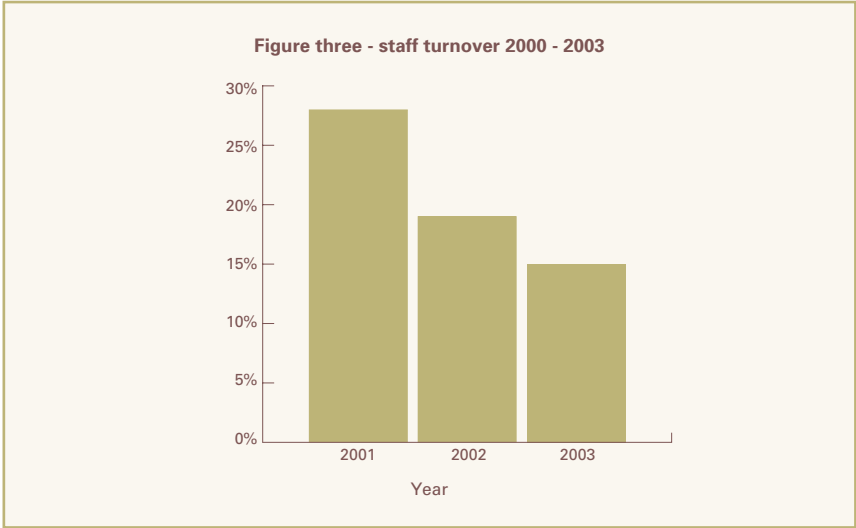


Quality policy advice and services

- Due to the sector outcomes project, the Ministry did not develop performance measurements against outcomes for 2002/2003 and has delayed its own measures to ensure consistency with the sector measures developed.
- A major project to upgrade the Ministry's knowledge management systems was undertaken in 2002/2003. This involved establishing improved document management and file classification systems, a new portal and electronic ministerial work flows. It is expected to be operational by February 2004.
- As part of the Knowledge Management project the Ministry is reviewing and improving ministerial work flows, templates, information security and reporting processes.
- Internal human resources policies were reviewed resulting in more simple, less prescriptive policies.
- The Office of Treaty Settlements established another claims development team to increase its capability for settling claims in a timely and fair manner.
- The Chief Electoral Office was restructured to ensure more efficient planning towards the next general election.

Knowledge and learning

- All staff participated in health and safety training, with particular emphasis on workplace stress and occupational over-use issues. There was training on the Ministry's new Code of Conduct.
- Managers and team leaders attended a range of training including workshops in management development, managing performance development, finance and budgeting.
- Ten managers attended leadership development training at Victoria University.
- Support staff attended a two-day seminar on support skills and writing development.
- The Office of Treaty Settlements completed intensive training on project management, negotiation and presentation skills and tikanga. It provided te reo classes to the Ministry.
- Advisers attended select committee training and seminars on Cabinet processes. There were monthly in-house seminars, policy writing courses, regular computer skills training and a series of project management courses for advisers and policy advisers.



Merger with Department for Courts

In May 2003 it was announced that the Ministry of Justice and Department for Courts will merge to form a new expanded Ministry of Justice. Planning and management of the transition to a single organisation has progressed positively. The Steering Committee overseeing the merger is chaired by Belinda Clark and is made up of representatives from the State Services Commission, Treasury, and the New Zealand Public Service Association. The new Ministry of Justice Chief Executive/Secretary for Justice designate Belinda Clark will take up her appointment when the two organisations merge on 1 October 2003.

Good employer requirements

The Ministry of Justice continues to value diversity.

- Cultural initiatives included te reo classes available to all staff at three levels of competency, waiata sessions co-ordinated by the Director Māori and Office of Treaty Settlements, and pōwhiri held during the year to welcome new staff.
- The Ministry completed its third New Zealand Disability Strategy Implementation Plan. This included internal developments to improve its responsiveness to employees with disabilities as well as wider policy issues to protect the rights of people with disabilities.
- The Ministry attained secondary status in the ACC Workplace Safety Management Practices Programme in May 2003.
- Employees had access to visual eye tests and subsidies for glasses or contact lenses required for work.
- The Ministry has an anti-harassment policy and provides regular training for managers to raise awareness of harassment issues.

Risk management

Risk management is an integral part of the Ministry's management practices. A risk management framework was published in 2001.

During 2003 the Ministry changed to quarterly risk stocktakes at group level instead of the annual risk profile. A consolidated stocktake is discussed by the full management team and mitigation strategies and contingency actions are agreed. Strategic risks facing the Ministry as a whole are identified, and work continues to ensure that strategic planning and strategic risks are aligned.

The Ministry also carried out assurance reviews in telecommunications, sensitive expenditure, financial practices (budget setting and monitoring), compliance with Treasury instructions, and health and safety.

Figure five - formal ministerial feedback: output class D2 policy advice



Ministerial feedback: 2001 - 2003 Vote Justice

Figure six - formal ministerial feedback: output class D1 policy advice



Ministerial feedback: 2001 - 2003 Vote Treaty Negotiations



PART B | PERFORMANCE INFORMATION

| | | | |
|--|----|--|----|
| Statement of responsibility | 48 | Statement of cash flows | 75 |
| Statement of objectives and service performance | 49 | Reconciliation of net operating surplus/(deficit) to net cash flow from operating activities | 76 |
| Vote Justice | | Statement of commitments | 77 |
| Output class D1: Ministerial servicing and management of non – departmental output classes | 49 | Statement of contingent liabilities | 78 |
| Output class D2: Policy advice | 52 | Statement of unappropriated expenditure | 78 |
| Output class D3: Management of the Parliamentary electoral system | 57 | Statement of departmental expenditure and appropriations | 79 |
| Output class D4: Crime prevention and community safety | 59 | Statement of non-departmental expenditure and appropriations | 80 |
| Vote Treaty Negotiations | | Statement of trust money | 81 |
| Output class D1: Policy advice – Treaty negotiations | 61 | Notes to the financial statements | 82 |
| Output class D2: Representation – Waitangi Tribunal | 65 | Non-departmental schedules and statements | |
| Output class D3: Land portfolio management | 67 | Schedule of revenue and receipts | 86 |
| Financial information | | Schedule of expenses | 87 |
| Statement of accounting policies | 70 | Schedule of assets | 88 |
| Statement of financial performance | 73 | Schedule of liabilities | 89 |
| Statement of movements in taxpayers' funds | 73 | Schedule of contingent liabilities | 90 |
| Statement of financial position | 74 | Schedule of commitments | 91 |
| | | Report of the Auditor-General | 92 |

Statement of responsibility

In accordance with sections 35 and 37 of the Public Finance Act 1989, I am responsible for preparing the Ministry's financial statements and the judgements made in the process of producing those statements.

I am responsible for establishing and maintaining a system of internal control procedures that provides reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry for the year ended 30 June 2003.

Signed



Secretary for Justice
29 August 2003

Countersigned



Finance Manager
29 August 2003

Statement of objectives and service performance

for the year ended 30 June 2003

VOTE JUSTICE

Output class D1 Ministerial servicing and management of non-departmental output classes

Description

This output class includes services provided to the Minister of Justice relating to:

- preparation of draft replies to ministerial correspondence and parliamentary questions on issues which relate to or impact on the Justice portfolio
- provision of advice and documentation to Ministers about appointments
- provision of advice on the purchase of outputs supplied by Crown entities and other bodies funded through Vote Justice, and on the Crown's ownership interest in those Crown entities

Quantity

| Performance target | Actual performance |
|--|--------------------|
| 2,400-2,800 projected items of ministerial correspondence. | 1,871 |
| 400-460 projected number of parliamentary questions. | 328 |
| 200-300 Official Information Act requests. | 182 |
| 350-400 projected ministerial appointments. | 323 ¹³ |

Advice to Crown entities and other bodies funded through Vote Justice was provided during the course of the year. Advice was also provided on an ongoing basis as requested by the Ministers.

| | |
|--------|------------------------------------|
| 13 167 | Justices of the Peace Appointments |
| 120 | Statutory appointments |
| 36 | Judicial appointments |

Quality

| Performance target | Actual performance |
|---|---|
| <p>Ministerial correspondence and parliamentary questions Substantive policy content of 95% of first presentations of draft replies will be approved by the Minister. Replies will be prepared in accordance with the Ministry's quality criteria.</p> | <p>Ministers approved the substantive content of 95% of first presentations of draft replies.</p> |
| <p>Ministerial appointments Advice and documentation will be provided to the satisfaction of the Minister.</p> | <p>Informal ministerial feedback was provided on ministerial, judicial and Justice of the Peace appointments during weekly meetings, and at meetings to discuss specific outputs. Appropriate actions were taken to meet the Associate Minister's requirements. All reporting documentation to the Associate Minister conformed to State Services Commission and Cabinet Office guidelines.</p> |
| <p>Management of non-departmental output classes Advice and documentation will be provided to the satisfaction of the Minister.</p> | <p>Advice and documentation was supplied to the satisfaction of Ministers.</p> |

All work complied with the Ministry's internal quality criteria.

Timeliness

| Performance target | Actual performance |
|--|--|
| <p>Ministerial correspondence Agreed timeframes with the Ministers and reporting will enable the Ministers to assess actual performance in the timeliness of delivery against those expectations.</p> | <p>89% of replies were completed within 20 working days.</p> |
| <p>Parliamentary questions Agreed statutory and Cabinet Office deadlines will be met.</p> | <p>Statutory and Cabinet Office deadlines were met.</p> |
| <p>Ministerial appointments Agreed statutory and Cabinet Office deadlines will be met.</p> | <p>Appointments were managed in accordance with Ministers' priorities.</p> |

| Performance target | Actual performance |
|--|---|
| Management of non-departmental output classes Agreed statutory and Cabinet Office deadlines will be met. | Advice provided met statutory requirements. |

Cost

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---------------------|---------------------------------|--|---|---------------------------------|
| Crown revenue | 1,851 | 1,851 | 1,851 | 1,851 |
| Other revenue | - | - | - | - |
| Total revenue | 1,851 | 1,851 | 1,851 | 1,851 |
| Total expenses | 1,719 | 1,851 | 1,851 | 1,847 |
| Net surplus/deficit | 132 | - | - | 4 |

Explanation of major variations

The quantity of official correspondence and statutory appointments was markedly lower than forecast. The shortfall is mainly due to a hiatus in process created by the general election and exacerbated post election by a delay in announcing ministerial delegations. Increased consultative procedures followed by the Minister have also contributed to the lower number of Justice of the Peace appointments.

Compliance

Ministers indicated satisfaction with the overall quality of outputs. The five returns received indicate a satisfaction level of 4.2 on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

| | 2001 | 2002 | 2003 |
|-----------------------------------|-------|-------|-------|
| Ministerial replies | 2,404 | 2,568 | 1,871 |
| Parliamentary questions | 362 | 596 | 328 |
| Official Information Act requests | 355 | 212 | 182 |
| Ministerial appointments (total) | 524 | 543 | 323 |

Key ministerial appointments included:

- the Equal Employment Opportunities Commissioner
- the Privacy Commissioner
- nine District Court Judges and seven acting District Court Judges
- appointments to the Law Commission, New Zealand Parole Board, Environment Court and Legal Services Agency Board.

Output class D2 – Policy advice

Description

This output class includes provision of policy, purchase and legal advice, and research and evaluation on:

- criminal justice, including the criminal justice system; New Zealand and international criminal law; youth justice; victims and family violence; alternative responses to crime, including restorative justice; and the prevention of crime and victimisation
- public law, including constitutional issues; the electoral system; access to justice; human rights; family law; commercial and property law
- expenditure priorities for the justice sector and other sector-wide coordination
- development and implementation of an integrated justice sector information strategy.

Quantity

| Performance target | Actual performance |
|--|--|
| <p>Crime prevention and criminal justice Priority work will be advanced to the position agreed between the Minister and the Secretary for Justice during the course of the year. Advice will also be provided on an ongoing basis as requested by the Minister.</p> | <p>A work programme was agreed with the Minister of Justice and amended as required during the year. See significant activities on page 55 for details of major projects undertaken.</p> |
| <p>Public law Priority work will be advanced to the position agreed between the Associate Minister and the Secretary for Justice during the course of the year. Advice will also be provided on an ongoing basis as requested by the Minister.</p> | <p>A work programme was agreed with the Minister of Justice and amended as required during the year. See significant activities on page 56 for details of major projects undertaken.</p> |
| <p>Purchase advice and sector-wide co-ordination Priority work will be advanced to the position agreed between the Minister and the Secretary for Justice during the course of the year. Advice will also be provided on an ongoing basis as requested by the Minister.</p> | <p>A work programme was agreed with the Minister of Justice and amended as required during the year. See significant activities on page 56 for details of major projects undertaken.</p> |

| Performance target | Actual performance |
|---|--|
| <p>Information strategy Priority work will be advanced to the position agreed between the Minister and the Secretary for Justice during the course of the year. Advice will also be provided on an ongoing basis as requested by the Minister.</p> | <p>A work programme was agreed with the Minister of Justice and amended as required during the year. See significant activities on page 56 for details of major projects undertaken.</p> |

Quality

| Performance target | Actual performance |
|--|---|
| <p>Crime prevention and criminal justice Policy advice will be provided to the Minister's satisfaction and will comply with the Ministry's internal quality criteria.</p> | <p>The Ministry's policy advice products were subjected to internal quality assurance processes to ensure compliance with determined specifications. Informal ministerial feedback was also provided on policy advice products during weekly meetings with the Minister and Associate Ministers, and at meetings to discuss specific outputs.</p> |
| <p>Public law Policy advice will be provided to the Associate Minister's satisfaction and will comply with the Ministry's internal quality criteria.</p> | |
| <p>Purchase advice and sector-wide co-ordination Policy advice will be provided to the Minister's satisfaction and will comply with the Ministry's internal quality criteria.</p> | |
| <p>Information strategy Co-ordination activity will be provided to the Associate Minister's satisfaction and will comply with the Ministry's internal quality criteria.</p> | |

Timeliness

| Performance target | Actual performance |
|---|---|
| Criminal justice Advice will be provided within agreed timeframes. | Ministers confirmed that priority work was delivered to the position agreed with the Secretary for Justice during the course of the year. |
| Public law Advice will be provided within agreed timeframes. | |
| Purchase advice and sector-wide co-ordination Advice will be provided within agreed timeframes. | |
| Information strategy Advice will be provided within agreed timeframes. | |

Cost

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---------------------|---------------------------------|--|---|---------------------------------|
| Crown revenue | 12,208 | 12,091 | 12,208 | 12,365 |
| Other revenue | - | - | - | 104 |
| Total revenue | 12,208 | 12,091 | 12,208 | 12,469 |
| Total expenses | 12,016 | 12,091 | 12,208 | 12,031 |
| Net surplus/deficit | 192 | - | - | 438 |

Explanation of major variations

The changes recorded in the supplementary estimates reflect transfers from Vote Justice output class D3 to support the expected additional demand for justice policy advice. The actual result for the year is a consequence of developing the Serious Recidivist Young Offenders Project, lower costs on Royal prerogative petitions than expected, and priority and resource changes for other projects.

Compliance

Ministers indicated satisfaction with the overall quality of outputs. The five returns received indicate a satisfaction level of 4.2 on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

There has been a slight drop in the quantity of written advice to Ministers:

| | 2001 | 2002 | 2003 |
|---|------|------|------|
| Total items of policy advice | 825 | 887 | 820 |
| Briefings and reports provided to Ministers were: | | | |
| Public Law | | | 325 |
| Office of Legal Counsel | | | 260 |
| Crime Prevention and Criminal Justice | | | 162 |
| Purchase Advice/Corporate Services | | | 58 |
| Information Services | | | 14 |
| Chief Electoral Office | | | 1 |

Crime prevention and criminal justice issues

Passage of the *Victims' Rights Act 2002*

Passage of the *Terrorism Suppression Act 2002*

Passage of the *Crimes Amendment Act 2003*

Passage of the *Prostitution Reform Act 2003*

Publication of the second New Zealand National Survey of Crime Victims (2003).

Support for bills before select committees and the House:

- *Counter Terrorism Bill*
- *Second-Hand Dealers and Pawnbrokers Bill*
- *Telecommunications (Interception Capability) Bill*
- *Criminal Records (Clean Slate Bill)*
- *Criminal Investigations (Bodily Samples) Amendment Act*
- *Criminal Justice Amendment Bill (No 7)*.

Policy work on:

- *Evidence Bill*
- legislation governing criminal disclosure, preliminary hearings, jury trial reforms and other changes to criminal procedure
- *Crimes Amendment Bill* reforming sex offence provisions
- *Criminal Procedure Bill* comprehensively reforming the criminal procedure provisions in the *Crimes Act* and the *Summary Proceedings Act*
- criminal defences.

Leadership and co-ordination of crime prevention activity:

- Target setting for the crime reduction strategy.
- Youth justice initiatives as outlined in the youth offending strategy.
- Development of the general violence strategy.
- Participation in the Family Violence Circuit Breaker team.

Public Law issues

Passage of the *Trustee Companies Amendment Act 2002*

Passage of the *Crown Organisations (Criminal Liability) Act 2002*

Support to select committees on the:

- *Independent Police Complaints Authority Amendment Act*
- *Care of Children Bill*
- Supplementary Order Paper to the *Human Assisted Reproductive Technology Bill*.

Introduction of the:

- *Lawyers and Conveyancers Bill*

Policy work on the:

- *Legal Recognition of Same Sex and De Facto Couples Omnibus Bill*
- *Sale of Liquor Amendment Bill*
- *Private Investigators and Security Guards Act*
- *Films, Videos & Publications Act*
- *Real Estate Agents Act*
- *Judicial Matters Bill*
- review of legal aid eligibility.

Vetting government legislation to ensure consistency with the *New Zealand Bill of Rights Act*.

Purchase advice and sector-wide co-ordination

Memoranda of understanding for the non-departmental output class agencies of Vote Justice held.

Independent reviews of purchase aspects of the Public Trust, Legal Services Agency and Privacy Commission held.

Participation in the Corrections Output Pricing Review.

Crown entity reporting.

Co-ordination of the Justice Sector Outcomes Planning Process.

Office of Legal Counsel

Review of the Royal prerogative of mercy process.

Information strategy

Publication of *Te Ara Hei Mua - The Pathway Forward: 2003-06*.

Justice data warehouse went live in July 2003.

Ongoing support for the Justice Information Committee.

Output Class D3: Management of the Parliamentary electoral system

Description

This included the following services to the Minister of Justice.

| Description | Quantity, quality and timeliness |
|---|--|
| <p>Provision of policy advice on electoral matters to Ministers Policy advice will be provided to the Ministers' satisfaction and will comply with the Ministry's internal quality criteria.</p> | <p>Achieved.</p> |
| <p>Provision of advanced voting facilities for voters unable to vote in electorate on election day All voters enrolled by writ day are provided with advice on the advance voting option.</p> | <p>Achieved. Advance voting facilities were provided and advertised for 10 days before polling day. The option was also publicised in the personalised voter information pack.</p> |
| <p>Provision of adequate voting facilities on election day Approximately 2,800 polling places are provided in New Zealand. Ordinary Māori voting facilities are provided in every polling place.</p> | <p>Achieved. 78% of Māori voters and 75% of non-Māori voters rated the location of the polling place as 'excellent'.</p> |
| <p>Electors registered by writ day receive a Voter Information Pack comprising key messages, an EasyVote Card, list of local polling places and candidates, party lists for all parties 99% of packs are delivered four days before polling day.</p> | <p>Achieved. 100% of packs were delivered seven days before polling day. 84% of voters used the EasyVote card. 88% of voters and 72% of non-voters read the information pack.</p> |
| <p>Reporting the preliminary count in a timely and accurate way At least 50% of polling places will report by 10pm and the balance by 11.30pm.</p> | <p>Achieved. 77% of polling places reported by 10pm and 98% by 11.30pm.</p> |
| <p>Party votes of voters using the wrong ballot paper are allowed during the official count (general election only) All votes in this category are identified.</p> | <p>Achieved. 18,133 voters had their party vote allowed.</p> |

| Performance target | Actual performance |
|--|--|
| Report the official count in a timely and accurate way Official results declared 14 days after polling day. | Achieved. |
| Election of party list members (general election only) Election of party list members declared 21 days after polling day (if no recounts). | Achieved. List members declared elected 19 days after polling day. |

Compliance with the criteria were assessed by the Minister and by managerial sign out.

Cost

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---------------------|---------------------------------|--|---|---------------------------------|
| Crown revenue | 17,900 | 18,831 | 17,900 | 6,458 |
| Other revenue | - | - | - | - |
| Total revenue | 17,900 | 18,831 | 17,900 | 6,458 |
| Total expenses | 17,506 | 18,831 | 17,900 | 5,840 |
| Net surplus/deficit | 394 | - | - | 618 |

Explanation of major variations

The surplus for the year is a result of delayed spending on restocking election supplies and delays in progressing back office and voter technology projects. The changes in the supplementary estimates reflect the transfer of funding to the next financial year.

Compliance

Compliance with criteria was assessed by the Minister and by managerial sign out. The Associate Minister of Justice indicated satisfaction with the overall quality of outputs, rating them an average of 3.75 on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

- Detailed planning for the 2002 general election.
- Administration of the 27 July 2002 general election.
- Post-election reviews.

Output class D4: Crime prevention and community safety

Description

This included the Crime Prevention Unit advising the government on crime prevention; planning, co-ordinating and monitoring the crime prevention strategy; and building and servicing partnerships with government agencies, local authorities and communities that allow specific crime prevention and community safety responses to be developed and supported.

Quantity

| Performance target | Actual performance |
|--|--|
| <p>Provide effective crime prevention advice As agreed with the Minister.</p> | <p>Crime prevention advice was provided to the Minister as agreed.</p> |
| <p>Support existing and develop new crime prevention initiatives that fit with the agreed work programme As agreed with the Minister.</p> | <p>63 Safer Community Councils were supported and received funding on time. 32 community crime prevention initiatives were supported and received funding on time.</p> |

Quality

| Performance target | Actual performance |
|---|--|
| <p>Provide effective crime prevention advice Advice will be provided to the Minister's satisfaction and will comply with internal quality criteria.</p> | <p>Advice was provided to the Minister's satisfaction and complied with internal quality criteria.</p> |
| <p>Support existing, and develop new, crime prevention initiatives in keeping with the agreed work programme Advice and support services will be provided to the Minister's satisfaction and will comply with internal quality criteria.</p> | <p>Advice and support services were provided to the Minister's satisfaction and complied with internal quality criteria.</p> |

Timeliness

| Performance target | Actual performance |
|---|--|
| <p>Provide effective crime prevention advice Advice prepared within agreed timeframes.</p> <p>Support existing, and develop new, crime prevention initiatives in keeping with the agreed work programme. Support services provided within agreed timeframes.</p> | <p>Advice was prepared within agreed timeframes.</p> <p>Support services were provided within timing agreed for all crime prevention programmes that received funding.</p> |

Cost

| | 30 June 2003 Actual | 30 June 2003 Main estimates | 30 June 2003 Supplementary estimates | 30 June 2002 Actual |
|---------------------|------------------------|-----------------------------------|--|------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Crown revenue | 1,484 | 1,384 | 1,484 | 1,384 |
| Other revenue | - | - | - | - |
| Total revenue | 1,484 | 1,384 | 1,484 | 1,384 |
| Total expenses | 1,478 | 1,384 | 1,484 | 1,356 |
| Net surplus/deficit | 6 | - | - | 28 |

Compliance

The Minister of Justice indicated satisfaction with the overall quality of outputs, rating them an average of three on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

- Consultation on the Safer Community Council Future Directions review.
- Continued development of best practices and training throughout the crime prevention network, with an emphasis on Māori and Pacific peoples and youth.
- Development and funding of additional crime prevention and youth at risk programmes in selected communities.

VOTE TREATY NEGOTIATIONS

Output class D1: Policy advice – Treaty Negotiations

Description

This included services to the Minister in Charge of Treaty of Waitangi Negotiations:

- Ministerial services including replies to ministerial correspondence, Official Information Act requests and parliamentary questions on issues that impact on Treaty of Waitangi settlement negotiations.
- Advice on generic Treaty issues, including overall strategies for settling historical Treaty claims and developing generic approaches to policy issues that affect the settlement of more than one claim.
- Claim development and pre-negotiation, including advice and assistance to claimant groups to ensure a future supply of well-mandated, large natural groups ready to enter negotiations, and advice to the Minister on specific historical Treaty claims up to, and including advice on, the terms of negotiation.
- Negotiating the settlement of historical Treaty claims from signed terms of negotiation to both parties ratifying the deeds of settlement including property valuation, disclosure, preparation and execution of legal documents; overseeing the preparation of settlement legislation; and advising the select committee and Minister during its passage through the House.
- Implementing Treaty settlements, including co-ordination and advice relating to the Crown complying with the terms and conditions of all ratified deeds of settlement.

Quantity

| Performance target | Actual performance |
|---|--|
| <p>Ministerial services 250-300 projected items of Ministerial correspondence. 25-50 projected Official Information Act requests. 25-50 projected Parliamentary questions.</p> | <p>262 65 65</p> |
| <p>Policy advice The quantity and nature of advice will be agreed with the Minister in Charge of Treaty Negotiations.</p> | <p>Policy advice on specific negotiations issues was provided as required.</p> |

| Performance target | Actual performance |
|--|--|
| <p>Claim development and pre-negotiation The Office of Treaty Settlements will aim to ensure a future supply of well-mandated, large natural groups ready to enter negotiations and to deliver at least two deeds of mandate recognised by the Crown and at least two signed terms of negotiation.</p> | <p>Two mandates were recognised by the Crown – Ngāti Whātua o Ōrākei and Whanganui River. Four terms of negotiation were signed – Te Rarawa, Whanganui River, Ngāti Whātua o Ōrākei and Ngāti Kahu.</p> |
| <p>Negotiation of Treaty settlements Advice and recommendations will be provided on negotiation of historical Treaty claims from approved Crown Negotiation Briefs to ratification by both parties of deeds of settlement. The Office of Treaty Settlements will aim to deliver at least two signed agreements in principle or heads of agreement, at least two signed deeds of settlement, and at least two settlement Bills ready for introduction.</p> | <p>Ngāti Ruanui and Te Uri o Hau Claims Settlement Acts were passed through Parliament. Ngāti Tama settlement legislation was introduced Two deeds of settlement were signed – Ngāti Awa and Ngāti Tuwharetoa (Bay of Plenty). The Ngā Rauru and Ngāti Mutunga deeds of settlement are expected to be completed this year.</p> |
| <p>Implementation of Treaty Claims All obligations in signed deeds of settlement will be met</p> | <p>Implementation of all unconditional deeds of settlement are progressing according to schedule.</p> |

Quality

| Performance target | Actual performance |
|---|--|
| <p>Ministerial services The substantive policy content of at least 95% of draft replies submitted to the Minister will be accepted.</p> | <p>The substantive policy contents of 99% of drafts supplied to the Minister was accepted.</p> |
| <p>Policy advice, claim development and pre-negotiations, and negotiation of Treaty settlements All advice and negotiations will comply with internal quality criteria.</p> | <p>All advice and negotiations complied with the Office's quality criteria.</p> |
| <p>Implementation of Treaty Settlements In accordance with the terms specified in the ratified deed of settlement, or variations to those terms as may be agreed by the parties to the deed.</p> | <p>Deeds of settlement implemented the terms specified.</p> |

| Performance target | Actual performance |
|--|---|
| <p>Difficulties in implementation Significant difficulties in implementation of a discrete or specific nature are drawn to the attention of the Minister and/or the claimants, with options for resolution, within 20 working days.</p> | <p>Implementation difficulties, with options for resolution were drawn to the attention of the Minister and/or claimants within 20 working days. The Minister was provided with quarterly progress reports.</p> |

Timeliness

| Performance target | Actual performance |
|---|---|
| <p>Ministerial services Timeframes will be agreed between the Minister and the Secretary for Justice for the financial year. Quarterly and end-of-year reporting will enable the Minister to assess actual performance in the timeliness of delivery against those expectations.</p> | <p>88% of ministerials were completed within 20 working days and 93% within 25 working days. 89% of Official Information Act requests were completed within 20 working days and 94% within 25 working days. 100% of Parliamentary questions were replied to within timeframes agreed with the Minister.</p> |
| <p>Policy advice, claim development and pre-negotiation, and negotiation of Treaty settlements Agreed deadlines will be met.</p> | <p>Agreed deadlines for policy advice were met. When agreed deadlines in negotiation were not met this was usually as a result of external factors beyond the control of the Office, for example, internal mandate disputes or cross-claims. The Minister was provided with a monthly report on the status of all claimant groups in active negotiations.</p> |
| <p>Implementation of Treaty settlements All deadlines specified in the ratified deeds of settlement (or varied with the agreement of the parties) will be met, or the Minister advised. Compliance with this timeliness measure is also affected by the timely acquisition and transfer of settlement properties under output class D3: Land portfolio management.</p> | <p>The Minister was provided with a monthly update on the implementation process. The Minister was also briefed separately on several specific issues.</p> |

Cost

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---------------------|---------------------------------|--|---|---------------------------------|
| Crown revenue | 6,429 | 6,429 | 6,429 | 6,029 |
| Other revenue | - | - | - | - |
| Total revenue | 6,429 | 6,429 | 6,429 | 6,029 |
| Total expenses | 6,399 | 6,429 | 6,429 | 6,022 |
| Net surplus/deficit | 30 | - | - | 7 |

Compliance

The Minister indicated satisfaction with the overall quality of outputs, rating them an average of five on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

Negotiations

- *Te Uri o Hau Claims Settlement Bill 2002* passed.
- *Ngāti Ruanui Claims Settlement Bill 2003* passed.
- Deed of settlement signed with Ngāti Awa.
- Deed of settlement signed with Ngāti Tuwharetoa (Bay of Plenty).
- Terms of negotiations signed with Te Rarawa, Whanganui River, Ngāti Kahu and Ngāti Whātua o Ōrākei.
- Deeds of mandate to negotiate for Whanganui River claim and Ngāti Whatua o Ōrākei recognised.
- Dialogue with central North Island claimants about moving to negotiations.

Policy advice

- Options for streamlining settlement legislation and deed drafting processes.
- Redress for rivers and lakes claims processes.
- On-going work on post-settlement governance issues.
- Better integration of negotiation and Waitangi Tribunal hearing processes.

Implementation

- Ngāti Tūrangitukua deed of settlement implementation completed.
- Te Uri o Hau deed of settlement implementation completed.
- Ngāti Ruanui deed of settlement implementation continued.
- Ngāi Tahu deed of settlement implementation continued.
- Waikato-Tainui deed of settlement implementation continued.

Output class D2: Representation – Waitangi Tribunal

Description

This output class includes services provided to the Minister in Charge of Treaty of Waitangi Negotiations to ensure that the Crown undertakes research into historical Treaty grievances and has its position represented with well-prepared documentation and evidence at Waitangi Tribunal hearings.

Quantity

| Performance target | Actual performance |
|---|--|
| The Crown will be required to research historical claims and be represented at hearings of claims based on priorities resulting from Tribunal hearing schedules or urgent hearings as they arise. | The Crown Law Office researched historical claims and represented the Crown for all Tribunal hearings. |

Quality

| Performance target | Actual performance |
|--|---|
| Crown Law will represent the Crown and take into account the Crown's Treaty settlement policies and objectives as indicated by the Office of Treaty Settlements. | The Crown Law Office represented the Crown, taking into account the Crown's Treaty settlement policies and objectives as indicated by the Office of Treaty Settlements. |
| Evidence will be prepared to address key issues at Tribunal hearings. | Evidence was prepared to address key issues at Tribunal hearings and the Crown Law Office took a lead role in defining what evidence was required for these inquiries. |
| 100% of research and evidence will meet internal Crown Law Office quality assurance measures. | All research and evidence met internal Crown Law Office quality assurance measures. |
| 100% of items will comply with Office of Treaty Settlements' quality assessment criteria. | All items complied with Office of Treaty Settlements' quality assessment criteria. |

Timeliness

| Performance target | Actual performance |
|---|---------------------|
| Evidence will be prepared to meet the scheduling of the Tribunal. | Deadlines were met. |

Cost

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---------------------|---------------------------------|--|---|---------------------------------|
| Crown revenue | 2,346 | 2,187 | 2,346 | 2,187 |
| Other revenue | - | - | - | - |
| Total revenue | 2,346 | 2,187 | 2,346 | 2,187 |
| Total expenses | 2,344 | 2,187 | 2,346 | 2,456 |
| Net surplus/deficit | 2 | - | - | (269) |

Explanation of major variations

No major variance.

Compliance

The Minister indicated satisfaction with the overall quality of outputs, rating them an average of five on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

The Crown Law Office represented the Crown at

- 18 hearings of historical claims in relation to Te Tau Ihu
- one hearing of a claim arising from the settlement process
- 15 judicial conferences.

The Office of Treaty Settlements has continued to work closely with the Crown Law Office to ensure the Crown's approach to Tribunal hearings is consistent with, and complementary to, the Crown's approach to negotiations. An example of this is the work undertaken to ensure better integration of the hearing and negotiation processes in the Central North Island inquiry.

Output class D3: Land portfolio management

Description

This output class includes:

- advising the Minister on Maori interests in property subject to the Protection Mechanism
- acquisition or resumption of property for regional landbanks, the Crown Settlement Portfolio or claim-specific landbanks and subsequent transfer to a relevant claimant group as part of a Treaty settlement
- management of property on the Crown balance sheet that has been acquired or resumed for potential use in Treaty settlements. This includes managing tenancies, collecting revenues, paying outgoings, maintaining properties to agreed standards and complying with legislative requirements on the Crown as landowner
- transfer and disposal of property including transferring property to claimants as part of a settlement, or as part of the return of Category A sites (Waahi Tapu) landbanked under the previous Protection Mechanism policy, and disposing of landbanked property that is no longer required for settlement purposes.

Quantity

| Performance target | Actual performance |
|--|---|
| Projected number: 50 properties acquired for land-banking Average of 700 land-bank properties managed. | 72 properties purchased at a cost of \$9.1m incl. GST. 757 |

Quality and timeliness

| Performance target | Actual performance |
|--|---------------------------|
| Acquisition of property Price agreed will be based on criteria approved by Ministers and/or specified in a settlement agreement. | Agreed criteria were met. |
| All Cabinet policies, legal and deed of settlement requirements will be complied with. | Agreed criteria were met. |

Quality and timeliness

| Performance target | Actual performance |
|--|--|
| <p>Acquisition of property Price agreed will be based on criteria approved by Ministers and/or specified in a settlement agreement.</p> <p>All Cabinet policies, legal and deed of settlement requirements will be complied with.</p> | <p>Agreed criteria were met.</p> <p>Agreed criteria were met.</p> |
| <p>Management of property Property management and financial management records (and those of property management contractors) will receive an unqualified independent audit during the financial year.</p> <p>100% of properties will be maintained in the same condition as when acquired.</p> | <p>Office of Treaty Settlements/Ministry of Justice's financial records have received an independent audit. New external property managers were appointed for three years from 1 July 2002. An audit of their records is underway.</p> <p>Properties were maintained in the same condition as when acquired.</p> |
| <p>Transfer and disposal of property All Cabinet policies, legal and deed of settlement requirements will be met.</p> | <p>Agreed criteria were met.</p> |

Cost

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---------------------|---------------------------------|--|---|---------------------------------|
| Crown revenue | 4,386 | 4,386 | 4,386 | 5,026 |
| Other revenue | - | - | - | - |
| Total revenue | 4,386 | 4,386 | 4,386 | 5,026 |
| Total expenses | 4,381 | 4,386 | 4,386 | 4,983 |
| Net surplus/deficit | 5 | - | - | 43 |

Explanation of major variations

No major variance.

Compliance

The Minister indicated satisfaction with the overall quality of outputs, rating them an average of five on a five-point scale (one being poor and five being excellent). Internal quality assurance processes were applied to all outputs.

Significant activities

- Portfolio increased by a net 50 properties.
- Property receipts (mainly rental) exceeded expenditure by \$1.7m.
- 72 properties purchased at a value of \$9.1m.
- 22 properties disposed of at a value of \$7.0m.
- Approximately 40 properties are being cleared for disposal in 2003/2004.



FINANCIAL INFORMATION

Statement of accounting policies

for the year ended 30 June 2003

Reporting entity

The Ministry of Justice is a government department as defined by section 2 of the *Public Finance Act 1989*. The Ministry of Justice was formed on 1 October 1995.

These are the financial statements of the Ministry of Justice prepared pursuant to section 35 of the *Public Finance Act 1989*.

Measurement system

These financial statements have been prepared on the basis of modified historical cost except for certain items with specific accounting policies outlined below.

Accounting policies

Revenue

The Ministry derives revenue through the provision of outputs to the Crown. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Cost allocation

The Ministry has derived the costs of outputs using a cost allocation system which is outlined below.

Criteria for direct and indirect costs

“Direct costs” are costs directly attributed to an output.

“Indirect costs” are costs that cannot be identified in an economically feasible manner, with a specific output.

Direct costs assigned to outputs

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged by time incurred based on a time assessment system. Property and other premises costs such as maintenance are charged on the basis of floor area occupied for the production of each output.

For the year ended 30 June 2003, direct costs accounted for 74% (2001/02– 68%) of the Ministry’s costs.

Assigning indirect and corporate costs to outputs

Indirect costs are assigned to policy sections based on a proportion of direct staff costs usage for each output.

For the year ended 30 June 2003, indirect costs accounted for 26% (2001/02– 32%) of the Ministry’s costs.

Receivables

Receivables are recorded at estimated realisable value, after providing for doubtful debts.

Leases

The Ministry leases office premises and office equipment, mainly photocopiers. As all the risks and ownership are retained by the lessor, these leases are classified as operating leases. Operating lease costs are expensed in the period in which they are incurred.

Fixed assets

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use.

All fixed assets costing more than \$3,000 are capitalised and recorded at historical cost.

Depreciation

Depreciation of fixed assets is provided on a straight line basis so as to allocate the cost of assets over their useful lives. Revalued fixed assets are depreciated on their revalued amount on a straight line basis over their remaining useful lives. The estimated economic useful lives are:

| | |
|--|---------|
| Office equipment | 5 years |
| Motor vehicles | 5 years |
| Furniture and fittings | 5 years |
| Computer software and equipment | 3 years |
| Financial and management information systems | 5 years |

The cost of leasehold improvements is capitalised and amortised over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Provision for employee entitlements

Provision is made for the Ministry's liability for annual leave, long service leave and retiring leave. Annual leave is calculated on an actual entitlement basis at current rates of pay with the other provisions being calculated on an actuarial basis based on the present value of expected future entitlements.

Foreign currency

Foreign currency transactions are converted at the New Zealand dollar exchange rate at the date of the transaction. Where a forward exchange contract has been used to establish the price of a transaction, the forward rate specified in that foreign exchange contract is used to convert that transaction to New Zealand dollars. Consequently no exchange gain or loss resulting from the difference between the forward exchange contract rate and the spot exchange rate on date of settlement is recognised.

Financial instruments

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position.

Goods and Services Tax (GST)

The Statement of Financial Performance, Statement of Movements in Equity, Statement of Cash flow, Statement of Commitments and Statement of Contingent Liabilities are exclusive of GST. The Statement of Financial Position is also exclusive of GST except for Creditors and Payables and Debtors and Receivables which are GST inclusive. All other statements are GST inclusive.

The gross amounts of GST owing to and from the Inland Revenue Department at balance date are included in Creditors and Payables, and Debtors and Receivables respectively.

Taxation

Government departments are exempt for the payment of income tax in terms of the *Income Tax Act 1994*. Accordingly, no charge for income tax has been provided for.

Commitments

Future payments are disclosed as commitments at the point a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Changes in accounting policies

There are no material changes in the accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements, other than:

The development of new financial, management and statistical information systems are still work in progress as at year ended 30 June. These assets will be depreciated over estimated useful lives of five years. Previously such projects were depreciated over a three year life.

Statement of financial performance

for the year ended 30 June 2003

| | Note | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|--|------|------------------------------------|---|--|------------------------------------|
| Revenue | | | | | |
| Crown | 1 | 46,604 | 47,159 | 46,604 | 35,300 |
| Other | | - | - | - | 104 |
| Interest | 2 | - | - | - | 60 |
| Total revenue | | 46,604 | 47,159 | 46,604 | 35,464 |
| Expenditure | | | | | |
| Personnel costs | | 23,443 | 22,621 | 22,858 | 13,340 |
| Operating costs | 3 | 21,120 | 23,042 | 22,393 | 20,036 |
| Depreciation | 4 | 991 | 1,251 | 1,066 | 944 |
| Capital charge | 5 | 288 | 245 | 287 | 215 |
| Total expenses | | 45,842 | 47,159 | 46,604 | 34,535 |
| Net operating surplus/(deficit) | | 762 | - | - | 929 |

For information on major variances against budget refer to note 13.

Statement of movements in taxpayers' funds

for the year ended 30 June 2003

| | Note | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|--|------|------------------------------------|---|--|------------------------------------|
| Taxpayers' funds brought | | | | | |
| forward as at 1 July | | 3,388 | 3,389 | 3,395 | 2,288 |
| Net operating surplus/(deficit) | | 762 | - | - | 929 |
| Total recognised revenues and expenses for the year | | 762 | - | - | 929 |
| Capital contribution | | - | 322 | - | 1,100 |
| Provision for repayment of surplus to the Crown | 8 | (762) | - | - | (929) |
| Taxpayers' funds as at 30 June | | 3,388 | 3,711 | 3,395 | 3,388 |

The accompanying accounting policies and notes form part of these financial statements.

Statement of financial position

as at 30 June 2003

| | 30 June 2003 Actual Note | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|-----------------------------------|---|--|------------------------------------|
| Current assets | | | | |
| Bank | 5,817 | 4632 | 7,969 | 8,769 |
| Debtors and receivables | ⁶ 554 | 460 | 850 | 733 |
| Total current assets | 6,371 | 5,092 | 8,819 | 9,502 |
| Fixed assets | ⁷ 3,125 | 2,772 | 2,474 | 2,714 |
| Total assets | 9,496 | 7,864 | 11,293 | 12,216 |
| Current liabilities | | | | |
| Creditors and payables | 4,147 | 2,630 | 6,565 | 6,566 |
| Provision for repayment of surplus | ⁸ 762 | - | - | 929 |
| Provision for employee entitlements | ⁹ 1,035 | 1,199 | 1,117 | 1,117 |
| Total current liabilities | 5,944 | 3,829 | 7,682 | 8,612 |
| Provision for employee entitlements | ⁹ 164 | 324 | 216 | 216 |
| Total liabilities | 6,108 | 4,153 | 7,898 | 8,828 |
| Taxpayers' funds | 3,388 | 3,711 | 3,395 | 3,388 |
| Total liabilities & taxpayers' funds | 9,496 | 7,864 | 11,293 | 12,216 |

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2003

| Note | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|------------------------------------|---|--|------------------------------------|
| Cash flow from operating activities | | | | |
| Cash was provided from: | | | | |
| Supply of outputs to Crown | 46,487 | 47,159 | 46,604 | 36,468 |
| Supply of outputs to others | - | - | - | 104 |
| Interest | - | - | - | 66 |
| Net GST received | - | - | - | (173) |
| | 46,487 | 47,159 | 46,604 | 36,465 |
| Cash was applied to: | | | | |
| Payments to employees | (23,556) | (22,621) | (22,858) | (13,150) |
| Payments to suppliers | (23,162) | (22,967) | (22,510) | (17,508) |
| Capital charge | (288) | (245) | (287) | (215) |
| Net GST paid | (68) | - | - | - |
| | (47,074) | (45,833) | (45,655) | (30,873) |
| Net cash flows from operating activities | (587) | 1,326 | 949 | 5,592 |
| Cash flows from investing activities | | | | |
| Cash was provided from: | | | | |
| Sale of fixed assets | - | - | - | 30 |
| Cash was applied to: | | | | |
| Purchase of fixed assets | (1,436) | (884) | (826) | (1,710) |
| Net cash flows from investing activities | (1,436) | (884) | (826) | (1,680) |
| Cash flows from financing activities | | | | |
| Cash was applied to: | | | | |
| Repayment of surplus capital contributions | (929) | (60) | (923) | (1,147) |
| | - | 322 | - | 1,100 |
| Net cash flows from financing activities | (929) | 262 | (923) | (47) |
| Net increase/(decrease) in cash held | (2,952) | 704 | (800) | 3,865 |
| Cash at the beginning of period | 8,769 | 3,928 | 8,769 | 4,904 |
| Cash at end of period | 5,817 | 4,632 | 7,969 | 8,769 |

The accompanying accounting policies and notes form part of these financial statements.

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

for the year ended 30 June 2003

| Note | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|------------------------------------|---|--|------------------------------------|
| Net operating surplus/(deficit) | 762 | - | - | 929 |
| Plus non-cash items | | | | |
| Depreciation | 991 | 1,251 | 1,066 | 944 |
| Fixed asset write-offs | 33 | - | - | 4 |
| Increase/decrease in non-current employee entitlements | (52) | - | - | (193) |
| Total non-cash items | 972 | 1,251 | 1,066 | 755 |
| Working capital movements | | | | |
| Decrease (increase) in debtors and receivables | 179 | - | (117) | 856 |
| Increase (decrease) in creditors and payables | (1,637) | 75 | - | 1,822 |
| Increase (decrease) in current employee entitlements | (82) | - | - | 381 |
| Increase (decrease) in other accruals | (781) | - | - | 849 |
| Working capital movements – net | (2321) | 75 | (117) | 3,908 |
| Less investing activity items | | | | |
| Gain on sale of fixed assets | - | - | - | - |
| Total investing activity items | - | - | - | - |
| Net cash flows from operating activities | (587) | 1,326 | 949 | 5,592 |

The accompanying accounting policies and notes form part of these financial statements.

Statement of commitments

as at 30 June 2003

The Ministry has a long-term lease on its premises in Wellington. The annual lease payments are subject to three-yearly reviews. The amounts disclosed below are future commitments based on the current rental rates.

Operating leases include lease payments for premises and photocopiers.

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|---|---------------------------------|---------------------------------|
| Capital commitments | | |
| Less than one year | 1,076 | - |
| One year to two years | - | - |
| Two years to five years | - | - |
| More than five years | - | - |
| Total | 1,076 | - |
| Operating lease commitments | | |
| Non-cancellable accommodation leases | | |
| Less than one year | 1,147 | 1,111 |
| One year to two years | - | 1,111 |
| Two years to five years | - | 269 |
| More than five years | - | - |
| Total | 1,147 | 2,491 |
| Other non-cancellable leases | | |
| Less than one year | 44 | 41 |
| One year to two years | 22 | 22 |
| Two years to five years | 7 | 3 |
| More than five years | - | - |
| Total | 73 | 66 |
| Other operating commitments | | |
| Less than one year | 555 | 1,177 |
| One year to two years | - | - |
| Two years to five years | - | - |
| More than five years | - | - |
| Total | 555 | 1,177 |
| Total commitments | 2,851 | 3,734 |

The Ministry has entered into non-cancellable contracts for computer maintenance. These non-cancellable contracts totalled \$555,000.00 as at 30 June 2003 (\$1,177,272 as at 30 June 2002).

The accompanying accounting policies and notes form part of these financial statements.

Statement of contingent liabilities

as at 30 June 2003

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|------------------------|---------------------------------|---------------------------------|
| Contingent liabilities | - | - |

The Ministry does not have any contingent liabilities as at 30 June 2003 (30 June 2002; nil).

Statement of unappropriated expenditure

for the year ended 30 June 2003

| | 30 June 2003 Unappropriated expenditure \$000 | 30 June 2002 Unappropriated expenditure \$000 |
|--|--|--|
| Vote Treaty Negotiations | | |
| Departmental output class | | |
| D2 Representation: Waitangi Tribunal | - | 269 |
| Other expenses to be incurred by the Crown | | |
| Interest payments on settlements | - | 146 |

The 2002 unappropriated expenditure was a result of unexpected Crown Law costs relating to hearings before the Waitangi Tribunal.

The 2002 unappropriated interest payment was due to legislation not introduced and passed before the end of the Parliament session therefore it was necessary to accrue interest for a longer period.

The accompanying accounting policies and notes form part of these financial statements.

Statement of departmental expenditure and appropriations

for the year ended 30 June 2003

(Figures are GST inclusive)

| | 30 June 2003 Actual \$000 | 30 June 2003 Appropriation voted \$000 |
|--|---------------------------------|---|
| Vote Justice | | |
| Output class D1 | | |
| Ministerial servicing and management of non-departmental output classes | 1,950 | 2,082 |
| Output class D2 | | |
| Policy advice | 13,541 | 13,734 |
| Output class D3 | | |
| Management of the Parliamentary electoral system | 19,743 | 20,137 |
| Output class D4 | | |
| Community safety | 1,665 | 1,670 |
| Total Vote Justice | 36,899 | 37,623 |
| Vote Treaty Negotiations | | |
| Output class D1 | | |
| Policy advice: Treaty negotiations | 7,202 | 7,233 |
| Output Class D2 | | |
| Representation: Waitangi Tribunal Class D3 | 2,637 | 2,640 |
| Land portfolio management | 4,929 | 4,934 |
| Total Vote Treaty Negotiations | 14,768 | 14,807 |

The accompanying accounting policies and notes form part of these financial statements.

Statement of non-departmental expenditure and appropriations

for the year ended 30 June 2003

(Figures are GST Inclusive)

| | 30 June 2003 Actual \$000 | 30 June 2003 Appropriation Voted ¹ \$000 |
|---|---------------------------------|--|
| Classes of output to be supplied by other parties | | |
| Vote Justice | | |
| Policy advice | 3,068 | 3,068 |
| Equity promotion and protection services | 11,644 | 11,644 |
| Administration of legal services | 11,769 | 11,769 |
| Provision of and access to legal services | 87,102 | 88,508 |
| Provision of electoral services | 20,415 | 21,326 |
| Support for victims | 2,555 | 2,555 |
| Crime prevention and community safety programmes | 4,541 | 5,354 |
| Provision of protective fiduciary services | 4,838 | 4,838 |
| Total | 145,932 | 149,062 |
| Other expenses to be incurred by the Crown | | |
| Vote Justice | | |
| Compensation for wrongly convicted individuals | 514 | 514 |
| Total | 514 | 514 |
| Vote Treaty Negotiations | | |
| Interest payments on settlements | 3,949 | 7,598 |
| Waikato-Tainui interest | 73 | 85 |
| Total | 4,022 | 7,683 |
| Purchase development of capital assets of the Crown – Vote Treaty Negotiations | | |
| Land purchases | 9,138 | 10,000 |
| Total | 9,138 | 10,000 |
| Multi-year appropriation: Vote Treaty Negotiations | | |
| Other expenses to be incurred on behalf of the Crown | | |
| Historical Treaty of Waitangi settlements | 53,359 | 53,359 |
| Total | 53,359 | 53,359 |

1. This includes adjustments made in the Supplementary Estimates and Transfers under section 5 of the *Public Finance Act 1989*.

The accompanying accounting policies and notes form part of these financial statements.

Statement of trust money

for the year ended 30 June 2003

| Election candidate's deposits | 30 June 2003 | 30 June 2002 |
|--------------------------------------|-----------------|-----------------|
| | Actual \$000 | Actual \$000 |
| Opening balance at 1 July | 12 | 12 |
| Deposits received from candidates | 179 | |
| Deposits returned to candidates | (80) | - |
| Deposits returned to Crown | (111) | - |
| Closing balance at 30 June | - | 12 |

| Youth Justice trust account | 30 June 2003 | 30 June 2002 |
|------------------------------------|-----------------|-----------------|
| | Actual \$000 | Actual \$000 |
| Opening balance at 1 July | 2 | 36 |
| Youth Justice deposits received | - | 48 |
| Youth Justice deposits returned | (2) | - |
| Youth Justice expenditure | - | (82) |
| Closing balance at 30 June | - | 2 |

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2003

Note 1: Revenue – Crown

This is revenue earned for the supply of outputs to the Crown.

Note 2: Interest

The Ministry receives interest on surplus funds invested with the New Zealand Debt Management Office. This facility ceased from 1 November 2001.

Note 3: Operating costs

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|------------------------------------|---|--|------------------------------------|
| Consultancy | 5,992 | 5,959 | 5,959 | 6,730 |
| Bad debts written-off | - | - | - | - |
| Audit fees to auditors for audit of financial statements | 69 | 69 | 69 | 64 |
| Fees to auditors for other services provided | - | 2 | 2 | 14 |
| Operating lease rental | 977 | 977 | 977 | 1,120 |
| Premises costs | 260 | 249 | 249 | 195 |
| Treaty settlement costs | 4,093 | 4,100 | 4,100 | 4,516 |
| Other operating costs | 9,729 | 11,686 | 11,037 | 7,397 |
| Total operating costs | 21,120 | 23,042 | 22,393 | 20,036 |

Note 4: Depreciation

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|-----------------------------|---------------------------------|---------------------------------|
| Leasehold improvements | 297 | 281 |
| Office equipment | 8 | 18 |
| Furniture and fittings | 52 | 61 |
| Computer equipment/software | 628 | 578 |
| Motor vehicles | 6 | 6 |
| Total depreciation | 991 | 944 |

Note 5: Capital charge

The Ministry pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2003 was 8.50% (2001/02 9.00%).

The accompanying accounting policies and notes form part of these financial statements.

Note 6: Debtors and receivables

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|--------------------------------------|---------------------------------|---------------------------------|
| Receivables | 219 | 364 |
| Debtor crown | - | (117) |
| GST receivable | 335 | 486 |
| Total debtors and receivables | 554 | 733 |

Note 7: Fixed assets

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|---|---------------------------------|---------------------------------|
| Leasehold improvements | | |
| At cost | 2,438 | 2,393 |
| Accumulated depreciation | (1,595) | (1,298) |
| Leasehold improvements – net book value | 843 | 1,095 |
| Office equipment | | |
| At cost | 234 | 249 |
| Accumulated depreciation | (217) | (214) |
| Office equipment – net book value | 17 | 35 |
| Furniture and fittings | | |
| At cost | 519 | 485 |
| Accumulated depreciation | (400) | (348) |
| Furniture and fittings – net book value | 119 | 137 |
| Computer equipment and software | | |
| At cost | 3,775 | 5,001 |
| Work in progress | 1,081 | 240 |
| Accumulated depreciation | (2,725) | (3,815) |
| Computer equipment and software – net book value | 2,131 | 1,426 |
| Motor vehicles | | |
| At cost | 28 | 28 |
| Accumulated depreciation | (13) | (7) |
| Motor vehicles – net book value | 15 | 21 |
| Total fixed assets | | |
| At cost | 8,075 | 8,396 |
| Accumulated depreciation | (4,950) | (5,682) |
| Total fixed assets – net book value | 3,125 | 2,714 |

The accompanying accounting policies and notes form part of these financial statements.

Note 8: Provision for repayment of surplus to the Crown

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|---|---------------------------------|---------------------------------|
| Net operating surplus/(deficit) | 762 | 929 |
| Add: Other expenses (not for production of outputs) | - | - |
| Net operating surplus from delivery of outputs | 762 | 929 |
| Gains on revaluation realised | - | - |
| Total provision for repayment of surplus | 762 | 929 |

Note 9: Provision for employee entitlements

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|--|---------------------------------|---------------------------------|
| Non-current liabilities | | |
| Unvested employee entitlements | 164 | 216 |
| Total non-current portion | 164 | 216 |
| Current liabilities | | |
| Retirement and long service leave | 412 | 482 |
| Annual leave | 623 | 635 |
| Total current portion | 1,035 | 1,117 |
| Total provision for employee entitlements | 1,199 | 1,333 |

Note 10: Contingencies

The Ministry does not have any contingent assets as at 30 June 2003 (none as at 30 June 2002).

Contingent liabilities are separately disclosed in the Statement of Contingent Liabilities.

Note 11: Financial instruments

The Ministry is a party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, debtors and creditors.

All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. They are shown at their estimated fair value.

Credit risk

In the normal course of its business, the Ministry incurs credit risk from transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

The Ministry does not require any collateral or security to support financial instruments with financial institutions that the Ministry deals with, or with the NZDMO, as these entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The accompanying accounting policies and notes form part of these financial statements.

Fair value

The fair value is equivalent to the carrying amount disclosed in the Statement of Financial Position.

There were no foreign currency forward contracts at balance date.

Currency risk and interest rate risk

The Ministry has no significant exposure to interest rate risk or currency risk on its financial instruments.

Note 12: Related party information

The Ministry is a government department as defined by section 2 of the *Public Finance Act 1989*. The government significantly influences the roles of the Ministry as well as being its major source of revenue.

The Ministry enters into some transactions with other government departments, Crown agencies and state-owned enterprises on an arm's length basis. These transactions are not considered to be related party transactions.

Apart from those transactions described above, the Ministry has not entered into any related party transactions.

Note 13: Major budget variations

Statement of financial performance

The changes made in the Supplementary Estimates for personnel, operating and other costs and the changes in Crown Revenue result from changes in output classes within Vote Justice. Explanations for major changes from the initial budget were outlined in the Supplementary Estimates.

In summary the budget changes reflect the transfer of funding for electoral activities to the 2003/04 financial year, and the additional funding received to support Crown representation before the Waitangi Tribunal.

The surplus for the year is a result of delays in the restocking of electoral supplies, slower development of electoral back office and voter technology projects; delays with the establishment of the serious recidivist young offenders programme; lower costs on Royal prerogative petitions than expected; and less resource required for non-departmental output classes' monitoring than planned.

Statement of financial position

The changes between the actual results and the Supplementary Estimates reflects the lower levels of creditors and accruals resulting in a reduced cash position.

The accompanying accounting policies and notes form part of these financial statements.

Non-departmental schedules and statements: Vote Justice and Vote Treaty Negotiations

for the year ended 30 June 2003

Reporting entity

The following non-departmental schedules record the expenses, revenue and receipts, assets and liabilities that the Ministry of Justice manages on behalf of the Crown.

Statement of accounting policies

Measurement and recognition rules applied in preparing of these non-departmental financial statements and schedules are consistent with generally accepted accounting practice and Crown accounting policies.

These non-departmental balances are consolidated into the Crown Financial statements and therefore readers of these statements and schedules should also refer to the Crown Financial Statements for 2002/03.

Schedule of revenue and receipts

for the year ended 30 June 2003

The Schedule of Receipts and Revenue summarises non-departmental revenue that the Ministry administers on behalf of the Crown.

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|--|------------------------------------|---|--|------------------------------------|
| Vote Justice | | | | |
| Repayment of judicial salaries | 395 | 476 | 476 | 398 |
| Other income-hotel investment | | | | |
| Account loan interest | 165 | 42 | 42 | 146 |
| Total non-departmental receipts and revenue | 560 | 518 | 518 | 544 |
| Vote Treaty Negotiations | | | | |
| Landbank receipts-rents etc | 6,123 | 5,366 | 5,500 | 6,552 |
| Waitomo loan interest | 23 | 53 | 33 | 33 |
| Total non-departmental receipts | 6,146 | 5,419 | 5,533 | 6,585 |

The accompanying accounting policies and notes form part of these financial statements.

Schedule of expenses

for the year ended 30 June 2003

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

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|------------------------------------|---|--|------------------------------------|
| Vote Justice | | | | |
| Non-departmental output classes (details are shown on Page 80) | 145,932 | 147,599 | 149,062 | 142,602 |
| Other expenses to be incurred by the Crown: | | | | |
| Compensation for wrongly convicted individuals | 514 | - | 514 | - |
| Total non-departmental expenses | 146,446 | 147,599 | 149,576 | 142,602 |
| Vote Treaty Negotiations | | | | |
| Cash and property settlements | 53,359 | 14,576 | 45,938 | 14,698 |
| Interest on settlement | 4,022 | 3,686 | 3,686 | 3,830 |
| Depreciation on property portfolio | 961 | 550 | 961 | 961 |
| Loss/(gain) on sales on property portfolio | 3,886 | - | 2,800 | 184 |
| Total non-departmental expenses | 62,228 | 18,812 | 53,385 | 19,673 |

The accompanying accounting policies and notes form part of these financial statements.

Schedule of assets

for the year ended 30 June 2003

The Schedule of Assets summarises assets that the Ministry administers on behalf of the Crown.

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|------------------------------------|---|--|------------------------------------|
| Vote Justice | | | | |
| Current assets | | | | |
| Cash | 2,194 | 14,843 | 4,357 | 4,358 |
| Accounts receivable – Crown entities | 2,939 | 212 | 3,271 | 3,271 |
| Non-current assets | | | | |
| Hotel investment account advances | 1,330 | 910 | 1,330 | 1,330 |
| Total non-departmental assets | 6,463 | 15,965 | 8,958 | 8,959 |
| Vote Treaty Negotiations | | | | |
| Current assets | | | | |
| Cash | 13,524 | 8,663 | 9,881 | 8,006 |
| Accounts receivable – Ngai Tahu, Opus recovery | 4,968 | - | 6,247 | 6,370 |
| Non-current assets | | | | |
| Fixed assets – land, buildings, improvements | 131,235 | 130,716 | 137,820 | 132,918 |
| Waitomo Cave loan | 178 | 450 | 313 | 312 |
| Total non-departmental assets | 149,906 | 139,829 | 154,261 | 147,606 |

The accompanying accounting policies and notes form part of these financial statements.

Schedule of liabilities

for the year ended 30 June 2003

The Schedule of Liabilities summarises liabilities that the Ministry administers on behalf of the Crown.

| | 30 June 2003 Actual \$000 | 30 June 2003 Main estimates \$000 | 30 June 2003 Supplementary estimates \$000 | 30 June 2002 Actual \$000 |
|---|------------------------------------|---|--|------------------------------------|
| Vote Justice | | | | |
| Current liabilities | | | | |
| Funding accruals | (161) | (57) | - | 57 |
| Total non-departmental liabilities | (161) | (57) | - | 57 |
| Vote Treaty Negotiations | | | | |
| Current liabilities | | | | |
| GST payable | 210 | - | - | 60 |
| Creditors – property settlements, interest, etc | (68,014) | (68,014) | (77,988) | (78,048) |
| Total non-departmental liabilities | (67,804) | (68,014) | (77,988) | (77,988) |

The accompanying accounting policies and notes form part of these financial statements.

Schedule of contingent liabilities

for the year ended 30 June 2003

The Schedule of Contingent Liabilities summarises liabilities that the Ministry administers on behalf of the Crown.

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|--|---------------------------------|---------------------------------|
| Vote Justice | | |
| Contingent liabilities | - | - |
| Total contingent liabilities | - | - |
| Vote Treaty Negotiations | | |
| Quantifiable contingent liabilities | | |
| GST indemnity to Otago Museum Trust Board arising from the Ngati Awa settlement | 344 | 344 |
| GST indemnity to Wellington Tenths Trust | 51 | 51 |
| GST indemnity to Ngai Tahu on settlement quantum | 21,250 | 21,250 |
| GST indemnity on claimant funding paid to Pouakani | 1,016 | 1,016 |
| GST indemnity to Turangitukua on settlement quantum | 25 | 25 |
| GST indemnity to Te Uri o Hau on settlement quantum | 1,906 | 1,906 |
| GST indemnity to Ngati Ruanui on settlement quantum | 5,125 | 5,125 |
| GST indemnity to Ngati Ruanui on claimant funding | 88 | 88 |
| GST indemnity to Te Aupouri on claimant funding | 22 | 22 |
| GST indemnity to Ngati Kuri on claimant funding | 10 | 10 |
| GST indemnity to Nga Rauru on claimant funding | 16 | 16 |
| GST indemnity to Ngati Tama on settlement quantum | 1,813 | 1,813 |
| Total quantifiable contingent liabilities | 31,666 | 31,666 |
| Non-quantifiable contingent liabilities | | |
| Indemnity to the Tainui Maori Trust Board against the costs of remedying possible contaminated sites on certain land transferred to them | - | - |
| Indemnity to Waikato-Tainui and Ngai Tahu that maintains the relativity of their settlement redress against the total redress for all claims | - | - |
| Total non-quantifiable contingent liabilities | - | - |
| Total contingent liabilities | 31,666 | 31,666 |

The accompanying accounting policies and notes form part of these financial statements.

Schedule of commitments

for the year ended 30 June 2003

The Schedule of Commitments summarises liabilities that the Ministry administers on behalf of the Crown.

| | 30 June 2003 Actual \$000 | 30 June 2002 Actual \$000 |
|---------------------------------|---------------------------------|---------------------------------|
| Vote Justice | | |
| Less than one year | 597 | 184 |
| One year to two years | 308 | - |
| Two years to five years | - | - |
| More than five years | - | - |
| Total commitments | 905 | 184 |
| Vote Treaty Negotiations | | |
| Less than one year | 3,171 | 4,728 |
| One year to two years | - | - |
| Two years to five years | - | - |
| More than five years | - | - |
| Total commitments | 3,171 | 4,728 |

The accompanying accounting policies and notes form part of these financial statements.



Report of the Auditor-General to the readers of the Financial Statements of the Ministry of Justice

for the year ended 30 June 2003

We have audited the financial statements on pages 49 to 91. The financial statements provide information about the past financial and service performance of the Ministry of Justice and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 70 to 72.

Responsibilities of the Chief Executive

The *Public Finance Act 1989* requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Ministry of Justice as at 30 June 2003, the results of its operations and cash flows and the service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the *Public Audit Act 2001* and section 38(1) of the *Public Finance Act 1989* require the Auditor-General to audit the financial statements presented by the Chief Executive. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed A J Shaw, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Ministry of Justice's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial

statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Ministry of Justice.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Ministry of Justice on pages 49 to 91:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Ministry of Justice's financial position as at 30 June 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 26 September 2003 and our unqualified opinion is expressed as at that date.

A J Shaw

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Ministry of Justice for the year ended 30 June 2003 included on the Ministry of Justice's website. The Ministry of Justice's Chief Executive is responsible for the maintenance and integrity of the Ministry of Justice's website. We have not been engaged to report on the integrity of the Ministry of Justice's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

We have not been engaged to report on any other electronic versions of the Ministry of Justice's financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 26 September 2003 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



PART C | OTHER INFORMATION

| | |
|-----------------------------|-----|
| Ministry organisation chart | 96 |
| Publications issued | 98 |
| Acts administered | 100 |
| Contacts | 105 |

Organisational structure



Associate Minister
Hon Rick Barker

Associate Minister
(outside cabinet)
Hon Taito Phillip Field

Minister in Charge of Treaty
of Waitangi Negotiations
Hon Margaret Wilson

Key portfolio responsibilities

Appointment process for Justices of the Peace, Sale of Liquor issues, Statutes Amendment Bills, real estate and occupational regulation statutes, Electoral Law, Chief Electoral Office, Electoral Commission, Electoral Enrolment Centre, information technology issues, motor vehicle dealers and private investigators.

Key portfolio responsibilities

Assisting the Minister of Justice on aspects of the portfolio as they arise. Input into further developing justice policy to positively benefit Pacific communities particularly targeting Pacific youth.

Key portfolio responsibilities

Negotiation of historical Treaty settlements, Crown representation on historical Treaty grievances at Waitangi Tribunal hearings, surplus Crown land being held for potential use in settlements.

Belinda Clark

Chief Legal Counsel
Val Sim

Deputy Secretary,
Corporate Services
Miriam Evans

Human Resources
Manager
Sharon Rogers
(acting)

Finance Manager
Don Campbell

Purchase Advice
Manager
Dennis Cole (acting)

Management
Services Manager
Kel Crofskey

Audit and Assurance
Manager
Kel Crofskey (acting)

Director, Office of Treaty Settlements
Andrew Hampton

Manager, Policy
& Negotiations
Kay Harrison

Manager, Policy
& Negotiations
Dean Cowie

Manager, Policy
& Negotiations
Rachel Houlbrooke

Manager, Policy
& Negotiations
Heather Baggott

Manager, Claims
Development
Tony Sole

Operations
Manager
Jeff Montgomery

Property Portfolio
Manager
Jenny Raven
Implementation
Manager
Bill Naik

Office Solicitor
Diane Stephenson

Publications issued

July 2002 – June 2003

Reports

Annual Report for the year ended 30 June 2002. October 2002.

Guardianship, custody and access: Māori perspectives and experiences. August 2002.

Youth justice and social service sector delivery to the children and young people convicted in relation to the death of Michael Choy. February 2003.

Conviction and sentencing of offenders in New Zealand: 1992 to 2001. December 2002.

Eligibility for legal aid discussion document. December 2002.

The New Zealand national survey of crime victims 2001. May 2003.

The needs of Pacific peoples when they are victims of crime. May 2003.

Draft principles of best practice for restorative justice processes in the criminal court – discussion paper. May 2003.

Statement of Intent for the year ending 30 June 2004. May 2003.

Government response to the GAC report on its inquiry into the operation of the *Films, Videos, and Publications Classification Act 1993* and related issues. June 2003.

Briefing on the *Care of Children Bill*. June 2003.

Magazines

Justice matters. Issue 13.

Research findings. Issue 2. Young people and alcohol: some statistics on possible effects of lowering the drinking age. October 2002.

Research findings. Issue 3. Trends in the use of bail and offending while on bail 1990-1999. January 2003.

Research findings.

Booklets

2002 Ministry of Justice briefing to incoming Ministers. August 2002.

Ka tika ā muri, ka kika ā mua - Healing the past, building a future. A guide to Treaty of Waitangi claims and negotiation with the Crown. December 2002. Office of Treaty Settlements.

Protection of Māori interests in surplus Crown-owned land - Information for applicants. December 2002. Office of Treaty Settlements.

Protection of Māori interests in surplus Crown-owned land - Information for Crown agencies. December 2002. Office of Treaty Settlements.

Pamphlets

Victims' Rights Act 2002: Your rights as a victim (English).

Victims' Rights Act 2002: Your rights as a victim (Māori).

Victims' Rights Act 2002: Your rights as a victim (Samoan/Cook Islands Māori/Niuean/Tongan).

Victims' Rights Act 2002: Your rights as a victim (Chinese).

Victims' Rights Act 2002: Your rights as a victim (Korean).

Victims' Rights Act 2002: A guide for agencies dealing with victims of offences.

Judicial appointments: Office of High Court Judge (revised May 2003).

Judicial appointments: Office of District Court Judge (revised May 2003).

Judicial appointments: Office of Master of the High Court (revised May 2003).

Ngāti Awa deed of settlement summary. March 2003, Office of Treaty Settlements.

Ngāti Tuwharetoa (Bay of Plenty) deed of settlement summary. June 2003, Office of Treaty Settlements.

Acts administered

Acts administered by the Ministry (as at 30 June 2003)

The following list shows the 155 statutes administered by the Ministry of Justice. Some legislation is jointly administered with other agencies and these are indicated with a symbol ^.

Abolition of the Death Penalty Act 1989
 Administration Act 1969
 Admiralty Act 1973^
 Adoption Act 1955
 Adoption (Intercountry) Act 1997
 Adult Adoption Information Act 1985
 Age of Majority Act 1970
 Animals Law Reform Act 1989
 Arbitration Act 1996
 Arbitration (International Investment Disputes) Act 1979
 Aviation Crimes Act 1972
 Bail Act 2000
 Charitable Trusts Act 1957
 Citizens Initiated Referenda Act 1993
 Consolidated Statutes Enactment Act 1908
 Constitution Act 1986
 Contraception, Sterilisation, and Abortion Act 1977
 Contracts Enforcement Act 1956
 Contracts (Privity) Act 1982
 Contractual Mistakes Act 1977
 Contractual Remedies Act 1979
 Contributory Negligence Act 1947
 Coroners Act 1988^
 Costs in Criminal Cases Act 1967^
 Credit Contracts Act 1981
 Crimes Act 1961^ (part XII jointly)
 Crimes (Internationally Protected Persons and Hostages) Act 1980
 Crimes of Torture Act 1989
 Criminal Investigations (Blood Samples) Act 1995
 Criminal Justice Act 1985^
 Crown Organisations (Criminal Liability) Act 2002
 Crown Proceedings Act 1950
 Deaths by Accidents Compensation Act 1952

Declaratory Judgments Act 1908[^]
Deeds Registration Act 1908
Defamation Act 1992
Department of Justice (Restructuring) Act 1995
Disputes Tribunals Act 1988[^]
Distress and Replevin Act 1908
District Courts Act 1947[^]
Domestic Actions Act 1975
Domestic Violence Act 1995
Domicile Act 1976
Electoral Act 1993
Electoral Referendum Act 1993
Evidence Act 1908
Extradition Act 1995
Family Courts Act 1980[^]
Family Proceedings Act 1980[^]
Family Protection Act 1955
Fencing Act 1978
Films, Videos, and Publications Classification Act 1993
Financial Transactions Reporting Act 1996
Flags, Emblems, and Names Protection Act 1981, s.20
Frustrated Contracts Act 1944
Guardianship Act 1968
Habeas Corpus Act 2001
Harassment Act 1997
Homosexual Law Reform Act 1986
Hotel Association of New Zealand Act 1969
Human Rights Act 1993
Illegal Contracts Act 1970
Imperial Laws Application Act 1988
Imprisonment for Debt Limitation Act 1908
Inferior Courts Procedure Act 1909[^]
Innkeepers Act 1962
Insurance Intermediaries Act 1994
Insurance Law Reform Act 1977
Insurance Law Reform Act 1985

International Crimes and International Criminal Court Act 2000
International War Crimes Tribunals Act 1995
Interpretation Act 1999
Joint Family Homes Act 1964
Judicature Act 1908^
Juries Act 1981^
Justices of the Peace Act 1957
Land Transfer (Hawke's Bay) Act 1931
Land Valuation Proceedings Act 1948
Law Commission Act 1985
Law Practitioners Act 1982
Law Reform Act 1936
Land Transfer Act 1952
Law Reform Act 1944
Law Reform (Testamentary Promises) Act 1949
Legal Services Act 2000
Licensing Fund Act 1989
Life Insurance Act 1908 (Part II)
Limitation Act 1950
Local Restoration Polls Act 1990
Marriage Act 1955
Massage Parlours Act 1978
Mining Tenures Registration Act 1962
Minors Contracts Act 1969
Mortgagors and Lessees Rehabilitation Act 1936
Misuse of Drugs Amendment Act 1978 Part II
Misuse of Drugs Amendment Act 1995
Motor Vehicle Dealers Act 1975
Mount Albert Licensing Trust Dissolution Act 1986
Mutual Assistance in Criminal Matters Act 1992
Newspapers and Printers Act Repeal Act 1995
New Zealand Bill of Rights Act 1990
New Zealand Council of Law Reporting Act 1938
Ngai Tahu Claims Settlement Act 1998
Ngai Tahu (Tutaepatu Lagoon Vesting) Act 1998
Ngati Ruanui Claims Settlement Act 2003
Ngati Turangitukua Claims Settlement Act 1999
Oaths and Declarations Act 1957
Occupiers Liability Act 1962
Official Information Act 1982
Ombudsmen Act 1975
Pardon for Soldiers of the Great War Act 2000
Parole Act 2002^

Pawnbrokers Act 1908
Penal Institutions Act 1954^
Perpetuities Act 1964
Police Complaints Authority Act 1988
Political Disabilities Removal Act 1960
Pouakani Claims Settlement Act 2000
Privacy Act 1993
Private Investigators and Security Guards Act 1974
Proceeds of Crime Act 1991
Property Law Act 1952
Property (Relationships) Act 1976
Prostitution Reform Act 2003
Protection of Personal and Property Rights Act 1988
Public Service Investment Society Management Act (No 2) 1979
Real Estate Agents Act 1976
Referenda (Postal Voting) Act 2000
Reciprocal Enforcement of Judgments Act 1934^
Regulations (Disallowance) Act 1989
Sale of Liquor Act 1989
Second-hand Dealers Act 1963
Secret Commissions Act 1910
Sentencing Act 2002^
Serious Fraud Office Act 1990
Simultaneous Deaths Act 1958
Status of Children Act 1969
Status of Children Amendment Act 1987
Statutory Land Charges Registrations Act 1928
Summary Offences Act 1981
Summary Proceedings Act 1957^
Te Uri o Hau Claims Act 2002
Terrorism Suppression Act 2003 ^
Treaty of Waitangi (State Enterprises) Act 1988
Trespass Act 1980
Trustee Act 1956
Trustee Companies Act 1967
Unit Titles Act 1972
Victims Rights Act 2003
Waikato Raupatu Claims Settlement Act 1995
Wills Act 1837 (UK)
Wills Amendment Act 1852 (UK)
Wills Amendment Acts
Wine Makers Act 1981

Contacts

Ministry of Justice

Ministry of Justice
PO Box 180,
Wellington
Telephone: (04) 918 8800
Facsimile: (04) 918 8820
Web: www.justice.govt.nz

Chief Electoral Office

Level 9, 180 Molesworth Street
PO Box 3220, Wellington
Telephone: +64 4 495 0030
Facsimile: +64 4 495 0031
Email: chief.electoral.office@justice.govt.nz
Web: www.elections.org.nz

Office of Treaty Settlements

Charles Fergusson Building (Tower Block)
Bowen Street
PO Box 919, Wellington
Telephone: (04) 494 9800
Facsimile: (04) 494 9801
Email: reception.ots@justice.govt.nz
Web: www.ots.govt.nz

Ministry of Justice
PO Box 180, Wellington, New Zealand.
© Crown Copyright
www.justice.govt.nz