

Annual Report

1 July 2015 to 30 June 2016





The National Home Safety Service has upgraded

237 HOMES

Helping 754 family violence victims stay in their homes

10%

reduction IN THE NUMBER OF AGED CASES

e-duty applications

take no more than

1 hour

reduced from half a day



87%

OF IWI GROUPS HAVE A RECOGNISED MANDATE

Deeds of settlements have been signed by 59% of all groups

employee ENGAGEMENT increased

Time to finalise probates has more than halved ...

REDUCED FROM 31 DAYS TO 15 DAYS

PROCESSING TIMES FOR

civil applications for judgment

have decreased from 6 weeks to

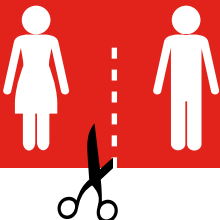


24 hours

Collections Home Agents are more productive

25%

Average age of jury trials has reduced by 17% tribunal cases by 45% since 2013



Processing times for divorce applications have decreased to

24 hours DOWN FROM 6 WEEKS

Our services



We work with the judiciary to deliver court services for the Supreme Court, Court of Appeal, High Court, 58 District Courts, Environment Court, Employment Court, Coroners Court and Māori Land Court. We support 29 tribunals, authorities and committees that help New Zealanders resolve disputes. We dealt with more than 192,000 cases.



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



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



Our **Collections** unit is one of NZ's largest debt-collection agencies. We enforce unpaid infringements, and collected \$191 million in fines and reparations



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



We granted 74,000 **Legal Aid** applications – helping people who can't afford a lawyer to get legal advice.



Our **Public Defence Service** accepted 16,000 new cases. It's NZ's largest criminal law practice.



We did 460,000 **criminal conviction** history checks.

Our year

New cross-agency measures to protect children

Vulnerable Children Act 2014 took effect

New family violence work programme launched

to make sure government agencies respond better to family and sexual violence

Family violence legislation review

Public consultation on strengthening laws to help reduce the scale and impact of family violence

Helping communities to reduce youth crime

Toolkit to support Youth Crime Action Plan

Manukau District Court upgrade

including a multi-jurisdictional customer service centre

Better support for victims of crime

Victims Code introduced, new website, phone line extended to operate 24/7



NZ Crime and Safety Survey results published



Māori Land Court's 150th anniversary

Inaugural Justice Sector Science Advisor appointed

JUL '15

AUG

SEP

OCT

NOV

DEC

Better protection for victims of cyberbullying

Harmful Digital Communications Act 2015 received Royal Assent

Hosted Asia-Pacific Group on Money Laundering annual meeting

3 millionth criminal conviction history check

since Criminal Records Unit established in 2004

5 Treaty Settlements enacted

Royal Assent given to settlements for 4 Te Hiku iwi (Te Rarawa, Te Aupouri, Ngāi Takoto and Ngāti Kuri) and for Te Kawerau ā Maki

Rules changed to support information-sharing between criminal and family courts

to help reduce harm caused by family violence

Rangatahi Courts receive Australasian award for excellence in judicial administration

Text message reminder service introduced

to remind defendants about their appearance in District Courts





Topping-off ceremony for Christchurch Justice and Emergency Services Precinct



Home safety service nationwide rollout complete

NetSafe appointed approved agency under the Harmful Digital Communications Act 2015



Collections Home Agent project implemented

New customer-focused website launched

Restorative justice lowering reoffending rate

Reoffending rates 17% lower for 17-19 year olds



Wifi now available to people working in most dedicated higher court buildings

New investment approach for justice announced

to boost crime prevention and reduce harm

JAN '16

FEB

MAR

APR

MAY

JUN



A young woman with long brown hair is smiling and looking towards the camera. She is wearing a black t-shirt. In the background, a man in a blue denim shirt and light-colored pants is standing on a sandy beach, and another person is crouching down. The scene is brightly lit, suggesting a sunny day.

**Making it easier for people
to use justice services
so everyone can get on
with enjoying life**

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460,000

requests for criminal histories processed

52,400

customers granted legal aid

More than

192,000

cases handled across all courts and tribunals

137,000

NEW DISTRICT COURT CRIMINAL CASES RECEIVED

59,500

NEW FAMILY COURT CASES RECEIVED



Public Defence Service
Ratonga Wawao ā-Ture Tūmatanui

16,000 NEW CASES

\$191 million

COLLECTED IN FINES AND REPARATIONS



1.4 million

phone calls answered by our contact centres

OVER \$50 million
3rd party services purchased from

163

COMMUNITY-BASED PROVIDERS

3.5 million

VISITORS TO OUR WEBSITE



45,000

CIVIL ENFORCEMENT APPLICATIONS PROCESSED

12,600

APPLICATIONS TO THE DISPUTES TRIBUNAL PROCESSED



Andrew Bridgman

*Secretary for Justice
and Chief Executive*

28 SEPTEMBER 2016

Introduction

from the Chief Executive

Welcome to the 2016 Ministry of Justice Annual Report. I do not intend to summarise the achievements well documented in this report, they speak for themselves. Rather there are 3 key points I want to use this introduction for.

I would like to begin by thanking our people – 3300 of you that provide public services in the justice system every day. The milestones and achievements referred to in this annual report are a credit to you, your hard work, your commitment and your passion for justice. Thank you to you all.

A major initiative that has been a highlight for the Ministry is the work done in support of the Minister of Justice, Hon Amy Adams' initiative to strengthen laws relating to family violence. Minister Adams and the Prime Minister announced the package of reforms in mid-September and I am proud of the work that the people in the Ministry did in providing advice on this package. Family violence is a strain on the fabric of New Zealand society and these efforts will go to help make people safer through earlier and more effective interventions.

Modernising the courts system remains a priority for the Ministry. The system needs to be more customer and client centric, recognising the fact that it is all about the public of New Zealand that access courts and courts-related services. A lot has been done, a lot is being done, but a lot more has to be done, so that people who come into the system are dealt with in a modern, accessible, people-centred way.

Our strategy

OUR STRATEGY 2015-2017

WHAT_
Deliver modern accessible people centred justice services

GOALS_
Modernise courts and tribunals to get people through quicker
Complete Treaty settlements with groups who are ready
Reduce crime, victimisation and harm
Provide great service to the public every day

HOW_
CUSTOMER
Walking a mile in the shoes of the public
CONTINUOUS IMPROVEMENT
Always strive to provide a better service
COLLABORATION
Helping each other to succeed
RESULTS MATTER
We are all accountable

PRIORITIES_
Develop our people
Turn data into insight
Build robust, functional ICT
Ensure good communications
Make the ministry a great place to work

Our mission is to deliver modern, accessible and people-centred justice services that deliver better outcomes for New Zealanders. Our strategy provides us with a common direction and focus for achieving that mission.

We have set ambitious goals that focus our collective effort on achieving the things that matter to New Zealanders:

- modernise courts and tribunals to get people through quicker
- reduce crime, victimisation and harm
- provide great service to the public every day
- complete Treaty settlements with groups who are ready.

We have also identified priorities that will help us build a more capable and sustainable organisation:

- develop our people
- turn data into insight
- build robust, functional ICT
- ensure good communications
- make the Ministry a great place to work.

Our strategy sets out 4 perspectives that all our people need to have to achieve our goals. They reflect our customer focus, our drive to modernise services, the need to work with our sector partners and our commitment to deliver value for New Zealanders.

■ **Customer**

Walk a mile in the shoes of the public.

■ **Continuous improvement**

Always strive to provide a better service.

■ **Collaboration**

Help each other to succeed.

■ **Results matter**

We are all accountable.



The outcomes we want for New Zealanders

We strive to create safer communities, increase trust in the justice system, and maintain the integrity of our constitutional arrangements. Everything we do is focused on delivering these outcomes.

WE WANT SAFER COMMUNITIES...

To make communities safer, we're working to reduce crime, victimisation and harm, and we're targeting family and sexual violence. We're improving services for the people who need them most, and working with high-risk communities to disrupt offending behaviour and support the most vulnerable.

We provide many different services to the public, including helping families resolve disputes and ensuring that offenders are held to account.

...WITH INCREASED TRUST IN THE JUSTICE SYSTEM...

We're strengthening public trust in the justice system by ensuring processes are open, transparent and impartial, and by providing more responsive, accessible, and cost-effective services. Most importantly, we treat people fairly

and with respect. People who end up in the system are often at their most vulnerable. We can help them by making sure they spend as little time in the system as possible.

...AND THE INTEGRITY OF OUR CONSTITUTIONAL ARRANGEMENTS MAINTAINED.

Our justice system is underpinned by some fundamental principles and values that we hold – like the fact that we have an independent judiciary. We're a nation committed to ensuring that the rights of New Zealanders are protected and to enhanced Crown-Māori relationships.

Our justice system upholds civil and political rights, and property rights, contracts and civil obligations. This ensures New Zealanders can transact with confidence, knowing the system will protect their interests. Despite being a small nation, we play an active role in upholding the global rule of law and other international obligations.

Delivering on the goals and priorities in our strategy will enable us to realise these outcomes and take us closer to our vision of a safe and just New Zealand.

- Our progress towards achieving our goals is set out in *Delivering modern, accessible, people-centred justice services* (page 8).
- Our success in building a more capable and sustainable organisation is set out in *Organisational health & capability* (page 35).
- The results of our work are set out in *Our performance* (page 43).

■ THE JUDICIARY AND CONSTITUTIONAL INDEPENDENCE

A key role for the Ministry is supporting the judiciary and courts.

The Ministry provides the administrative services necessary to operate the New Zealand court system and to support judicial decision-making. Administrative support includes transcription services; finance; information and communications technology; human resources; and funding and support for the Institute of Judicial Studies, which provides continuing legal education and development.

In delivering services, the Ministry recognises the importance of the constitutional requirements of independence of the judicial function and works with the judiciary to ensure this is preserved and maintained. The courts must be, and must be seen to be, separate from and independent of the executive – this serves to uphold the rule of law.

Employees, such as court registrars who exercise quasi-judicial functions, do so as officers of the Court. The Ministry doesn't direct or control employees when they're exercising these functions.

The official conduits for communications between the Ministry and the judiciary are the Judicial Office for Higher Courts and the Courts Consultative Committee. Through these channels the Ministry seeks judicial input into some of its operations, such as on improvements to court processes and service design.



Delivering modern, accessible, people-centred justice services

Our journey to improve our services and their delivery is focused on modernisation, better accessibility and an improved customer experience. This is based on our 4 strategic goals

1.

**MODERNISE COURTS
AND TRIBUNALS TO
GET PEOPLE THROUGH
QUICKER.**

2.

**REDUCE CRIME,
VICTIMISATION
AND HARM.**

3.

**PROVIDE GREAT
SERVICE TO THE
PUBLIC EVERY DAY.**

4.

**COMPLETE TREATY
SETTLEMENTS WITH
GROUPS WHO ARE
READY.**

This section shows the progress we've made towards these goals and how we're placed to continue our work in the coming years.

Modernise courts and tribunals to get people through quicker

The court system exists to perform an important function for the public, allowing them to fairly and effectively resolve their disputes and get on with their lives.

Traditionally, our court services have been organised around legal processes and separate court jurisdictions which have been very dependent on physical location. Our processes have been heavily paper-based and people have been required to physically attend court too often.

Public expectations of our services are changing. Technology is transforming how people engage with each other and they expect us to keep pace. They want and expect our services to be timely, transparent, consistent and accessible.

Our modernisation is centred on our customers.

We're focused on continuous improvement and providing fair, accessible, high-quality justice services. In this way, we'll ensure

we retain the high level of trust New Zealanders have in their justice institutions.

Key to our long-term strategy of improvement are these 4 goals:

- reduce the time it takes to hear and resolve matters
- improve the user experience
- simplify and standardise in order to improve productivity and efficiency
- reduce dependency on physical location.



Reduce the time it takes to hear and resolve matters

Speed is an important element of a fair and accessible justice system. A big part of our modernisation work is focused on delivering services faster and, in particular, reducing the time it takes to resolve cases.

WE'RE IMPROVING THE TIMELINESS OF COURTS AND TRIBUNALS

In 2013, we set ourselves an ambitious 5-year goal: by 2018, we would halve the time it takes to deliver our services. We set this aggressive target because we wanted to significantly improve our performance in an area that makes a tangible difference to New Zealanders' lives.

Since 2013, we've reduced by 22% the average age of District Court criminal category 1 cases (for example, matters subject to a fine) and reduced by 33% the average age of High Court civil appeal cases.

We've improved our timeliness by focusing on clearing old cases first and improving the speed and

quality of court administrative processes.

In future we will set a new aspirational goal: all serious harm cases disposed of within 12 months. This is based on the premise that justice delayed is justice denied. It is a goal that our customers, our people, and our sector partners can understand and work towards. Achieving this goal will take several years and require us to work together with our sector partners.

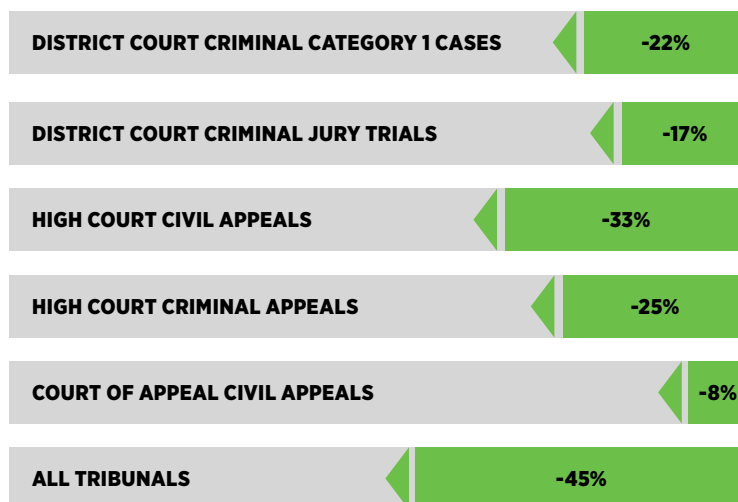
HOW WE'RE MAKING THE PROCESS QUICKER FOR CUSTOMERS

In the past year, we've implemented better processes to improve case scheduling and efficiency. Most courts now schedule cases in real time – this means the date, time and place

for the next hearing is set before parties leave the courtroom. In November last year, the Tenancy Tribunal began using a case management system developed by the Ministry of Business, Innovation and Employment, which enables the rostering of adjudicators to be streamlined and speeds up responses to customers by sharing documents digitally.

In line with our modernisation goal, we're also supporting the Minister of Justice with legislative initiatives to reform the justice sector, including the Courts and Tribunals Enhanced Services Bill which will modernise and improve processes for the Disputes Tribunal and 22 other tribunals, and some court processes. We expect the Bill to be introduced to Parliament in late 2016.

The average age of cases has reduced since 2013





Improve the user experience

We're particularly concerned with the experience customers have as their case goes through the system – whether as a victim or witness, if they're paying a fine, or in some other way. Our customers tend to interact with us at a very stressful time in their lives. That's why it's important they're treated with respect when they come to us and that our services exceed their expectations. Our focus is on doing whatever we can for them at what is often an unexpected and vulnerable time in their lives.

In line with our multi-jurisdictional focus, we're combining our customer counters and training our employees to respond to a wider range of enquiries. This will make it easier and less stressful for people to use our court services. In Auckland, which has 40% of New Zealand's District Court workload, 5 out of 6 District Courts have already shifted to the new combined counters.

**OUR CUSTOMERS RATE
THE NEW MANUKAU
DISTRICT COURT
CUSTOMER SERVICE
CENTRE AS**

our best

HOW WE'RE MAKING THINGS BETTER FOR OUR CUSTOMERS

User-friendly courts

Courts are being modernised to be more customer-focused, efficient and responsive, and able to respond to changes in demand. An example is the Christchurch Justice and Emergency Services Precinct, which will provide modern accessible facilities and streamlined services for court users. When it's completed in 2017, about 2000 people will use the precinct every weekday.

In August last year, we finished upgrading Manukau District Court, one of New Zealand's biggest courts. It now has:

- a multi-jurisdictional customer services centre with capacity to meet changing demand

- new secure witness technology that protects witnesses from direct contact with defendants

- 4 new courtrooms, extra hearing rooms, holding rooms, interview rooms and judges' chambers.

Other property developments this year included:

- completing a major upgrade of the Waitakere District Court
- receiving approval from Cabinet to seismically strengthen the Dunedin Courthouse
- agreeing to transfer and leaseback the Oamaru Courthouse from the Waitaki District Council once the council has seismically strengthened the building.

Communicating in ways users expect

We're implementing secure free wifi in courts to enable easier use of mobile devices by the judiciary and stakeholders such as Police, Corrections and lawyers. The service is available at 5 higher courts and the Auckland, Waitakere, North Shore and Manukau District Courts.

Since December, more than 2600 people have signed up to receive a text message reminder about their forthcoming court or tribunal appearance. We're extending the service to more jurisdictions in the coming year and expect it to substantially reduce the 3500 warrants to arrest that are issued each year to people who fail to attend court.

WE'VE WORKED ON MAJOR PROPERTY DEVELOPMENTS THIS YEAR



Simplify & standardise

Much of our work that doesn't need to happen in a court building is now done at the Districts Courts Central Registry, including:

- booking and paying interpreters for court hearings
- processing notices of proceedings and default judgments for the District Court
- processing applications to the Disputes Tribunal
- processing divorce applications.

By centralising and streamlining these activities we've ensured greater consistency. It also enables the work to be managed more efficiently, resulting in significant improvements in processing time. For example:

- processing divorce applications takes 24 hours compared to 6 weeks previously
- centralised booking of interpreters has reduced delays to hearings due to interpreters being unavailable
- civil applications for judgment are processed within 24 hours compared to 6 weeks previously

- automating the selection of fines defaulters for income deductions and communicating electronically with the Ministry of Social Development (MSD) has improved our collection efficiency and is expected to lead to significant savings for us and MSD
- probate processing – the 15,000 applications we process each year now take 15 days compared to 31 days previously.

PROCESSING TIMES FOR

PROBATES

have more than

HALVED

**PROCESSING TIMES FOR DIVORCE APPLICATIONS
& CIVIL APPLICATIONS FOR JUDGMENT HAVE BEEN
DRAMATICALLY SHORTENED**



Reduce dependency on physical location

We're upgrading audio-visual links between courts and prisons

Together with the Department of Corrections, we've completed a \$27.8 million upgrade and expansion of audio-visual links (AVL) between 19 courts and 12 prisons and the Mason Clinic (the secure mental health unit in Auckland).

AVL increases the safety and security of everyone by allowing prisoners to make remote court appearances at any connected court in the country, without having to leave prison. It also cuts the transportation cost to the Department of Corrections of taking prisoners to and from the court for what is often a very brief appearance. In 2015/16, there were more than 12,000 remote appearances in courts using AVL.

Our website makes it easy to access justice services online

We launched a new-look Ministry website. It works on all platforms, including mobile devices, and is a quick and easy way for customers to find information, making it simpler and faster for them to access justice services. It's also a better platform for future digital services.



Our collections employees now work in their own homes

The Home Agents Project, implemented after a 2-year pilot, will see our Collections employees, previously based at 27 courts, working from home.

They don't need to be in any specific court to do their job because most people pay their fines online or over the phone. The pilot found that, when working from home, our people were better able to focus on the task, helping them feel more engaged and be more productive. They had the highest engagement levels in Collections and some of the highest in the Ministry. They also valued the flexibility that working from home offers – especially regarding child care arrangements and savings from not having to commute.

The project has significantly reduced the cost of collections while maintaining productivity levels and service quality.



3.5 million
VISITORS TO OUR WEBSITE



**More than 2600
people have already
signed up to get text
reminders for court
appointments**

■ HELPING DEFENDANTS GET TO COURT ON TIME

Getting people to court on time is one way of speeding up the justice process. Fewer delays mean faster service, which lets people get through the courts and get on with their lives. This year we launched a text message service to remind people of their court appointments; more than 2600 people have already signed up to the service.

Criminal defendants in the district courts were the first to get the service. We recently extended the service to disputes tribunal users.

Many criminal court appointments are unable to proceed because the defendant fails to show up. For example, 4-6% of case review, sentencing and judge-alone trials are stalled when this happens.

This translates to more than 3500 court appointments that have to be rescheduled and 3500 warrants to arrest each year.

A cancelled event wastes the time of everyone involved. If the text service reduces non-appearances by even 1% it will save 23 court days a year, freeing them up for other cases.

Reducing crime, victimisation and harm

We're leading the justice sector to reduce crime. We support early intervention to avoid entry into the justice system and provide effective responses when crime does occur.

Reducing crime requires many agencies to work together across the social and justice sectors. We work closely with our justice sector partners the New Zealand Police, the Department of Corrections, the Crown Law Office, the Serious Fraud Office, and non-governmental organisations, Crown entities and other agencies.

This has helped the sector progress towards achieving the government's Better Public Service (BPS) targets.

Better Public Service targets to reduce crime

The justice sector is responsible for **Better Public Services Result 7: Reduce Crime** and **Result 8: Reduce Reoffending**. The target for Result 7 is a 20% reduction in total crime by June 2018. The target for Result 8 is a 25% reduction in reoffending by June next year.

The total crime rate is down 15% from June 2011 against a target of 20%. Reoffending is down 5.6% from June 2011 against a target of 25%. Clearly we have some way still to go. Reaching these targets will be challenging. In March, the Minister of Justice announced 2 new supporting measures that will provide better insight about the violent crime rate. They are:

- violent offences in private dwellings (a proxy for family violence)
- violent offences in public places.

This new way of representing family violence in our BPS results will help us gain a better understanding of the level of violence within the home and, in turn, help us direct services where they're most needed.

15%

LESS TOTAL CRIME

33%

LESS YOUTH CRIME

BPS targets and results



REDUCED **15%**

BPS TARGET REDUCE 20% BY 2018

VIOLENT CRIME IN PUBLIC PLACES REDUCED 19%	VIOLENT CRIME IN HOMES HAS INCREASED 3%
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REDUCED **4%**

BPS TARGET REDUCE 20%
BY 2017



REDUCED **33%**

BPS TARGET REDUCE 25% BY 2017

reoffending



REDUCED **5.6%**

BPS TARGET REDUCE 25%
BY 2017



Restorative justice

Another key initiative that is reducing crime and reoffending is the continued expansion of restorative justice services. Restorative justice gives victims a stronger voice in the criminal justice system and holds offenders to account for their crimes.

Earlier this year we released analysis of the rate of reoffending among offenders who had been through restorative justice (2008–2013). It showed, on average, they committed 26% fewer offences and had a 15% lower rate of reoffending than comparable offenders in the following 12-month period.

In 2015/16, there were 12,518 referrals to restorative justice services and 2981 conferences were held compared with 8506 referrals and 2231 conferences in 2014/15.

OFFENDERS WHO PARTICIPATE IN RESTORATIVE JUSTICE CONFERENCES REOFFEND

15% LESS



Addressing family violence

We support the Ministerial Group on Family and Sexual Violence which is co-led by the Ministers of Justice and Social Development. The group aims to reduce the devastating impact that family violence and sexual violence have on people and communities. In addition to supporting the Ministerial Group, we're focused on 4 areas:

- Better supporting and protecting victims of family violence
- Improving victims' experience of the justice system
- Supporting judicial decision-making in cases involving family violence
- Ensuring family violence legislation is modern and fit for purpose.

In August last year, the Minister of Justice launched a review of family violence law with a view to developing new legislation that better supports keeping victims safe and holding perpetrators to account. As part of this, the Domestic Violence Act 1995, the Care of Children Act 2004 and criminal law will all be reviewed. We received 500 responses to the discussion document.

INAUGURAL CHIEF VICTIMS ADVISOR

In November, the Minister of Justice appointed Dr Kim McGregor QSO as the inaugural Chief Victims Advisor to Government. Dr McGregor's role is to improve the experiences of victims in the justice system. She will listen to victims' perspectives and advise the Minister how their experiences of the system can be improved.

ESTABLISHING THE NATIONAL HOME SAFETY SERVICE

The National Home Safety Service began on July 1 last year. It's a crime prevention initiative that enables the homes of high-risk victims of repeated family violence to be made safer. For example, by replacing glass-panelled doors with solid doors, installing security lights and monitored personal alarms, replacing locks, and repairing broken windows.

The National Collective of Independent Women's Refuges is contracted to provide the service. To date, it has worked on 237 homes with another 700 to be upgraded over the next 2 years. In a recent survey, of 72 respondents, 94% advised they had not been subjected to further family violence in the home within the 6 months after their home was upgraded. Of the 254 alarms triggered last year, 25 were due to the offender attempting to get into the property.

INCREASING PARTICIPATION IN FAMILY VIOLENCE PROGRAMMES

The uptake of family violence programmes continued to increase during the year as a result of the changes to the Domestic Violence Act 1995 that were implemented in 2014. These were intended to improve access to safety programmes for victims and to increase the accountability of perpetrators.

For perpetrators, the programmes include non-violence programmes; for victims, programmes include the Strengthening Safety service (where there has been a court intervention). The service provides immediate interventions through needs identification, first aid safety planning and safety assessments.

In 2015/16, referrals to adult safety programmes **increased by 37%** after doubling the previous year.

Referrals to children's programmes **increased by 60%** compared with a 56% increase the previous year.

Referrals to non-violence programmes **increased by 9%** during the year compared with a 19% increase in 2014/15.

IMPROVING FAMILY VIOLENCE CASE INFORMATION FOR JUDGES

In September, the Family Violence Summary Report pilot was launched in the Porirua and Christchurch District Courts. It was then expanded to include 8 District Courts around the country. The pilot is a judicially-led initiative to keep victims safe by ensuring judges have relevant, timely and consistent information to assess risk when determining bail applications.

Judges get an information pack for all family violence bail applications before the hearing. The pack includes the Family Violence Summary Report, a summary of facts, the defendant's previous criminal history and bail history, the victim's views about bail, and whether there are any Domestic Violence Act and Care of Children Act proceedings involving the defendant.



Responding to the needs of victims

THE VICTIMS CODE

The Minister of Justice launched the Victims Code in September. The code sets out how victims of crime can expect to be treated by people working to help them. It explains their rights and what services are available to them, with the intention of ensuring their experience with the justice sector is as stress-free as possible. The code explains 11 victims' rights related to the following 5 areas:

- receiving information about programmes or services
- receiving information about progress of the case
- the victim's involvement during proceedings
- receiving notifications after sentencing
- for victims in the youth justice system, to participate in family group conferences.

The code also lists the principles that are expected to be followed by the agencies and organisations that provide services to victims.

The code is a cross-agency initiative, led by the Minister of Justice. Agencies involved are the Ministry of Justice, New Zealand Police, Department of Corrections, Ministry of Health, Ministry of Social Development, and Ministry of Business, Innovation and Employment.

COMPLAINTS FROM VICTIMS

The code explains how victims can make a complaint if they believe they haven't been afforded one or more of their rights. It's important that we know when victims rights are not being met so we can identify what went wrong and ensure that their concerns are addressed. Agencies work together to ensure all complaints are directed to the correct agency for a response.

During the year, the Ministry received 7 complaints from 5 victims alleging a breach of rights under the Victims' Rights Act 2002.¹ Of these:

- 2 concerned the right to receive information about programmes or services
- 4 concerned the right to receive information about progress of the case
- 1 concerned the right to be involved during proceedings.

All of the complaints were upheld or partially upheld and complainants received an apology.

We work with other justice sector agencies to use the information from complaints to identify and address areas for improvement.

¹ From 2015/16, agencies with responsibilities to victims are required to include information in their annual report on the number of complaints they received alleging a breach of rights under the Victims' Rights Act 2002.

VICTIMS INFORMATION SERVICE

In October, we launched a new Victims Information Service. The service includes a comprehensive website – victimsinfo.govt.nz – and an expanded 24/7 information line (0800 650 654). The service gives people affected by crime quick and easy access to information about the criminal justice system and where they can get support.

It also connects them to services that can help and ensures crisis calls are directed to the correct agency.

Since its launch, we've seen a big increase in the number of people accessing information and advice through the website and information line. Over the 2015/16 year, there were:

- almost 26,000 callers to the information line, a 17% increase on the previous year
- on average, 2100 calls to the information line each month; that's approximately 100 calls each business day
- over 23,000 unique website sessions.

In March 2016, we released an animated video explaining how victims can expect to be treated and what happens during the criminal justice process. It was developed in consultation with the New Zealand Police, the Department of Corrections and Victim Support and is just one example of how we're working with our justice sector partners to improve the justice experience for victims.

IMPROVING SERVICES FOR VICTIMS

During the year, we made the following changes to better meet victims' needs:

- introduced an online complaints form on the Victims Information website
- reviewed the victim complaints handling procedures and improved the complaints database
- trained our frontline teams about the Victims Code, including their specific legislative responsibilities to victims
- introduced a Collections victim-tracing programme to facilitate quicker and more efficient reparation payments to victims
- introduced a new referral form for prosecutors in non-police prosecutions to engage the services of a court victim advisor
- worked with the New Zealand Police, the Department of Corrections and the Ministry of Health to produce information about the Victim Notification Register.

IMPLEMENTING THE HARMFUL DIGITAL COMMUNICATIONS ACT 2015

The Harmful Digital Communications Act 2015 addresses the effects of cyberbullying and other harm caused by digital communications. The Act created a new criminal offence and safe harbour provision to limit the liability of online hosts for harmful content posted by others.

The Act also created an approved agency to handle complaints about harmful digital communications and to educate the public about online conduct. NetSafe was appointed as the approved agency in May and will start operating in November. We expect NetSafe to get up to 2500 qualifying complaints a year.



**Victims
Information**

For people
affected by crime

victimsinfo.govt.nz

0800 650 654

victimscentre@justice.govt.nz



26,000 calls

100 calls each business day

▲ 17% more calls than last year

Over **23,000** unique website sessions



■ AWARD-WINNING SUPPORT FOR YOUNG OFFENDERS – NGĀ KŌTI RANGATAHI

Our work to support young offenders across the country grew during the year with a new Ngā Kōti Rangatahi – marae-based youth court – being established at Rauhoto Marae, Taupō on December 5, 2015. There are now 14 Ngā Kōti Rangatahi within 13 marae.

The first Rangatahi Court was established within the Youth Court in 2008; they have helped reduce Māori youth reoffending by 15%.

A court is introduced at the request of local iwi, with our support and the support of the judiciary. Their aim is to improve the engagement of Māori youth offenders and their whānau, hapū and iwi with the court system, and deal more appropriately with the issues behind offending. Reconnecting Māori youth with their culture and sense of identity is key to this.

The courts were recognised internationally and nationally in 2015/16, winning the prestigious Australasian Institute of Judicial Administration Award (AIJA) for Excellence in Judicial Administration in November and the 2016 Institute of Public Administration New Zealand (IPANZ) Excellence Award.

Providing great service to the public every day

The New Zealand public are at the core of our mission for one reason – we’re a service delivery organisation and it’s the public who use our services. Every day, more than 2500 (75%) of our people provide services to enable our customers to resolve justice issues.

New Zealand has a busy justice system. Every year, our people deal with and respond to a huge number of legal cases, applications, and requests for information, as well as collecting millions of dollars in fines and reparations. In the past year, some of the services we’ve provided have included:

- more than 192,000 cases handled across all courts and tribunals
- 137,000 new District Court criminal cases received
- 59,500 new Family Court criminal cases received
- 16,000 new cases accepted by the Public Defence Service
- 52,400 customers granted legal aid
- 460,000 requests for criminal histories processed
- \$191 million in fines and reparations collected
- over \$50 million of third-party services purchased from 163 community-based providers
- 1.4 million phone calls answered in our contact centres
- 3.5 million visitors to our website
- 12,600 applications to the Disputes Tribunal processed
- 45,000 civil enforcement applications processed.



New Operations and Service Delivery group

Our customers want services that are easy to access, convenient and tailored to them but, like many government departments, we've traditionally been organised around our own machinery and rules.

In April, we created one Operations and Service Delivery group under the national leadership of a Chief Operating Officer, Operations and Service Delivery. The new group will focus on operational excellence and our customers, and how to use our resources more effectively and efficiently. The structure for the group will be completed during 2016/17.

The group will:

- deliver processes designed around our customers
- create a skilled workforce that can move between jurisdictions and roles to better manage peaks and flows
- create opportunities for our people to upskill and create more satisfying career pathways
- have simple management structures that are easier to navigate.

We administer the courts and tribunals

We provide case management and administer courts, tribunals, authorities and committees. The courts and tribunals we administer include:

- the District Courts which have jurisdiction over most criminal matters, other than the most serious offences, and civil claims up to \$200,000. The Family Court and the Youth Court are part of the District Courts
- the High Court, Court of Appeal and Supreme Court
- specialist courts such as the Environment Court, Employment Court and Coronial Services
- the Māori Land Court
- 29 tribunals and authorities with over 400 judicial officers and certifying consultants
- the Waitangi Tribunal which inquires into claims of breaches of the Treaty of Waitangi by the Crown
- other specialist courts, such as the Alcohol and Drug Treatment Courts, Matariki Court and Rangatahi Courts.

Our courts and tribunals teams provide other essential services including:

- technical and judicial security which provides a secure and safe environment for the judiciary, court users and our employees
- the National Transcription Service which transcribes proceedings across all jurisdictions and in other areas of the wider justice sector
- judicial libraries which provide library and information services to the judiciary and judicial support teams, and publishes judicial decisions online.

PROVIDING SOLUTIONS THROUGH OTHER SPECIALIST COURTS

We administer a range of other specialist courts which are responding to the increasing awareness across the justice sector and within government of the importance of providing 'wrap-around' responses to offending. The courts are usually judge-led and focused on finding solutions. They provide therapeutic jurisprudence through rehabilitation plans and judicial monitoring to address offenders' criminal tendencies. A number of the courts also encourage a cultural component and the involvement of whānau, hapū and iwi or their equivalent.

Most will also encourage victims to be involved. Specialist courts include:

- 8 Family Violence Courts
- the New Beginnings Court in Auckland and the Special Circumstances Court in Wellington. They address persistent low-level offending by people who are homeless and who have impaired decision-making capacity, mental illness and addictions
- the Matariki Court in Kaikohe in response to the over-representation of Māori in the justice system
- courts to address youth offending such as the:
 - 14 Rangatahi Courts and 2 Pasifika Courts which respond to youth offending by involving Māori and Pasifika communities respectively in the justice process
 - the Christchurch Youth Drug Court
 - the intensive monitoring group which targets young people with complex needs who require monitoring to comply with their Family Group Conference plan
- the Alcohol and Drug Treatment Courts pilot in Auckland and Waitakere District Courts.

We ensure all New Zealanders have access to justice

We ensure that people with limited financial means are able to access justice through granting applications for legal aid, advice provided through Community Law Centres and the work of the Public Defence Service.

LEGAL AID

Legal aid is available for people who need a lawyer but can't afford one. In this way, New Zealanders are not denied justice because they can't afford legal help. People charged with a criminal offence or involved in some family disputes or civil matters can apply. Last year we granted 74,100 applications for legal aid compared to 69,300 in 2014/15.

About 80% of legally aided people don't have to repay the grant but in some circumstances it must be repaid. The amount payable depends on the financial means of the recipient. Last year \$20.4 million of legal aid was repaid; this was an increase of \$1.7 million from 2014/15.

PUBLIC DEFENCE SERVICE

The Public Defence Service (PDS) is New Zealand's largest criminal law practice with over 150 criminal defence lawyers in 10 offices across the country. It provides independent representation to defendants who have legal aid in criminal cases, and also provides duty lawyer services in the courts. Last year PDS accepted 16,001 new cases; this was an increase from 15,429 the previous year.

COMMUNITY LAW CENTRES

We ensure that free legal services and law-related education are provided to New Zealanders through the Community Law Centres (CLCs). CLCs provide people who can't afford a lawyer with legal services through walk-in centres, a website and phone service. They also undertake community engagement to inform changes in legal education and specialised legal services. In 2015/16, CLCs helped 48,054 case work clients and saw 32,335 participants in law-related education.

Legal aid and PDS	2015/16	Change from previous year
Legal aid applications granted	74,100	7%
Legal aid expenditure (\$)	\$137.5 million	5%
Legal aid debt collected (\$)	\$20.4 million	9%
Total legal aid debt (\$)	\$126.3 million	-1%
PDS cases accepted	16,001	4%

We collect fines and reparations

Effective collection of fines and reparations is important in ensuring the credibility of fines as a sentencing option. We follow up on the non-payment of court-imposed fines and reparations, and enforce civil debts on behalf of judgement creditors where the courts have ordered payment.

In the past 2 years, the amount of debt owing from fines and reparations has slowly risen and the amount of debt collected has fallen. At 30 June 2016, total debt owing was \$593 million compared to \$576 million at 30 June 2015. However, total debt is significantly below its peak of \$806 million in 2009. These changes are the result of rising impositions from multiple new sources of fines. We expect that the Home Agents initiative will help our collections performance in future years.

OFFENDER LEVY

We also collect the offender levy. The levy is \$50 charged to any person or company sentenced in the District or High Court. We use it to fund grants for services for victims of serious crime.

In 2015/16 we collected \$3.2 million compared to \$3.6 million in 2014/15. The decrease is due to falling crime levels and a rise in remittals.

Last year, the levy funded 15 services and grants supporting more than 6000 victims including:

- a case worker to support families of homicide victims
- sexual violence court victim advisors to provide information and support to victims of sexual violence
- national sexual violence survivor advocates
- financial assistance for victims of serious crime.

We help people in need

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

prevention and community safety programmes.¹ In this way, we help to:

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

See Reduce crime, victimisation and harm (page 16) for more information about the services we deliver as part of our efforts to create a safe and just New Zealand.

¹ From 2016/17, most crime prevention and community safety programmes will be administered by the Ministry of Social Development and the New Zealand Police.

Collecting fines and reparations	2014/15	2015/16
Total debt owing (as at 30 June)	\$576 million	\$593 million
Total fines and reparations collected	\$212 million	\$191 million
Reparations receipted	\$22 million	\$24 million
Offender levy collected	\$3.6 million	\$3.2 million
Debt under arrangement	46.6%	42.3%



■ HELPING YOUNG VICTIMS IN COURT WITH NEW ZEALAND'S FIRST COURT DOG

During the year we introduced Louie, an 8-year-old black Labrador, to the Tauranga District Court to help young victims and witnesses feel more comfortable in court and to minimise the trauma of giving evidence. Louie can stay with victims and witnesses during a trial, and during the pre-trial court familiarisation visit. This helps young victims and witnesses relax and makes it easier for them to give clear and accurate testimony.

Louie is owned by a Victims Advisor, who first had the idea of a court dog when she looked into what additional support could be given to 2 young people who had to give evidence. Previously, Louie had visited children in hospitals, and the elderly. The Police Child Protection Team has since arranged for Louie to be used for a number of trials.



■ MORE TE REO MĀORI HEARD IN DISTRICT COURTS

In the past year, we introduced te reo Māori for the opening and closing of all District Court sessions with Justices of the Peace (JP) and community magistrates. Audio files, flip cards and peer mentoring help everyone feel comfortable and confident using the new court greetings.

Using te reo Māori for opening and closing all court hearings is a recognition of it as one of New Zealand's official languages and as a taonga that is protected by the Treaty of Waitangi.

The 45 employees who self-nominated to be te reo Māori champions were instrumental in a greater use of the language in court. They helped organise training and a buddy system where people could practise the greetings in a safe and encouraging environment. The response from court employees has been very positive, with people identifying more ways they would like to use te reo Māori in their work.

The expanded te reo announcements follow their successful introduction in District Court criminal sessions, the Family Court, Youth Court, Waitangi Tribunal, Rangatahi Courts and Matariki Court.

This year, community magistrates and judicial JPs presided over 90,000 court events.



Completing Treaty settlements with groups who are ready

Through the Office of Treaty Settlements (OTS), we work with claimant groups to resolve their historical grievances through settlement negotiations with the Crown.

The Crown's objective in settling Treaty claims is to achieve fair and durable settlements that contribute to the cultural, social and economic development of Māori and enhance the Crown-Māori relationship.

The Government is committed to completing historical Treaty settlements and intends for all willing and able claimant groups to either be mandated or in active negotiations with the Crown by the end of 2017.

Our work to ensure fair and durable settlements includes:¹

- negotiating settlement of all historical claims directly with claimant groups under the guidance and direction of Cabinet
- providing policy advice to the government on generic Treaty settlement issues and individual claims
- overseeing the implementation of settlements
- administering the protection mechanism for Crown-owned land for use in Treaty settlements.

¹ Until 30 June 2016, the Ministry of Justice also managed the surplus Crown properties that were available for settlement redress. This function has now been transferred to Land Information New Zealand.

Progress on Treaty settlement negotiations

Our focus in the past year has been on progressing settlements with the remaining Kahungunu, Hauraki and Tāmaki groups. We also started negotiations with the Chatham Islands groups. With Ngāti Maru signing their deed of mandate, we've moved closer to final negotiations in the Taranaki region including Taranaki Maunga negotiations with the 8 Taranaki groups.

Following the Waitangi Tribunal Ngāpuhi Mandate Inquiry Report, we facilitated the Ngāpuhi engagement group process to develop options for a way forward for negotiations.

At 30 June 2016, 87% of all iwi groups nationally had a recognised mandate, and 79 deeds of settlement had been signed representing over 70% of New Zealand's land area.

Deeds of settlement have been signed with 59% of all groups and we expect approximately 56 more deeds will be signed, depending on the final configuration of negotiating groups.

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

OTS is also responsible for administering applications under the Marine and Coastal Area (Takutai Moana) Act 2011 (MACA). The deadline for applications to be lodged is 3 April 2017.

Our work to manage applications includes:

- providing policy advice to government on issues related to the Act
- meeting with iwi, hapū and whānau to publicise the application process
- providing online resources to support applications.

At 30 June 2016, OTS had received 31 applications for recognition agreements with the Crown, including applications transferred from the Foreshore and Seabed Act 2004.

Safeguarding the durability of Treaty settlements

The Post-Settlement Commitments Unit works alongside the Crown, iwi and local government to safeguard the durability of historical Treaty settlements and help ensure the gains made to Crown-Māori relationships through Treaty settlements are maintained and built upon.

In the past 12 months the unit:

- supported the Attorney-General's kanohi ki te kanohi visits with over 40 settled iwi.
- assisted with the resolution of over 80 issues arising from Treaty settlements.

Milestones	Overall	2015/16
Mandate recognised	98 (87%)	4
Terms of Negotiation signed	96 (84%)	2
Agreement in Principle signed	82 (73%)	2
Deed of Settlement initialled	66 (55%)	5
Deed of Settlement signed	79 (59%)	5
Legislation introduced	62 (52%)	10
Legislation enacted	52 (43%)	7

■ SETTLEMENT OF TE HIKU TREATY CLAIMS

Historical Treaty of Waitangi claims by 4 iwi in the Far North were settled in September 2015 with the passing of the Te Hiku settlement legislation.

In his speech to Parliament on the third reading of the settlement bill, the Minister for Treaty of Waitangi Negotiations, Hon Christopher Finlayson, acknowledged the Te Hiku leaders, including Dame Whina Cooper and Hon Matiu Rata, who had been pivotal in shaping the way in which New Zealand both examines the injustices historically suffered by Māori and strives to address them.

The timing of the Te Hiku settlements, close to the 40-year anniversary of the Māori Land March led by Dame Whina Cooper from Te Hapua in the Far North, also marked an important step towards settling historical claims in Northland.

Far North iwi are known as the iwi of Te Hiku o Te Ika a Māui, the tail of the fish of Māui. Four of those iwi settled their historical claims in 2015 – Ngāti Kuri, Te Aupōuri, Ngāi Takoto and Te Rarawa.

Within 25 years of the signing of the Treaty of Waitangi in 1840, the Crown had acquired all the most fertile of Te Hiku lands by taking land involved in pre-Treaty transactions (under the misnomer of ‘surplus lands’) and had fundamentally altered the relationships between iwi and settlers. Te Hiku Māori were left with the most marginal land and little opportunity to sustain themselves.

These grievances, among others, were the basis for the individual settlements that provide for each of the 4 iwi to determine their own future. The iwi also made a decision to join together to negotiate and agree

common arrangements across significant redress, resulting in one of the largest returns of land to Māori ownership through any Treaty settlement. Some key aspects of this redress are:

- establishing the Te Hiku Conservation Board, which gives Te Hiku iwi greater control over the governance and management of conservation land in their rohe
- restoring the name Te Rerenga Wairua at Cape Reinga and returning it to Māori ownership and protection
- recognising the spiritual significance of Te Oneroa-a-Tōhē (Ninety Mile Beach) in legislation and providing for Te Hiku iwi – alongside local authorities – to provide governance over Te Oneroa-a-Tōhē.

Organisational health & capability

Our people are behind every aspect of our strategy and execution, so it's important that we attract, develop and retain exceptional people who are empowered to use their best judgement in every situation.

We're building a more capable and sustainable organisation to deliver modern, accessible, people-centred justice services.

Our RISE values underpin everything we do.

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

The priorities are:

- develop our people
- turn data into insight
- build robust, functional ICT
- ensure good communications
- make the Ministry a great place to work.

Developing our people

Our performance as a team determines our ability to deliver on our goals. As we modernise our courts and tribunals, we need to ensure that our people have the right skills to deliver 21st century justice services. We're committed to developing our

people to ensure that we can deliver our services in new ways. In the past year, this has included:

- improving our leadership capability and providing opportunities for our leaders to develop their skills through our Essential Leadership Skills programme. The programme involves workshops and related activities delivered by in-house facilitators and supported by senior leaders and subject matter experts
- launching Thrive, our online learning and development tool, in July 2015. Thrive uses eLearning, eBooks, webinars, online action learning groups and targeted online training sessions, which enables our people to develop in a way that suits them. Since its launch, 86% of our people have used it to complete more than 7000 courses
- launching our updated induction programme. Each new starter has a 90-day induction plan and participates in our orientation day where new employees are brought together to meet senior leaders and understand their roles, priorities and the value they bring to the Ministry.

■ ORIENTATION

Our orientation day is helping new employees to flourish. The first orientation day was held in Wellington and 88 people from 9 sites attended.

The day gives new employees an opportunity to find out about other parts of the Ministry and how they work together, and to develop their professional networks.

They meet our Strategic Leadership Team to learn about different resources and development opportunities, and to connect with colleagues from around the country.

The response has been incredibly positive, with over 90% of participants saying it was worthwhile.

We plan to hold the orientation days each quarter.



Ensuring good communications

Our communications strategy is to build trust and confidence by showing how we're delivering on our strategy for the people of New Zealand.

We're working to ensure our customers have the information they need and can share their views, that we proactively engage with our partners and stakeholders, and that we build a common sense of purpose among our own people. We also want to take a digital first approach, allowing people to engage more effectively with us.

Developments in our communications this year included:

- the new Ministry website that went live on July 1, 2016
- a newsletter, Justice Matters, for 500 stakeholders highlighting some of our achievements and opportunities to engage
- extending our social media reach by adding a Twitter account. We already had a LinkedIn site, which has over 7500 followers
- a new internal communications strategy which includes regular opportunities to hear and engage with the Chief Executive and ministry leaders, more ways to provide feedback, and ongoing promotion of our values.



■ BETTER ONLINE SERVICE FOR 3.5 MILLION WEBSITE VISITORS

New Zealanders want to find information online quickly and easily, especially using mobile devices. Last year our main public website justice.govt.nz had 3.5 million visitors. The website, however, was on an unstable platform and we were getting complaints that information was hard to find and difficult to understand.

This year we redeveloped the website with a clean and simple design, making it much easier for people to find the information they need. The site uses easy-to-understand plain language and has much-improved navigation and search functions.

It's also mobile responsive so people can get the information they want and easily pay fines from smart phones and tablets. Over 35% of our customers visit our website using a mobile device.

The most popular sections are featured on our home page. As customer needs develop, we can update the home page and other parts of the website using more robust website analytics.

We also updated our specialist websites including the Waitangi Tribunal (waitangitribunal.govt.nz), Māori Land Court (maorilandcourt.govt.nz),

Employment Court (employmentcourt.govt.nz), Environment Court (environmentcourt.govt.nz) and Public Defence Service (pds.govt.nz).

This is all part of our commitment to making our services as fast and easy to use as possible so people can spend more time getting on with their lives.

Customer feedback has been incredibly positive. We're proud to put what New Zealanders need at the centre of how we deliver customer service online.

Making the Ministry a great place to work

Every day our people touch the lives of New Zealanders, providing services that are essential to the fabric of today's society. They are at the heart of our ambition to deliver our strategy.

A clear purpose guides everyone's contribution in the Ministry – delivery of modern, accessible, people-centred justice services. This clarity of purpose is underpinned by our values – which are embedded into our operational processes, policies and procedures.

We want the Ministry to be a great place to work and we are committed to providing an environment that encourages people to reach their full potential. This year we:

- refreshed and relaunched the Chief Executive's Awards to recognise and celebrate our people who demonstrate excellence and are champions for our values
- started a service recognition programme. More than 1500 employees who have been with us between 5 and 50 years had their service recognised. We recognise the commitment that our people have made to the Ministry

- finalised new collective employment agreements with the Public Service Association and the National Union of Public Employees. A key emphasis of the new collectives was an increase in pay for those in our lowest 4 salary bands. For a large number of our people this meant a significant increase in their salary
- continued remediating and upgrading our ICT systems to provide employees with the tools they need
- continued promoting our Women's Network to support our women to achieve their personal and professional goals
- continued promoting our Young Professionals Network to support employees in the early stages of their careers to develop skills and build supportive relationships both within the Ministry and across the public sector. We provide informal ways for young Ministry professionals to learn and network, including monthly forums and social events.

INCREASING EMPLOYEE ENGAGEMENT

We engage our employees on issues related to our strategy, our people agenda and changes happening in the Ministry in a variety of ways, including executive video updates, events and forums, our intranet, emails, as well as through individual team leaders.

All our employees are invited to participate in a nationwide survey which allows us to measure engagement levels, identify ways to improve how we do things, and compare ourselves with other organisations. This year our engagement index, which measures how committed our employees are, their desire to continue working for us and their willingness to recommend the Ministry as an employer, increased by 2.7% to 50.1%, up from 47.4% in 2015. While this is pleasing, it's still not where we aspire to be.

PROMOTING EQUAL EMPLOYMENT OPPORTUNITIES

The Ministry of Justice is committed to being a good employer and an employer of choice. We value our diverse workplace, our inclusive culture and our commitment to equality. We promote Equal Employment Opportunities through our practices relating to the recruitment and selection, development, management and retention of all employees.

Our appointments are based on merit, to ensure fairness in employment for all people. At the Ministry, we're committed to promoting a culture in which all people, whatever their gender, ethnic or social background, sexual orientation or role, are valued and treated equitably and with respect.

HEALTH, SAFETY AND WELLBEING

We want everyone working with the Ministry – employees and contractors – to return home safely every day. We begin with the health, safety and wellbeing of our employees.

Our efforts in Health and Safety start at the top and our Strategic Leadership Team maintains close oversight of our Health and Safety work programme.

We support the wellbeing of our employees through a range of initiatives, including an employee assistance program, influenza vaccinations, eyesight and ergonomic assessments.

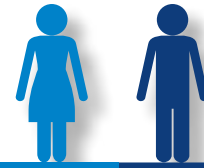
DOING WHAT'S RIGHT

We recognise that ethical conduct is just as important as high performance, and failure to operate ethically will impact public confidence. Our code of conduct sets out our principles and what we expect from employees.

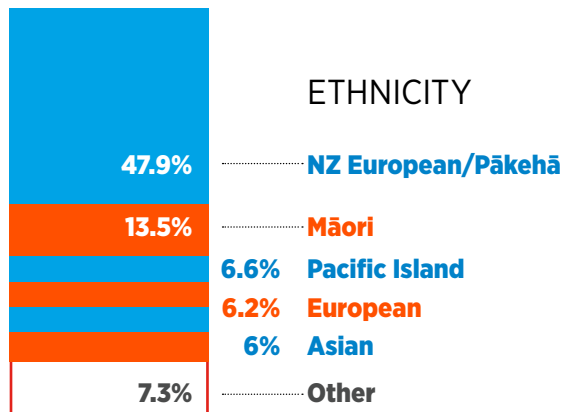
This year we launched an online course on our Thrive eLearning system so employees can learn about topics such as anti-bribery, conflict of interest, privacy and security.

86%
OF OUR PEOPLE USED OUR ONLINE TRAINING SYSTEM
Thrive

OUR PEOPLE



SENIOR MANAGEMENT



FULLTIME EMPLOYEES



Turning data into insight

We're improving the quality of our information and our business intelligence capability so we can make smarter decisions and improve our services.

- We're leading the development of the Investment Approach to Justice which is using data and evidence to support crime prevention and reduce harm from crime in New Zealand communities. Providing organisations involved in crime prevention with high-quality data analysis and research will help them make the biggest difference.
- We made significant progress towards rationalising our data warehouse systems into a single Enterprise Data Warehouse (EDW). This has realised operational savings and, more importantly, it moves us closer to a single source of information. We will continue to consolidate our EDW and introduce new business intelligence technologies to improve our use of data to inform decision-making.
- We're continuing to support the Open Government Data Information Programme. This involves identifying datasets that we can share and removing barriers to sharing data with businesses, community groups, iwi, academics and other government agencies.

In June 2016, the results of the Gartner information maturity assessment survey showed that we've moved from a 2.0 out of 5 to 2.9 out of 5. We're well placed to reach our level 4 target by December 2018.¹

Building robust, functional ICT

We depend on robust, functional ICT to deliver excellent services to our customers. Our Information Systems Strategic Plan is our plan to lead our ICT investment and address the complexity and aged nature of our systems.

The remediation of our aged systems and platforms has progressed well through 2015/16 and will continue for the next few years.

We've already made significant investment in the audio visual equipment in the courts and we have deployed new conference kits and mobile evidence recording kits to many courts and tribunals across the country. Next we will be assessing our processes to record interpreters in court and our aging sound systems.

IMPLEMENTING THE NEW ZEALAND BUSINESS NUMBER

We've reviewed our systems to determine which are affected by the requirement to include the New Zealand Business Number (NZBN). Some affected systems that are packages (such as finance) will be updated as part of the normal maintenance process. However, as many of the Ministry systems are aged and due to be replaced, we may prefer to delay compliance and instead ensure all strategic replacement systems meet the NZBN requirements 'out of the box'. We will work with the Ministry of Business, Innovation and Employment to confirm specific system impacts.

¹ Gartner Business Information and Intelligence Maturity level 4 is described as Enterprise/Strategic. At this level, data is trusted and acted on to drive strategic change.

Governance and risk management

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

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

The Investment Committee oversees the effective delivery of our strategic investments, in line with our investment framework and Long-term Investment Plan (once finalised).

RISK MANAGEMENT

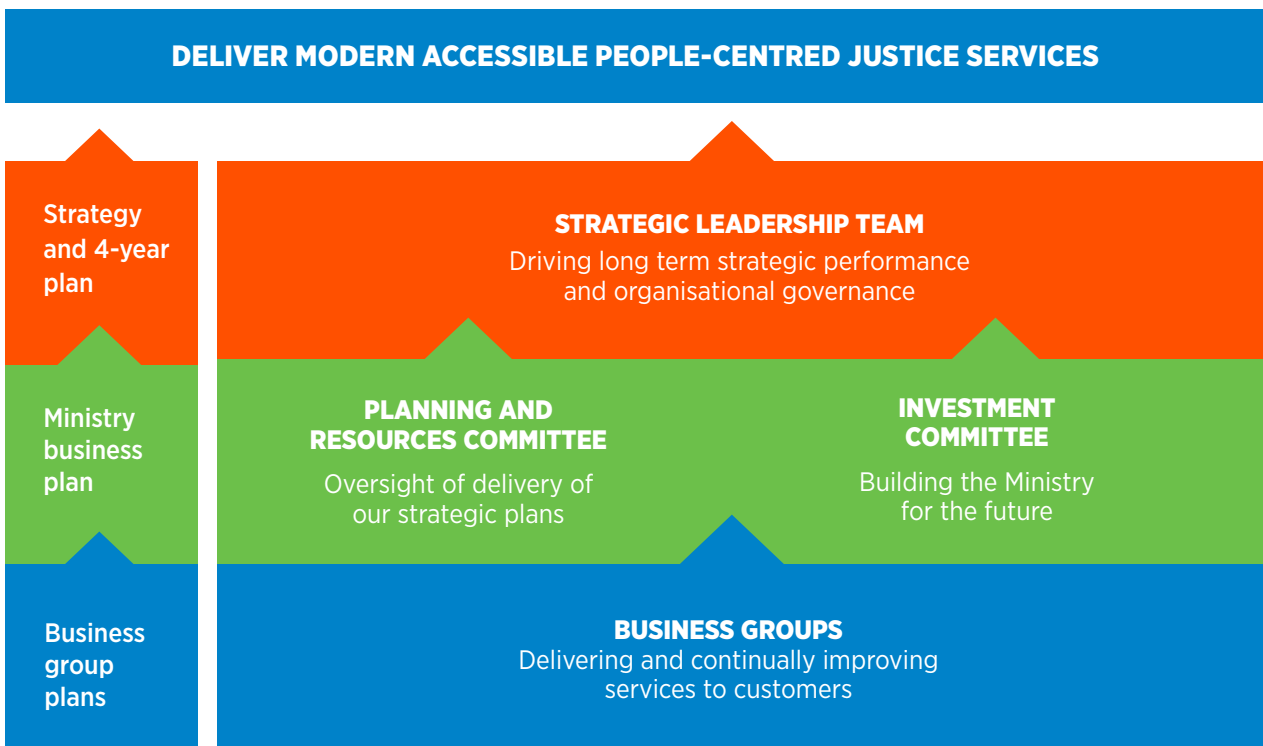
We use an enterprise-wide risk management framework, based on international standards of good risk management practice, which ensures that risk management is an integral part of managing our business.

Our Strategic Leadership Team regularly reviews strategic risk and makes decisions to support mitigation activity. Further oversight is provided by the PRC and the Investment Committee, which receive monthly information on significant organisational, operational and project risks respectively. Relevant business group plans

indicate how they contribute to mitigation of strategic risks and how they manage risks they face from an operational or project perspective.

The Audit and Risk Committee provides independent advice on the Ministry's management of risk.

Our internal audit programme provides independent assurance to the Chief Executive and senior managers that our key processes and systems are operating effectively.



DELIVER MODERN, ACCESSIBLE, PEOPLE-CENTRED JUSTICE SERVICES FOR A SAFE & JUST NZ

Our long-term outcomes and impacts

SAFER COMMUNITIES • INCREASED TRUST IN THE JUSTICE SYSTEM • INTEGRITY OF OUR CONSTITUTIONAL ARRANGEMENTS MAINTAINED

Crime, victimisation and harm reduced

Offenders held to account

NZers can transact with confidence

More responsive, accessible and cost effective services

The rights of NZers are protected

Enhanced Crown-Māori relationships

Our strategic goals

Reduce crime, victimisation and harm

Provide great service to the public everyday

Modernise courts and tribunals to get people through quicker

Complete Treaty settlements with groups who are ready

Our services and outputs

Administration of courts, tribunals and other authorities

Sector leadership and support

Administration and provision of legal services

Collection and enforcement of fines and civil debts

Negotiation of Treaty settlements

Policy advice, legal and ministerial services

Our strategic priorities

Develop our people

Turn data into insight

Build robust, functional ICT

Ensure good communications

Make the Ministry a great place to work

How we will work



CUSTOMER



CONTINUOUS IMPROVEMENT



COLLABORATION



RESULTS MATTER



Our performance

Statement of responsibility

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

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

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2016 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2017 and its operations for the year ending on that date.



Andrew Bridgman

*Secretary for Justice
and Chief Executive*

28 SEPTEMBER 2016

Independent Auditor's report

To the readers of the
Ministry of Justice's
annual report for the year ended 30 June 2016

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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

- the financial statements of the Ministry on pages 99 to 133, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information prepared by the Ministry for the year ended 30 June 2016 on pages 50 to 92; and
- the statement of budgeted and actual expenses and capital expenditure incurred against appropriations of the Ministry for the year ended 30 June 2016 on pages 107, 162 to 165, and 167 to 172; and
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 134 to 160 that comprise:
 - the schedule of non-departmental revenue and receipts, the schedule of non-departmental expenses for the year ended 30 June 2016; and
 - the schedule on non-departmental assets, the schedule of non-departmental liabilities and revaluation reserves, the schedule of non-departmental contingent liabilities and contingent assets as at 30 June 2016; and
 - the schedule of non-departmental capital receipts; and
 - the statement of trust monies for the year ended 30 June 2016; and
 - the notes to the non-departmental schedules and statements that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - present fairly, in all material respects:
 - › its financial position as at 30 June 2016; and
 - › its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with the Public Benefit Entity Standards.
- the performance information of the Ministry:
 - presents fairly, in all material respects, for the year ended 30 June 2016:
 - › what has been achieved with the appropriation; and
 - › the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.

-
- the statements of expenses and capital expenditure of the Ministry on pages 107, 162 to 165, and 167 to 172 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
 - the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 134 to 160 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the schedules of assets, liabilities and revaluation reserves, and contingent liabilities and contingent assets as at 30 June 2016; and
 - the schedules of expenses, and revenue and receipts for the year ended 30 June 2016; and
 - the schedule of capital receipts; and
 - the statement of trust monies for the year ended 30 June 2016.

Our audit was completed on 28 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the information we audited. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Ministry's preparation of the information we audited in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied; and
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive; and
- the appropriateness of the reported performance information within the Ministry's framework for reporting performance; and
- the adequacy of the disclosures in the information we audited; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited. Also, we did not evaluate the security and controls over the electronic publication of the information we audited.

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

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

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

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

The Chief Executive is responsible for such internal control as is determined is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit we have carried out an assignment in the area of probity assurance, which is compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Ministry.



Clint Ramoo

Audit New Zealand

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

Audit & Risk Committee report

BACKGROUND

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

The purpose of the Committee is to provide independent advice and observations to the Chief Executive on the quality of:

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

The Committee is advisory only and does not assume any management functions or make decisions that are the statutory responsibility of the Chief Executive. Primary responsibility for ensuring resolution of issues and the appropriate

implementation of agreed Committee recommendations lies with the Chief Executive and the Ministry's Leadership Team.

CURRENT MEMBERS

The Committee comprises 3 independent external members. During the year one independent member, Scott Pickering, rotated off the Committee following its March 2016 meeting and a replacement member is being sought. The remaining independent members are:

- Graeme Mitchell (Chair)
- Viv Rickard.

There have been no other changes to the Committee's independent membership during the year.

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

REPORT OF THE AUDIT AND RISK COMMITTEE

During the 12 months ended 30 June 2016 the Committee has met on 5 occasions to fulfil its duties and responsibilities. In addition to its formal meetings, the Committee has separately reported to the Chief Executive on matters through meetings with its Chair.

During these meetings the Committee has:

- received briefings on the Ministry's strategy and the Chief Executive's priorities
- examined the Ministry's governance arrangements and proposals for service delivery reorganisation
- discussed and provided advice on key areas of the Ministry's programme of work including:
 - *Investing In Justice programme*
 - *Modernising Courts programme*
 - *Asset management*
 - *Workforce capability and engagement*
 - *Security and Privacy*
 - *Health and Safety management*
 - *ICT infrastructure remediation*
 - *Data and Information management*
- reviewed the Ministry's strategic risks
- discussed the Ministry's quarterly financial and operational performance
- discussed with the external auditors their audit plan for the year and the findings from their audit work
- discussed with Risk and Assurance their work programme for the year and the findings from this work, including receiving updates on the legislative compliance programme and fraud risk.
- reviewed the Ministry's *Annual report* and provided advice to the Chief Executive and CFO on content and disclosure.

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

The Committee has continued to build on the priorities it established in the previous year. We have tailored our meeting agenda to focus on the strategic rather than the transactional in order to maximise the value the Committee can provide. This broadly translates to 4 themes.

Theme	Comment
Strategic Priorities	<p>Our discussions with the Chief Executive have included robust debate on the Ministry's strategic direction and priorities, as well as the risks to their achievement. We have supported the Chief Executive's proposal to create one Operations and Service Delivery Group that removes silos and brings focus onto delivering consistent services for customers nationwide, regardless of where or how they interact with the Ministry.</p> <p>We have found that there is good evidence of effective governance by the Ministry over its direction and business. This view is based on the papers presented to the Committee along with the associated oral briefings and discussions. It is also clear that the Ministry is implementing and embedding the change programme.</p>
Ministry Risks	<p>The Committee regularly considered the Ministry's broader strategic risk profile and tested through debate and discussion the robustness of its responses. A particular interest has been maintained in the Ministry's response to its fiscal pressures, its ICT infrastructure risks, and its management of Health & Safety. We received regular briefings on progress regarding the above and they will remain areas of ongoing focus along with physical security and the management of data and information assets.</p>
People and Organisational Capability	<p>The Committee has continued its focus on the Ministry's ability to manage capacity, capability, communications and change. We have been briefed on the major change programmes, the Ministry's work to revamp its leadership development and people induction programmes and the work done to improve communication and engagement levels across the Ministry. The Ministry's ability to maintain service delivery levels while managing significant change will remain an ongoing focus of the Committee's interest and oversight. The Committee has also maintained a focus on the enabling aspects of the Ministry's approach and in particular, engagement. This will continue to be a focus area in the future.</p>
Assurance	<p>The Committee's fourth area of focus has been to ensure there remains sufficient emphasis on, support for, and oversight of, the external and internal assurance programmes. We have had unrestricted and frank exchanges of information with the external auditor and have satisfied ourselves as to the independence of the internal audit function and the focus of its activities.</p>

Aside from the areas outlined above, and in accordance with its Charter and recognised good practice, during the next financial year the Committee will undertake an assessment of its performance to ensure that it continues to be focused, effective, and providing a quality service to the Chief Executive.

Outcome measures

PROGRESS MADE IN THE YEAR ENDED 30 JUNE 2016

Safer communities

ABOUT THIS OUTCOME

People expect the justice system will keep them safe. The Ministry works with social sector agencies and community groups to prevent crime and victimisation, reduce the impact of crime, and improve public safety. A key focus is on strengthening laws to achieve these objectives.

ASSESSING PERFORMANCE

Measure	Current measurement	Target	Current state and trend	Comment
SAFER COMMUNITIES				
Crime rate decreases (BPS target)	Recorded crime relative to the New Zealand population (see note 1)	Better public services target of 20% reduction by 2018 (from June 2011 baseline of 991)	2015/16: 844 - down 15% 2014/15: 818 - down 17% 2013/14: 818 - down 17% 2012/13: 863 - down 13% 2011/12: 933 - down 6%	In February 2015, this target was increased to a 20% reduction by 2018 because the original target of a 15% reduction by June 2017 was exceeded.
CRIME, VICTIMISATION AND HARM REDUCED				
Violent crime decreases (BPS target)	Recorded crime relative to the population, for specific violent offences, including: homicides, attempted murder, manslaughter, acts intended to cause injury (such as serious assaults, kidnapping and abduction, robbery) (see note 1)	Better Public Services target 20% reduction by 2017 (from June 2011 baseline of 110)	2015/16: 105 - down 4% 2014/15: 98 - down 10% 2013/14: 96 - down 12% 2012/13: 100 - down 9% 2011/12: 102 - down 7%	'Specific violent offences' excludes sexual violence offences and less serious offences, such as harassment (largely acts of intimidation), blackmail and extortion (that is, fraud).
Youth crime decreases (BPS target)	The level of youth offenders (aged 14-16) appearing in court, relative to the youth population	Better Public Services target 25% reduction by 2017 (from June 2011 baseline of 322)	2015/16: 214 - down 33% 2014/15: 198 - down 39% 2013/14: 210 - down 35% 2012/13: 254 - down 21% 2011/12: 296 - down 8%	Population base rate is per 10,000 of the New Zealand youth population.

Measure	Current measurement	Target	Current state and trend	Comment
Fewer people are repeat victims	The number of repeat victimisations per 10,000 people	Reduce number	2013/14: 237.0 2012/13: 231.1 2011/12: 249.5	The New Zealand Police no longer use this measure. It will not be included in the next <i>Ministry of Justice Statement of Intent</i> .
Fewer people experience crime	Reduce the number of people who experience crime, as measured by the New Zealand Crime and Safety Survey (see notes 2 and 3)	Reduce score	2014: 24% 2009: 37% 2006: 39%	The 2014 New Zealand Crime and Safety Survey (NZCASS) is the latest completed. The frequency, production and analysis of the New Zealand Crime and Safety Survey is being reviewed.
	Reduce the percentage of people who are experiencing the large majority of crime, as measured by the New Zealand Crime and Safety Survey (see notes 2 and 3)	Reduce score	2014: 3% experienced 53% of all crime 2009: 6% experienced 52% of all crime 2006: 6% experienced 52% of all crime	The 2014 New Zealand Crime and Safety Survey (NZCASS) is the latest completed. The frequency, production and analysis of the New Zealand Crime and Safety Survey is being reviewed.
Perceived level of crime	Reduce the percentage of the public who believe that national crime is increasing, as measured by the Public Perceptions Survey (see note 3)	Reduce score	2016: 71% 2014: 61% 2013: 60%	
	Reduce the percentage of the public who believe that crime in their neighbourhood is increasing, as measured by the Public Perceptions Survey (see note 3)	Reduce score	2016: 26% 2014: 20% 2013: 23% (see note 4)	

Note 1 – Population base rate is per 10,000 of the New Zealand population.

Note 2 – As part of the 2014 NZCASS, estimates from the 2006 and 2009 surveys were revised due to improvements in methodologies, systems, and statistical processes.

Note 3 – This is a new measure for 2015/16. Information for prior years has not been included in previous annual reports.

Note 4 – Prior-year information has been updated from the *Ministry of Justice Statement of Intent 2015–2019*.

Increased trust in the justice system

ABOUT THIS OUTCOME

The Ministry is implementing and driving significant change to improve the accessibility, quality and speed of justice services. These changes are about delivering better results and services to New Zealanders, and our key focus is on modernisation and operational improvement. The Ministry is improving access to services, ensuring offenders are held to account and promoting trust and confidence in the justice system.

ASSESSING PERFORMANCE

Measure	Current measurement	Target	Current state and trend	Comment
INCREASED TRUST IN THE JUSTICE SYSTEM				
People have confidence in the effectiveness of the justice system	World Justice Project Rule of Law Index shows that civil justice in New Zealand is seen to be accessible, affordable, effective and impartial (see note 1)	Maintain or improve score for access to civil justice	2015: Score 0.78 (Global rank: 9/102) 2014: Score 0.74 (Global rank: 9/99) 2012–2013: Score 0.76 (Global rank: 9/97)	
	World Justice Project Rule of Law Index shows that the criminal justice system in New Zealand is seen to be effective, impartial and free from improper influence and protects the rights of New Zealanders (see note 1)	Maintain or improve score for effectiveness of criminal justice	2015: Score 0.77 (Global rank: 8/102) 2014: Score 0.72 (Global rank: 12/99) 2012–2013: Score 0.79 (Global rank: 7/97)	
	Percentage completely/fairly confident that the criminal justice system as a whole is effective, as measured by the Public Perceptions Survey (see note 2)	Improve score	2016: 29% 2014: 31% 2013: 31%	
People feel they are treated fairly when they attend court	Increase in the proportion of people who strongly agree or agree that they are treated fairly when they attend court, as measured by the Court User Survey (see note 3)	Improve score	2014: 93% 2012: 91%	Court users include people taking part in a hearing or court case, support people and people paying fines or seeking information.

Measure	Current measurement	Target	Current state and trend	Comment
OFFENDERS HELD TO ACCOUNT				
No applications are granted for Stays of Proceedings under the Bill of Rights Act 1990 for undue delay attributable to the Ministry	Number of cases stayed for undue delay in terms of section 25(b) of the New Zealand Bill of Rights Act 1990 for reasons wholly or partly the responsibility of the Ministry	Criminal jury cases: 0	2015/16: 1 2014/15: 0 2013/14: 2 2012/13: 1 (see note 4)	The primary cause of delay was the passage of the case through the various stages of appeal. Examination of the events giving rise to the delay indicates that the causes were beyond the control of the Ministry to influence or avoid.
		Other judge-alone criminal cases: 0	2015/16: 3 2014/15: 2 2013/14: 4 2012/13: 3	Two cases could not proceed as scheduled due to other matters being given priority on the day. One case was stayed due to the time taken to proceed through the appeal process.
		High Court criminal cases: 0	2015/16: 0 2014/15: 0 2013/14: 0 2012/13: 0	
The percentage of people who do not comply with their monetary sanctions decreases	Percentage of the public who agree that offenders often get away without paying court fines, as measured by the Public Perceptions Survey (see note 2)	Reduce score	2016: 56% 2014: 62% 2013: 61%	
	Decrease in the proportion of people who have not paid or arranged to pay their fine, infringement or reparation, at 30 June	40%	2015/16: 56% 2014/15: 56% 2013/14: 50.4% 2012/13: 52.6%	

Measure	Current measurement	Target	Current state and trend	Comment
NEW ZEALANDERS CAN TRANSACT WITH CONFIDENCE				
Regulatory enforcement relating to civil and commercial courts	World Justice Project Rule of Law Index shows that New Zealand is seen to have appropriate regulatory enforcement that includes no improper influence, no unreasonable delay and respect for due process (see 1 and 2)	Maintain or improve score	2015: 0.82 (Global rank 5/102) 2014: 0.81 (Global rank 5/99) 2013: 0.82 (Global rank 9/97) 2012: 0.82 (Global rank 3/66)	
	Inefficient enforcement mechanisms, as measured by the World Justice Project Rule of Law Index (see notes 1, 2 and 5)	Maintain or improve score	2015: 0.71 2014: 0.7	
	Inefficient alternative dispute mechanisms to resolve disputes outside the courts, as measured by the World Justice Rule of Law Index (see notes 1, 2 and 5)	Maintain or improve score	2015: 0.81 2014: 0.7	

Measure	Current measurement	Target	Current state and trend	Comment
MORE RESPONSIVE, ACCESSIBLE AND COST EFFECTIVE SERVICES				
Perceptions of the court system	Timely and effective adjudication, as measured by the World Justice Project Rule of Law Index (see notes 1 and 2)	Maintain or improve score	2015: 0.75 2014: 0.66 2013: 0.72	
	Accessibility and affordability of civil justice, as measured by the World Justice Project Rule of Law Index (see notes 1 and 2)	Maintain or improve score	2015: 0.71 2014: 0.59 2013: 0.74	
	Criminal court processes deal with cases without unnecessary delay, as measured by the Public Perceptions Survey (see note 2)	Improve score	2016: 7% 2014: 7% 2013: 7%	
	Percentage of people who agree that criminal court processes treat victims with respect, as measured by the Public Perceptions Survey (see note 2)	Improve score	2016: 25% 2014: 27% 2013: 28%	
	Percentage of people who agree that New Zealand's criminal court system is technologically up to date, as measured by the Public Perceptions Survey (see note 2)	Improve score	2016: 12% 2014: 13% 2013: 14%	

Measure	Current measurement	Target	Current state and trend	Comment
More people are satisfied with the quality of court and fines services	Increase in public satisfaction with paying fines or getting information about fines and/or a court case the respondent was involved in, as measured by the Kiwis Count Survey	65% of people are satisfied with paying fines or getting information about fines. 55% of people are satisfied about a case they were involved in	2015: Fines 63% Courts 54% 2014: Fines 63% Courts 56% 2013: Fines 63%, Courts 50% 2012: Fines 63%, Courts 49%	
	Increase in the proportion of people who were very or fairly satisfied with court services and facilities, as measured by the Court User Survey (see note 3)	80% of people are very or fairly satisfied	2014: 80% (see note 6) 2012: 80%	Court users include people taking part in a hearing or court case, support people and people paying fines or seeking information.
Average age of case decreases	The average age of active cases decreases for all District Court criminal cases and for the subset of jury trials	District Court all criminal: 20% decrease (from April 2013: 123 days)	2015/16: 4.9% decrease to 115 days 2014/15: 9.2% decrease to 113 days (see note 7)	Pleasing progress was made in the first half of the year, but the pressure of increasing new business, particularly for more serious cases, has since resulted in an increase. Courts are now focusing on the percentage of cases dealt with in less than 12 months.
		Jury trials: 20% decrease (from April 2013: 382 days)	2015/16: 16.6% decrease to 319 days 2014/15: 9.6% decrease to 346 days (see note 7)	
	The average age of active Family Court applications decreases	Decrease from April 2013 Baseline: 250 days	2015/16: 2% decrease to 245 days 2014/15: 1% decrease to 248 days	

Measure	Current measurement	Target	Current state and trend	Comment
Average age of case decreases	The average age of active civil cases in District Courts decreases	Decrease from April 2013 Baseline: 226 days	2015/16: 17% decrease to 188 days 2014/15: 13% decrease to 197 days	
	The average age of active Disputes Tribunal applications decreases	Decrease from April 2013 Baseline: 80 days	2015/16: 1% decrease to 79 days 2014/15: 4% decrease to 77 days	
People find it easier to access court information	Increase in the proportion of people who found it very easy or fairly easy to obtain information about court services and facilities, as measured by the Court User Survey (see note 3)	70% find it very or fairly easy to obtain information	2014: 59% 2012: 64%	Court users include people taking part in a hearing or court case, support people and people paying fines or seeking information.
The quality of legal aid services improves	Quality and value audits show that private legal aid providers and Public Defence Service Lawyers are providing high-quality and cost-effective services	100% meet expected standards	2015/16: 88% 2014/15: 85% 2013/14: 94%	
	Applications for criminal cases are assessed in a timely manner	98% of criminal legal aid applications are assessed within one working day	2015/16: 97% 2014/15: 97% 2013/14: 97%	

Note 1 – The 2015 World Justice Project Rule of Law Index is the latest to be released.

Note 2 – This is a new measure for 2015/16. Information for prior years has not been included in previous annual reports.

Note 3 – The Court User Survey was not completed in 2015/16 because the Ministry's surveys are being reviewed. The survey was last completed in 2014.

Note 4 – The 2012/13 result has been updated from the *2014/15 Ministry of Justice Annual Report*.

Note 5 – The measure wording and prior-year data has been updated from the *Ministry of Justice Statement of Intent 2015–2019*.

Note 6 – The 2014 result has been updated from the *2014/15 Ministry of Justice Annual Report*.

Note 7 – This result is an adjusted percentage reduction that is calculated on the reduction in each case component, weighted by the proportion each of the components make up of the total cases on hand. The principal reason is to ensure each criminal case category/jurisdiction is more fairly represented in the calculations.

Integrity of our constitutional arrangements maintained

ABOUT THIS OUTCOME

To maintain the integrity of our institutions, the Ministry continues to work to ensure there is a credible legal basis for New Zealand's civil and democratic systems, and that New Zealand responds appropriately to international laws and conventions. The Ministry also continues to support the Government's aim to maintain momentum in settling historical Treaty of Waitangi negotiations.

ASSESSING PERFORMANCE

Measure	Current measurement	Target	Current state and trend
INTEGRITY OF OUR ARRANGEMENTS IS MAINTAINED			
Integrity of our institutions is maintained	World Justice Project Rule of Law Index overall score is maintained or improved (see note 1)	Maintain or improve score	2015: 0.83 (Global rank: 6/102) 2014: 0.83 (Global rank: 6/99)
Perceived level of corruption remains low	New Zealand's score on the Transparency International Corruptions Perception Index does not decrease	Maintain ranking	2015: 88/100 (Global rank 4/168) 2014: 91/100 (Global rank: 2/175) 2013: 91/100 (Global rank: 1/177) 2012: 90/100 (Global rank: 1/176)
The extent to which those who govern in New Zealand are bound by the law	World Justice Project Rule of Law Index shows that the Government and its officials are held accountable under the law. It includes effectiveness of institutional checks on governmental power by the legislature, the judiciary and independent auditing (see notes 1 and 2)	Maintain or improve score	2015: 0.85 (Global rank 8/102) 2014: 0.88 (Global rank: 4/99) 2013: 0.87 (Global rank: 6/97) 2012: 0.91 (Global rank: 2/66)

Measure	Current measurement	Target	Current state and trend
THE RIGHTS OF NEW ZEALANDERS ARE PROTECTED			
People have confidence that their fundamental rights are protected	New Zealand is seen to protect freedoms and is free from discrimination, as measured by the World Justice Project Rule of Law Index (see note 1)	Maintain or improve score for fundamental rights	2015: 0.83 (Global rank 9/102) 2014: 0.84 (Global rank 7/99) 2012-2013: 0.86 (Global rank 5/97)
People perceive New Zealand to have an open government	New Zealand is perceived to have an open government, including the right to petition and participate, as measured by the World Justice Project Rule of Law Index (see note 1)	Maintain or improve score for open government	2015: 0.81 (global rank 2/102) 2014: 0.83 (global rank 2/99) 2012-2013: 0.84 (global rank 4/97)
IMPROVING CROWN-MĀORI RELATIONSHIPS			
Treaty of Waitangi claims are durably settled	Progress is made in enacting all historical Treaty of Waitangi Settlement legislation	83% of all settlement legislation is introduced by the end of 2018/19	2015/16: 52% 2014/15: 37% 2013/14: 31% 2012/13: 23%

Note 1 - The 2015 World Justice Project Rule of Law Index is the latest to be released.

Note 2 - This is a new measure for 2015/16. Information for prior years has not been included in previous annual reports.

Reporting against appropriations

FOR THE YEAR ENDED 30 JUNE 2016

The statement of service performance outlines the measures used by the Ministry to assess our performance in delivering our outputs. Our outputs are specified in the Estimates of Appropriations for 2015/16.

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

Vote Justice

ADMINISTRATION OF LEGAL SERVICES

What the Ministry does

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

Contribution to outcomes

This appropriation contributes to the outcome of increased trust in the justice system. The administration and provision of legal services helps to meet public needs and expectations to develop better, more accessible, and cost-efficient public services.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of new criminal legal aid applications administered	57,546	53,000–59,000	62,292	The number of criminal legal aid applications has increased 8.2% compared to the 2014/15 financial year. This is mainly due to an increase in more serious offences being reported to Police.
Number of new family legal aid applications administered	19,682	18,000–21,000	20,024	
Number of civil legal aid (other) applications administered	1,652	1,500–1,800	1,799	

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Total legal aid debt recovered	\$18.7 million	\$17-\$20 million	\$20.35 million	Total legal aid debt recovered is 1.8% over the target range. This has been achieved by issuing more deduction notices on people defaulting on repayment arrangements and proactively following up on funds recovered under the Proceeds of Crime Act 1991.
Number of Ministry of Justice quality and value audits undertaken	67	70 or more	75	
Quality and value audits identify the number of private legal aid providers and Public Defence Service Lawyers who are providing high quality cost effective services, and those providers who need to improve their services	85%	90% meets expected standard	88%	
Legal aid applications for criminal cases assessed within one working day	97%	93%	97%	

Output class statement

ADMINISTRATION OF LEGAL SERVICES

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Revenue				
Crown	28,054	28,051	27,825	27,807
Departmental	198	131	129	170
Other	43	6	6	44
Total revenue	28,295	28,188	27,960	28,021
Total expenses	27,573	28,188	27,960	27,228
Net surplus	722	-	-	793

PUBLIC DEFENCE SERVICE

What the Ministry does

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

Contribution to outcomes

This appropriation contributes to the outcome of increased trust in the justice system. The provision of legal services by the Public Defence Service helps to meet public needs and expectations to develop better, more accessible and cost-efficient public services.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of cases open at 1 July	6,707	5,000–7,000	5,961	
Number of new cases accepted during the year	15,429	14,000–16,500	16,001	
Number of cases open at 30 June	5,961	5,000–7,000	6,099	
No Public Defence Service lawyer received a 'poor' or 'very poor' rating in Provider Services Quality and Value Audits of PDS lawyers	New measure	Achieved	Not achieved	Six PDS lawyers were audited in 2015/16. One received a rating of 'poor', mostly related to file keeping. The PDS has noted the areas for improvement identified. Overall, the audits showed that the PDS provides a generally good service with competent and dedicated lawyers.

Output class statement

PUBLIC DEFENCE SERVICE

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Revenue				
Crown	26,957	26,490	29,111	25,622
Departmental	74	103	101	61
Other	40	-	-	41
Total revenue	27,071	26,593	29,212	25,724
Total expenses	26,620	26,593	29,212	25,448
Net surplus	451	-	-	276

SECTOR LEADERSHIP AND SUPPORT

What the Ministry does

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

Contribution to outcomes

This appropriation contributes to the outcomes of safer communities, increased trust in the justice system, and integrity of our constitutional arrangements maintained. The provision of sector leadership and support improves sector governance, helps meet public needs and expectations to develop and deliver better public services, and makes society safer by preventing crime and reducing reoffending.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
PROVIDE SUPPORT AND LEADERSHIP TO THE JUSTICE SECTOR				
The satisfaction of the justice sector ministers and the justice sector Leadership Board with the leadership, advice and support provided by the Ministry (see note 1)	New measure	At least 80%	74%	
Delivery of the Justice Sector forecast	Achieved	Annually	Achieved	
DEVELOP AND DISSEMINATE INFORMATION TO IMPROVE PERFORMANCE OF THE CRIMINAL JUSTICE PIPELINE				
Delivery of Justice Sector Performance Reports (see note 2)	Achieved	Quarterly	Achieved	
COORDINATE STRATEGY AND PLANNING TO MODERNISE THE SYSTEM AND REDUCE COSTS				
Develop a collaborative Justice Sector Four-Year Plan to support sector sustainability, as measured by Justice Sector ministers' sign-off	Achieved	Achieved	Achieved	
Manage the Justice Sector Fund, as measured by the coordination of two funding rounds	Achieved	Achieved	Achieved	
MONITOR AND REPORT TO MINISTERS ON THE PERFORMANCE OF CROWN ENTITIES				
The satisfaction of the Minister of Justice with the quality of support and advice provided by the Ministry in relation to its management of Crown entities and agencies	60%	At least 8/10 (see note 3)	7/10	

Note 1 – The justice sector minister results are from the Minister of Justice, the Minister for Courts and the Attorney-General. The justice sector leadership board results are from the Chief Executives of the Ministry of Justice, the Department of Corrections, and the Commissioner of Police.

Note 2 – The Justice Sector Performance Report provides an up-to-date measurement of the Better Public Services targets, as well as a selection of key performance indicators from across the justice sector.

Note 3 – Target adjusted as the information for this measure comes from a single respondent and a rating out of 10 is more appropriate.

Output class statement

SECTOR LEADERSHIP AND SUPPORT

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	7,885	7,838	9,778	8,193
Departmental	203	50	48	82
Other	62	18	18	40
Total revenue	8,150	7,906	9,844	8,315
Total expenses	7,830	7,906	9,844	7,489
Net surplus	320	-	-	826

JUSTICE POLICY ADVICE AND RELATED SERVICES (MULTI-CATEGORY APPROPRIATION)

What the Ministry does

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

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

Contribution to outcomes

This appropriation contributes to the outcomes of safer communities, increased trust in the justice system, and integrity of our constitutional arrangements maintained. The provision of these services is intended to make society safer by preventing crime and reducing reoffending, whilst also meeting the public needs and expectations to develop better, more accessible and cost-efficient public services.

Assessing performance

PERFORMANCE OF THE MULTI-CATEGORY APPROPRIATION AS A WHOLE

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
The satisfaction of the Minister of Justice, the Attorney-General, the Minister for Courts, and the Associate Minister of Justice with policy advice and related services, as per the common satisfaction survey (see note 1)	62%	At least 80%	63%	

Note 1 – Responses were received from the ministers that the Ministry of Justice provides policy advice and related services to – the Minister of Justice, the Minister for Courts and the Associate Minister of Justice.

JUSTICE POLICY ADVICE

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 90% (see note 2)	7.6/10	At least an average of 70%	7.8/10	
The satisfaction of the Minister of Justice with the policy advice service, as per the common satisfaction survey	62%	At least 7/10	5.8/10	
The total cost per hour of producing outputs	\$142	At most \$155	\$147	

Note 2 – This indicator provides a standardised score for technical quality reviews of policy advice, which are undertaken by a third party assessor. The review may include an assessment of clarity, accuracy, analytical rigour, fitness for purpose, and relevance.

LEGAL AND MINISTERIAL SERVICES

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
The satisfaction of the Minister of Justice, the Minister for Treaty of Waitangi Negotiations, the Attorney-General, the Minister for Courts, and the Associate Minister of Justice with the quality of legal advice, as per the common satisfaction survey (see note 3)	95%	At least 80%	87%	
The satisfaction of the Minister of Justice, the Minister for Treaty of Waitangi Negotiations, the Attorney-General, the Minister for Courts, and the Associate Minister of Justice with ministerial services, as per the common satisfaction survey	80%	At least 80%	74%	

Note 3 – Responses were received from the ministers that the Ministry of Justice provides legal advice to – the Minister of Justice, the Minister for Treaty of Waitangi Negotiations and the Attorney-General.

Output class statement

JUSTICE POLICY ADVICE

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Revenue				
Crown	17,463	17,479	15,413	14,759
Departmental	364	141	228	472
Other	24	48	48	25
Total revenue	17,851	17,668	15,689	15,256
Total expenses	16,749	17,668	15,689	14,947
Net surplus	1,102	-	-	309

LEGAL AND MINISTERIAL SERVICES

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Revenue				
Crown	4,850	4,261	4,255	4,495
Departmental	78	31	31	42
Other	7	14	14	7
Total revenue	4,935	4,306	4,300	4,544
Total expenses	5,058	4,306	4,300	4,323
Net surplus	(123)	-	-	221

MINISTRY OF JUSTICE – CAPITAL EXPENDITURE PLA

Scope of appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Justice, as authorised by section 24(1) of the Public Finance Act 1989.

Contribution to outcomes

This appropriation is intended to achieve the efficient delivery of the Ministry of Justice’s outputs through funding the purchase, development and maintenance of assets.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Comment
Christchurch Justice and Emergency Services Precinct	On schedule	Operational in 2017/18	On schedule	Project on track for completion of construction in the first quarter of 2017 and agencies moving in by mid-2017. The project continues to operate within budget.
Manukau Precinct Project	Achieved	Stage 2 operational in 2015/16	Achieved	

Output class statement

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Appropriation				
Ministry of Justice – Capital Expenditure PLA	204,233	274,470	194,755	112,639

Vote Courts

COURTS, TRIBUNALS AND OTHER AUTHORITIES SERVICES, INCLUDING THE COLLECTION AND ENFORCEMENT OF FINES AND CIVIL DEBTS SERVICES (MULTI-CATEGORY APPROPRIATION)

What the Ministry does

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

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

The Higher Court Services output class supports the provision of services in regard to the work of the Supreme Court, Court of Appeal, and High Court.

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

These output classes all relate to the provision of services by courts, tribunals and other authorities services within Vote Courts.

Contribution to outcomes

The purpose of this appropriation is to provide courts, tribunals and other authorities services, including the collection and enforcement of fines and civil debt services. Through this appropriation crime and reoffending is reduced and cost-effective public services are delivered. This supports the outcomes of safer communities, increased trust in the justice system, and integrity of our constitutional arrangements maintained.

Assessing performance

PERFORMANCE OF THE MULTI-CATEGORY APPROPRIATION AS A WHOLE

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of juror survey responses that rate overall juror satisfaction as 'satisfied' or better (see note 1)	90%	90% or over	90%	

Note 1 – Juror satisfaction is measured by an annual survey of jurors. The performance measure standard is the percentage of survey responses where jurors rate their overall satisfaction level with specific services as 'satisfied' or better. The scale for responses is: very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, very dissatisfied.

COLLECTION AND ENFORCEMENT OF FINES AND CIVIL DEBT SERVICES

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Amount collected	\$211.8 million	\$204 million	\$191.2 million	A reduction in the average value of impositions has affected the amount collected. A significant change programme has also contributed to the lower collection.
Percentage of court-imposed fines collected or placed under arrangement within four months	84.2%	84%	80%	There are a number of factors that contributed to this result, for example organisational changes within the Ministry and a reduced value of fines being imposed.
Percentage of infringement fines collected or placed under arrangement within four months	86.8%	84%	77%	There are a number of factors that contributed to this result, for example organisational changes within the Ministry and a reduced value of fines being imposed.
Percentage of civil applications requiring bailiff service where service is attempted at least seven days prior to the hearing date specified on the applications document	69%	94%	77%	The measure was changed in 2014/15 from service within a specified time from the application date, to the current measure.
Amount collected through the Offender Levy	\$3.6 million	\$3.3 million	\$3.2 million	
Percentage of Offender Levy collected or placed under arrangement within four months	84.2%	85%	78%	There are a number of factors that contributed to this result, for example organisational changes within the Ministry and a reduced value of fines being imposed.
Proportion of people who have not paid or made an arrangement to pay their fine, infringement or reparation, at 30 June (see note 1)	56%	40%	56%	There are a number of factors that contributed to this result, for example organisational changes within the Ministry and a reduced value of fines being imposed.

Note 1 - This target was set for the 2013-16 period and the Ministry is continuing to focus on this area.

DISTRICT COURT SERVICES

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
CRIMINAL (INCLUDING JURY, SUMMARY AND YOUTH COURT)				
Number of new criminal cases (District and Youth Court total) (see note 1)	New measure	133,000–148,000	136,989	
Number of new District Court jury cases (subset of criminal cases) (see note 1)	New measure	2,100–3,100	3,042	
Number of criminal cases disposed (District and Youth Court total)	New measure	135,000–151,000	133,470	The number of more serious/complex cases has risen, which has reduced the disposal rate.
Number of District Court jury cases disposed (subset of criminal cases)	New measure	2,100–2,800	2,676	
Number of new Youth Court cases (subset of criminal cases) (see note 1)	3,931	3,200–4,100	4,321	This is a demand driven measure. The number of new cases was more than expected.
Number of Youth Court cases disposed (subset of criminal cases)	3,931	3,200–4,100	4,077	
Percentage of survey responses about criminal trial cases that rate 'fairly satisfied' or better for case management/file preparation and presentation (see note 2)	71%	75%	76%	
Percentage of survey responses about criminal trial cases that rate 'fairly satisfied' or better for courtroom support (see note 2)	76%	75%	84%	The result is higher than the target and reflects a pleasing improvement in levels of judicial satisfaction.
Number of criminal jury cases stayed for undue delay in terms of section 25(b) of the New Zealand Bill of Rights Act 1990 for reasons wholly or partly the responsibility of the Ministry	0	0	1	The primary cause of delay was the passage of the case through the various stages of appeal. Examination of the events giving rise to the delay indicates that the causes were beyond the control of the registry to influence or avoid.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of other judge-alone cases stayed for undue delay in terms of section 25(b) of the New Zealand Bill of Rights Act 1990 for reasons wholly or partly the responsibility of the Ministry	2	0	3	Two cases could not proceed as scheduled due to other matters being given priority on the day. One case was stayed due to the time taken to proceed through the appeal process.
Percentage of survey responses about Youth Court cases that rate 'fairly satisfied' or better for case management/file preparation and presentation (see note 2)	88%	75%	86%	The result is higher than the target and reflects pleasing levels of judicial satisfaction.
Percentage of survey responses about Youth Court cases that rate 'fairly satisfied' or better for courtroom support (see note 2)	81%	75%	94%	The result is higher than the target and reflects a pleasing improvement in levels of judicial satisfaction.
Number of Youth Court cases stayed for undue delay in terms of section 25(b) of the New Zealand Bill of Rights Act 1990 for reasons wholly or partly the responsibility of the Ministry	0	0	0	
Average age of active cases decreases for all District Court criminal cases	9.2% decrease to 113 days	To be determined (see note 3)	4.9% decrease to 115 days	Pleasing progress was made in the first half of the year, but the pressure of increasing new business, particularly for more serious cases, has since resulted in an increase. Courts are now focusing on the percentage of cases dealt with in less than 12 months.
Average age of active cases decreases for District Court jury trials	9.6% decrease to 346 days	To be determined (see note 3)	16.6% decrease to 319 days	Courts' focus on dealing with its oldest cases has produced pleasing results for active jury trial cases.
CIVIL				
Number of new civil cases (see note 1)	12,955	9,300–12,600	13,861	New civil cases had a sustained period of decrease; the trend has now reversed. The 2015/16 figure is therefore higher than anticipated.
Number of civil cases disposed	13,815	9,300–12,600	14,588	The increase in civil disposals reflects the increase in new cases.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of survey responses about civil cases that rate 'fairly satisfied' or better for case management/file preparation and presentation (see note 2)	52%	75%	66%	The result is still below target. However, it reflects a pleasing improvement in levels of judicial satisfaction.
Percentage of survey responses about civil cases that rate 'fairly satisfied' or better for courtroom support (see note 2)	80%	75%	72%	
Average age of active District Court civil cases decreases	197 days	To be determined (see note 3)	16.6% decrease to 188 days	
FAMILY COURT				
Number of new Family Court substantive applications (see note 1)	58,208	55,000–59,000	59,449	The increase in new applications filed reflects a higher figure than expected for the Care of Children Act.
Number of Family Court substantive applications disposed	59,700	54,000–61,000	58,323	
Percentage of survey responses about Family Court cases that rate 'fairly satisfied' or better for case management/file preparation and presentation (see note 2)	69%	75%	67%	
Percentage of survey responses about Family Court cases that rate 'fairly satisfied' or better for courtroom support (see note 2)	84%	75%	87%	The result is higher than the target and reflects a pleasing improvement in levels of judicial satisfaction.
Average age of active Family Court applications decreases	248 days	To be determined (see note 3)	2.3% decrease to 245 days	
VICTIMS CENTRE				
Number of visitors to the VictimsInfo website	New measure	7,000–10,000	13,181	The new victims information website was launched to coincide with the release of the Victims Code in October 2015. As a result, the number of visitors to the website was much higher than forecast.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of calls received by the 0800 victims of crime information line	New measure	17,000–19,000	25,972	The victims information line was extended in October 2015 from being available 5 days a week in working hours to 24/7. This has resulted in a significant increase in the number of calls.
Percentage of 0800 victims of crime information line calls answered within 30 seconds	New measure	80%	88%	The victims information line was extended in October 2015 from being available 5 days a week in working hours to 24/7. This has resulted in a significant increase in the number of calls.
VICTIMS SERVICES				
Number of victims supported by Sexual Violence Court Victim Advisors (see note 4)	1,408	1,300–1,500	1,371	

Note 1 – The number of new cases or cases received is demand-driven and is contextual information for the number of cases disposed.

Note 2 – Satisfaction is measured by an annual survey of the relevant judges or judicial officers. The performance measure standard is the percentage of respondents who rate ‘fairly satisfied’ or better about case management, file preparation, file presentation, and courtroom and hearing or mediation support provided (where applicable). The scale for responses is a 5-point satisfaction scale.

Note 3 – The average age of active cases has not been included as a measure for 2016/17.

Note 4 – This measure was included under the Victims’ Services appropriation in the Vote Justice 2015/16 Supplementary Estimates of Appropriations. However, we have included the measure here because the National Sexual Violence Court Victim Advisors are funded through the Courts, Tribunals and Other Authorities Services, including the Collection and Enforcement of Fines and Civil Debts Services multi-category appropriation.

HIGHER COURT SERVICES

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
SUPREME COURT				
New business of civil and criminal appeals (see note 1)	26	10-45	23	
Disposals of civil and criminal appeals	41	15-55	21	
New business of civil and criminal applications for leave to appeal (see note 1)	172	140-200	176	
Disposals of civil and criminal applications for leave to appeal	174	130-230	171	
COURT OF APPEAL				
New business of civil and criminal appeals (see note 1)	695	540-660	603	
Disposals of civil and criminal appeals	692	650-840	689	
HIGH COURT				
Percentage of responses from High Court judges surveyed about criminal appeals and jury trial cases that rate 'fairly satisfied' or better for case management/file preparation and presentation (see note 2)	89%	75%	82%	Responses were received from 9 out of 45 High Court judges.
Percentage of responses from High Court judges surveyed about criminal appeals and jury trials that rate 'fairly satisfied' or better for courtroom support (see note 2)	95%	75%	90%	Responses were received from 9 out of 45 High Court judges.
Percentage of responses from High Court judges surveyed about civil cases and civil and family appeals that rate 'fairly satisfied' or better for case management/file preparation and presentation (see note 2)	88%	75%	83%	Responses were received from 9 out of 45 High Court judges.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of responses from High Court judges surveyed about civil cases and civil and family appeals that rate 'fairly satisfied' or better for courtroom support (see note 2)	94%	75%	92%	Responses were received from 9 out of 45 High Court judges.
Number of new criminal cases	New measure	150-250	178	
Number of criminal cases disposed	New measure	180-280	202	
New business of civil cases (see note 1)	2,590	2,200-2,500	2,437	
Disposals of civil cases	2,504	2,100-2,400	2,370	
New business of civil and criminal appeals (see note 1)	1,456	1,300-1,500	1,461	
Disposals of civil and criminal appeals	1,503	1,300-1,900	1,472	
Number of High Court criminal cases stayed for undue delay in terms of section 25(b) of the New Zealand Bill of Rights Act 1990 for reasons wholly or partly the responsibility of the Ministry	0	0	0	

Note 1 - The number of new cases or cases received is demand-driven and is contextual information for the number of cases disposed.

Note 2 - Satisfaction is measured by an annual survey of the High Court judges. The performance measure standard is the percentage of respondents who rate 'fairly satisfied' or better about case management, file preparation, and file presentation. The scale for responses is a 5-point satisfaction scale.

SPECIALIST COURTS, TRIBUNALS AND OTHER AUTHORITIES SERVICES

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
CORONIAL SERVICES UNIT				
Cases referred (see note 1)	5,748	5,650	5,564	
Cases disposed	5,471	5,650	5,572	
Percentage of coronial cases on hand under 12 months old	69%	70%	66%	Despite adding case management resource to the Coronial Services Unit, this measure has continued to track downwards. In the 2016/17 year, different resourcing will be trialled to increase the legal and research support to coroners.
Percentage of coroners surveyed that are at least 'fairly satisfied' with inquest hearing support (see note 2)	60%	75%	89%	This result is higher than last year's and shows an improved level of judicial satisfaction. This follows the Ministry's focus on addressing issues relating to changes to ICT systems, as well as gaps in staff and coroner resourcing.
Percentage of coroners surveyed that are at least 'fairly satisfied' with case management/file preparation and presentation (see note 2)	54%	75%	78%	
DISPUTES TRIBUNAL				
Claims received (see note 1)	14,263	14,500-15,500	13,260	There has been a steady downward trend in claims lodged in the Disputes Tribunal. The downward trend was expected to level off but has continued further than anticipated.
Claims disposed	14,737	14,500-15,500	13,436	The number of claims disposed is fewer than expected due to the fewer claims received.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of Disputes Tribunal pending claims under 3 months old	74%	80%	76%	There has been an increase in performance this year, due to improved scheduling practices. We expect further performance improvements next year.
EMPLOYMENT COURT				
Cases received (see note 1)	151	180	181	
Cases disposed	222	200	197	
Percentage of Employment Court cases on hand under 12 months	69%	75%	71%	This result is an improvement on the 2014/15 performance. The relatively low caseload in the Employment Court means the result can fluctuate.
Percentage of Employment Court judges surveyed that are at least 'fairly satisfied' with case management/file preparation (see note 2)	100%	80%	100%	
Percentage of Employment Court judges surveyed that are at least 'fairly satisfied' with courtroom and hearing support (see note 2)	100%	80%	100%	
ENVIRONMENT COURT				
Cases received (see note 1)	394	400	424	
Cases disposed	420	400	428	
Percentage of Environment Court cases on hand under 18 months old	70%	75%	78%	
Percentage of Environment Court judges surveyed that are at least 'fairly satisfied' with case management/file preparation and presentation (see note 2)	94%	80%	90%	
Percentage of Environment Court judges surveyed that are at least 'fairly satisfied' with courtroom, hearing and mediation support (see note 2)	94%	80%	100%	

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
IMMIGRATION AND PROTECTION TRIBUNAL				
Cases received (see note 1)	1,342	1,250–1,350	1,189	The decrease in the number of appeals lodged in the Tribunal was specific to residence and deportation non-residence appeals. Residence appeals are influenced by the number of residence decisions made by Immigration New Zealand. Deportation non-resident appeals are influenced by a variety of factors, including the Tribunal's improved productivity and speed of decision making.
Cases disposed	1,503	1,250–1,350	1,482	The Tribunal disposed of 300 more appeals than were received. It is now taking on average, 88 days less than the previous year for a matter to be disposed of.
Sittings days supported	507	150	585	This is a demand driven measure. A larger number of cases requiring hearing were filed during the year than expected and accordingly more sitting days were supported.
LAWYERS AND CONVEYANCERS DISCIPLINARY TRIBUNAL				
Cases received (see note 1)	36	35–45	23	This measure is demand driven and depends on charges referred by the New Zealand Law Society, New Zealand Society of Conveyancers or the Legal Complaints Review Officer. A lower number of referrals were made during the year and accordingly fewer cases were disposed and fewer sitting days were supported.
Cases disposed	56	35–45	28	The number of cases disposed is lower than forecast due to a lower number of cases received.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Sittings days supported	48	40-60	36	The number of sitting days is lower than forecast due to a lower number of referrals.
LEGAL AID REVIEW AUTHORITY				
Cases received (see note 1)	6	5-10	2	The number of cases received is lower than forecast. Due to a lower caseload, forecasting is challenging as variance percentages will be heavily offset by small numbers.
Cases disposed	7	5-10	2	The number of cases disposed is lower than forecast due to the lower number of cases received.
LEGAL AID TRIBUNAL				
Cases received (see note 1)	82	80-120	64	The number of cases received is lower than forecast and depends highly on Legal Services Commissioner cases. In response to the lower number of cases the number of judicial members for the Legal Aid Tribunal has been reduced.
Cases disposed	76	80-120	66	The number of cases disposed is lower than forecast due to a lower number of cases received.
LEGAL COMPLAINTS REVIEW OFFICER				
Cases received (see note 1)	278	300-400	290	The number of cases received is difficult to forecast accurately. The number filed this year is a small increase on the previous year and close to the forecast range.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Cases disposed	325	300–400	271	The number of cases disposed is also difficult to predict due to the varying levels of complexity of review files. This result is below the target range due to an increase in the complexity of many cases. We have appointed additional delegates to assist the officers.
Sittings days supported	36	60	25	The number of decisions being made on the papers, without requiring a hearing has increased. This has resulted in a decrease in sitting days.
MĀORI LAND COURT				
Applications received (see note 1)	5,526	5,600–5,900	6,055	Applications received are higher than forecast in anticipation of the review of the Māori land legislation.
Applications disposed	5,525	5,600–5,900	5,888	
Percentage of all Māori Land Court applications disposed within 12 months	77%	80%	83%	
Percentage of written enquiries completed within 10 working days of receipt	88%	90%	86%	
Percentage of Māori Land Court judges surveyed that are at least 'fairly satisfied' with judicial support and administration services provided (see note 2)	92%	75%	67%	This result partly reflects ongoing uncertainty arising from the review of Te Ture Whenua Māori Act 1993. The Ministry is working closely with the Court's judges and staff to ensure that any implications of the review are appropriately managed.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of Māori Land Court judges surveyed that are at least 'fairly satisfied' with courtroom and hearing support provided (see note 2)	91%	75%	83%	This result is lower than last year's level of judicial satisfaction but still above the target. The result partly reflects ongoing uncertainty arising from the review of Te Ture Whenua Māori Act 1993. The Ministry is working closely with the Court's judges and staff to ensure that any implications of the review are appropriately managed.
Percentage of customers surveyed satisfied with the services provided by the Māori Land Court	80%	95%	83%	This is an improvement from the previous reporting year. However, the court is going through a reform process, which has caused some uncertainty for customers.
PRIVATE SECURITY PERSONNEL LICENSING AUTHORITY				
Percentage of uncontested applications issued within 6 weeks	7%	50%	32%	This measure is no longer an appropriate benchmark and will need to be replaced for future years. The training regulations give applicants at least 3 months (extendable to 6) to complete the training to allow us to process the application.
Licence applications received (see note 1)	306	150-250	360	This is a result of the 5 year anniversary of the legislation which has resulted in an increase in renewal applications being filed.
Certificate applications received (see note 1)	6,097	4,000-5,000	8,031	This is a result of the 5 year anniversary of the legislation which has resulted in an increase in renewal applications being filed.
Number of contested applications (complaints, objections, disqualifications) received (see note 1)	1,137	800-1,000	533	The number of cases received is demand-driven and is contextual information for the number of cases disposed.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of contested applications (complaints, objections, disqualifications) disposed	2,221	800-1,000	1,047	The 2015/16 result is close to the level of contested applications that the Authority expected to dispose of. The 2014/15 result was unusually high due to a change in the jurisdiction of the Authority that took effect in March 2015, which caused a spike in the Authority's workload.
REAL ESTATE AGENTS DISCIPLINARY TRIBUNAL				
Cases received (see note 1)	83	80-110	85	
Cases disposed	101	90-120	80	The transition period to appoint a new chairperson has resulted in a reduction of sitting days and consequently in the number of cases disposed.
Sittings days supported	81	80	61	The transition period to appoint a new chairperson has resulted in a reduction of sitting days and consequently in the number of cases disposed.
TENANCY TRIBUNAL				
Cases disposed – cases determined and mediation orders sealed	32,617	30,000-35,000	30,298	
Number of Tenancy Tribunal sitting days supported	3,350	3,400-3,600	3,862	The slightly higher than expected number of sitting days in the Tenancy Tribunal in 2015/16 is due to an increased complexity in cases.
TRIBUNALS				
Percentage of judicial officers surveyed who are at least 'fairly satisfied' with case management or file preparation and presentation (see note 2)	66%	75%	67%	Staff and judicial officer resourcing gaps continue to affect the results. The Ministry is still working to address these concerns.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of judicial officers surveyed who are at least 'fairly satisfied' with hearing or hearing room support (see note 2)	67%	75%	76%	
WAITANGI TRIBUNAL SERVICES				
New claims lodged	30	25-35	56	The increase in the number of claims lodged with the Tribunal can in part be explained by the increase in the number of urgent and contemporary claims received.
New claims registered	55	35-45	32	The number of claims that have been registered by the Tribunal have decreased due to being unable to contact claimants or requiring further information in relation to claims.
Percentage of research and report writing outputs provided by due date	91%	90%	100%	This has been an area of focus for the Tribunal. Efforts have been made by both the Report Writing and Research and Inquiry Facilitation teams to ensure deadlines for reports and research reports are submitted on time.
Percentage of Waitangi Tribunal judicial officers surveyed that are at least 'fairly satisfied' with judicial support and administration services provided (see note 2)	100%	75%	88%	
Percentage of Waitangi Tribunal judicial officers surveyed that are at least 'fairly satisfied' with hearing support provided (see note 2)	100%	75%	88%	

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
WEATHERTIGHT HOMES TRIBUNAL				
Cases received (see note 1)	26	20-30	31	Homeowners wishing to apply for the Governments Financial Assistance Package scheme were required to lodge an application with MBIE by 23 July 2016. This has led to an increase in claims to MBIE and is contextual information for the number of cases received.
Cases disposed	60	30-40	40	

Note 1 – The number of new cases or cases received is demand driven and is contextual information for the number of cases disposed.

Note 2 – Satisfaction is measured by an annual survey of the relevant judges or judicial officers. The performance measure standard is the percentage of respondents who rate ‘fairly satisfied’ or better about case management, file preparation, file presentation, and courtroom and hearing or mediation support provided (where applicable). The scale for responses is a 5-point satisfaction scale.

Output class statement

COLLECTION AND ENFORCEMENT OF FINES AND CIVIL DEBTS

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	61,469	61,941	61,487	60,069
Departmental	238	554	552	189
Other	1,694	3,955	3,955	1,775
Total revenue	63,401	66,450	65,994	62,033
Total expenses	61,211	66,450	65,994	61,535
Net surplus	2,190	-	-	498

DISTRICT COURT SERVICES

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Revenue				
Crown	202,993	203,788	206,016	193,601
Departmental	692	1,297	1,314	622
Other	15,521	24,931	24,931	15,126
Total revenue	219,206	230,016	232,261	209,349
Total expenses	224,541	230,016	232,261	218,376
Net surplus	(5,334)	-	-	(9,027)

HIGHER COURT SERVICES

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	62,563	62,123	61,110	60,701
Departmental	400	730	696	318
Other	10,991	10,185	10,185	11,168
Total revenue	73,954	73,038	71,991	72,187
Total expenses	71,925	73,038	71,991	70,556
Net surplus	2,029	-	-	1,631

SPECIALIST COURTS, TRIBUNALS AND OTHER AUTHORITIES SERVICES

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	81,844	81,620	79,712	79,675
Departmental	730	2,438	2,293	470
Other	10,645	6,394	6,150	11,644
Total revenue	93,219	90,452	88,155	91,789
Total expenses	88,065	90,504	88,301	86,353
Net surplus	5,154	(52)	(146)	5,436

Vote Treaty Negotiations

PROPERTY PORTFOLIO MANAGEMENT

What the Ministry does

This appropriation contributes to the management, transfer, and disposal of Crown-owned property for Treaty settlement purposes.

Contribution to outcomes

This appropriation contributes to the outcome of integrity of our constitutional arrangements maintained. This is achieved through maintaining recent momentum and prioritising settlement legislation currently in the House through all stages.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of strategic future Treaty settlement assets acquired in compliance with Cabinet policy	100%	100%	100%	
Percentage of Treaty settlement assets disposed on time and in accordance with Cabinet approvals and Treaty settlement legislation	100%	100%	100%	

Output class statement

PROPERTY PORTFOLIO MANAGEMENT

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
Revenue				
Crown	10,747	11,506	269	13,094
Departmental	37	12	11	16
Other	3	20	20	9
Total revenue	10,787	11,538	300	13,119
Total expenses	9,122	11,538	300	9,466
Net surplus	1,665	-	-	3,653

TREATY NEGOTIATIONS AND MARINE AND COASTAL AREA (TAKUTAI MOANA ACT) (MULTI-CATEGORY APPROPRIATION)

What the Ministry does

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

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

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

Contribution to outcomes

The purpose of this appropriation is to support the Crown in the negotiation, administration and implementation of historic Treaty of Waitangi settlement claims, and the Marine and Coastal Area (Takutai Moana) Act 2011. This appropriation contributes to the outcome of integrity of our constitutional arrangements maintained. This is achieved through maintaining recent momentum and prioritising settlement legislation currently in the House through all stages.

Assessing performance

PERFORMANCE OF THE MULTI-CATEGORY APPROPRIATION AS A WHOLE

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
The satisfaction of the Minister for Treaty of Waitangi Negotiations with progress towards negotiation milestones	90%	At least 80%	80%	

POLICY ADVICE – TREATY NEGOTIATIONS AND MARINE AND COASTAL AREA (TAKUTAI MOANA) ACT

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 90% (see note 1)	7.7/10	At least an average of 70%	7.6	
The satisfaction of the Minister of Treaty of Waitangi Negotiations with the policy advice service, as per the common satisfaction survey	100%	At least 80%	92%	
The total cost per hour of producing outputs	\$129	At most \$150	\$141.70	

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

REPRESENTATION – WAITANGI TRIBUNAL AND COURTS

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of District enquiries at which the Crown is represented	4	3	3	
Number of Higher Court cases at which the Crown is represented	6	7	5	This measure is not in the Crown's control however there were fewer High Court cases than anticipated.

TREATY NEGOTIATIONS AND MARINE AND COASTAL AREA (TAKUTAI MOANA ACT)

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of settlement date obligations met	98%	100%	97%	
Mandates recognised (see note 1)	3	2	4	The number of Mandates recognised was above the target as a result of 2 groups being ready to mandate earlier than had been anticipated.
Agreements in Principle signed (see note 2)	1	5	2	The number of Agreements in Principle signed was lower than the target due to the longer period of time required to complete negotiations. This reflects the challenges of achieving agreements with claimant groups and the complexity of those negotiations.
Deeds of Settlement initialled (see note 3)	4	7	5	The number of Deeds of Settlement initialled was below the target as a result of changing initialling dates in late 2015/16.
Legislation introduced	1	14	10	The 4 bills that are required to achieve this target are at a variety of stages pending available House time for introduction.
Proportion of claims settled	55%	61%	59%	

Note 1 – A Deed of Mandate is a formal statement prepared by a claimant group stating who is appointed to represent them in negotiations with the Crown, and how the mandate was approved by the claimant group. If satisfied, the Minister for Treaty of Waitangi Negotiations and the Minister of Māori Affairs recognise the Mandate on behalf of the Crown.

Note 2 – An Agreement in Principle is an agreement between the Crown and a claimant group marked by an exchange of letters between the claimant group and the Minister for Treaty of Waitangi Negotiations. The letters describe the broad outline of a settlement package.

Note 3 – A Deed of Settlement is the complete, detailed and formal settlement agreement signed on behalf of the Crown and the claimant group.

Output class statement

POLICY ADVICE – TREATY NEGOTIATIONS AND MARINE AND COASTAL AREA (TAKUTAI MOANA) ACT

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	1,348	1,351	1,348	1,219
Departmental	22	10	10	19
Other	2	2	2	3
Total revenue	1,372	1,363	1,360	1,241
Total expenses	1,234	1,363	1,360	1,202
Net surplus	138	-	-	39

REPRESENTATION – WAITANGI TRIBUNAL AND COURTS

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	2,070	2,075	2,071	2,073
Departmental	3	-	-	3
Other	36	2	2	2
Total revenue	2,109	2,077	2,073	2,078
Total expenses	2,245	2,077	2,073	2,629
Net surplus	(136)	-	-	(551)

TREATY NEGOTIATIONS AND MARINE AND COASTAL AREA (TAKUTAI MOANA) ACT

	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000	Actual 30 June 2015 \$000
REVENUE				
Crown	27,512	25,525	25,264	30,502
Departmental	668	148	173	439
Other	39	31	31	128
Total revenue	28,219	25,704	25,468	31,069
Total expenses	25,561	25,704	25,468	27,175
Net surplus	2,658	-	-	3,894

Capability measures

ENSURING DELIVERY OF OUR OUTCOMES

The Ministry is tasked with developing and delivering an effective justice system that is accessible and cost-effective for New Zealanders. To achieve this, the Ministry is focused on improving the way it works, its capability, and its systems and technology.

Measure	Current measurement	Target	Current state and trend	Comment
DEVELOP OUR PEOPLE				
Our employees have opportunities to develop	Employees agree that the Ministry ensures that they are adequately trained for the work they do (see note 1)	Improve score	2015: 49.7% 2014: 52.0% 2012: 49.6%	This question was not included in the 2016 Working for Justice pulse check survey. The pulse check survey contained a small proportion of the questions in the full Working for Justice survey. It was intended to check in on our progress towards our strategic goals and specific actions to make the Ministry a great place to work.
	Employees agree that there are learning and development opportunities in the Ministry (see note 1)	Improve score	2015: 43.8% 2014: 45.3% 2012: 45.2%	This question was not included in the 2016 Working for Justice pulse check survey. The pulse check survey contained a small proportion of the questions in the full Working for Justice survey. It was intended to check in on our progress towards our strategic goals and specific actions to make the Ministry a great place to work.
	Employees agree that the feedback and coaching they receive helps them to improve their performance (see note 1)	Improve score	2016: 50.9% 2015: 56.4% 2014: 54.4% 2012: 52.3%	

Measure	Current measurement	Target	Current state and trend	Comment
TURN DATA INTO INSIGHT				
Business intelligence capability improves	Business intelligence information management (BIIM) maturity rating	Improve score	2015/16: 2.9/5 2013/14: 2.0/5	To achieve our interim target of level 3 maturity we need to make some improvements in Business intelligence governance and further communicate the Information Strategy. We expect to achieve the target for level 4 maturity by December 2018.
BUILD ROBUST, FUNCTIONAL ICT				
Our five main technology applications are reliable and available during normal business hours (see note 2)	Internal administrative data shows an improvement in the availability of the five main technology applications, during normal business hours	99.5%	2015/16: 99.5% 2014/15: 99.2% 2013/14: 99.5% 2012/13: 99.5%	
We resolve high priority incidents in our five main technology applications within an average of two and a half hours, to minimise the impact on public service delivery	Internal administrative data shows that high priority technology-related incidents in the top five applications are resolved within an average of two and a half hours (including evenings and weekends outside of normal business hours)	80% of our high priority incidents are resolved within two and a half hours	2015/16: 79% 2014/15: 73% 2013/14: 82% 2012/13: 88%	

Measure	Current measurement	Target	Current state and trend	Comment
ENSURE GOOD COMMUNICATION				
Our employees feel informed	Employees agree that they feel informed about the Ministry and its activities (see note 1)	Improve score	2015: 45.8% 2014: 45.7% 2012: 48.7%	This question was not included in the 2016 Working for Justice pulse check survey. The pulse check survey contained a small proportion of the questions in the full Working for Justice survey. It was intended to check in on our progress towards our strategic goals and specific actions to make the Ministry a great place to work.
Communications capability improves	Communications capability maturity indicator, as measured by Benchmarking Administration and Support Services	To be at or above the peer group median	2014/15: 2.3 2013/14: 2.1 2012/13: 2.5	The large cohort, peer group median is 2.8. 2014/15 is the latest result available.
MAKE THE MINISTRY A GREAT PLACE TO WORK				
Employee engagement levels improve	Internal survey shows that we meet or exceed the state sector benchmark for employee engagement	To meet or exceed the state sector benchmark by 2017	2016 Engagement index: 50.1% 2015 Engagement index: 47.4% 2014 Engagement index: 51.1% 2012 Engagement index: 52.9%	The state sector benchmark is 67.8. The gap between the Ministry's engagement index and the State Sector benchmark has reduced from 21.9% to 17.7%.
Workforce turnover	Core unplanned turnover rate	To be at or below the public sector median	2015/16: 14.7% 2014/15: 14.0% 2013/14: 13.6% 2012/13: 12.6%	The public sector median is 10.9%.
	Percentage of new employees still in the role after 24 months (see note 3)	Reduce rate	2015/16: 75.5% 2014/15: 63.0% 2013/14: 43.5% 2012/13: 45.2%	This result can fluctuate based on the small sample size.
	Percentage of resigning staff who had less than two years service	Reduce percentage	2015/16: 34.0% 2014/15: 39.4% 2013/14: 36.3%	

Measure	Current measurement	Target	Current state and trend	Comment
The Ministry is a committed equal opportunity employer and strives to maintain a diverse workforce	Gender profile of Ministry employees	n/a	2015/16: Female – 69.0%, Male – 31.0% 2014/15: Female – 68.0%, Male – 32.0% 2013/14: Female – 66.8%, Male – 33.2% 2012/13: Female – 66.3%, Male – 33.7%	
	Gender profile of Ministry senior management	n/a	2015/16: Female – 48.1%, Male – 51.9% 2014/15: Female – 41.3%, Male – 58.7% 2013/14: Female – 46.2%, Male – 53.8% 2012/13: Female – 53.3%, Male – 46.7%	
	Ethnicity profile of Ministry staff	n/a	2015/16: New Zealand European/Pākehā: 47.9%, New Zealand Māori: 13.5%, Pacific Island: 7.0%, European: 5.7%, Asian: 5.5%, Other: 7.0% 2014/15: New Zealand European/Pākehā: 47.4%, New Zealand Māori: 13.4%, Pacific Island: 6.6%, European: 6.2%, Asian: 6.0%, Other: 7.4% 2013/14: New Zealand European/Pākehā: 47%, New Zealand Māori: 13.1%, Pacific Island: 6.7%, European: 6.6%, Asian: 6%, Other: 7.3%	

Note 1 – This is a new measure for 2015/16. Information for prior years has not been included in previous annual reports.

Note 2 – Our 5 main technology applications are the Case Management System, the National Transcription Service, the Judicial Decision Suite, Collect, and email systems.

Note 3 – This measure will not be included in the next *Ministry of Justice Statement of Intent*.

Official correspondence

FOR THE YEAR ENDED 30 JUNE 2016

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

Responding to official correspondence

The Ministry receives and replies to a range of correspondence and questions each year on the work we do. These questions and requests for information cover the 3 Votes we administer; Vote Courts, Justice and Treaty Negotiations. These services are not funded from one particular Vote or output class.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Comment
Number of ministerial correspondence replies drafted	1,602	n/a	1,106	
Percentage of draft replies to ministerial correspondence submitted to Ministers within required timeframes	96%	95%	98%	
Number of Official Information Act 1982 requests responded to	901	n/a	967	
Percentage of draft replies to Official Information Act 1982 requests completed within statutory timeframes	96%	100%	95%	
Number of replies drafted in response to parliamentary questions	386	n/a	379	
Percentage of draft replies to parliamentary questions submitted to Ministers within required timeframes	98%	100%	99%	



Our financial performance

Departmental statements

Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2016

Actual 30 June 2015 \$000		Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000
REVENUE					
521,810	Crown		535,755	534,048	544,884
2,903	Department		3,708	4,977	5,336
40,384	Other revenue	2	39,107	46,275	47,317
565,097	Total revenue		578,570	585,300	597,537
EXPENDITURE					
256,267	Personnel costs	3	263,151	261,964	246,324
175,043	Operating costs	4	166,511	191,145	195,658
68,962	Capital charge	5	75,065	72,824	88,339
56,497	Depreciation, amortisation and impairment	6,8	63,267	56,419	67,362
556,769	Total expenditure		567,994	582,352	597,683
8,328	Net surplus/(deficit)		10,576	2,948	(146)
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
	<i>Item that will not be reclassified to net surplus/(deficit)</i>				
28,012	Gain on property revaluations		14,549	-	-
28,012	Total other comprehensive revenue and expense		14,549	-	-
36,340	Total comprehensive revenue and expense		25,125	2,948	(146)

Explanations of significant variances against budget are detailed in note 21.

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2016

Actual 30 June 2015 \$000		Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000
ASSETS					
CURRENT ASSETS					
46,725	Cash and cash equivalents		47,298	40,792	48,605
162,996	Debtors and other receivables	9	196,251	103,224	98,457
3,482	Prepayments		2,476	5,795	5,658
2,399	Assets held for sale	7	230	-	-
215,602	Total current assets		246,255	149,811	152,720
NON-CURRENT ASSETS					
749,481	Property, plant and equipment	6	912,393	949,830	1,033,706
66,078	Intangible assets	8	60,027	91,169	78,852
815,559	Total non-current assets		972,420	1,040,999	1,112,558
1,031,161	Total assets		1,218,675	1,190,810	1,265,278
LIABILITIES AND TAXPAYERS' FUNDS					
CURRENT LIABILITIES					
16,111	Creditors and other payables	10	25,263	10,171	42,966
14,166	Provisions	11	16,359	2,856	283
3,402	GST payable		1,894	3,523	3,405
23,654	Accrued expenses		20,248	35,027	-
8,419	Return of operating surplus	12	10,261	3,000	-
16,130	Employee entitlements	13	16,416	15,184	18,628
81,882	Total current liabilities		90,441	69,761	65,282
NON-CURRENT LIABILITIES					

Actual 30 June 2015 \$000		Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000
6,921	Employee entitlements	13	7,684	6,738	6,900
3,247	Provisions	11	650	-	-
10,168	Total non-current liabilities		8,334	6,738	6,900
92,050	Total liabilities		98,775	76,499	72,182
EQUITY					
777,570	Taxpayers' funds	14	943,679	980,775	1,031,701
297	Memorandum accounts	14	612	245	151
161,244	Property revaluation reserves	14	175,609	133,291	161,244
939,111	Total equity		1,119,900	1,114,311	1,193,096
1,031,161	Total equity and liabilities		1,218,675	1,190,810	1,265,278

Explanations of significant variances against budget are detailed in note 21.

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2016

Actual 30 June 2015 \$000	Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000
852,902	Equity as at 1 July	939,111	911,438	1,104,985
36,340	Total comprehensive revenue and expense	25,125	2,948	(146)
(8,419)	Return of operating surplus to the Crown	(10,261)	(3,000)	-
38,288	Capital contribution from the Crown	165,925	202,925	88,257
20,000	Capital transfers from other government agencies (cash)	-	-	-
939,111	Equity as at 30 June	1,119,900	1,114,311	1,193,096

Explanations of significant variances against budget are detailed in note 21.

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2016

Actual 30 June 2015 \$000	Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH WAS PROVIDED FROM:				
509,101	Receipts from the Crown	500,620	564,048	591,384
2,913	Receipts from other departments	3,781	4,439	4,798
37,612	Receipts from others	40,913	46,731	47,775
549,626	Total cash flows from operating activities	545,314	615,218	643,957
CASH WAS APPLIED TO:				
(261,175)	Payments to employees	(261,482)	(261,017)	(243,867)
(176,801)	Payments to suppliers	(169,997)	(207,023)	(204,128)
(68,962)	Payment for capital charge	(75,065)	(72,824)	(88,339)
(1,127)	Goods and services tax (net)	(1,509)	-	-
(508,065)	Total cash applied for operating activities	(508,053)	(540,864)	(536,334)
41,561	Net cash flows from operating activities	37,261	74,354	107,623
	20			
CASH FLOWS FROM INVESTING ACTIVITIES				
CASH WAS PROVIDED FROM:				
2,617	Receipts from sale of property, plant and equipment	625	-	-
CASH WAS APPLIED TO:				
(18,819)	Purchase of intangible assets	(8,743)	(32,079)	(24,500)
(93,916)	Purchase of property, plant and equipment	(186,076)	(242,391)	(170,255)
(110,118)	Net cash flows from investing activities	(194,194)	(274,470)	(194,755)

Actual 30 June 2015 \$000	Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000	Unaudited forecast 2017 \$000
CASH FLOWS FROM FINANCING ACTIVITIES				
CASH WAS PROVIDED FROM:				
38,288	Capital contribution	14	165,925	202,925
20,000	Capital transfers from other agencies	-	-	-
CASH WAS APPLIED TO:				
(31)	Payments of finance lease	-	-	-
(2,335)	Return of operating surplus	(8,419)	(3,000)	(845)
55,922	Net cash flows from financing activities	157,506	199,925	87,412
(12,635)	Net increase/(decrease) in cash held	573	(191)	280
59,360	Cash as at 1 July	46,725	40,983	48,325
46,725	Closing cash as at 30 June	47,298	40,792	48,605

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

Explanations of significant variances against budget are detailed in note 21.

The accompanying notes form part of these financial statements.

Statement of commitments

AS AT 30 JUNE 2016

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant, and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date. The Ministry's capital commitments at balance date are \$330,000 (2014/15: nil).

Non-cancellable operating lease commitments

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

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

The majority of these leases are for premises that have a non-cancellable leasing period ranging from 3 to 10 years, with regular rent reviews.

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

The total of minimum future sublease payments expected to be received under non-cancellable subleases at the balance date is \$1.747 million (2014/15: \$1.629 million).

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
	CAPITAL COMMITMENTS	
	- Property, plant and equipment	330
	- Total capital commitments	330
	OPERATING LEASES AS LESSEE	
	<i>The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:</i>	
20,571	Not later than 1 year	20,220
53,010	Later than 1 year and not later than 5 years	49,008
51,493	Later than 5 years	45,889
125,074	Total non-cancellable operating lease commitments	115,117
125,074	Total commitments	115,447

The accompanying notes form part of these financial statements.

Statement of contingent liabilities and contingent assets

AS AT 30 JUNE 2016

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
125	Personal grievances	150
-	Litigation costs	25
125	Total quantifiable contingent liabilities	175

Personal grievances

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

Litigation costs

Litigation costs represent a current appeal to the High Court in which the Legal Services Commissioner is the respondent.

Non-quantifiable liabilities

DEPARTMENTAL NON-QUANTIFIABLE LIABILITIES - VOTE JUSTICE

The Ministry is currently investigating the issues relating to payments made under the Holidays Act 2003. The Ministry's payroll system is used by other organisations that are reporting compliance issues. These issues are likely to have resulted in some staff receiving incorrect payments. An external provider has been engaged by the Ministry to consider the Ministry's end-to-end payroll processes that support the Act's requirements. The investigation is in its initial phase, and the amount is therefore, currently, unquantifiable (2014/15: nil).

Contingent assets

The Ministry has no contingent assets (2014/15: nil).

The accompanying notes form part of these financial statements.

Statement of departmental unappropriated expenses and capital expenditure

FOR THE YEAR ENDED 30 JUNE 2016

Transfers under Section 26A of the Public Finance Act 1989

No section 26A transfers were authorised in the year ended 30 June 2016.

There were no expenses and capital expenditure incurred in excess of appropriation.

There were no expenses and capital expenditure incurred without appropriation or other authority, or outside the scope of appropriation.

There were no breaches of projected departmental net asset schedules.

Statement of departmental expenditure without, or in excess of, authority

FOR THE YEAR ENDED 30 JUNE 2016

The expenditure in excess of authority is \$10.814 million. Following a detailed review of the earthquake provision that was established in 2010/11 to cover the costs of an earthquake related settlement in Christchurch, Audit New Zealand and the Treasury have advised the Ministry that the expenditure incurred by the Ministry to date and the proposed payment to be outside the scope of the original Recovery from February 2011 Christchurch Earthquake appropriation.

Approval for the payment in settlement of a claim is governed by Cabinet Office Circular CO (15) 4 Proposals with Financial Implications and Financial Authorities, which requires Cabinet approval for a compensation payment of this value. The Ministry has since sought the validation of this expenditure through the next Appropriation (Confirmation and Validation) Bill.

Notes to the financial statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

Reporting entity

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

In addition, the Ministry has reported on Crown activities and trust monies that it administers.

The Ministry's primary objective is to provide services to the New Zealand public. The Ministry does not operate to make a financial return. Accordingly, the Ministry has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Ministry is responsible for the following core functions:

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

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

The financial statements of the Ministry are for the year ended 30 June 2016. The financial statements were authorised for issue by the Chief Executive of the Ministry on 28 September 2016.

Basis of preparation

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

STATEMENT OF COMPLIANCE

The financial statements of the Ministry have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP) and Treasury instructions.

The financial statements have been prepared in accordance with tier 1 PBE accounting standards.

These financial statements comply with PBE accounting standards.

PRESENTATION CURRENCY AND ROUNDING

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

FOREIGN CURRENCY TRANSACTIONS

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

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

MEASUREMENT BASE

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

Changes in accounting policy

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

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

Standards issued that are not yet effective and have not been early adopted

In 2015, the External Reporting Board issued Disclosure Initiative (Amendments to PBE IPSAS 1), 2015 Omnibus Amendments to PBE standards, and Amendments to PBE standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. The Ministry will apply these amendments in preparing the 30 June 2017 financial statements.

The Ministry expects there will be minimal or no change in applying these amendments.

Significant accounting policies

Revenue recognition

REVENUE

The specific accounting policies for significant revenue items are explained below.

REVENUE CROWN

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

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

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

OTHER REVENUE

Departmental and other revenue are from the supply of goods and services to other government departments and 3rd parties. This revenue is exchange revenue whereby the Ministry receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

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

Interest income is accrued using the effective interest rate method.

Capital charge

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

Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land, buildings, leasehold improvements, furniture and office equipment, computer equipment and motor vehicles.

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

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

ADDITIONS

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

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

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

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

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

Asset revaluation

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value. All land and buildings are inspected and valued on a rolling basis over 3 years. In any 1 year, a selection of land and buildings are inspected and the remaining properties are desktop valued by a registered valuer.

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

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

Depreciation

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

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

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

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

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

DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

SUBSEQUENT COSTS

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

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

Assets held for sale

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

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

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

Assets held for sale are not depreciated or amortised while they are classified as held for sale.

Intangible assets

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with development and maintenance of the Ministry's website are recognised as an expense when incurred.

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

Asset category	Asset life (years)
Acquired software	Up to 7
Internally generated software	Up to 7

IMPAIRMENT

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

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

Employee entitlements

SHORT-TERM EMPLOYEE ENTITLEMENTS

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

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

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

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

LONG-TERM EMPLOYEE ENTITLEMENTS

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

The calculations are based on:

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

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

PRESENTATION OF EMPLOYEE ENTITLEMENTS

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

Provisions

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

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

RESTRUCTURING

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

ONEROUS CONTRACTS

Where the benefits to be derived from a contract are lower than the unavoidable costs of meeting the obligation under the contract, a provision is recognised. The provision is stated at the present value of the future net cash outflows expected to be incurred in respect of the contract.

Superannuation

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

Cost allocation

The Ministry derives the costs of outputs using a cost allocation system outlined below.

CRITERIA FOR DIRECT AND INDIRECT COSTS

Direct costs are those costs that can be directly attributed to output(s). Indirect costs are those that cannot be identified in an economically feasible manner to a specific output(s).

COST ALLOCATION POLICY

Direct costs are charged to output classes as and when they occur. Indirect costs are accumulated and allocated to output classes based on cost drivers such as assessment of personnel time, building area occupied or asset utilisation, which reflect an appropriate measure of resource consumption usage. Costs identified to overhead areas are accumulated and allocated to output classes based on resource consumption usage, where possible (such as full-time equivalent staff numbers), or in proportion to the direct and indirect charges made to the output class.

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

Commitments

Expenses yet to be incurred on non-cancellable operating lease and capital contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the lower of the remaining contractual commitment and the value of that penalty or exit cost.

Contingent liabilities and contingent assets

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

Income tax

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget and forecast figures

BASIS OF THE BUDGET AND FORECAST FIGURES

The 2016 budget figures are for the year ended 30 June 2016 and are consistent with the Ministry's best estimate financial forecast information submitted to The Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2015/16.

The 2017 forecast figures are for the year ending 30 June 2017, which are consistent with the best estimate financial forecast information submitted to The Treasury for the BEFU for the year ending 2016/17.

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

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

The forecast financial statements were approved for issue by the Chief Executive on 22 March 2016. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2017 will not be published.

SIGNIFICANT ASSUMPTIONS USED IN PREPARING THE FORECAST FINANCIALS

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what may occur during the 2016/17 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 22 March 2016, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as the previous year focusing on the government's priorities.
- Personnel costs were based on over 3,000 full-time equivalent staff, which takes into account staff turnover.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Land and buildings are not revalued.
- Estimated year-end information for 2015/16 was used as the opening position for the 2016/17 forecasts.

The actual financial results achieved for 30 June 2017 are likely to vary from the forecast information presented, and the variations may be material.

Since the approval of the forecasts, the only significant change or event that would have a material impact on the forecasts has been the revaluation of land and buildings at 30 June 2016. This resulted in a revaluation increase of approximately 2.48%. Although it is difficult to reliably forecast land and building values, it is likely that the valuation increase to 30 June 2016 will result in land and building values at 30 June 2017 being higher than in the existing 2017 forecast figures.

Financial instruments

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

DEBTORS AND OTHER RECEIVABLES

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

A receivable is considered impaired when there is evidence that the Ministry will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

CASH AND CASH EQUIVALENTS

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

FINANCIAL LIABILITIES

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

CREDITORS AND OTHER PAYABLES

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

Leases

FINANCE LEASES

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

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

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

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

OPERATING LEASES

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

EQUITY

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

MEMORANDUM ACCOUNTS

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services provided that are intended to be fully cost recovered from 3rd parties through fees, levies or charges. The balance of each memorandum account is expected to trend toward zero over time.

PROPERTY REVALUATION RESERVES

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

Critical accounting estimates and assumptions

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

RETIRING AND LONG SERVICE LEAVE

Note 13 provides analysis of the exposures and uncertainties relating to retiring and long-service leave liabilities.

VALUATION OF LAND AND BUILDINGS

Revaluations of land and buildings are carried out each financial year to ensure the carrying amount reflects fair value. As fair value is determined based on market evidence, movements in property values may affect the fair value of land and buildings owned by the Ministry.

Critical judgements in applying the Ministry's accounting policies

Management has exercised critical judgement in applying the Ministry's accounting policies for the period ended 30 June 2016.

NOTE 2. OTHER REVENUE

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000	Unaudited Budget 30 June 2016 \$000
26,279	Filing fees	26,346	26,301
13,318	Other	11,958	19,194
787	Interest	803	780
40,384	Total other revenue	39,107	46,275

NOTE 3. PERSONNEL COSTS

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000	Unaudited Budget 30 June 2016 \$000
229,110	Salaries and wages	230,003	230,057
6,608	Employer contributions to defined contribution plans	6,718	7,186
626	Increase/(decrease) in employee entitlements	1,549	944
19,923	Other	24,881	23,777
256,267	Total personnel costs	263,151	261,964

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

NOTE 4. OPERATING COSTS

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000	Unaudited Budget 30 June 2016 \$000
420	Audit fees for financial statements audit	441	420
278	Bad debts written off/provided for	551	-
37,708	Computer and telecommunications	39,079	41,622
802	Advertising and publicity	277	827
6,320	Jurors fees and expenses	6,826	6,080
855	Ministry library and information services	965	950
5,509	Judicial library and information services	5,604	5,606
556	Judicial education/development	537	229
3,247	Disposal loss on intangibles, property, plant and equipment	268	-
9,031	Maintenance of facilities	8,748	12,265
21,698	Other occupancy costs (excluding property rental)	21,757	21,492
28,409	Professional services	27,879	33,348
19,756	Property rental	19,759	20,874
7,371	Printing, stationery and postage	6,971	7,152
11,694	Sitting fees and judicial costs	11,434	10,813
11,439	Staff and judicial travel	11,082	10,640
34	Koha	33	44
9,916	Other operating costs	4,300	18,783
175,043	Total operating costs	166,511	191,145

NOTE 5. CAPITAL CHARGE

The Ministry pays a capital charge to the Crown on its equity (adjusted for memorandum accounts and the retention of \$500,000 of the 2012/13 surplus) as at 31 December and 30 June each year. The capital charge rate for the year ended 30 June 2016 was 8% (2014/15: 8%).

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

	Land (at valuation) \$000	Buildings (at valuation) \$000	Fitout/ leasehold improvements \$000	Computer equipment \$000	Computer equipment (finance lease) \$000	Furniture and fittings, office equipment \$000	Motor vehicles \$000	Work in progress (WIP) \$000	Total \$000
COST/VALUATION									
Balance at 1 July 2014	162,038	391,254	51,038	69,713	1,234	45,492	7,336	57,594	785,699
Additions	-	4,399	1,019	2,968	-	7,638	141	80,674	96,839
Revaluation increase/ (decrease)	11,483	(7,161)	-	-	-	-	-	-	4,322
Transfer to held for sale	(2,279)	-	-	-	-	-	-	-	(2,279)
Reclassification of assets	-	(1,155)	1,361	-	-	(206)	-	2,357	2,357
Other movements	-	-	-	-	-	-	-	(674)	(674)
Disposals	-	-	-	-	-	(9)	(434)	-	(443)
Balance at 30 June 2015	171,242	387,337	53,418	72,681	1,234	52,915	7,043	139,951	885,821
Balance at 1 July 2015	171,242	387,337	53,418	72,681	1,234	52,915	7,043	139,951	885,821
Additions	34,523	56,567	3,763	4,349	-	8,758	342	86,846	195,148
Revaluation increase/(decrease)	3,730	(15,259)	-	-	-	-	-	-	(11,529)
Transfer from held for sale	1,960	170	-	-	-	-	-	-	2,130
Transfer to held for sale	(230)	-	-	-	-	-	-	-	(230)
Reclassification of assets	-	(717)	-	14	-	1,645	-	(4,302)	(3,360)
Other movements	-	38	-	(14)	-	38	-	-	62
Disposals	-	-	(67)	(17)	-	(15)	(1,957)	-	(2,056)
Balance at 30 June 2016	211,225	428,136	57,114	77,013	1,234	63,341	5,428	222,495	1,065,986

	Land (at valuation) \$000	Buildings (at valuation) \$000	Fitout/ leasehold improvements \$000	Computer equipment \$000	Computer equipment (finance lease) \$000	Furniture and fittings, office equipment \$000	Motor vehicles \$000	Work in progress (WIP) \$000	Total \$000
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES									
Balance at 1 July 2014	-	456	25,743	56,916	1,203	32,855	3,760	-	120,933
Depreciation expense	-	23,919	4,901	5,726	31	4,278	554	-	39,409
Eliminate on disposal	-	-	-	-	-	(9)	(304)	-	(313)
Eliminate on revaluation	-	(23,689)	-	-	-	-	-	-	(23,689)
Reclassification of assets	-	(686)	712	-	-	(26)	-	-	-
Balance at 30 June 2015	-	-	31,356	62,642	1,234	37,098	4,010	-	136,340
Balance at 1 July 2015	-	-	31,356	62,642	1,234	37,098	4,010	-	136,340
Depreciation expense	-	26,258	7,701	5,766	-	4,341	695	-	44,761
Eliminate on disposal	-	-	(66)	(17)	-	(15)	(1,383)	-	(1,481)
Eliminate on revaluation	-	(26,078)	-	-	-	-	-	-	(26,078)
Eliminate on transfer from held for sale	-	51	-	-	-	-	-	-	51
Other asset movement	-	11	-	-	-	(11)	-	-	-
Balance at 30 June 2016	-	242	38,991	68,391	1,234	41,413	3,322	-	153,593
CARRYING AMOUNTS									
At 1 July 2014	162,038	390,798	25,295	12,797	31	12,637	3,576	57,594	664,766
At 30 June/1 July 2015	171,242	387,337	22,062	10,039	-	15,817	3,033	139,951	749,481
At 30 June 2016	211,225	427,894	18,123	8,622	-	21,928	2,106	222,495	912,393

Work in progress (WIP) totals \$222.495 million (2014/15: \$139.951 million) and is made up of the following classes: Buildings \$213.554 million, leasehold improvements \$0.513 million, computer equipment \$3.247 million, furniture and fittings and office equipment \$5.048 million and motor vehicles \$0.133 million.

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

The Ministry has assets valued at \$98.517 million listed under the Historic Places Trust Act 1993 (2014/15: \$103.421 million), which are included in the assets above.

The land and buildings were valued at fair value as at 30 June 2016 by Nigel Hoskin, BBS (VPM) ANZIV, of Beca Valuations Limited, and are in accordance with the International Valuation Standards 2013. The total value of land and buildings valued to fair value in 2016 was \$602.349 million (2014/15: \$558.580 million). The valuations are performed on a rolling basis over 3 years.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

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

Buildings

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

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

Significant assumptions include:

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

Finance Lease

The net carrying amount of office equipment held under finance leases is nil (2014/15: nil).

NOTE 7. ASSETS HELD FOR SALE

The Ministry has identified 1 land property as asset held for sale. This land was transferred back to the Ministry from LINZ on the 30 June 2016. The Ministry will transfer the land property to the Waitaki District Council on 1 July 2016 under Section 50 of the Public Works Act.

	Assets held for sale \$'000
Balance at 1 July 2014	2,277
Transfer to assets held for sale from property, plant and equipment	2,279
Disposals	(2,157)
Balance at 30 June 2015	2,399
Balance at 1 July 2015	2,399
Transfer from assets held for sale to property, plant and equipment	(2,079)
Transfer to assets held for sale from property, plant and equipment	230
Disposals	(320)
Balance at 30 June 2016	230
<i>Asset type pre-transfer:</i>	
Land	230
Balance at 30 June 2016	230

The accumulated revaluation reserves for this property included as at 30 June 2016 is nil.

NOTE 8. INTANGIBLE ASSETS

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

Cost	Acquired Software \$000	Internally Generated Software \$000	Work in Progress (WIP) \$000	Total \$000
Balance at 1 July 2014	51,387	133,698	13,079	198,164
Additions	1,631	13,739	430	15,800
Disposals	-	(3,247)	-	(3,247)
Other movement	-	-	(620)	(620)
Reclassification of assets	-	-	(2,357)	(2,357)
Balance at 30 June 2015	53,018	144,190	10,532	207,740
Balance at 1 July 2015	53,018	144,190	10,532	207,740
Additions	3,169	13,117	(7,201)	9,085
Other movement	(6)	16	-	10
Reclassification of assets	6	(16)	3,370	3,360
Balance at 30 June 2016	56,187	157,307	6,701	220,195
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 1 July 2014	28,746	95,828	-	124,574
Amortisation expense	2,775	14,313	-	17,088
Balance at 30 June 2015	31,521	110,141	-	141,662
Balance at 1 July 2015	31,521	110,141	-	141,662
Amortisation expense	2,733	15,773	-	18,506
Balance at 30 June 2016	34,254	125,914	-	160,168
CARRYING AMOUNTS				
At 1 July 2014	22,641	37,870	13,079	73,590
At 30 June/1 July 2015	21,497	34,049	10,532	66,078
At 30 June 2016	21,933	31,393	6,701	60,027

This includes work in progress (WIP) of \$6.701 million (2014/15: \$10.532 million) and is made up of the following classes: acquired software \$0.966 million and internally generated software \$5.735 million.

NOTE 9. DEBTORS AND OTHER RECEIVABLES

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
155,506	Debtor Crown	190,641
163	Travel advances	194
7,789	Sundry debtors	6,320
(462)	Less: provision for doubtful debts	(904)
7,327	Total sundry debtors	5,416
162,996	Total debtors and other receivables	196,251
	<i>Total debtors and other receivables comprise:</i>	
7,490	Receivables from exchange transactions	5,610
155,506	Receivables from non-exchange transactions	190,641
162,996	Total debtors and other receivables	196,251

The carrying value of debtors and other receivables approximates their fair value. As at 30 June 2016, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below.

Gross 2015 \$000	Impairment 2015 \$000	Net 2015 \$000		Gross 2016 \$000	Impairment 2016 \$000	Net 2016 \$000
155,714	-	155,714	Not past due	190,250	-	190,250
6,772	-	6,772	Past due 1-30 days	5,389	-	5,389
139	-	139	Past due 31-60 days	297	-	297
47	-	47	Past due 61-90 days	47	-	47
786	(462)	324	Past due >90	1,172	(904)	268
163,458	(462)	162,996	Total	197,155	(904)	196,251

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

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

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
294	Balance as at 1 July	462
331	Additional provisions made during the year	621
(16)	Less: reversal of prior year provision	(106)
(147)	Less: receivables written off during the year	(73)
462	Balance as at 30 June	904

The provision for impairment has been calculated based on a review of specific overdue invoices.

NOTE 10. CREDITORS AND OTHER PAYABLES

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
	<i>Current liabilities</i>	
16,111	Creditors and other payables	25,263
16,111	Total creditors and other payables	25,263
	<i>Total creditors and other payables comprise:</i>	
10,644	Payables from exchange transactions	21,485
5,467	Payables from non-exchange transactions	3,778
16,111	Total creditors and other payables	25,263

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

NOTE 11. PROVISIONS

	Onerous Contract \$000	Make Good \$000	Christchurch Earthquake \$000	Restructuring \$000	Other Provision \$000	Total \$000
Opening balance 1 July 2014	981	3,550	13,637	1,398	38	19,604
Additional provisions made	-	525	-	25	288	838
Amount utilised	(689)	(445)	-	(390)	-	(1,524)
Unused provisions reversed	(292)	(408)	-	(795)	(10)	(1,505)
Transfers	-	28	-	-	(28)	-
Closing balance 30 June 2015	-	3,250	13,637	238	288	17,413
Opening balance 1 July 2015	-	3,250	13,637	238	288	17,413
Additional provisions made	-	-	-	4,411	-	4,411
Amount utilised	-	(16)	-	(99)	(288)	(403)
Unused provisions reversed	-	(254)	(4,137)	(21)	-	(4,412)
Closing balance 30 June 2016	-	2,980	9,500	4,529	-	17,009

The make-good provision relates to contractual obligations resulting from the Ministry entering into lease contracts. The lease obligations require the Ministry to make good the condition of the land and buildings upon terminating the lease and vacating the premises. The Ministry has the option to renew these leases, which may change the timing of the expected cash outflows to make-good the premises. The cash flows associated with the current portion mainly relates to the leases in Christchurch where the lease make-good provision are expected to occur in 2016/17.

The Christchurch earthquake provision relates to make good obligations the Ministry has as a result of the Christchurch earthquakes. Costs are expected to be incurred in 2016/17.

Restructuring provisions provide for the expected costs arising from the reorganisation within the Ministry. All of these costs are expected to be expensed by 2017/18.

The current and non-current provisions are as follows.

	Make Good \$000	Christchurch Earthquake \$000	Restructuring \$000	Other Provision \$000	Total \$000
Current portion	135	13,637	106	288	14,166
Non-current portion	3,115	-	132	-	3,247
Total provisions 30 June 2015	3,250	13,637	238	288	17,413
Current portion	2,420	9,500	4,439	-	16,359
Non-current portion	560	-	90	-	650
Total provisions 30 June 2016	2,980	9,500	4,529	-	17,009

NOTE 12. RETURN OF OPERATING SURPLUS

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
8,328	Net surplus/(deficit)	10,576
91	(Surplus)/deficit of memorandum accounts	(315)
8,419	Total return of operating surplus	10,261

The net surplus for 2016 is based on the net surplus reported in the Ministry's 2016 *Annual report*.

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

NOTE 13. EMPLOYEE ENTITLEMENTS

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
	<i>Current liabilities</i>	
2,665	Retirement and long-service leave	2,830
3	Sick leave	4
12,600	Annual leave	12,698
862	Salaries	884
16,130	Total current liabilities	16,416
	<i>Non-current liabilities</i>	
6,921	Retirement and long-service leave	7,684
6,921	Total non-current liabilities	7,684
23,051	Total provision for employee entitlements	24,100

The present value of the retirement and long-service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The discount rate used was 2.12% with 2.47% salary inflation for year 1 of the projection (2014/15: 2.93% with 2.63% salary inflation). The discount rates and salary inflation factor used are those advised by the Treasury.

If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$706,000 higher/lower.

If the salary inflation factor were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$698,000 higher/lower.

The valuations of long-service leave and retirement leave as at 30 June 2016 were conducted by an independent actuary, Marcelo Lardies, BSc (Hons) FNZSA, of AON Hewitt.

NOTE 14. EQUITY

Equity comprises the 4 components of contributed capital, accumulated surplus/(deficit), memorandum accounts and property valuation reserves. These are set out below.

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
719,155	Taxpayers' funds as at 1 July	777,570
36,340	Total comprehensive income	25,125
(28,012)	Transfer revaluation gain to property revaluation reserves	(14,549)
127	Transfer realised revaluation from property valuation reserves	184
38,288	Capital injection (cash) from the Crown	165,925
20,000	Capital transfers other government agencies (cash)	-
(8,419)	Return of operating surplus to the Crown	(10,261)
91	Transfer of memorandum account net (surplus)/deficit	(315)
777,570	Taxpayers' funds as at 30 June	943,679
	<i>Memorandum accounts</i>	
388	Opening balance 1 July	297
(91)	Net memorandum account surplus/(deficit) for the year	315
297	Balance as at 30 June	612
	<i>Property valuation reserves</i>	
133,359	Balance at 1 July	161,244
28,012	Revaluation gains	14,549
(127)	Transfer realised revaluation to taxpayers' funds	(184)
161,244	Property valuation reserves as at 30 June	175,609
939,111	Total equity	1,119,900
	<i>Property valuation reserves consist of:</i>	
38,822	Land revaluation reserve	42,368
122,422	Buildings revaluation reserve	133,241
161,244	Total property valuation reserves	175,609

NOTE 15. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

The Ministry is a wholly owned entity of the Crown.

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

Related party transactions required to be disclosed

The Ministry has received funding from the Crown of \$535.755 million (2014/15: \$521.810 million) to provide services to the public for the year ended 30 June 2016. The Ministry did not draw down all of this funding in 2015/16, and has an available balance of \$190.641 million (2014/15: \$155.506 million).

The Ministry entered into transactions with other Crown-related entities on commercial terms for goods and services. Purchases from these government-related entities for the year ended 30 June 2016 totalled \$53.244 million (2014/15: \$19.526 million). These purchases included the purchase of land from CERA and LINZ, purchase of electricity from Genesis and Meridian, air travel from Air New Zealand, legal services from Crown Law Office, and postal services from New Zealand Post.

In conducting its activities, the Ministry is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Ministry is exempt from paying income tax.

Key management personnel compensation

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
	<i>Leadership Team, including the Chief Executive</i>	
3,794	Remuneration	3,832
11	Full-time equivalent staff	12

The above key management personnel disclosure excludes the Minister of Justice and the Minister for Treaty of Waitangi Negotiations. The Ministers' remuneration and other benefits are not received only for their role as a member of key management personnel of the Ministry. The Ministers' remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority, and not paid by the Ministry.

NOTE 16. FINANCIAL INSTRUMENTS

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

All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit. They are shown at their estimated fair value.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Ministry, causing the Ministry to incur a loss.

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

The Ministry is only permitted to deposit funds with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard and Poor's credit rating of AA). These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors (note 9). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Fair value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the statement of financial position.

Currency risk and interest rate risk

The Ministry has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and the Ministry does not hold any interest bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with the expected cash drawdowns as negotiated with the New Zealand Debt Management Office through Treasury. The Ministry maintains a target level of available cash to meet liquidity requirements.

The table below shows the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Creditors/ accrued expenses 30 June 2015 \$000		Creditors/ accrued expenses 30 June 2016 \$000
39,765	Less than 6 months	45,511
39,765	Total	45,511

NOTE 17. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities are as follows:

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
	<i>Loans and receivables</i>	
46,725	Cash and cash equivalents	47,298
162,996	Debtors and other receivables (note 9)	196,251
209,721	Total loans and receivables	243,549
	<i>Financial liabilities measured at amortised cost</i>	
16,111	Creditors and other payables (note 10)	25,263
23,654	Accrued expenses	20,248
39,765	Total financial liabilities measured at amortised cost	45,511

NOTE 18. CAPITAL MANAGEMENT

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

The Ministry manages its revenue, expenses, assets, liabilities and general financial dealings prudently. The Ministry's equity is largely managed as a by-product of managing income, expenses, assets, liabilities and compliance with the government budget processes, Treasury's instructions and the Public Finance Act 1989.

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

NOTE 19. MEMORANDUM ACCOUNTS

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

The Second Hand Dealers and Pawnbrokers and Legal Complaints Review Officers memorandum accounts require separate recognition within the financial statements. The remaining memorandum accounts are 'notional' accounts and are included for transparency around outputs that are fully cost-recovered from 3rd parties through fees charged for services.

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

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

The Motor Vehicle Dealers account records the financial activities of the tribunal that inquires into and determines applications made by purchasers of motor vehicles against motor vehicle traders.

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

The Real Estate Agents Disciplinary Tribunal (READT) account records the financial activities of the READT, which deals with matters relating to the licensing and discipline of persons licensed under the Real Estate Agents Act 2008 to carry out real estate agency work.

The Private Security Personnel and Private Investigators (PSPPI) account records the financial activities of PSPPI, which deals with the regulation of the private security and private investigation industry and establishes the new licensing authority.

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
SECOND HAND DEALERS AND PAWNBROKERS		
607	Opening balance/(deficit) at 1 July	582
178	Revenue	315
(203)	Expenses	(215)
582	Closing balance/(deficit) at 30 June	682
MOTOR VEHICLE DEALERS		
(1,412)	Opening balance/(deficit) at 1 July	(1,483)
405	Revenue	398
(476)	Expenses	(558)
(1,483)	Closing balance/(deficit) at 30 June	(1,643)
LEGAL COMPLAINTS REVIEW OFFICERS		
(220)	Opening balance/(deficit) at 1 July	(285)
1,297	Revenue	1,454
(1,362)	Expenses	(1,239)
(285)	Closing balance/(deficit) at 30 June	(70)
REAL ESTATE DISCIPLINARY TRIBUNAL		
(46)	Opening balance/(deficit) at 1 July	(218)
475	Revenue	502
(647)	Expenses	(588)
(218)	Closing balance/(deficit) at 30 June	(304)
PRIVATE SECURITY PERSONNEL AND PRIVATE INVESTIGATORS		
975	Opening balance/(deficit) at 1 July	837
1,189	Revenue	1,349
(710)	Expenses - Ministry of Justice	(669)
(617)	Expenses - Department of Internal Affairs	(613)
837	Closing balance/(deficit) at 30 June	904

NOTE 20. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000	Unaudited budget 2016 \$000
8,328	Net surplus/(deficit)	10,576	2,948
	ADD/(DEDUCT) NON-CASH ITEMS		
56,497	Depreciation and amortisation	63,267	56,419
56,497	Total non-cash items	63,267	56,419
	ADD/(DEDUCT) MOVEMENTS IN WORKING CAPITAL ITEMS		
(2,431)	(Increase)/decrease in debtors and other receivables	1,880	(81)
2,138	(Increase)/decrease in prepayments	1,006	(88)
(12,709)	(Increase)/decrease in debtor Crown	(35,135)	30,000
(17,132)	Increase/(decrease) in creditors and other payables	7,670	(14,844)
(30,134)	Total movements in working capital	(24,579)	14,987
	ADD/(DEDUCT) ITEMS CLASSIFIED AS INVESTING AND FINANCING ACTIVITIES		
2,535	(Increase)/decrease in accrued expenses in property, plant and equipment	(2,786)	-
31	(Increase)/decrease in finance lease	-	-
2,910	Loss/(gain) on disposal of assets held for sale, property, plant and equipment and intangibles	268	-
1,394	Other non-cash item	(9,485)	-
6,870	Total movement in investing and financing activities	(12,003)	-
41,561	Net cash flows from operating activities	37,261	74,354

NOTE 21. BUDGET VARIATION

Explanations for major variances from the Ministry's budgeted figures in the Information Supporting the Estimates of Appropriations are as follows.

Statement of Comprehensive Revenue and Expense

Other revenue was \$7.168 million lower than budget, mainly due to a reduction in the number of applications filed in courts for which fees are charged.

Expenditure was below budget by \$14.358 million. The underspends were mainly due to unused earthquake provision that was written back as well as anticipated expenditure where approvals in principle were obtained to carry them forward to 2016/17.

Statement of Cash Flows

Net cash received from operating activities was \$37.093 million lower than budget. This was mainly due to less Crown funding being drawn down from The Treasury to fund operating and capital expenditure.

Net cash paid on investing activities was lower than budget due to changes in timing of the Ministry's capital programme.

Statement of Financial Position

Debtors and other receivables were \$93.027 million higher than budgeted. This is mainly due to a higher debt owing from the Treasury of \$92.641 million more than was initially budgeted. The Ministry did not draw down all eligible funding from the Treasury as a result of delays in some capital projects.

Plant, property and equipment, and intangible assets are \$68.579 million lower than budgeted. This is due to a combination of unbudgeted property valuations and changes in timing of the Ministry's capital programme. The lower capital spent has resulted in less cash drawn from the Treasury, resulting in a higher debt owing from the Treasury.

NOTE 22. EVENTS AFTER THE BALANCE DATE

Cabinet approved the transfer of the Office of Treaty Settlements landbank and associated appropriations to the Crown Property Centre of Expertise within Land Information New Zealand (LINZ) with effect from 1 July 2016.

Management of such a large and diverse property portfolio is not the core business of the Ministry of Justice. LINZ has the relevant expertise to improve the landbank performance and this transfer preserves the capacity of the Crown to provide redress to claimant groups through Treaty settlements and safeguards Māori interests in surplus government properties.

On 6 September 2016, the Ministry announced that it will be changing the way legal aid is administered. The changes involve reducing granting offices from 8 to 2 and creating an organisational structure focussed on national delivery of legal aid services. No provision has been made for the financial impact of this decision in the financial statements.

There have been no other significant events after the balance date.

Non-departmental statements and schedules

FOR THE YEAR ENDED 30 JUNE 2016

The following non-departmental statements and schedules record the income, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that the Ministry manages on behalf of the Crown.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2016.

Schedule of non-departmental revenue and receipts FOR THE YEAR ENDED 30 JUNE 2016

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

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000	Unaudited budget 2016 \$000
106,758	Court fines	96,434	173,365
3,606	Offender levies	3,529	4,439
-	Money forfeited to the Crown	-	200
17,081	Legal aid debt established	19,665	33,000
6,894	Community Law Centre receipts	7,419	8,422
220	Family Court cost contribution orders	1,563	6,459
1,865	Recovery of judicial salaries	1,928	1,426
8,030	Rental from land bank properties	8,109	7,340
715	Gain on property, plant and equipment and assets held for sale	3,369	-
32,099	Interest unwind on fines receivable	34,966	-
15,495	Other revenue	10,407	26,618
192,763	Total revenue and receipts	187,389	261,269

Explanations of significant variances against budget are detailed in note 11.

The accompanying notes form part of these financial statements.

Schedule of non-departmental capital receipts

No capital receipts were received by the Ministry on behalf of the Crown during the year ended 30 June 2016 (2014/15: nil).

The accompanying notes form part of these financial statements.

Schedule of non-departmental expenses

FOR THE YEAR ENDED 30 JUNE 2016

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

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000	Unaudited budget 2016 \$000
EXPENDITURE			
125,047	Personnel – judges’/coroners’ salaries and allowances	134,598	128,562
246,344	Crown expenditure Vote Justice (details on pages 167–168)	242,049	228,778
82,944	Crown expenditure Vote Courts (details on page 169)	94,554	130,032
108,412	Crown expenditure Vote Treaty Negotiations (details on pages 170–171)	424,846	499,526
562,747	Total non-departmental expenditure	896,047	986,898

Explanations of significant variances against budget are detailed in note 11.

The accompanying notes form part of these financial statements.

Schedule of non-departmental assets

AS AT 30 JUNE 2016

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

Actual 30 June 2015 \$000		Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000
ASSETS				
CURRENT ASSETS				
39,645	Cash		46,090	49,816
72,000	Fines receivable	2	71,000	63,204
33,907	Other accounts receivable	3	36,591	39,853
45,589	Assets held for sale	4	44,003	46,534
191,141	Total current assets		197,684	199,407
NON-CURRENT ASSETS				
90,000	Fines receivable	2	88,000	83,522
57,970	Other accounts receivable	3	51,297	57,546
354,553	Assets held for Treaty of Waitangi settlements	4	360,049	310,305
-	Ngāti Whātua lending		-	66,379
1,209	Hotel investment account advances		1,209	1,209
503,732	Total non-current assets		500,555	518,961
694,873	Total non-departmental assets		698,239	718,368

Explanations of significant variances against budget are detailed in note 11.

In addition, the Ministry monitors 6 Crown entities. These are the Privacy Commissioner, Law Commission, Independent Police Conduct Authority, Human Rights Commission, Real Estate Agents Authority and Electoral Commission. The investment in those entities is consolidated in the Financial Statements of the Government on a line-by-line basis.

The accompanying notes form part of these financial statements.

Schedule of non-departmental liabilities and revaluation reserves

AS AT 30 JUNE 2016

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

Actual 30 June 2015 \$000		Note	Actual 30 June 2016 \$000	Unaudited budget 2016 \$000
CURRENT LIABILITIES				
39,487	Creditors and other payables	6	43,023	46,517
39,103	Judges' leave entitlements	7	41,542	36,831
231,127	Treaty settlements creditors – property settlements, interest accruals, etc	5	266,129	314,082
309,717	Total current liabilities		350,694	397,430
NON-CURRENT LIABILITIES				
442,047	Treaty settlements creditors – property settlements, interest accruals, etc	5	572,262	597,182
31,534	Judges' leave entitlements	7	34,058	39,895
473,581	Total non-current liabilities		606,320	637,077
783,298	Total non-departmental liabilities		957,014	1,034,507
REVALUATION RESERVES				
107,933	Property revaluation reserves	8	123,309	98,208

Explanations of significant variances against budget are detailed in note 11.

The accompanying notes form part of these financial statements.

Schedule of non-departmental contingent liabilities and contingent assets

AS AT 30 JUNE 2016

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
	Quantifiable contingent liabilities	
128	Māori Land Court quantifiable contingent liabilities	140
5	Other quantifiable contingent liabilities	-
133	Total quantifiable contingent liabilities	140

Māori Land Court contingent liabilities arise from orders made by the Court where any costs that arise from the order will be a charge against the Māori Land Court Special Aid Fund in terms of section 98 of the Te Ture Whenua Māori Act 1993.

Non-quantifiable liabilities

NON-DEPARTMENTAL NON-QUANTIFIABLE LIABILITIES – VOTE JUSTICE

Justices of the Peace, Community Magistrates and Disputes Tribunal Referees

Section 11CE of the District Courts Act 1947 and Section 4F of the Justices of the Peace Act 1957 require the Crown to indemnify Justices of the Peace and Community Magistrates, respectively, against damages or costs awarded against them as a result of them exceeding their jurisdiction, provided a High Court judge certifies that they have exceeded their jurisdiction in good faith and ought to be indemnified. Prior to 1 July 2013, these provisions were covered by Section 197 of the Summary Proceedings Act 1957.

Section 58 of the Disputes Tribunal Act 1988 confers a similar indemnity on Disputes Tribunal Referees.

Criminal Proceeds (Recovery) Act

The Ministry of Justice is responsible for administering the Criminal Proceeds (Recovery) Act 2009. The Act requires the Crown to give an undertaking as to damages or costs in relation to asset restraining orders. In the event that the Crown is found liable, payment may be required.

NON-DEPARTMENTAL NON-QUANTIFIABLE LIABILITIES – VOTE TREATY NEGOTIATIONS

Treaty of Waitangi claims

Under the Treaty of Waitangi Act 1975, any Māori may lodge claims relating to land or actions counter to the principles of the Treaty with the Waitangi Tribunal. Where the Tribunal finds a claim is well founded, it may recommend to the Crown that action be taken to compensate those affected. The Tribunal can make recommendations that are binding on the Crown with respect to land which has been transferred by the Crown to an SOE or tertiary institution, or is subject to the Crown Forest Assets Act 1989.

On occasion, Māori claimants pursue the resolution of particular claims against the Crown through higher courts. Failure to successfully defend such actions may result in a liability for historical Treaty grievances in excess of that currently anticipated.

Treaty of Waitangi claims – settlement relativity payments

The Deeds of Settlement negotiated with Waikato-Tainui and Ngāi Tahu include a relativity mechanism. The mechanism provides that, where the total redress amount for all historical Treaty settlements exceeds \$1 billion in 1994 present-value terms, the Crown is liable to make payments to maintain the real value of Waikato-Tainui's and Ngāi Tahu's settlements as a proportion of all Treaty settlements. The agreed relativity proportions are 17% for Waikato-Tainui and approximately 16% for Ngāi Tahu.

The relativity mechanism has now been triggered, and in future years, additional costs are likely to be incurred in accordance with the relativity mechanism as Treaty settlements are reached. However, no value can be placed on these at this point in time, as there is uncertainty as to when each negotiation will settle, and the value of any settlement when reached. There is also uncertainty on how various disputes concerning the interpretation of the mechanism will be resolved.

Contingent assets

The Ministry on behalf of the Crown has no contingent assets (2014/15: nil).

Commitments

The Ministry on behalf of the Crown has no commitments (2014/15: nil).

The accompanying notes form part of these financial statements.

Statement of trust monies

FOR THE YEAR ENDED 30 JUNE 2016

The following trust money was administered on behalf of the Crown under Part VII of the Public Finance Act 1989. The transactions through these accounts and their balances are not included in the Ministry's annual financial statements. The schedule shows the opening and closing trust balances and the movements during the year.

	Court Law \$000	Fines \$000	Employment Court \$000	Māori Land Court \$000	Prisoners' and Victims' Claims \$000	Supreme Court \$000	Legal Complaints Review \$000	Foreign Currency United States Dollar \$000
Opening cash balance	18,023	38,367	349	43	4	52	1	-
Contributions	16,568	187,150	321	6	184	100	-	4,391
Distributions	(24,256)	(184,421)	(401)	(4)	(122)	(58)	(1)	(4,391)
Closing cash balance	10,335	41,096	269	45	66	94	-	-

COURT LAW TRUST ACCOUNT

This trust account holds deposits made by individuals filing for action in the District Court, the High Court or the Court of Appeal. There are 56 individual Law Trust accounts, which are managed by the individual courts and collections offices.

FINES TRUST ACCOUNT

This trust account holds deposits for all fines collected and associated fees prior to disbursement back to the Crown and local authorities or victims. Fines collected are court-imposed (including reparations) and infringements collected on behalf of New Zealand Police, local authorities and other prosecuting agencies.

EMPLOYMENT COURT TRUST ACCOUNT

This trust account holds deposits as security for costs against outstanding proceedings, as required by the Employment Relations Authority and the Employment Court under the Employment Relations Act 2000.

MĀORI LAND COURT TRUST ACCOUNT

This trust account holds money for security for costs and for other matters associated with proceedings of the court.

PRISONERS' AND VICTIMS' CLAIMS ACT TRUST ACCOUNT

This trust account is established under section 50 of the Prisoners' and Victims' Claims Act 2005. This account holds payments of compensation money.

SUPREME COURT TRUST ACCOUNT

This trust account holds deposits made by individuals filing for action and to allow the Supreme Court to administer proceedings.

LEGAL COMPLAINTS REVIEW TRUST ACCOUNT

This trust account holds levies received by the Ministry to reimburse the costs of the Legal Complaints Review process.

FOREIGN CURRENCY UNITED STATES DOLLAR TRUST ACCOUNT

This trust account, on instruction from court judges, holds US Dollar deposits made from time to time where the final outcome of cases is yet to be determined.

The accompanying notes form part of these financial statements.

Notes to the non-departmental financial statements and schedules

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the Financial statements of the government for the year ended 30 June 2016. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial statements of the government.

Basis of preparation

STATEMENT OF COMPLIANCE

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the Financial statements of the government, Treasury instructions, and Treasury circulars. Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (tier 1 Public Benefit Entity (PBE) accounting standards) as appropriate for public benefit entities.

PRESENTATION CURRENCY AND ROUNDING

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

MEASUREMENT BASE

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

Standards issued that are not yet effective and have not been early adopted

In 2015, the External Reporting Board issued Disclosure Initiative (Amendments to PBE IPSAS 1), 2015 Omnibus Amendments to PBE standards, and Amendments to PBE standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. The government will apply these amendments in preparing the 30 June 2017 financial statements.

The government expects there will be minimal or no change in applying these amendments.

Changes in accounting policy

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

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

Significant accounting policies

The following particular accounting policies have been applied.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from fines is recognised when the infringement notice is issued. Revenue is measured at fair value. The initial fair value write-down in sovereign receivables is now required to be recognised as a reduction in sovereign revenue. Fair value is determined using a model that uses past experience to forecast the expected collectability of fines and timing of receipts and discounts these to present value using an appropriate discount rate.

Revenue from legal aid is recognised when a case is finalised, and the amount to be recovered from the customer has been agreed. Revenue is measured at fair value. The initial fair value write-down is netted off against legal aid revenue received.

Fair value is determined using a model that projects future repayments based on outstanding debt balances as at valuation date and debt repayment rates. The repayment rates are estimated based on past experience and the expectation of future trends. This is then used to forecast the expected collectability of the legal aid revenue and timing of receipts and discounts these to present value using an appropriate discount rate.

REVENUE FROM EXCHANGE TRANSACTIONS

All other revenue are deemed exchange revenue. For example, revenue received from the New Zealand Law Society (NZLS) Special Fund for the funding of Community Law Centres is recognised as revenue when received. Rental income from landbank properties is recognised on a straight-line basis over the term of the lease.

Judges'/coroners' leave entitlements

Provision is made for the liability for judges'/coroners' entitlement to annual, sabbatical and retiring leave. The sabbatical and retiring leave provisions are calculated on an actuarial basis, based on the present value of expected future entitlements.

Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, no input tax deduction is claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial statements of the government.

Commitments

Expenses yet to be incurred on non-cancellable operating lease and capital contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable operating lease and capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the lower of the remaining contractual commitment and the value of that penalty or exit cost.

Contingent liabilities and contingent assets

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

Property, plant and equipment (assets held for treaty settlement)

Property, plant and equipment are shown at cost or valuation less any accumulated depreciation and impairment losses.

Asset capitalisation

Property, plant and equipment are initially recorded at cost of purchase.

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

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

Asset revaluation

Land and buildings are stated at fair value. Fair value is determined from market-based evidence by an independent valuer as at 30 June 2016. All major land and buildings (over \$400,000) are inspected and valued on a rolling basis over 5 years by a registered valuer.

For all other land and buildings (less than \$400,000), the valuations are conducted in accordance with the Rating Valuation Act 1998 to ensure the carrying amount does not differ materially from fair value.

Any surplus on revaluation of a class of land or buildings is transferred directly to the applicable property, plant and equipment revaluation reserve, unless it offsets a previous decrease in value recognised in the schedule of non-departmental expenses, in which case it is recognised in the schedule of non-departmental expenses.

A decrease in value relating to a class of land or buildings is recognised in the schedule of non-departmental expenses where it exceeds the surplus previously transferred to revaluation reserves.

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

Cultural artefacts

Cultural artefacts are recorded at cost or valuation. Artefacts are valued once every 3 years. Acquisitions to collections between revaluations are recorded at cost.

Where the revaluation results in a debit balance in the asset revaluation reserve, this balance is expensed through the statement of comprehensive income. Any subsequent increase on revaluation that offsets a previous decrease in value recognised through the statement of comprehensive income will be recognised first through the statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

As cultural artefacts tend to have an indefinite life and are generally not of a depreciable nature, depreciation is not applicable.

Depreciation

Fixed assets are depreciated on a straight-line basis over their estimated useful lives after allowing for residual values (where appropriate by asset category). The estimated useful life of major asset categories is as follows.

Asset category	Asset life (years)	Residual value
Buildings	Up to 65	Nil
Improvements	Up to 50	Nil
Plant and equipment	Up to 25	Nil

Land, cultural artefacts and work in progress are not depreciated. The total cost of work in progress is transferred to the appropriate asset class on its completion and depreciated accordingly.

Disposal of property, plant and equipment

Where property, plant or equipment is disposed of, the gain or loss recognised in the schedule of non-departmental expenses is calculated as the difference between the sale price and the carrying amount. If an asset is sold that has contributed to the revaluation reserve, the related portion of the reserve is transferred to general funds within equity.

Biological assets

Biological assets (for example, trees) managed for harvesting into agricultural produce (for example, logs) are measured at fair value less estimated point-of-sale costs, with any realised and unrealised gains or losses reported in the schedule of non-departmental expenses. For commercial forests, fair value takes into account age, quality of timber and the forest management plan.

Biological assets (for example, farm shelter belts) not managed for harvesting into agricultural produce are reported under property, plant and equipment as above.

Assets held for sale

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

Any impairment losses for write-downs of assets held for sale are recognised in the schedule of non-departmental expenses.

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

Assets held for sale are not depreciated or amortised while they are classified as held for sale.

Assets are held in 2 separate categories: those where the assets are no longer required for Treaty settlements and those that are part of a Treaty settlement where transfer to the claimant group is expected to be completed within the next 12 months.

Critical accounting estimates and assumptions

In preparing these financial schedules, the Ministry on behalf of the Crown has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

The estimates and assumptions that have a risk of causing an adjustment to the carrying amount of assets and liabilities within the next financial year are as follows.

RECEIVABLES

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

Impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into insolvency, bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the receivable is impaired.

For receivables not individually impaired, a collective assessment of impairment is also carried out. This considers past practice of collection history across the receivables portfolio. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the schedule of non-departmental expenses. When a debt is uncollectible, it is written off against the allowance account for debtors. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

FINES RECEIVABLE

The future fair value of the fines receivable is dependent on ongoing collection and remittal rates as well as the discount rate utilised in the valuation. Note 2 provides an analysis of the uncertainties relating to the valuation of fines.

DEBTORS AND OTHER RECEIVABLES

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

LEGAL AID RECEIVABLES

The future fair value of the legal aid receivable is dependent on ongoing repayment rates as well as the discount rate utilised in the valuation. Notes 3 and 3a provides an analysis of the uncertainties relating to the valuation of legal aid receivables.

LEGAL AID ACCRUAL

At each balance date, the Ministry uses an independently developed actuarial model to calculate the legal aid accrual figure for the 3 law types; criminal, family and civil. The assumptions adopted are as follows:

- The model excludes cases determined as inactive based on a probability mechanism that assesses the likelihood a case will have an additional claim.
- The cost of service still to be incurred is based on estimates of the total cost of the case (based on the law type, matter type and average case length) less invoices paid.

At each balance date the Ministry also produces an accrual for legally aided cases before the Waitangi Tribunal. The unique nature of each individual Waitangi legal aid case means it is not possible to calculate this accrual using the actuarial model. The accrual for Waitangi legal aid is based on the average monthly invoice amount for active cases multiplied this by the number of months since the last invoice was received. Note 6 provides an analysis of the creditors and other payables.

Budget figures

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

NOTE 2. FAIR VALUE: FINES RECEIVABLE

The impaired and fair value of fines receivable has been determined on an actuarial basis by discounting the expected flow of repayments, net of servicing costs, at a discount rate of 7% (2014/15: 7%) resulting in a fair value of \$159 million (2014/15: \$162 million). If the discount rate was 2% higher, the impaired value would decrease by \$5.8 million, to \$153.2 million; if 2% lower the value would increase by \$6.5 million, to \$165.5 million.

The discount rate is made up of the 2 components of a risk-free rate and a risk premium rate. The risk-free rate of 2% is based on the 3-year spot rate, with the risk premium rate of 5% reflecting traded risky debt with similar characteristics to the fines debt.

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

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

		Actual 30 June 2016 \$000
	NON-EXCHANGE TRANSACTION	
364,236	Fines receivable	370,903
(202,236)	Impairment provision	(211,903)
162,000	Impaired value	159,000
	BEING:	
72,000	Current	71,000
90,000	Non-current	88,000
162,000	Total	159,000

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

		Actual 30 June 2016 \$000
	NON-EXCHANGE TRANSACTION	
	FINES PROVISIONING	
195,067	Opening balances as at 1 July	202,236
66,879	Impairment on initial recognition	60,187
(62,422)	Impairment recovered	(58,842)
2,712	Valuation changes	8,322
202,236	Closing balances as at 30 June	211,903

NOTE 3. OTHER ACCOUNTS RECEIVABLE

Legal aid receivables represent the debts that have been set as a result of a grant of legal aid. These debts have been set by legal aid legislation and comprise:

- 2000 and 2006 Act debt
- 1991 Act debt
- 1969 Act debt.

This debt has been impaired using an actuarial model based on an assessment of the recoverable amount. This assessment takes into account whether the debt is secured against property and receipts to date against the debt.

The discount rate is made up of the 2 components, a risk-free rate and a risk premium rate.

The risk-free rate is the return that an investor could achieve without risk and is taken to be the yield on government bonds. The risk-free rate used is the 7-year government yield at 30 June 2016, of 2.10% (2014/15: 3.30%).

The risk premium has been estimated by finding traded debt with a comparable default rate to the default rate of the outstanding debt, and determining a risk premium based on that debt. The risk premium used is 5% (2014/15: 4%).

Adding the risk-free rate and the risk premium together gives a discount rate of 7.10% (2014/15: 7.30%).

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

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

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
CURRENT ASSETS		
11,523	Fines	10,631
13,571	Legal aid receivable (note 3A)	15,388
8,813	Other receivables	10,572
33,907	Total current assets	36,591
NON-CURRENT ASSETS		
40,746	Legal aid receivable (note 3A)	39,904
17,224	Other receivables	11,393
57,970	Total non-current assets	51,297
91,877	Total debtors and receivables	87,888
<i>Total receivables comprise:</i>		
2,905	Receivables from exchange transactions	3,898
88,972	Receivables from non-exchange transactions	83,990
91,877	Total debtors and receivables	87,888

NOTE 3A. LEGAL AID RECEIVABLE

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
127,400	Legal aid receivable	126,311
(73,083)	Impairment provision	(71,019)
54,317	Impaired value	55,292
	<i>Being:</i>	
13,571	Current	15,388
40,746	Non-current	39,904
54,317	Total	55,292

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

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
71,704	Opening Balance as at 1 July	73,083
(4,051)	Interest unwind	(4,012)
(2,566)	Impairment (charge)/reversal	(4,409)
7,996	Fair value write-down	6,357
73,083	Closing balance as at 30 June	71,019

Gross debt 30 June 2015 \$000	Net debt 30 June 2015 \$000		Gross debt 30 June 2016 \$000	Net debt 30 June 2016 \$000
44,977	23,730	Secured	43,653	24,646
82,423	30,587	Unsecured	82,658	30,646
127,400	54,317	Total	126,311	55,292

NOTE 4. ASSETS HELD FOR TREATY OF WAITANGI SETTLEMENTS

The Office of Treaty Settlements operates a mechanism to protect surplus Crown, District Health Board and Crown Research Institute land and other assets for potential use in settling historical Treaty of Waitangi claims. Where the Crown agrees the asset meets the criteria, it is purchased and held in a regional landbank. Landbank assets are available for transfer to claimant groups through Treaty settlements. Until all Treaty claims within a regional landbank area are settled, the options for disposal of assets are limited. The value assigned to an asset selected for settlement may differ from the carrying value for financial reporting purposes, once specific covenants and restrictions included in the deed of settlement are taken into account.

The table below shows the classification for financial reporting of assets held for Treaty settlements.

Actual 30 June 2015 \$000		Note	Actual 30 June 2016 \$000
348,094	Property, plant, equipment and other assets	4A	352,358
5,540	Forests	4B	6,561
625	Orchards	4C	795
294	Shares in co-operative companies	4D	335
354,553	Total assets held for Treaty of Waitangi settlements		360,049
45,589	Assets held for sale	4E	44,003
400,142	Total assets and assets held for sale for Treaty of Waitangi settlements		404,052

NOTE 4A. PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS

Land, building and improvements valuations (over \$400,000) were conducted by an independent valuer, Nigel Hoskin, BBS (VPM) ANZIV, of Beca Valuations Limited, and are in accordance with the International Valuation Standards 2013. In 2016, the percentage of land and buildings assets revalued is 16.50% of total assets (2014/15: 29.37%). The total value of land and buildings valued to fair value in 2016 was \$66.303 million (2014/15: \$117.52 million).

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

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

Specialised buildings have been valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. This approach is used for building which is deemed to be seldom traded on an open market or have a restricted market for the use of the asset. Depreciated replacement cost is determined using a number of significant assumptions.

Significant assumptions include:

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

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

In 2016, the balance of work in progress of \$325,000 (2014/15: \$206,000) is classified under non-residential building.

	Land (at valuation) \$000	Non-residential building (at valuation) \$000	Residential building (at valuation) \$000	Plant and equipment \$000	Cultural artefacts \$000	Work in progress \$000	Total \$000
COST/VALUATION							
Balance at 1 July 2014	265,305	32,974	45,083	487	4,645	172	348,666
Additions	14,120	516	1,518	18	-	34	16,206
Revaluation increase/(decrease)	5,765	1,453	2,403	-	355	-	9,976
Transfer to held for sale	(10,425)	(1,138)	(768)	-	-	-	(12,331)
Transfer from held for sale	103	151	96	-	-	-	350
Revaluation (prior to transfer)	(3,606)	(808)	(196)	(42)	-	-	(4,652)
Other asset movement	560	-	-	-	-	-	560
Disposals	-	-	(74)	-	-	-	(74)
Balance at 30 June 2015	271,822	33,148	48,062	463	5,000	206	358,701
Balance at 1 July 2015	271,822	33,148	48,062	463	5,000	206	358,701
Additions	11,507	657	835	83	-	119	13,201
Revaluation increase/(decrease)	15,428	(200)	(1,298)	-	-	-	13,930
Transfer to held for sale	(19,395)	(1,425)	(3,087)	(16)	-	-	(23,923)
Reclassification of assets	310	(315)	-	5	-	-	-
Revaluation (prior to transfer)	(2,392)	(275)	(721)	(27)	-	-	(3,415)
Balance at 30 June 2016	277,280	31,590	43,791	508	5,000	325	358,494

	Land (at valuation) \$000	Non-residential building (at valuation) \$000	Residential building (at valuation) \$000	Plant and equipment \$000	Cultural artefacts \$000	Work in progress \$000	Total \$000
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at 1 July 2014	4,681	6,454	2,711	210	-	-	14,056
Depreciation expense	-	1,375	1,314	72	-	-	2,761
Eliminate on disposal	-	-	(9)	-	-	-	(9)
Eliminate on revaluation (depreciation & impairment loss)	(3,472)	(1,360)	(664)	-	-	-	(5,496)
Eliminate on transfer to held for sale	(3,606)	(808)	(196)	(42)	-	-	(4,652)
Impairment losses	3,366	430	150	1	-	-	3,947
Balance at 30 June 2015	969	6,091	3,306	241	-	-	10,607
Balance at 1 July 2015	969	6,091	3,306	241	-	-	10,607
Depreciation expense	-	1,563	1,504	75	-	-	3,142
Eliminate on revaluation (depreciation & impairment loss)	-	(4,168)	(3,038)	-	-	-	(7,206)
Eliminate on transfer to held for sale	(2,392)	(275)	(721)	(27)	-	-	(3,415)
Impairment losses	2,392	145	468	3	-	-	3,008
Balance at 30 June 2016	969	3,356	1,519	292	-	-	6,136
CARRYING AMOUNTS							
At 1 July 2014	260,624	26,520	42,372	277	4,645	172	334,610
At 30 June/1 July 2015	270,853	27,057	44,756	222	5,000	206	348,094
At 30 June 2016	276,311	28,234	42,272	216	5,000	325	352,358

NOTE 4B. FORESTS

The 4 forests managed for harvesting are Mahia Forest, Pukeora Forest, Upper Bluehills Forest and Waikune Forest. All 4 forests are bearer biological assets.

	Forests \$000
COST/VALUATION	
Balance at 1 July 2014	5,114
Gain/(loss) in fair value from valuation	426
Balance at 30 June 2015	5,540
Balance at 1 July 2015	5,540
Gain/(loss) in fair value from valuation	1,021
Balance at 30 June 2016	6,561

There were no other activities carried out in the forests aside from regular management and maintenance of these assets during this financial year.

The valuations of the 4 forests were conducted by independent valuers Peter Auge, B.Sc. Forestry, Dip Forestry, MBA, MNZIF Member of Interpine Group Limited, and Erin Leahy, NZIF Registered Forestry Consultant, of PF Olsen Limited and are in accordance with the International Valuation Standards 2013. The valuations were completed as at 30 June 2016.

The increase in value of the forests reflects the increased maturity of the forest, which is partly offset by a small decrease in projected log prices and increases in cartage costs.

NOTE 4C. ORCHARDS

	Orchards \$000
COST/VALUATION	
Balance at 1 July 2014	-
Increase due to purchases	625
Balance at 30 June 2015	625
Balance at 1 July 2015	625
Gain/(loss) in fair value from valuation	170
Balance at 30 June 2016	795

All 4 orchards are bearer biological assets.

The valuation of orchards was conducted by independent valuer, Dylan Barrett, Registered Valuer, ANZIV, of Preston Rowe Paterson Limited and is in accordance with the International Valuation Standards 2013. The valuations were completed as at 30 June 2016.

There were no other activities carried out in the orchards aside from regular management and maintenance of these assets during this financial year.

NOTE 4D. SHARES IN CO-OPERATIVE COMPANIES

	Shares \$000
COST/VALUATION	
Balance at 1 July 2014	355
Additions	-
Revaluation increase/(decrease)	(61)
Balance at 30 June 2015	294
Balance at 1 July 2015	294
Additions	-
Revaluation increase/(decrease)	41
Balance at 30 June 2016	335

To facilitate farm operations on leased properties, shares in co-operative companies are required to be held.

NOTE 4E. ASSETS HELD FOR SALE

	Held for sale - settlements \$000
Balance at 1 July 2014	40,856
Transfer to assets held for sale from property, plant and equipment	12,331
Transfer from assets held for sale to property, plant and equipment	(351)
Disposals	(7,247)
Balance at 30 June 2015	45,589
Balance at 1 July 2015	45,589
Transfer to assets held for sale from property, plant and equipment	23,923
Disposals	(25,509)
Balance at 30 June 2016	44,003

This asset category includes assets committed to Treaty settlements expected to be completed within the next 12 months. The table below shows the asset groups from which assets held for sale have been transferred.

	Held for sale - settlements \$000
<i>Asset type pre-transfer:</i>	
Land	38,593
Non-residential improvement	2,949
Plant and equipment	16
Residential improvement	2,445
Balance at 30 June 2016	44,003

NOTE 5. TREATY SETTLEMENT CREDITORS

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
1,388	Other Treaty settlement creditors	1,272
671,786	Accrued settlement expenses	837,119
673,174	Total Treaty settlement creditors	838,391
	<i>Total Treaty settlement creditors comprise:</i>	
1,329	Payables from exchange transactions	1,116
671,845	Payables from non-exchange transactions	837,275
673,174	Total Treaty settlement creditors	838,391

NOTE 6. CREDITORS AND OTHER PAYABLES

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
17,748	Legal aid payable	19,696
2,103	Taxes payable	2,062
3,700	Creditors	4,088
15,408	Accrued expenses	16,651
528	Other payables	526
39,487	Total creditors and other payables	43,023
	<i>Total creditors and other payables comprise:</i>	
19,636	Payables from exchange transactions	21,265
19,851	Payables from non-exchange transactions	21,758
39,487	Total creditors and other payables	43,023

There is no onerous lease provision in 2015/16 (2014/15: \$24,000).

Creditors and other payables are non-interest bearing and are normally settled within 12 months, therefore the carrying value of creditors and other payables approximates their fair value.

NOTE 7. JUDGES' LEAVE ENTITLEMENTS

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
CURRENT LIABILITIES		
32,926	Retiring and sabbatical leave	35,688
4,974	Annual leave	4,957
1,203	Salaries	897
39,103	Total current liabilities	41,542
NON-CURRENT LIABILITIES		
31,534	Retiring and sabbatical leave	34,058
31,534	Total non-current liabilities	34,058
70,637	Total provision for judges' leave entitlements	75,600

The present value of the retirement and long-service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The discount rate used was 2.12% with 2.47% salary inflation for year 1 of the projection (2014/15: 2.93% with 2.63% salary inflation). The discount rates and salary inflation factor used are those advised by the Treasury.

If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$2.426 million higher/lower.

If the salary inflation factor were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$2.445 million higher/lower.

The valuation of retiring and sabbatical leave as at 30 June 2016 was conducted by an independent valuer, Marcelo Lardies, BSc (Hons) FNZSA, of AON Hewitt.

NOTE 8. PROPERTY REVALUATION RESERVES

	Land \$000	Non-residential buildings \$000	Residential buildings \$000	Cultural artefacts \$000	Total \$000
Balance at 1 July 2014	69,824	11,986	16,400	-	98,210
Current year movement	5,870	2,383	2,916	355	11,524
Transfer to general funds on disposal	(1,461)	107	(447)	-	(1,801)
Balance at 30 June 2015	74,233	14,476	18,869	355	107,933
Balance at 1 July 2015	74,233	14,476	18,869	355	107,933
Current year movement	13,034	3,823	1,272	-	18,129
Transfer to general funds on disposal	(2,139)	(108)	(506)	-	(2,753)
Balance at 30 June 2016	85,128	18,191	19,635	355	123,309

NOTE 9. FINANCIAL INSTRUMENTS

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

All financial instruments are recognised in the schedule of non-departmental assets and the schedule of non-departmental liabilities and revaluation reserves. All revenues and expenses in relation to financial instruments are recognised in the schedule of non-departmental revenue and receipts and the schedule of non-departmental expenses. They are shown at their estimated fair value.

Credit risk

Credit risk is the risk that a 3rd party will default on its obligation to the Ministry on behalf of the Crown, causing the Ministry on behalf of the Crown to incur a loss.

Credit risk arises from debtors and deposits with banks.

Funds must be deposited with Westpac, a registered bank.

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

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank, there are no significant concentrations of credit risk.

Fair value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the schedule of non-departmental assets and the schedule of non-departmental liabilities.

Currency risk and interest rate risk

The Ministry on behalf of the Crown has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and the Ministry, on behalf of the Crown, does not hold any interest bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that the Ministry on behalf of the Crown will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with the expected cash drawdowns as negotiated with the NZDMO through the Treasury. The Ministry maintains a target level of available cash to meet liquidity requirements.

The table below shows the financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Treaty Creditors and other payables 30 June 2015 \$000	Creditors and other payables 30 June 2015 \$000		Treaty Creditors and other payables 30 June 2016 \$000	Creditors and other payables 30 June 2016 \$000
1,388	39,487	Less than 6 months	1,272	43,023
161,244	-	Between 6 months and 1 year	264,857	-
510,542	-	Between 1 and 5 years	572,262	-
673,174	39,487	Total	838,391	43,023

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
LOANS AND RECEIVABLES		
39,645	Cash and cash equivalents	46,090
253,877	Debtors and other receivables	246,888
293,522	Total loans and receivables	292,978
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
25,467	Creditors and other payables	27,644
687,194	Accrued expenses	853,770
712,661	Total financial liabilities measured at amortised cost	881,414

NOTE 10. MEMORANDUM ACCOUNTS

This account summarises financial information related to the accumulated surpluses and deficits incurred by the Crown on a full cost recovery basis. These transactions are included as part of the schedules of non-departmental revenue and receipts and expenses.

The use of these accounts enables the Crown to take a long-run perspective to cost recovery.

The Real Estate Agents Authority is required to ensure that costs incurred by the Crown for the establishment of new functions and bodies under legislation are recovered from the real estate industry.

Actual 30 June 2015 \$000		Actual 30 June 2016 \$000
REAL ESTATE AGENTS AUTHORITY		
(2,425)	Opening balance/ (deficit) at 1 July	(1,164)
1,261	Revenue	1,164
(1,164)	Closing balance/ (deficit) at 30 June	-

NOTE 11. MAJOR BUDGET VARIATIONS

Explanations for major variances from the budgeted figures in the Information Supporting the Estimates of Appropriation are as follows.

Schedule of non-departmental revenue and receipts

The decrease in court fines of \$76.931 million is mainly due to the change in accounting standards where sovereign revenue is now recognised at fair value. The initial fair value write-down in sovereign receivables is now required to be recognised as a reduction in sovereign revenue. However, any subsequent impairment of sovereign receivables continues to be recognised as an expense.

The decrease in legal aid debt revenue of \$13.335 million is mainly due to the change in accounting standard where legal aid revenue is now recognised at fair value write down. The initial fair value write-down is netted off against legal aid revenue received.

The revenue line of \$34.966 million relates to interest unwind from fines receivables. The change in accounting standard requires interest unwind to be recognised as revenue and not offset against impairment of fines receivable.

Schedule of non-departmental expenses

Crown expenditure in Vote Courts and Vote Justice were lower than the main estimates. This is mainly due to the initial write-down of sovereign receivables and legal aid receivables which were previously recognised as impairment expenses. The standard now requires these impairments to be netted off against revenue received.

Crown expenditure in Vote Treaty Negotiations is \$74.680 million lower than the main estimates. This is mainly due to lower than expected Treaty settlement expenses which, by their nature, are hard to predict with accuracy in terms of timing and amount.

Personnel costs (judges' and coroners' salaries and allowances) were \$6.036 million higher than the main estimates. This increase was mainly due to the Judicial Salaries and Allowances Determination (No 2) 2015, effective 1 October 2015, an increase in the number of new judges (17), the Coroners (Salaries and Superannuation) Determination 2016, effective 1 January 2016, and the impact on the year end valuation of judges and coroners leave entitlements.

NOTE 12. EVENTS AFTER THE BALANCE SHEET DATE

Cabinet approved the transfer of the Office of Treaty Settlements landbank and associated appropriations to the Crown Property Centre of Expertise within Land Information New Zealand (LINZ) with effect from 1 July 2016.

Management of such a large and diverse property portfolio is not the core business of the Ministry of Justice. LINZ has the relevant expertise to improve the landbank performance and this transfer preserves the capacity of the Crown to provide redress to claimant groups through Treaty settlements and safeguards Māori interests in surplus government properties.

There have been no other significant events after the balance date.

Appropriation statements – departmental

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Ministry for the year ended 30 June 2016.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

FOR THE YEAR ENDED 30 JUNE 2016

Actual expenditure exclusive of remeasurements 30 June 2015 \$'000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$'000	Remeasurements ^A 30 June 2016	Actual expenditure exclusive of remeasurements 30 June 2016 \$'000	Appropriation voted ^B 30 June 2016 \$'000	Location of end-of-year performance information
VOTE JUSTICE						
27,228	Administration of Legal Services	27,585	12	27,573	28,201	
25,448	Public Defence Service	26,632	12	26,620	27,070	
7,489	Sector Leadership and Support	7,834	4	7,830	8,069	Ministry of Justice annual report
19,270	<i>Justice Policy Advice and Related Services MCA</i>	21,817	10	21,807	22,742	
14,947	Justice Policy Advice	16,757	8	16,749	17,818	
4,323	Legal and Ministerial Services	5,060	2	5,058	4,924	
79,435	Total Vote Justice	83,868	38	83,830	86,082	

Actual expenditure exclusive of remeasurements 30 June 2015 \$'000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$'000	Remeasurements ^A 30 June 2016 \$'000	Actual expenditure exclusive of remeasurements 30 June 2016 \$'000	Appropriation voted ^B 30 June 2016 \$'000	Location of end-of-year performance information
VOTE COURTS						
436,820	<i>Courts, Tribunals and Other Authorities Services, including the Collection and Enforcement of Fines and Civil Debts Services MCA</i>	445,945	203	445,742	460,135	
61,535	Collection and Enforcement of Fines and Civil Debts Services	61,240	29	61,211	66,021	Ministry of Justice annual report
218,376	District Court Services	224,642	101	224,541	229,364	
70,556	Higher Court Services	71,958	33	71,925	73,710	
86,353	Specialist Courts, Tribunals and Other Authorities Services	88,105	40	88,065	91,040	
436,820	Total Vote Courts	445,945	203	445,742	460,135	

Actual expenditure exclusive of remeasurements 30 June 2015 \$000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$000	Remeasurements ^A 30 June 2016 \$000	Actual expenditure exclusive of remeasurements 30 June 2016 \$000	Appropriation voted ^B 30 June 2016 \$000	Location of end-of-year performance information
VOTE TREATY NEGOTIATIONS						
9,466	Property Portfolio Management	9,127	5	9,122	10,809	
31,006	<i>Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCA</i>	29,054	14	29,040	31,369	
1,202	Policy Advice – Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	1,235	1	1,234	1,360	Ministry of Justice annual report
2,629	Representation – Waitangi Tribunal and Courts	2,246	1	2,245	2,072	
27,175	Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	25,573	12	25,561	27,937	
40,472	Total Vote Treaty Negotiations	38,181	19	38,162	42,178	
556,727	Total appropriation for output expenses	567,994	260	567,734	588,395	
58,288	Ministry of Justice – Capital Injection	165,925	–	165,925	165,925	
112,639	Departmental Capital Expenditure	204,233	–	204,233	226,028	Ministry of Justice Annual Report

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes to discount rates used in the valuation of Ministry employee entitlements.

^B This includes adjustments made in the Supplementary Estimates.

Statement of departmental capital injections

FOR THE YEAR ENDED 30 JUNE 2016

Actual capital injections 30 June 2015 \$000	Appropriation title	Actual capital injections 30 June 2016 \$000	Appropriation voted 30 June 2016 \$000
	VOTE JUSTICE		
58,288	Departmental Capital Expenditure	165,925	165,925

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

FOR THE YEAR ENDED 30 JUNE 2016

The Ministry has not received any capital injections during the year without, or in excess of, authority.

Appropriation statements – non-departmental

The following statements report information about the non-departmental expenses and capital expenditure incurred against each appropriation administered by the Ministry for the year ended 30 June 2016.

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

FOR THE YEAR ENDED 30 JUNE 2016

Actual expenditure exclusive of remeasurements 30 June 2015 \$'000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$'000	Remeasurements 30 June 2016 \$'000	Actual expenditure exclusive of remeasurements ^A 30 June 2016 \$'000	Appropriation voted ^B 30 June 2016 \$'000	Location of end-of-year performance information
VOTE JUSTICE						
NON-DEPARTMENTAL OUTPUT EXPENSES TO BE INCURRED BY THE CROWN						
10,968	Community Law Centres	10,970	-	10,970	10,970	See note 1
11,170	Crime Prevention and Community Safety Programmes	11,858	-	11,858	12,401	
45,690	Electoral Services	31,416	-	31,416	31,416	See note 2
536	Equity Promotion and Protection Services – Inspector General PLA ^C	586	-	586	590	Exempt
3,407	Family Dispute Resolution Services	4,731	-	4,731	5,860	See note 1
23,021	Justice Advocacy, Advice and Promotion Services	22,957	-	22,957	23,178	See note 3
130,360	Legal Aid	137,467	-	137,467	141,850	See note 1
2,627	Provision of Protective Fiduciary Services	1,757	-	1,757	2,627	See note 4
2,829	Provision of Services from the Electoral Commission – Broadcasting PLA	-	-	-	-	n/a
6,032	Support and Assistance provided by Victim Support to Victims of Crime	6,032	-	6,032	6,032	See note 1

Actual expenditure exclusive of remeasurements 30 June 2015 \$'000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$'000	Remeasurements 30 June 2016 \$'000	Actual expenditure exclusive of remeasurements ^A 30 June 2016 \$'000	Appropriation voted ^B 30 June 2016 \$'000	Location of end-of-year performance information
NON-DEPARTMENTAL OTHER EXPENSES TO BE INCURRED BY THE CROWN						
-	Compensation for Wrongly Convicted Individuals	2,521	-	2,521	-	n/a ^P
5,512	Impairment of Legal Aid Debt	7,223	180	7,043	7,886	Exempt
-	Impairment of Offender Levy	-	-	-	703	
4,242	Victims' Services	4,531	-	4,531	4,548	See note 1
246,394	Total Vote Justice	242,049	180	241,869	248,061	

Note 1. Reported in the same document as the *Ministry of Justice Annual Report*.

Note 2. Reported in the *Electoral Commission Annual Report*.

Note 3. Performance information for this appropriation is reported in the annual reports for the Law Commission, Human Rights Commission, Independent Police Conduct Authority and the Privacy Commissioner. It is consolidated and reported by the Minister of Justice in a separate report; once the information has been reported by each Crown entity.

Note 4. Reported in the *Public Trust Annual Report*.

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes to discount rates used in the valuation of impairment of the legal aid debt.

^B This includes adjustments made in the supplementary estimates.

^C This other expense appropriation covers the costs of the Inspector General and Deputy Inspector General of Intelligence and Security.

This appropriation is established through a Permanent Legislative Authority under section 8 of the Inspector-General of Intelligence and Security Act 1996.

^D This appropriation would have qualified for an exemption from performance reporting because the amount was less than \$5 million but an exemption was not able to be sought from the Minister of Finance due to timing.

Actual expenditure exclusive of remeasurements 30 June 2015	Actual expenditure inclusive of remeasurements 30 June 2016	Remeasurements 30 June 2016	Actual expenditure exclusive of remeasurements ^A 30 June 2016	Appropriation voted ^B 30 June 2016	Location of end-of-year performance information
VOTE COURTS					
NON-DEPARTMENTAL OTHER EXPENSES TO BE INCURRED BY THE CROWN					
4,053	3,738	-	3,738	5,063	Exempt
-	-	-	-	40	
4,769	5,894	28	5,866	6,110	
71,624	76,460	-	76,460	76,586	See note 1
5	21	-	21	1,292	Exempt
941	8,321	-	8,321	8,817	
119,194	128,704	1,339	127,365	130,628	
1,626	1,212	-	1,212	1,481	
334	406	-	406	410	
4,361	4,396	-	4,396	4,975	
206,907	229,152	1,367	227,785	235,402	

Note 1. Reported in the same document as the *Ministry of Justice Annual Report*.

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes to discount rates used in the valuation of judges' leave entitlements.

^B This includes adjustments made in the supplementary estimates.

^C This appropriation is established through a Permanent Legislative Authority.

Actual expenditure exclusive of remeasurements 30 June 2015 \$000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$000	Remeasurements 30 June 2016 \$000	Actual expenditure exclusive of remeasurements ^A 30 June 2016 \$000	Appropriation voted ^B 30 June 2016 \$000	Location of end-of-year performance information
VOTE TREATY NEGOTIATIONS						
NON-DEPARTMENTAL OTHER EXPENSES TO BE INCURRED BY THE CROWN						
-	Agreed Payments for Foreshore and Seabed Deeds of Agreement	-	-	-	15,530	Exempt
6,032	Claimant Funding	5,913	-	5,913	7,410	See note 1
232	Contribution toward Determining Customary Interests in the Marine and Coastal Area	513	-	513	1,808	
-	Contribution to Parihaka community engagement with the Crown support package	-	-	-	150	
91	Debt Write-offs	49	-	49	120	
2,761	Depreciation	3,142	-	3,142	3,600	Exempt
65	Loss on Disposal or Write-off of Landbank Assets	-	-	-	-	n/a
NON-DEPARTMENTAL OTHER EXPENSES TO BE INCURRED BY THE CROWN: MULTI-YEAR APPROPRIATIONS						
99,231	Historical Treaty of Waitangi Settlements ^c	415,229	-	415,229	350,000	Exempt

Actual expenditure exclusive of remeasurements 30 June 2015 \$000	Appropriation title	Actual expenditure inclusive of remeasurements 30 June 2016 \$000	Remeasurements 30 June 2016 \$000	Actual expenditure exclusive of remeasurements ^A 30 June 2016 \$000	Appropriation voted ^B 30 June 2016 \$000	Location of end-of-year performance information
NON-DEPARTMENTAL CAPITAL EXPENDITURE						
16,830	Purchase of Assets for Possible Use in Future Treaty of Waitangi Settlements	11,818	-	11,818	15,664	Exempt
125,242	Total Vote Treaty Negotiations	436,664	-	436,664	394,282	
578,543	Total non-departmental expenses and appropriations	907,865	1,547	906,318	877,745	

Note 1. Reported in the same document as the *Ministry of Justice Annual Report*.

^A A remeasurement is generally the movement in the value of an asset or liability that is outside the control of the Ministry as defined by the Public Finance Act 1989. Remeasurements do not require an appropriation. The remeasurements shown above are the result of changes in market value of Office of Treaty Settlement landbank dairy co-operative shares.

^B This includes adjustments made in the supplementary estimates.

^C Multi-year appropriation – Historical Treaty of Waitangi Settlements. This multi-year appropriation reflects the Crown's commitment to settling historical Treaty of Waitangi claims and the uncertain timing of achieving settlement for each claim. The Supplementary Estimates for 2015/16 established the \$1,400 million for the period 30 June 2015 to 30 June 2019 and replaced the unexpended balance of the appropriation covering the period 30 June 2014 to 30 June 2018. Expenditure against these appropriation over the last 4 years is in the table.

	\$000
2015/16	415,229
2014/15	99,231
2013/14	523,291
2012/13	542,616
	1,580,367

Statement of non-departmental unappropriated expenses and capital expenditure

FOR THE YEAR ENDED 30 JUNE 2016

Actual 30 June 2015 \$000	Non-Departmental	Actual 30 June 2016 \$000
VOTE JUSTICE		
MINISTER OF JUSTICE		
<i>Non-Departmental Other Expenses to be incurred by the Crown</i>		
-	Compensation for Wrongly Convicted Individuals	2,521
<i>Non-Departmental Output Expenses to be incurred by the Crown</i>		
4,805	Legal Aid	-
4,805	Total non-departmental unappropriated expenditure Vote Justice	2,521

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

The reason for the unappropriated expenditure in Compensation for Wrongly Convicted Individuals was for the compensation to Teina Anthony Pora for wrongful conviction and imprisonment.



Ministers' reports on non-departmental appropriations

Minister of Justice's reports on non-departmental appropriations

B.14 (VOTE: JUSTICE)

FOR THE YEAR ENDED 30 JUNE 2016

The following pages of this document meet the requirement, set out in the supporting information to the 2015/16 Estimates or 2015/16 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister of Justice.

Although the reports are presented in the same document as the *Ministry of Justice Annual Report*, they do not form part of the *Ministry of Justice Annual Report for the year ended 30 June 2016* (including reporting by the Ministry of Justice on appropriations for that year).

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

Vote Justice

COMMUNITY LAW CENTRES

Scope of appropriation

This appropriation is limited to funding programmes to support Community Law Centres.

Contribution to outcomes

This appropriation is intended to achieve accessible justice services and a trusted justice system by delivering community legal services to people who lack sufficient means to pay for legal services and, where possible, to prevent problems from escalating to the courts and other parts of the justice system.

Description of activities

The Ministry contracted with community law centres to deliver community legal services to people who lack sufficient means to pay for legal services. These services included legal representation, legal assistance, legal advice provided to people on a case-by-case basis, legal information, and law-related education sessions.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of individual clients assisted with legal advice, assistance and representation	New measure	46,000–51,000	48,054	

CRIME PREVENTION AND COMMUNITY SAFETY PROGRAMMES

Scope of appropriation

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

Contribution to outcomes

The services and activities provided under this output class contribute to the justice sector outcomes of reduced crime, reduced impact of crime and a trusted justice system. The intended impact of these services and activities is that local authorities and communities are engaged in programmes that focus on reducing crime through preventative measures, and on increasing community safety.

Description of activities

This non-departmental output class covers co-ordinating and delivering a range of crime prevention initiatives and programmes in partnership with local communities, and the delivery of restorative justice services. The programmes and services are contracted by the Ministry of Justice and are purchased from territorial authorities and other selected service providers.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of restorative justice conferences completed	New measure	3,500	2,981	The forecast was developed immediately after the Sentencing Act amendment that increased referrals to restorative justice. Insufficient data was available to forecast how this change would correlate to actual conferences completed. Restorative Justice is a demand driven service in which a number of factors must be considered before a conference takes place.
Number of projects delivered by community providers for which the Ministry provides contract management services or grant funding	32	31	32	

FAMILY DISPUTE RESOLUTION SERVICES

Scope of appropriation

This appropriation is limited to approved family dispute resolution services.

Contribution to outcomes

The services and activities provided under this output class contribute to the justice sector outcomes of accessible justice services and a trusted justice system by providing effective support and services for separating families and, where possible, to prevent problems from escalating to the courts.

Description of activities

The services and activities under this output class cover the provision of family dispute resolution mediation service. The services are contracted by the Ministry of Justice from approved providers.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of participants completing Parenting through Separation	New measure	5,000	5,201	
Percentage of Family Dispute Resolution participants reaching an agreement on completion of mediation (includes partial and full)	85.6%	85%	83%	

LEGAL AID

Scope of appropriation

This appropriation is limited to the payments of legal aid to approved providers.

Contribution to outcomes

The services and activities provided under this output class contribute to the justice sector outcomes of accessible justice services and a trusted justice system. The intended impact of these services and activities is that people who have a need for legal services, and cannot pay for them, are able to access legal advice and representation.

Description of activities

The services and activities under this output class cover the provision of legal advice and representation to people that are unable to pay for these services, and:

- are facing criminal charges, or
- have a civil legal problem or family dispute (including family matters) that may go to court, or
- are involved in Waitangi Tribunal proceedings.

The services are contracted by the Ministry of Justice from approved private providers.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Projected number of criminal cases granted (excluding Public Defence Service)	35,832	35,000	40,226	The number of criminal private grants has increased over forecast due to an overall increase in criminal applications received nationwide and the Public Defence Service taking a slightly reduced share of cases in some locations.
Projected number of family cases granted	18,144	18,000	18,364	
Projected number of civil (other) cases granted	1,031	1,000	1,154	The number of civil or other legal aid grants have increased, mainly due to a general increase in District and Kaupapa inquiries and urgent claims that will be heard by the Waitangi Tribunal and an increase in Refugee and Protection Status grants.

SUPPORT AND ASSISTANCE PROVIDED BY VICTIM SUPPORT TO VICTIMS OF CRIME

Scope of appropriation

This appropriation is limited to the purchase of services from the New Zealand Council of Victim Support Groups ('Victim Support') for the provision of services to victims of crime and trauma. This covers personalised support services (covering 24 hour emergency support and follow up support through the criminal justice system) and the administration of victim assistance schemes (covering counselling for families of homicide victims, and financial assistance to help victims).

Contribution to outcomes

The services and activities provided under this output class contribute to the justice sector outcome of a reduced impact of crime. The intended impact of these services and activities is that the victims of crime are supported by information and financial assistance.

Description of activities

Victim Support provides services to victims of crime and sudden trauma. Victim Support workers are available 24 hours a day, 365 days a year, via an 0800 number or by direct contact from referrers (usually New Zealand Police). Services offered include psychological first aid at the time of crisis and ongoing emotional and practical support, assistance dealing with the justice system, financial assistance and referral to other services.

Other Victim Support services include the administration of Victim Assistance Schemes that help victims to attend relevant meetings of the New Zealand Parole Board, court trials and sentencing hearings, and provision of a discretionary grant and counselling for families of homicide victims and people killed by a criminal act.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Total number of victims supported	26,422	20,000-27,000	27,275	
Number of victims of serious crime supported	New measure	10,000-13,000	19,736	This was a new measure for 2015/16. The measure reflects the minimum contracted number of victims of serious crime supported. The demand for services from Victim Support to victims of serious crime exceeded the forecast.
Percentage of victims rating the support provided by Victim Support as being either 'helpful' or 'very helpful'	New measure	90%	93%	
Percentage of victims of serious crime 'agreeing' or 'strongly agreeing' that Victim Support made a positive difference on one or more of four pre-determined impacts ('felt listened to', 'less stressed', 'more in control', 'more confident')	New measure	90%	75%	This is a new measure for the 2015/16 year. An ambitious target of 90% was set with Victim Support achieving 75% for the full year. The target will be reviewed for future years.

VICTIMS' SERVICES

Scope of appropriation

This appropriation is limited to the provision of funding for entitlements and services for victims of crime.

Contribution to outcomes

The services and activities provided under this output class contribute to the justice sector outcome of a reduced impact of crime. The intended impact of these services and activities is that the victims of crime are supported with the provision of information and financial assistance.

Description of activities

The Victims' Services appropriation was established to channel revenue from the Offender Levy to victims of serious crime through specific services and financial assistance grants. Financial assistance grants are intended to lessen the financial impact on victims as they participate in the criminal justice system. The appropriation also funds specific services supporting victims of homicide, sexual violence, and domestic violence.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of victims who receive grants	New measure	3,600–4,100	3,652	
Number of National Home Safety Service upgrades	New measure	250	237	The National Home Safety Service was new in 2015/16 with a gradual roll-out across the country. The number of upgrades and victims supported has increased quarter on quarter.
Number of National Home Safety Service victims supported (ie, victims and children)	New measure	500–700	754	This is higher than forecast despite the lower than expected number of upgrades. This is due to the parent: child ratio for victims supported being higher than expected.
Percentage of National Home Safety Service clients reporting no further physical family violence at the point of service conclusion	New measure	95%	94%	
Number of victims supported by the National Sexual Violence Survivor Advocate Service	New measure	40	92	The target has been exceeded as there has been an increase in the demand for services.

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Percentage of victims/survivors reporting improved outcomes as a result of National Sexual Violence Survivor Advocate Service	New measure	90%	No result	The National Sexual Violence Survivor Advocate Service was contracted to a new service provider during 2015/16. The new provider is not collecting the data required for this measure and we have not included the measure in the 2016/17 Estimates.
Number of victims supported by Sexual Violence Court Victim Advisors	1,408	1,300–1,500	No result	<p>The National Sexual Violence Court Victim Advisors are funded through the District Court Services category of the Courts, Tribunals and Other Authorities Services, including the collection and enforcement of fines and civil debts services (Multi-category appropriation) in Vote Courts.</p> <p>The result for this measure has been reported under that appropriation.</p>

Minister for Courts' reports on non-departmental appropriations

B.14 (VOTE: COURTS)

FOR THE YEAR ENDED 30 JUNE 2016

The following pages of this document meet the requirement, set out in the supporting information to the 2015/16 Estimates or 2015/16 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister for Courts.

Although the reports are presented in the same document as the *Ministry of Justice Annual Report*, they do not form part of the *Ministry of Justice Annual Report for the year ended 30 June 2016* (including reporting by the Ministry of Justice on appropriations for that year).

Vote Courts

COURT AND CORONER RELATED COSTS

Scope of appropriation

This appropriation is limited to funding professional and administrative services provided to or directed by courts and coroners, including costs that are required by legislation and costs incurred by Visiting Justices.

Contribution to outcomes

The services and activities provided under this output class contribute to the Ministry of Justice outcomes of maintaining the integrity and improving the responsiveness of the justice system, and maintaining integrity of our institutions. This appropriation is intended to provide effective professional and administrative services to ensure that court users receive appropriate support and representation, and the judiciary have sufficient information to proceed with cases.

Description of activities

This appropriation funds a number of activities, including:

- Children Young Persons and Their Families Professional Services include appointments of lawyers to represent the views of the children or to assist the Court, often when the natural parents are unrepresented, and specialist report writers, e.g. for psychological/psychiatric reports.
- Domestic Violence Professional Services include Stopping Violence programmes with referrals from both the Criminal and Family Courts.
- Family Court Professional Services include Court-appointed lawyers to represent a child so their views are heard; Lawyer to assist the court and provide mediation services; Counselling to help resolve relationship or guardianship disputes; and Specialist report writers (psychologists) to provide written reports for the court.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
CHILDREN YOUNG PERSONS AND THEIR FAMILIES PROFESSIONAL SERVICES				
Number of service provision appointments (see note 1)	5,238	4,700–5,700	5,374	
DOMESTIC VIOLENCE PROFESSIONAL SERVICES				
Number of people referred for assessment and non-violence programmes (see note 1)	New measure	5,000–6,000	7,243	This is a demand driven service. Where there is a need for assessment and non-violence programmes it must be filled. Demand was slightly higher than expected.
Number of people completing non-violence programmes (see note 1)	New measure	2,500–3,500	1,776	The low numbers here are due to difficulties transitioning people to programmes. Once started, over 70% of cases are successfully completed. An example of a 'transitioning problem' is the difficulty contacting often transient people.
Number of safety plans delivered to protected persons/victims	New measure	2,000–2,500	2,285	
FAMILY COURT PROFESSIONAL SERVICES				
Number of service provision appointments (see note 2)	10,015	7,500–10,700	10,868	This result is higher than forecast due to unexpectedly high numbers of applications filed, particularly for the Care of Children Act.

Note 1 – The services provided are demand driven and dependent on the type of cases before the court. The services are judicially ordered.

Note 2 – The services provided include court appointed counsel, such as lawyer for child, lawyer to assist the court and specialist report writers. These services are demand driven and professional service providers are engaged when the judge determines there is a need. An application can have more than one type of service provision appointment.

Minister for Treaty of Waitangi Negotiations reports on non-departmental appropriations

B.14 (VOTE: TREATY NEGOTIATIONS)

FOR THE YEAR ENDED 30 JUNE 2016

The following pages of this document meet the requirement, set out in the supporting information to the 2015/16 Estimates or 2015/16 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister for Treaty of Waitangi Negotiations.

Although the reports are presented in the same document as the *Ministry of Justice Annual Report*, they do not form part of the *Ministry of Justice Annual Report for the year ended 30 June 2016* (including reporting by the Ministry of Justice on appropriations for that year).

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

Vote Treaty Negotiations

CLAIMANT FUNDING

Scope of appropriation

This appropriation is limited to payment of claimant funding related to the settlement of historical Treaty of Waitangi claims.

Contribution to outcomes

The services and activities provided under this appropriation contribute to the justice sector impact of the durable settlement of historical Treaty of Waitangi claims.

Description of activities

Claimant funding provides a financial contribution to mandated groups towards the cost of negotiating and settling historical Treaty of Waitangi claims. Payments can also be made in certain circumstances to groups seeking a mandate.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
Number of claimant groups funded (see note 1)	43	40	42	
Percentage of payments made to groups within 10 working days of approval of claim	88%	95%	96%	

Note 1 – Claimant groups can lodge an application for funding at any stage of the negotiation and settlement process. The amount of funding they may receive depends on the size of the claimant group and the complexity of the claim.

CONTRIBUTION TOWARD DETERMINING CUSTOMARY INTERESTS IN THE MARINE AND COASTAL AREA

Scope of appropriation

This appropriation is limited to providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011.

Contribution to outcomes

This appropriation is intended to achieve an effective process for providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011.

Description of activities

This appropriation contributes to the costs of engagement with the Crown or High Court under the Marine and Coastal Area (Takutai Moana) Act 2011. Financial help is tailored to the individual circumstances of each group taking into account the type of rights applied for, the size of the applicant group and the size and complexity of the application area. Maximum amounts of financial help are available for specified costs tagged to milestones. It does not cover all costs.

Assessing performance

Performance measure	Actual 2014/15	Standard 2015/16	Actual 2015/16	Variance explanation
All groups that have signed terms of engagement with the Minister under section 95 of the Marine and Coastal Area (Takutai Moana) Act are funded	Achieved	Achieved	Achieved	
All applications in the High Court are funded in accordance with funding policy	Achieved	Achieved	Achieved	

ISSN 1178-2730 (PRINT) | ISSN 1178-2794 (ONLINE)

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This annual report is presented to the House of Representatives in accordance with section 44(1) of the Public Finance Act 1989.

Reports on non-departmental appropriations by the Minister of Finance, Minister for Courts, and Minister for Treaty of Waitangi Negotiations are presented to the House of Representatives in accordance with section 19B of the Public Finance Act 1989.

MOJ0175.8_SEPT2016



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