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**Report of the**  
**Crown Law Office**  
**for the year ended**  
**30 June 2001**

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*Presented to the House of Representatives  
pursuant to Section 39 of the Public Finance Act 1989.*



# CROWN LAW OFFICE

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# **CROWN LAW OFFICE**

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### **Auditor**

Audit New Zealand  
Wellington

(on behalf of the Controller and Auditor-General)

### **Bankers**

WestpacTrust  
Division of Westpac Banking Corporation  
Wellington

# **CROWN LAW OFFICE**

## **Statement of Purpose**

The Crown Law Office provides legal advice and representation services to the government in matters affecting the executive government, particularly in the areas of criminal, public and administrative law. The services provided include such matters as judicial review of government actions, constitutional questions including Treaty of Waitangi issues, the enforcement of criminal law, and protection of the revenue. The Office administers the prosecution process in the criminal justice system, in particular, trials on indictment before juries.

The Office has two primary purposes in providing these services:

- to ensure that the operations and responsibilities of the executive government are conducted lawfully, and
- to ensure that the government is not prevented, through legal process, from lawfully implementing its chosen policies and discharging its governmental responsibilities.

## **Functions of the Crown Law Office**

The primary function of the Crown Law Office is to provide support to the two Law Officers of the Crown: the Attorney-General and the Solicitor-General, in the performance of their statutory duties and functions. In particular, the Office is responsible for:

- the provision of legal advice and legal representation services to Ministers of the Crown, government departments, and agencies forming part of the government;
- supporting and assisting the Attorney-General and Solicitor-General in the performance of their statutory and other functions as Law Officers of the Crown;
- assisting the Solicitor-General with the conduct of criminal appeals;
- assisting the Solicitor-General in the supervision, direction and performance of regional Crown Solicitors in their prosecution functions including administration of the Crown Solicitor's Regulations 1994; and
- providing advice on the establishment and development of legal service provision within government departments and agencies.

The Office does not have any specific responsibility for policy formation or for the development of legislation but is often called upon to provide comment to the government on proposed developments in the law particularly on Criminal and Bill of Rights related issues.

## CROWN LAW OFFICE

### Key Government Goals

The Crown Law Office contributes to the key government goals which have been established to guide public sector policy and performance. In particular, the Office's functions are directed towards restoring trust in government by building safe communities and through the promotion of a strong and effective public service. Achievement of these goals are assisted by the contribution made by the Office to:

- protecting the Crown's legal interests,
- supporting the responsibilities of the Crown and its agencies,
- the maintenance of law and order, and
- the maintenance of public interest factors in the application of the law

The appropriations in Vote Attorney-General provide for the purchase of the following services:

- Legal advice and representation services to central government departments and Crown agencies
- A national Crown prosecution service which undertakes criminal trials on indictment, and appeals arising out of summary prosecutions
- Conduct of appeals arising from criminal trials on indictment and from Crown appeals against sentence
- Legal and administrative services for the Attorney-General and Solicitor-General in the exercise of Principal Law Officer functions

The relationship of these services to the key Government goals is set out in the following table:

<b>Output Classes (of Vote Attorney-General)</b>	<b>Key Government Goals</b>
Legal Advice and Representation	Contributes to promoting a strong and effective public service by protecting the legal interests and the responsibilities of the Crown and Crown agencies.
Supervision and Conduct of Crown Prosecutions	Contributes to building safe communities by assisting in the maintenance of law and order.
Conduct of Criminal Appeals	Contributes to building safe communities by assisting in the maintenance of law and order.
The Exercise of Principal Law Officer Functions	Contributes to building safe communities by assisting in the maintenance of law and order and contributing to the maintenance of public interest factors in the application of the law.

The Output Classes referred to above comprise the key result areas for the Office. Progress in these areas is described in more detail in the Financial Statement section of this report under Statement of Objectives and Service Performance.

## CROWN LAW OFFICE

### Chief Executive's Overview

The Crown Law Office has continued to perform its role of providing support to the Attorney-General and Solicitor-General in the discharge of their responsibilities as the Law Officers of the Crown. This role encompasses the provision of legal advice to Ministers, government departments and agencies, often on complex and urgent matters. In addition, the interests of the Attorney-General, on whose behalf government litigation is conducted, were represented in the Courts during the year in cases covering a wide variety of issues. A selection of the areas of law and types of cases in which the Office has been involved follows:

#### Legal Advice and Representation

*Charitable Trusts* - The Attorney-General, in exercise of her functions as protector of charities, has issued proceedings in the High Court under the Charitable Trusts Act 1957 in two cases, both to require the trustees to carry out the terms of the trust. In a third case the Attorney-General was called upon to assist the Court in an internal dispute involving trustees.

*Cervical Cancer Inquiry* – Advice was provided to the Minister of Health in relation to the inquiry into the misreading of cervical smear tests in Gisborne. The Office is now defending the Ministry of Health and Regional Health Authority in proceedings brought by forty-nine women relating to mental harm caused as a result of the mis-read tests.

*CYFS Litigation* – The Office is assisting the Child, Youth and their Family Service to manage an ongoing series of cases in which challenges have been made to the process adopted by social welfare organisations for the investigation of child abuse cases, and to the obligations of the Director-General to children placed in the care of the Director-General.

*Driver-licensing regime* - In *McInnes v Ministry of Transport* the legality of the Driving License Rule, which introduced the new ten-year photographic driving licenses, was tested and confirmed by the High Court. An appeal against that decision to the Court of Appeal confirmed the legality of the Rule and, in addition, the consultation process surrounding the introduction of the new license was found to satisfy the requirements of the Land Transport Act 1998.

*Employment Law* –The introduction and enactment of the Employment Relations Act 2000 provided an opportunity to further assist clients with addressing employment related issues in the workplace. A number of seminars on the new Act were prepared for clients, and others, covering the implementation of the new law. The Office also continued to service a regular case and opinion workload, which involved appearances in several significant cases, including support for an Attorney General intervention in the first case to challenge the way in which the new employment institutions were undertaking their duties. The decision in that case is presently under appeal.

*Extradition* - An increasing number of requests have been received from foreign countries for the extradition of fugitives. The Extradition Act 1999 was passed with the intention of facilitating such requests, in furtherance of New Zealand's international obligations to combat criminal offending. Various aspects of the new Act are being tested in the courts.

*Forestry Licence Reviews* – Assistance was provided in Crown Forestry Licence general reviews where, after a four week arbitration, an attempt by forestry companies to impose indexing of the 1990 licence fee as a basis for the licence fee review was rejected in favour of assessment on a market rent basis.

## CROWN LAW OFFICE

### Chief Executive's Overview - continued

*Judicial Review of Spectrum Auction* – The Crown was successful in defending an action which sought suspension of the 2G and 3G radio spectrum auction in which it was claimed that the process designed by the Ministry of Economic Development was unlawful.

*Kiwi Share Obligations* – Advice and assistance was provided to the Ministry of Economic Development on a series of issues relating to the interpretation and application of Kiwi Share Obligations (KSOs) in the Constitution of Telecom Corporation of New Zealand Limited.

*Landbrokers and conveyancing* - Proceedings were initiated by the New Zealand Law Society in the High Court over the ability of Australian registered conveyancers to practice conveyancing in New Zealand under the landbroker provisions of the Land Transfer Act. The Law Society argued that the relevant provisions in the Land Transfer Act were impliedly repealed by the Law Practitioners Act, which states that only barristers and solicitors may practice conveyancing in New Zealand. The Law Society succeeded in the High Court but the Court of Appeal set aside that decision and allowed the appeal by the Registrar-General of Land. The Court held that the occupation of Landbroker had existed in New Zealand since 1870 and was unaffected by the enactment of the Law Practitioners Act 1982. In essence, New Zealanders, who are not solicitors or barristers, may apply to register as a Landbroker under the Land Transfer Act and practise conveyancing within the terms of that Act. The New Zealand Law Society has obtained leave to appeal to the Privy Council.

*Parliamentary privilege* – In *Buchanan v Jennings*, a defamation case, the Solicitor-General was given leave by the High Court to intervene on behalf of the House of Representatives. The issue in the proceedings concerned the extent to which a repetition outside Parliament of statements made inside the House attracted parliamentary privilege. The High Court found that the impugned remarks were not protected by Parliamentary privilege and were defamatory. The matter has gone on appeal to the Court of Appeal and the Solicitor-General has been granted leave by that Court to intervene on behalf of Parliament in the appeal.

*Taxation and public revenue* - The Office has continued to perform significant litigation for the Inland Revenue Department during the year through to the level of the Privy Council. An increasing amount of pre-assessment advice in complex transactions is also being provided as part of the service.

*Timberlands* – a number of cases arose out of the Government's approach to the West Coast Accord, notably *Westco Lagan Ltd v A-G & Clerk of the House*, where the plaintiff challenged the passage of the Forests Bill, then before a select committee. Westco sought an interim injunction to prevent the Clerk presenting the Bill to the Governor-General for the Royal Assent, and declarations that the Bill was in breach of plaintiff's rights under the West Coast Accord, and was contrary to the Magna Carta and the New Zealand Bill of Rights Act 1990, especially s21 (unreasonable search and seizure) and s27 (natural justice). The application for an interim injunction failed and the action was finally struck out on the basis that the pleadings disclosed no reasonable cause of action.

*Treaty of Waitangi* – Advice to the Office of Treaty Settlements about Treaty negotiations continues, as does representation in litigation about settlements, particularly relating to the recognition of the mandate of claimant groups. The litigation over ownership of the foreshore and seabed has been heard in the High Court and is now under appeal by the Maori claimants. Representation is provided before the Waitangi Tribunal on historical regional claims, as well as broader claims to the ownership of natural resources and to intellectual property rights. Advice is ongoing in relation to Treaty issues associated with the contemporary Crown/Maori relationship.

## **CROWN LAW OFFICE**

### **Chief Executive's Overview - continued**

*Vexatious Litigants* – In *Attorney-General v Brogden* the Court of Appeal considered an application on appeal to declare the litigant to be vexatious. The Court of Appeal upheld the High Court's decision characterising Mr Brogden as a vexatious litigant and ordered that he may not institute or continue any civil proceeding without leave of the High Court.

### **Crown Prosecution System**

The Solicitor-General is responsible to the Attorney-General for the administration of the Crown Prosecution System from the time of indictment, which is the stage following committal for trial after a preliminary hearing. Crown Solicitors are appointed by the Governor-General with responsibility for prosecutions in those centres where High Court and District Court jury trials are conducted. The Crown Solicitor network continues to be a very important and integral part of the national Crown prosecution system. The Crown Law Office works closely with Crown Solicitors to provide Government with the assurance that the systems and processes in place are cost effective and will result in outcomes which meet the expectations of Government and the community. Providing this assurance presents an ongoing challenge, particularly given the demand driven nature of the activity.

### **Financial Highlights**

The year under review has seen a continuation of high levels of activity from all areas of the Office. The Office recorded an overall surplus of \$0.049m (2000 \$0.023m) against a target of \$0.824m (2000 \$0.744m). This included a surplus of \$0.270m (2000 \$0.385m) from the provision of legal services to government department and agencies (Output Class 1: Legal Advice and Representation) against a target of \$0.824m (2000 \$0.744m), and was offset by a deficit of \$0.262m from the conduct of Crown prosecutions (Output Class 2: Supervision and Conduct of Crown Prosecutions).

Expenditure on Crown prosecutions, for the year under review, again exceeded the budget appropriated. This result reflects the difficulty that the Office experiences in forecasting this type of expenditure, the nature of which is predominantly demand based. The Office also exceeded the budget appropriated for expenditure in Output Class 1: Legal Advice and Representation. The circumstances leading to this level of expenditure are explained in the financial statements that follow this report.

### **Forthcoming Events**

The coming year promises to be as challenging as the last. The Office remains committed to improving the quality and responsiveness of services to clients and is currently considering whether it can improve the delivery of litigation support services to counsel and clients, and whether its present organisational structure best accommodates the needs of a public law based advisory and litigation practice. These initiatives, along with a consideration of the operational effectiveness of practice management generally, are aimed at assisting the Office meet the demands of servicing the legal business of government from its base of expertise in public and administrative law.

Terence Arnold  
**Solicitor-General and Chief Executive**

# CROWN LAW OFFICE

## Organisation Information

### Governance Structure

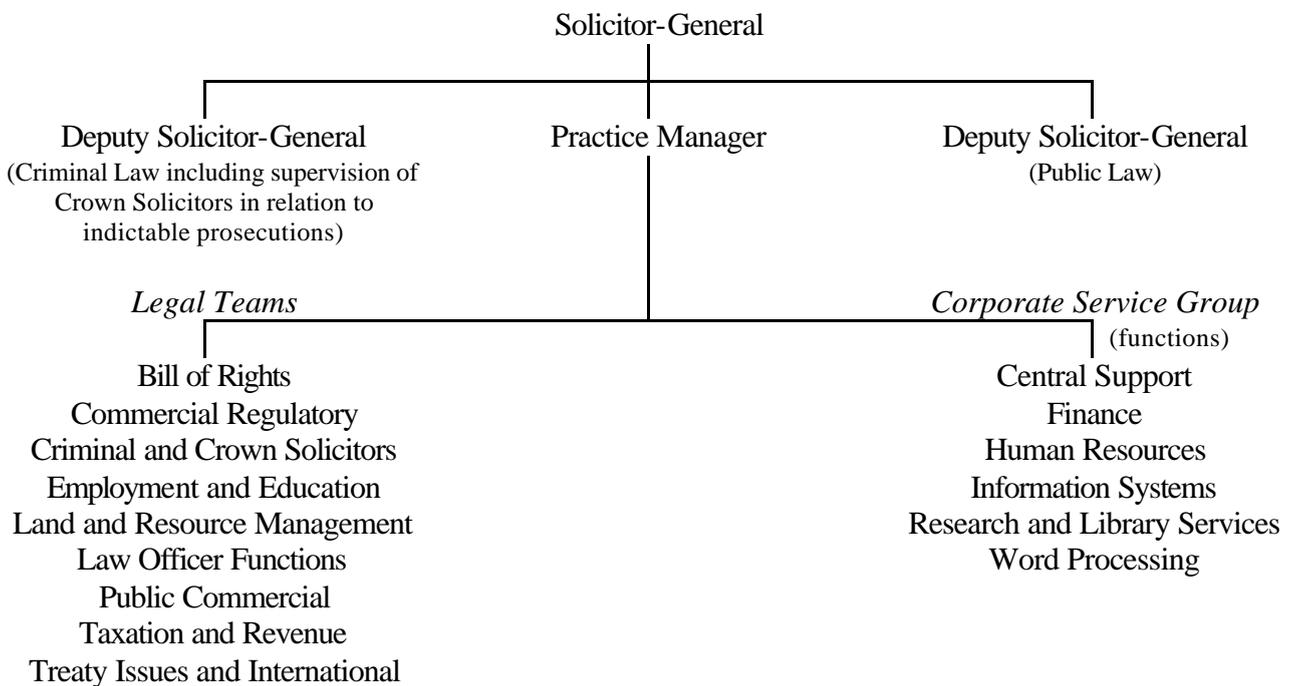
The Crown Law Office is a government department whose primary function is to support the two Law Officers of the Crown: the Attorney-General and the Solicitor-General, in the performance of their statutory duties and functions.

The Attorney-General, who concurrently holds offices as a Minister of the Crown with political responsibilities and as the senior Law Officer of the Crown, has principal responsibility for the government's administration of the law.

The Solicitor-General is Chief Executive of the Crown Law Office, and is the chief legal advisor to the government, subject to any views expressed by the Attorney-General. In this capacity, the Solicitor-General is the government's chief advocate in the courts. In addition, the Solicitor-General is responsible for the conduct of the prosecution of indictable crime. The Solicitor-General also has a number of specific statutory duties and functions to perform.

### Organisation Structure

The Crown Law Office is structured into nine client servicing legal teams and a corporate services group as shown by the following organisation chart:



The staffing structure within Legal Teams is comprised of the following positions:

- Crown Counsel
- Assistant Crown Counsel
- Legal Executives/Litigation Support
- Secretarial and Administrative Support

# CROWN LAW OFFICE

## Organisation Information - continued

### Management Structure

The Senior Management Group of the Crown Law Office for the year under review comprised:

Terence Arnold QC	Solicitor-General
Nicola Crutchley	Deputy Solicitor-General (Criminal Law) and Team Leader of Criminal and Crown Solicitors Team
Ellen France	Deputy Solicitor-General (Public Law) and Team Leader of Law Officer Team
Robin Turner	Practice Manager

#### *Other Legal Team Leaders:*

Helen Aikman	Crown Counsel, Commercial Regulatory
James Coleman	Crown Counsel, Taxation
Karen Clark	Crown Counsel, Public Commercial
Peter Gunn	Crown Counsel, Employment and Education
Virginia Hardy	Crown Counsel, Treaty Issues and International Law
Michael Hodgen	Crown Counsel, Bill of Rights
Malcolm Parker	Crown Counsel, Land and Resource Management

### Human Resource Management

During 2000/2001 the permanent staffing of the Office increased by eight. Three new counsel (including Legal Advisers), two new Team Administrators, two new Secretaries, one Historian and one Administration Clerk were employed to assist with meeting the continued demand for legal services from clients. One position in the Corporate Services Group remains vacant. In addition to the permanent staffing numbers, the Office also continued to employ temporary legal and legal support staff to help manage the peaks in the volume of case work undertaken. The number of employees permanently employed at year end were as follows:

	<b>30 June 2001</b>	<b>30 June 2000</b>
Solicitor-General, Deputy Solicitors-General and Practice Manager	4	4
Counsel	64	61
Legal Support	12	8
Secretarial and Word Processing	33	31
Corporate Services Group	22	23
Total Number of Employees*	135	127

(\*Part time and job share arrangements are included in these numbers)

In common with other professional services organisations, the Office's human resource management policies, procedures and systems are designed to attract and retain skilled and experienced legal and support staff who have a focus on client service.

### Equal Employment Opportunities

The Crown Law Office is committed to providing equal employment opportunities for all staff and for prospective employees who seek to join the Office. The responsibilities for being a "good employer" are recognised through the development and implementation of employment policies and

## **CROWN LAW OFFICE**

### **Organisation Information - continued**

procedures which are designed to ensure that staff are able to work in a safe and healthy office environment, participate fully in achieving the goals of the Office, and are presented with opportunities to develop personally and professionally.

The Office is continuing to make good progress in addressing the actions set out in its Equal Employment Opportunities (EEO) plan. Specific emphasis has been placed upon strategies in the areas of leadership, employment of EEO target groups, organisational culture, work and family issues and the development of EEO statistics for monitoring purposes.

### **Crown Solicitor Network**

There are fifteen private law practitioners holding warrants as Crown Solicitors. Together with their partners and staff solicitors from the practice and the local prosecution panels, they undertake prosecution work in those centres where District Court and High Court jury trials are conducted. Two Crown Solicitor warrants, for Nelson and Blenheim, have been held by counsel in the Crown Law Office. Planning is underway to combine the latter two warrants into one and appoint a new Crown Solicitor in 2001/2002.

### **Legislative Responsibilities**

The Crown Law Office administers the Crown Solicitors Regulations 1994 which set out the basis upon which the scale of fees is calculated and the process by which fees are claimed and paid to Crown Solicitors for undertaking Crown prosecution work.

The Cabinet Directions for the Conduct of Crown Legal Business 1993 govern the conduct of legal business between the Law Officers of the Crown, the Crown Law Office and government departments and agencies.

### **Committees Serviced**

The Crown Law Office provides the Secretary to the Rules Committee, which is established under the Judicature Act 1908 and funded by the Department for Courts. The Committee makes and reviews the rules governing the procedures of the High Court and Court of Appeal.

### **Information Systems Management**

The legal advice and representation functions of the Office make heavy use of information technology and systems for the production and management of documents, the conduct of legal research, communication with clients and the management of matters on behalf of those clients. Strategies are in place to ensure that technology and systems are reviewed on a regular basis and updated or replaced where justified.

### **Office Accommodation**

The Office is located in St Paul's Square, Thorndon and occupies three floors plus a mezzanine floor of office accommodation. The premises are under lease until 31 December 2001 with a right of renewal for two further periods of three years each, expiring on 31 December 2007.

## **CROWN LAW OFFICE**

### **Statement of Responsibility for the year ended 30 June 2001**

Pursuant to sections 35 and 37 of the Public Finance Act 1989 I acknowledge that:

- (a) the preparation of the financial statements and the judgments used herein are my responsibility;
- (b) the establishment and maintenance of a system of internal control to provide reasonable assurance as to the integrity and reliability of the financial reporting is my responsibility; and
- (c) in my opinion the financial statements for the year ended 30 June 2001 fairly reflect the financial position, operations and cash flows of the Crown Law Office.

T Arnold  
**Solicitor-General and Chief Executive**

28 September 2001

Countersigned by:

R J Turner  
**Practice Manager**

28 September 2001





## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 1: Legal Advice and Representation

##### Objective

To provide legal advice and representation services to central government departments and agencies with special emphasis on constitutional and other matters of public and administrative law, including Treaty of Waitangi and revenue issues.

##### Outcome

Contributes to promoting a strong and effective public service by protecting the legal interests and the responsibilities of the Crown and Crown agencies.

##### Financial Performance

(Figures are GST exclusive)

2000 Actual \$000		2001 Actual \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
11,995	Revenue – Other	12,181	12,188	12,450
11,610	Expenditure	11,911	11,444	11,626
385	Net surplus	270	744	824

##### *Explanation of major variations:*

The appropriation for this output class was increased by a net amount of \$182,000 in the Supplementary Estimates. This increase comprised additional forecast expenditure of \$262,000 which was partially offset by a reallocation of indirect expenditure (\$80,000) to Output Class 4: The Exercise of Law Officer Functions. The reallocation of expenditure reflected changes within the level of activity in Vote Attorney-General over the year. Revenue earned from departmental and other sources was less than forecast due to the non-recovery of time spent on client seminars including those developed for the introduction of the Employment Relations Act 2000. The actual surplus for this output class was further reduced by an increase in costs associated with the recruitment of additional staff and costs associated with the non-recoverable revenue earning activities.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 1: Legal Advice and Representation - continued

##### Service Performance

##### *Quantity*

2000 Actual	Measures	2001 Actual	2001 Forecast
505	Number of <i>new</i> instructions for legal advice.	503	500:550
969	Average number of requests for legal advice <i>in hand</i> .	929	900:950
596	Number of <i>new</i> instructions in respect of litigation matters.	584	600:650
2,028	Average number of litigation matters <i>in hand</i> .	1,991	2,000:2,200

##### *Explanation of major variations:*

The actual numbers of new files and files on hand came close to meeting the estimates forecast for the year. The forecast of new instructions is particularly difficult to estimate given the demand based nature of this activity.

##### *Quality and Timeliness*

Measures	Performance
Legal advice, including opinions, and representation services to be provided in accordance with the Office's Professional Standards: Crown Law Advice and Conduct of Litigation, respectively.	Quality assurance review processes have been implemented to ensure compliance with the standards established for legal advice and representation services.
Client satisfaction survey to be conducted among clients seeking feedback on performance in respect of matters selected at random. The survey questions cover a range of service level criteria designed to assess the timeliness and accessibility of advice, quality of advice, and cost effectiveness of advice.	The methodology, targets and results of the client satisfaction survey process for 2000/2001 are set out below.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 1: Legal Advice and Representation - continued

#### Service Performance

##### *Quality and Timeliness - continued*

##### *Client Satisfaction Survey Methodology:*

The Client Satisfaction Survey for 2000/2001 asked clients to assess the performance of the Office, on particular matters selected at random, against ten specific service level criteria. The service level criteria included acknowledgement of instructions, responsiveness in meeting instructions and providing reports on progress, achievement of deadlines, extent of client involvement in the matter, the quality and cost effectiveness of advice, and the overall management of the case or matter.

Clients were provided with a pre-determined scale of performance ratings ranging from "exceeding expectations" to "falling short of expectations" in order to make their assessment of performance on a particular matter. To enable comparison with the target levels of performance rating, the scale approximates the following percentile ranges:

"performance has exceeded my needs"	81 to 100%
"performance has fully met my needs"	61 to 80%
"performance has mostly met my needs"	41 to 60%
"performance has only somewhat met my needs"	21 to 40%
"performance has fallen short of my needs"	0 to 20%

The survey methodology represents a change in approach that is aimed at enabling clients to be more specific in their assessment of the Office's performance. In 1999/2000 and prior, the survey was sent to all clients to obtain feedback on performance over all matters conducted, on their behalf, for the year. This approach provided useful feedback on the overall service provided by the Office. However, both clients and the Office considered that the quality of the feedback could be improved through the assessment of performance on particular matters selected at random.

##### *Client Satisfaction Survey Results:*

<b>2000 Actual *</b>	<b>2001 Actual</b>	<b>2001 Forecast</b>
(See note below) Questionnaires issued	82	40:80
Questionnaires returned	62	40:80
Overall satisfaction rating.	82%	80%:90%

\* The results of the Client Satisfaction Survey for 1999/2000 were derived through following a different survey methodology as described above. It is not possible to accurately compare the results between the two years.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 2: Supervision and Conduct of Crown Prosecutions

##### Objective

To provide a national Crown prosecution service to undertake criminal trials on indictment, and appeals against convictions and sentences arising out of summary prosecutions.

This output class is comprised of three outputs:

- *Crown Prosecution Services* – The provision of a national Crown prosecution service to undertake criminal trials on indictment and related appeals.
- *Supervision of the Crown Solicitor Network* – The supervision of Crown Solicitors responsible for delivering prosecution services in centres throughout New Zealand where District Court and High Court jury trials are conducted.
- *Criminal Law Advice and Services* - The provision of advice on criminal law matters to other government agencies and Crown Solicitors. This includes work in the following areas: proceeds of crime, mutual assistance, blood sampling for DNA, request for Crown appeals arising out of summary prosecutions, consent to prosecute, applications for stays and immunity from prosecution.

##### Outcome

Contributes to building safe communities by assisting in the maintenance of law and order.

##### Financial Performance

(Figures are GST exclusive)

2000 Actual \$000		2001 Actual \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
18,820	Revenue – Crown	19,674	18,287	19,674
19,290	Expenditure	19,936	18,287	19,674
(470)	Net deficit	(262)	-	-

##### Explanation of major variations:

The appropriation for this output class was increased by a net amount of \$1,387,000 in the Supplementary Estimates. This was required to meet the demand based increase in expenditure that was forecast for Crown prosecution services. The net deficit of \$262,000 has arisen through a greater than expected number of 'high cost' trials being conducted in the District Court and the High Court for the year. (See also the Statement of Unappropriated Expenditure)

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 2: Supervision and Conduct of Crown Prosecutions - continued

#### Service Performance – Output 2.1: Crown Prosecution Services

##### *Quantity*

2000 Actual	Measures	2001 Actual	2001 Forecast
	Number of trials for indictable crime:		
1,317	District Court	1,283	1,300:1,400
194	High Court.	158	240:280
	Number of trials for indictable crime (Cost greater than \$10,000 per trial):		
84	District Court	107	90:100
86	High Court.	108	70:80
	Number of other criminal matters dealt with by the Crown Solicitors:		
1,061	Bail Applications and Appeals	1,055	1,100:1,200
2,004	Guilty Pleas / Middle Band Sentencing	2,060	1,700:2,000
851	Appeals relating to Summary Prosecutions	739	850:900

##### *Explanation of major variations:*

There has been a slight reduction in the overall number of trials for indictable crime held in both the District Court and High Court compared to the estimates for the year, although the mix between 'standard' and 'high cost' trials, which shows 'high cost' trials increasing, has varied unexpectedly.

##### *Quality and Timeliness*

Measures	Performance
Prosecution services to be provided in accordance with prosecution guidelines and case management practices developed by the Solicitor-General and judiciary, respectively, and monitored for effectiveness through the programme of Crown Solicitor practice reviews.	A description of the review methodology, targets and results of the reviews conducted in 2000/2001 is set out below under: Service Performance - Supervision of Crown Solicitor Network.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 2: Supervision and Conduct of Crown Prosecutions - continued

#### Service Performance – Output 2.2: Supervision of Crown Solicitor Network

##### *Quantity*

2000 Actual		2001 Actual	2001 Forecast
3	Number of Crown Solicitors practices to be reviewed.	4	2:4
(not available)	Number of applications from Crown Solicitors for special fees, classification of counsel and approval of additional counsel.	365	120:150

##### *Explanation of significant variances:*

The number of applications from Crown Solicitors significantly exceeded expectations and reflects the activity required to support an increase in the number of 'high cost' trials which occurred during the year.

##### *Quality and Timeliness*

Measures	Performance
Applications by Crown Solicitors for special fees, reclassification of counsel and approval of additional counsel to be considered in accordance with the Crown Solicitors Regulations 1994 and the Office's protocols which support the application of the regulations. The protocols describe the processes to be followed, the quality standards relating to the process, content, justification for requests.	All applications made by Crown Solicitors were approved in accordance with the Crown Solicitors Regulations 1994, and the Office's protocols, which support the application of the regulations. Notification of approval and feedback on the application is formally advised to the Crown Solicitor within the agreed timeframe.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 2: Supervision and Conduct of Crown Prosecutions - continued

#### Service Performance – Output 2.2: Supervision of Crown Solicitor Network

#### *Quality and Timeliness - continued*

Measures	Performance
<p>The provision of prosecution services by Crown Solicitors is to be reviewed according to a range of quality standards which include:</p> <ul style="list-style-type: none"> <li>• compliance with professional standards of conduct.</li> <li>• application of the Solicitor-General's prosecution guidelines.</li> <li>• compliance with court procedures and the requirements of the judiciary and clients in the management of cases.</li> <li>• compliance with the Crown Solicitors Regulations 1994 and, in particular, the charging for services rendered.</li> <li>• compliance with protocols and financial guidelines developed by the Office to support the application of the above Regulations.</li> </ul>	<p>A Review Panel comprising senior representatives of the Office and an independent adviser performed the Crown Solicitor Practice Reviews planned for the year. In its reviews, the Panel addressed two main areas of practice to establish compliance with the performance measures:</p> <ul style="list-style-type: none"> <li>• case processing efficiency and effectiveness.</li> <li>• practice management case allocation, good employer responsibilities, financial reporting on cases and compliance with the Regulations and the supporting protocols.</li> </ul>

#### *Crown Solicitor Practice Review Process:*

The Solicitor-General manages the process for the appointment of Crown Solicitors. The process, which includes extensive consultation and inquiry to determine the suitability of candidates to undertake the role of Crown Solicitor, results in a recommendation to the Attorney-General and, in turn, to the Governor-General for the provision of the Crown Solicitor warrant. One Crown Solicitor appointment (Hamilton) was made in the 2000/2001 year (1999/2000: nil).

Crown Solicitors are expected to meet certain quality standards in undertaking Crown prosecutions. These standards are described in the above table.

A Crown Solicitor Practice Review process has been established to ensure that Crown Solicitors are meeting those quality standards. It is aimed to review all Crown Solicitor practices at least once in each four to five year period. The number of reviews undertaken in any year will depend upon the resources available to undertake the reviews and the operational efficiencies derived from reviewing practices in close geographic proximity.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 2: Supervision and Conduct of Crown Prosecutions - continued

#### Service Performance – Output 2.3: Criminal Law Advice and Services

##### Quantity

2000 Actual	Measures	2001 Actual	2001 Forecast
346	Number of <i>new</i> requests for legal advice or determination of applications in relation to criminal law issues.	348	300:350
291	Average number of requests for legal advice or determination of applications in relation to criminal law <i>in hand</i> .	338	350:400
(not available)	Number of <i>new</i> ministerials and parliamentary questions received.	62	20:30

##### Explanation of major variations:

The number of new ministerials and parliamentary questions received exceeded expectations, and reflects the difficulty experienced in estimating the demand for this activity.

##### Quality and Timeliness

Measures	Performance
Legal advice, including opinions, and representation services to be provided in accordance with the Office's Professional Standards: Crown Law Advice and Conduct of Litigation, respectively.	Quality assurance review processes have been implemented to ensure compliance with the standards established for legal advice and representation services.
Ministerial correspondence and parliamentary questions to be responded to within the following time frames: <ul style="list-style-type: none"> <li>Replies to <i>ministerial correspondence</i> will be completed within 20 working days of receipt in 90% of cases.</li> <li>All responses to <i>parliamentary questions</i> will be provided within the required deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Replies to ministerial correspondence were provided within the required timeframe in 70% of cases.</li> <li>Replies to parliamentary questions were provided within the required timeframe in 100% of cases.</li> </ul>

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 3: Conduct of Criminal Appeals

##### Objective

To determine whether Crown appeals against sentence are lodged and to appear or arrange representation at the hearing of appeals whether brought by the Crown or by offenders following trials on indictment.

##### Outcome

Contributes to building safe communities by assisting in the maintenance of law and order.

##### Financial Performance

(Figures are GST exclusive)

2000 Actual \$000		2001 Actual \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
1,225	Revenue – Crown	1,225	1,225	1,225
1,207	Expenditure	1,224	1,225	1,225
18	Net surplus	1	-	-

##### Explanation of major variations:

Actual expenditure for the year was in accordance with budget.

##### Quantity

2000 Actual	Measures	2001 Actual	2001 Forecast
	Number of appeals heard in the Court of Appeal arising out of criminal trials on indictment, brought by:		
33	- the Crown	24	10:20
279	- offenders	339	310:330
547	Total number of appeals disposed of (including those where a hearing was held, those which were dismissed ex-parte or abandoned).	481	500:530
	Decisions made on requests for the Solicitor-General to take Crown appeals in relation to:		
55	- sentence	40	40:55
17	- case stated or other appeals.	27	20:25

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 3: Conduct of Criminal Appeals - continued

#### Service Performance

#### *Quantity - continued*

#### *Explanation of Variances:*

The actual number of appeals disposed of was less than expected, but was compensated for by demands in other activities which exceeded expectations.

#### *Quality and Timeliness*

Measures	Performance
Success rate for appeals brought by the Solicitor-General to be not less than 60%.	The success rate for appeals brought by the Solicitor-General was 71%. (1999/00 - 70%)
Compliance with court procedures and requirements of the judiciary, as specified in the 'Court of Appeal Practice Note – Criminal Appeals', to ensure no complaints are received for non-compliance.	No complaints have been received by the Office for non-compliance with court procedures and practice notes.
The hearing of appeals to be undertaken in accordance with the schedule of sitting days which are agreed by the court one month in advance, and resulting in no requests for adjournment being sought by the Crown.	The hearing of appeals were undertaken in accordance with the timetable set by the court, and no adjournments were sought by the Crown.
Written submissions to be filed within the time frame stipulated in the 'Court of Appeal Practice Note – Criminal Appeals' (which states that submissions are to be filed by the Crown by the required date, or within three days of receipt of the appellant's submissions, or if that time frame is not available then prior to the appeal hearing).	The Crown filed written submissions within the timeframe stipulated in the Court of Appeal practice note – Criminal Appeals.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 4: The Exercise of Principal Law Officer Functions

##### Objective

To provide legal and administrative services to the Attorney-General and the Solicitor-General to assist them in the exercise of the Principal Law Officer functions. The functions include monitoring of enforcement and application of the law, supervision of charities, representation of the public interest, relator proceedings, and the exercise of a variety of powers, duties and authorities arising from various statutory requirements and constitutional conventions.

##### Outcome

Contributes to building safe communities by assisting in the maintenance of law and order and contributing to the maintenance of public interest factors in the application of the law.

##### Financial Performance

(Figures are GST exclusive)

<b>2000</b>		<b>2001</b>	<b>2001</b>	<b>2001</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
			<b>\$000</b>	<b>\$000</b>
1,159	Revenue - Crown	1,239	1,159	1,239
11	- Other	2	-	-
<b>1,170</b>		<b>1,241</b>	<b>1,159</b>	<b>1,239</b>
1,083	Expenditure	1,202	1,159	1,239
<b>87</b>	Net surplus	<b>39</b>	<b>-</b>	<b>-</b>

##### *Explanation of major variations:*

The appropriation for this output class was increased in the Supplementary Estimates by \$80,000 by a fiscally neutral transfer from Output Class 1: Legal Advice and Representation. This adjustment comprised a reallocation of indirect expenditure to reflect changes within the level of activity in Vote Attorney-General over the year.

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 4: The Exercise of Principal Law Officer Functions - continued

##### Service Performance

##### Quantity

2000 Actual	Measures	2001 Actual	2001 Forecast
143	Number of <i>new</i> applications or requests for legal advice	125	160:180
253	Average number of applications or requests for legal advice <i>in hand</i>	291	300:330
(not available)	Number of <i>new</i> ministerials and parliamentary questions received.	237	100:120

##### Explanation of major variations:

The number of new ministerials and parliamentary questions received exceeded expectations, and reflects the difficulty experienced in estimating the demand for this activity.

##### Quality and Timeliness

Measures	Performance
Legal advice, including opinions, and legal representation services will be provided in accordance with the Office's Professional Standards: Crown Law Advice and Conduct of Litigation, respectively.	Quality assurance review processes have been implemented to ensure compliance with the standards established for legal advice and legal representation services.
Ministerial correspondence and parliamentary questions to be responded to within the following time frames: <ul style="list-style-type: none"> <li>Replies to <i>ministerial correspondence</i> will be completed within 20 working days of receipt in 90% of cases.</li> <li>All responses to <i>parliamentary questions</i> will be provided within the required deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Replies to ministerial correspondence were provided within the required timeframe in 71% of cases.</li> <li>Replies to parliamentary questions were provided within the required timeframe in 100% of cases.</li> </ul>

## CROWN LAW OFFICE

### Statement of Objectives and Service Performance for the year ended 30 June 2001

#### Output Class 4: The Exercise of Principal Law Officer Functions - continued

#### Service Performance

#### *Quality and Timeliness - continued*

Measures	Performance
Brief the Attorney-General in a timely and relevant way on significant legal matters affecting the Crown.	A report is provided each week to the Attorney-General advising on significant matters involving the Crown.
Client satisfaction survey to be conducted among clients seeking feedback on performance in respect of matters selected at random. The survey questions cover a range of service level criteria designed to assess the timeliness and accessibility of advice, quality of advice, and effectiveness of advice.	The methodology of the client satisfaction survey process was described under Output Class 1: Legal Advice and Representation - Service Performance – <i>Quality and Timeliness</i> . The targets and results of the client satisfaction survey process for 2000/2001 are set out below.

#### *Client Satisfaction Survey Results:*

2000 Actual *		2001 Actual	2001 Forecast
(See note below)	Questionnaires issued	13	20:30
	Questionnaires returned	11	20:30
	Overall satisfaction rating.	73%	80%:90%

\* The results of the Client Satisfaction Survey for 1999/2000 were derived through following a different survey methodology as described under Output Class 1: Legal Advice and Representation - Service Performance – *Quality and Timeliness*. It is not possible to accurately compare the results between the two years.

#### *Explanation of major variations:*

Given the nature of the work performed in this output class and the difficulty of identifying a 'client' for many matters, it was not possible to achieve the estimated target for the issuing of questionnaires. The reasons for the lower than expected satisfaction rating were not ascertained.

# CROWN LAW OFFICE

## Statement of Accounting Policies for the year ended 30 June 2001

### Reporting Entity

The Crown Law Office is a government department as defined by section 2 of the Public Finance Act 1989. These are the financial statements of the Crown Law Office prepared pursuant to section 35 of the Public Finance Act 1989. In addition, the Office has reported the trust monies which it administers.

### Measurement System

The financial statements have been prepared on an historical cost basis modified by the revaluation of the Library asset.

### Accounting Policies

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied.

#### Budget Figures

The Budget figures are those presented in the Budget Night Estimates (Main Estimates) and those amended by the Supplementary Estimates and any transfer made by Order in Council under s5 of the Public Finance Act 1989 (Supplementary Estimates).

#### Revenue

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

#### Cost Allocation

The Office has determined the cost of outputs using a cost allocation system which is outlined below.

##### *Cost Allocation Policy*

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

##### *Direct and Indirect Cost Assignment to Outputs*

Direct costs are charged directly to outputs. Personnel costs are charged to outputs on the basis of actual time incurred. For the year ended 30 June 2001, direct costs accounted for 86% of the Office's costs (1999/2000: 86%).

Indirect costs are the costs of corporate management and support services, including depreciation and capital charge, and are assigned to outputs based on the proportion of direct staff costs for each output. For the year ended 30 June 2001, indirect costs accounted for 14% of the Office's costs (1999/2000: 14%).

#### Work-in-Progress

Work-in-progress is determined as unbilled time plus disbursements that can be recovered from clients, and has been valued at the lower of cost or expected realisable value.

## CROWN LAW OFFICE

### Statement of Accounting Policies for the year ended 30 June 2001

#### Accounting Policies - continued

##### Debtors and Receivables

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

##### Operating Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are charged as expenses in the periods in which they are incurred.

##### Fixed Assets

A revaluation of the library asset is carried out at least every three years. The purchase of new publications for the library are capitalised between the revaluations.

All other fixed assets, costing more than \$1,000, are capitalised and recorded at historical cost.

##### Depreciation

Depreciation of fixed assets is provided on a straight line basis at rates which will write off the cost of the assets, less their estimated residual values, over their estimated useful lives. The useful lives of the major classes of assets have been estimated as follows:

• Computer equipment	3 years	(33.3%)
• Office equipment	5 years	(20%)
• Furniture and fittings	5 years	(20%)
• Leasehold improvements	Up to 9 years	(11.1%)
• Library	10 years	(10%)

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

##### Employee Entitlements

The liability for entitlements by staff to annual leave, long service leave and retirement leave have been provided for as follows:

- Existing entitlements to annual leave and long service leave have been calculated on an actual entitlement basis at current rates of pay.
- Future entitlements to long service leave and retirement leave have been calculated on an actuarial basis based on the present value of expected future entitlements.

##### Foreign Currency

Foreign currency transactions are converted at the New Zealand dollar exchange rate at the date of the transaction. No forward exchange contracts are entered into.

## **CROWN LAW OFFICE**

### **Statement of Accounting Policies for the year ended 30 June 2001**

#### **Accounting Policies - continued**

##### **Financial instruments**

The Office is party to financial transactions as part of its normal operations. These financial instruments, which include bank accounts, debtors and creditors, are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. Except for those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

##### **Goods and Services Tax (GST)**

The Statement of Unappropriated Expenditure and the Statements of Departmental and Non-Departmental Expenditure and Appropriations are inclusive of GST. The Statement of Financial Position is exclusive of GST, except for Debtors and Receivables and Creditors and Payables, which are GST inclusive. All other statements are GST exclusive. The amount of GST owing to the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables.

##### **Taxation**

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

##### **Commitments**

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

##### **Contingent Liabilities**

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

##### **Taxpayers' Funds**

This is the Crown's net investment in the Office.

##### **Changes in Accounting Policies**

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

All policies have been applied on a basis consistent with the previous year.

## CROWN LAW OFFICE

### Statement of Financial Performance for the year ended 30 June 2001

2000 Actual		Note	2001 Actual	2001 Main Estimates	2001 Supp. Estimates
\$000			\$000	\$000	\$000
<b>REVENUE</b>					
21,204	Crown		22,138	20,671	22,138
12,009	Other	2	12,184	12,188	12,450
<b>33,213</b>	<b>Total Operating Revenue</b>		<b>34,322</b>	<b>32,859</b>	<b>34,588</b>
<b>EXPENSES</b>					
9,043	Personnel Costs	3	9,647	8,900	9,300
23,384	Operating Costs	4	23,787	22,422	23,616
555	Depreciation		631	585	640
208	Capital Charge	5	208	208	208
<b>33,190</b>	<b>Total Expenses</b>		<b>34,273</b>	<b>32,115</b>	<b>33,764</b>
<b>23</b>	<b>Net surplus</b>		<b>49</b>	<b>744</b>	<b>824</b>

The accompanying accounting policies and notes form part of these financial statements.  
For information on major variances refer to Note 1 (page 38)

## CROWN LAW OFFICE

### Statement of Movements in Taxpayers' Funds for the year ended 30 June 2001

2000 Actual \$000	Note	2001 Actual \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
2,082	Taxpayers' funds as at 1 July	2,082	2,082	2,082
23	Net surplus	49	744	824
23	<b><i>Total recognised revenues and expenses for the year</i></b>	49	744	824
(23)	Provision for repayment of surplus to the Crown	(49)	(744)	(824)
-	Increase in revaluation reserve	135	-	-
2,082	<b>Taxpayers' funds as at 30 June</b>	2,217	2,082	2,082

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

## CROWN LAW OFFICE

### Statement of Financial Position as at 30 June 2001

2000 Actual		Note	2001 Actual	2001 Main Estimates	2001 Supp. Estimates
\$000			\$000	\$000	\$000
<b>ASSETS</b>					
<b>Current Assets</b>					
2,882	Cash		3,313	3,192	3,107
2,281	Debtors and receivables	7	2,396	2,865	2,280
5,163	<b>Total current assets</b>		5,709	6,057	5,387
<b>Non-current assets</b>					
1,528	Fixed assets	8	1,421	1,202	1,168
6,691	<b>Total assets</b>		7,130	7,259	6,555
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
3,774	Creditors and payables	9	4,105	3,739	2,999
23	Provision for repayment of surplus	10	49	744	824
689	Provision for employee entitlements	11	625	584	500
4,486	<b>Total current liabilities</b>		4,779	5,067	4,323
<b>Non-current liabilities</b>					
123	Provision for employee entitlements	11	134	110	150
4,609	<b>Total liabilities</b>		4,913	5,177	4,473
<b>TAXPAYERS' FUNDS</b>					
1,921	General Funds		1,921	1,921	1,921
161	Revaluation reserve	6	296	161	161
2,082	<b>Total taxpayers' funds</b>		2,217	2,082	2,082
6,691	<b>Total liabilities and taxpayers' funds</b>		7,130	7,259	6,555

The accompanying accounting policies and noted form part of these financial statements.  
For information on major variances against budget refer to Note 1 (page 38)

## CROWN LAW OFFICE

### Statement of Cash Flows for the year ended 30 June 2001

2000 Actual  \$000		2001 Actual  \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
<b>CASH FLOWS – OPERATING ACTIVITIES</b>				
<i>Cash was provided from: Supply of outputs to</i>				
21,204	- Crown	22,138	20,671	22,138
12,407	- Government departments and related agencies	12,068	12,369	12,451
33,611		34,206	33,040	34,589
<i>Cash was applied to: Produce outputs</i>				
23,036	- Operating	23,604	22,899	24,533
8,774	- Personnel	9,602	8,900	9,300
208	- Capital charge	208	208	208
32,018		33,414	32,007	34,041
1,593	<b>Net cash flows from operating activities</b>	792	1,033	548
<b>CASH FLOWS – INVESTING ACTIVITIES</b>				
<i>Cash was provided from:</i>				
4	Sale of fixed assets	1	-	-
<i>Cash disbursed for:</i>				
499	Purchase of fixed assets	339	300	300
(495)	<b>Net cash flows from operating activities</b>	(338)	(300)	(300)
<b>CASH FLOWS – FINANCING ACTIVITIES</b>				
<i>Cash disbursed for:</i>				
991	Repayment of net surplus to Crown	23	784	23
(991)	<b>Net cash flows from financing activities</b>	(23)	(784)	(23)
107	Net Increase/(Decrease) in cash held	431	(51)	225
2,775	Add opening cash	2,882	3,243	2,882
2,882	<b>Closing cash</b>	3,313	3,192	3,107

The accompanying accounting policies and notes form part of the financial statements.  
For information on major variances against budget refer to Note 1 (page 38).

## CROWN LAW OFFICE

### Reconciliation of Net Surplus to Net Cash Flow from Operating Activities for the year ended 30 June 2001

2000 Actual \$000		2001 Actual \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
23	<b>Net surplus</b>	49	744	824
	Adjustment for items which do not impact cash flow:			
555	- Depreciation	631	585	640
5	- Increase in non current employee entitlements	11	-	-
<u>560</u>	<b>Total non-cash items</b>	<u>642</u>	<u>585</u>	<u>640</u>
	Adjustment for movements in working capital items:			
401	- (Increase)/decrease in debtors and receivables	(115)	181	1
454	- Increase/(decrease) in creditors and payables	281	(469)	(755)
158	- Increase/(decrease) in current employee entitlements	(64)	(8)	(162)
<u>1,013</u>	<b>Working capital movements – net</b>	<u>102</u>	<u>(296)</u>	<u>(916)</u>
	Add/(less) investing activity items:			
(3)	- Net loss/(gain) on sale of fixed assets	(1)	-	-
<u>(3)</u>	<b>Total investing activity items</b>	<u>(1)</u>	<u>-</u>	<u>-</u>
<u>1,593</u>	<b>Net cash inflow from operating activities</b>	<u>792</u>	<u>1,033</u>	<u>548</u>

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

## CROWN LAW OFFICE

### Statement of Commitments as at 30 June 2001

The Office has a lease on its premises in Wellington until 31 December 2001 with a right of renewal for two further periods of three years each, expiring on 31 December 2007. The annual lease payment is subject to three-yearly reviews. The amounts disclosed below as future commitments are based on the current lease rental rates.

Operating leases include lease payments for premises, car parks and photocopiers.

<b>2000</b>		<b>2001</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
<i>Operating lease commitments</i>		
965	- less than one year	528
440	- one to two years	16
-	- two to five years	2
<hr/> 1,405	Total operating lease commitments	<hr/> 546
<hr/> <b>1,405</b>	<b>Total Commitments</b>	<hr/> <b>546</b>

### Statement of Contingent Liabilities as at 30 June 2001

There were no contingent liabilities as at 30 June 2001 (2000: Nil)

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

## CROWN LAW OFFICE

### Statement of Unappropriated Expenditure for the year ended 30 June 2001

2000 Unappropriated Expenditure \$000	(Figures are GST inclusive where applicable)	2001 Actual \$000	2001 Appropriation \$000	2001 Unappropriated Expenditure \$000
<b>Note: Attorney-General</b>				
142	Output Class 1– Legal Advice and Representation	13,434	13,182	252
470	Output Class 2 – Supervision and Conduct of Crown Prosecutions	22,395	22,133	262

#### *Output Class 1– Legal Advice and Representation*

There was an unexpected increase in disbursements for services provided by legal and other advisors in the latter part of the financial year. In addition, the increased level of activity in the output class towards the end of the year attracted a higher than estimated share of personnel and overhead costs. The increased expenditure has been met from Revenue – Departments and Other and is fiscally neutral.

#### *Output Class 2 – Supervision and Conduct of Crown Prosecutions*

Actual expenditure on the supervision and conduct of Crown prosecutions exceeded appropriation as a result of a larger than expected number of high cost trials, ie. those trials which cost in excess of \$10,000 to conduct, which occurred in the second half of the year. In addition, the increased level of activity in this output class attracted a higher than estimated share of personnel and overhead costs.

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

## CROWN LAW OFFICE

### Statement of Departmental Expenditure and Appropriations for the year ended 30 June 2001

<b>(Figures are GST inclusive where applicable)</b>	<b>2001 Actual Expenditure \$000</b>	<b>2001 Appropriation Voted* \$000</b>
<b>Vote: Attorney General</b>		
<i>Appropriations for classes of outputs</i>		
D1 – Legal Advice and Representation	13,434	13,182
D2 – Supervision and Conduct of Crown Prosecutions	22,395	22,133
D3 – Conduct of Criminal Appeals	1,377	1,378
D4 – The Exercise of Principal Law Officer Functions	1,357	1,394
<b>Total appropriations</b>	<b>38,563</b>	<b>38,087</b>

\*The Appropriation Voted includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

### Statement of Trust Monies for the year ended 30 June 2001

<b>Account</b>	<b>As at 1 July 2000 \$000</b>	<b>Contributions \$000</b>	<b>Distributions \$000</b>	<b>Revenue \$000</b>	<b>Expenses \$000</b>	<b>As at 30 June 2001 \$000</b>
Crown Law Office Legal Claims Account	1	822	(818)		-	5

This account is operated to receive and pay legal claims and settlements on behalf of clients of the Office.

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

## CROWN LAW OFFICE

### Notes to the Financial Statements for the year ended 30 June 2001

#### Note 1: Major Budget Variations

##### Statement of Financial Performance

###### *Output D1 – Legal Advice and Representation*

The appropriation for this output class was increased by an amount of \$182,000 in the Supplementary Estimates to meet the forecast increase in demand for legal advice and representation services.

###### *Output D2 – Supervision and Conduct of Crown Prosecutions*

The appropriation for this output class was increased by an amount of \$1,387,000 in the Supplementary Estimates to meet the forecast increase in demand for Crown prosecution services.

###### *Output D3 – Conduct of Criminal Appeals*

The appropriation for this output class remains the same as set out in the Main estimates.

###### *Output D4 – The Exercise of Principal Law Officer Functions*

The appropriation for this output class was increased by \$80,000 in the Supplementary Estimates to reflect the increased cost of providing legal and administrative services to the Attorney-General and Solicitor-General in the exercise of the Law Officer functions.

Further information on the changes in output classes are set out in the Statement of Objectives and Service Performance. The Statement of Unappropriated Expenditure explains the variations from the Supplementary Estimates.

##### Statement of Financial Position (and Cash Flows)

The increase in cash balances against budget primarily reflects the overall reduction in the level of Debtors and Receivables that has been achieved over the financial year. The provision for payment of surplus is lower than forecast due to a combination of a reduced level of revenue earned from departmental and other clients and a higher level of operating expenditure incurred over the second half of the financial year.

#### Note 2: Other Revenue

<b>2000</b>		<b>2001</b>	<b>2001</b>	<b>2001</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>
			<b>\$000</b>	<b>\$000</b>
	Legal fees and disbursements received from:			
11,197	- Government departments	11,455	12,118	12,380
809	- Other clients	728	70	70
3	Profit on sale of fixed assets	1	-	-
<b>12,009</b>	<b>Total other revenue</b>	<b>12,184</b>	<b>12,188</b>	<b>12,450</b>

## CROWN LAW OFFICE

### Notes to the Financial Statements for the year ended 30 June 2001

#### Note 3: Personnel Costs

2000 Actual \$000		2001 Actual \$000
9,035	Salaries and Wages	9,636
8	Retirement and Long Service Leave	11
<u>9,043</u>	<b>Total personnel costs</b>	<u>9,647</u>

#### Note 4: Operating costs

2000 Actual \$000		2001 Actual \$000	2001 Main Estimates \$000	2001 Supp. Estimates \$000
28	Audit fees for audit of the financial statements	29	28	28
110	Consultancy costs	93	119	119
18,356	Crown Solicitors fees	18,967	17,404	18,783
(16)	Decrease in provision for doubtful debts	-	-	-
980	Operating lease costs	1,005	985	1,000
3,926	Other operating costs	3,693	3,886	3,686
<u>23,384</u>	<b>Total operating costs</b>	<u>23,787</u>	<u>22,422</u>	<u>23,616</u>

#### Note 5: Capital Charge

The Office pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2001 was 10% (2000: 10%).

## CROWN LAW OFFICE

### Notes to the Financial Statements for the year ended 30 June 2001

#### Note 6: Revaluation reserve - Library

<b>2000</b>		<b>2001</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
161	Balance brought forward	161
-	Revaluation change at 30 June	135
<b>161</b>	<b>Balance at 30 June</b>	<b>296</b>

#### Note 7: Debtors and Receivables

<b>2000</b>		<b>2001</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
997	Trade debtors	845
(20)	<i>Less</i> provision for doubtful debts	(20)
1,301	Work in progress	1,554
(39)	<i>Less</i> provision for doubtful work in progress	(39)
42	Prepayments	56
<b>2,281</b>	<b>Total debtors and receivables</b>	<b>2,396</b>

## CROWN LAW OFFICE

### Notes to the Financial Statements for the year ended 30 June 2001

#### Note 8: Fixed Assets

2000 Actual \$000		2001 Actual \$000
	<b>Office Equipment</b>	
245	At cost	258
(212)	Accumulated depreciation	(223)
33	<b>Office Equipment – net book value</b>	35
	<b>Computer Equipment</b>	
1,143	At cost	1,197
(784)	Accumulated depreciation	(807)
359	<b>Computer Equipment – net book value</b>	390
	<b>Leasehold Improvements</b>	
1,595	At cost	1,652
(1,213)	Accumulated depreciation	(1,484)
382	<b>Leasehold Improvements – net book value</b>	168
	<b>Furniture and Fittings</b>	
245	At cost	270
(111)	Accumulated depreciation	(139)
134	<b>Furniture and Fittings – net book value</b>	131
	<b>Library</b>	
725	Base collection at valuation – 30 June 2001	697
46	Additions at cost	-
(151)	Accumulated depreciation	-
620	<b>Library – net current value</b>	697
	<b>TOTAL FIXED ASSETS</b>	
3,999	At cost and valuation	4,074
(2,471)	Accumulated depreciation	(2,653)
1,528	<b>TOTAL CARRYING AMOUNT OF FIXED ASSETS</b>	1,421

The library asset was independently valued at net current value as at 30 June 2001 by Stephanie Lambert NZCL of Lambert Library Services.

## CROWN LAW OFFICE

### Notes to the Financial Statements for the year ended 30 June 2001

#### Note 9: Creditors and Payables

2000 Actual \$000		2001 Actual \$000
1,963	Trade creditors	2,254
1,290	Accrued work in progress – Crown Solicitors Fees	1,247
338	Other accrued expenses	433
183	GST payable	171
<u>3,774</u>	<b>Total creditors and payables</b>	<u>4,105</u>

#### Note 10: Provision for Repayment of Surplus to the Crown

The provision for repayment of surplus to the Crown is equivalent to the net operating surplus as recorded in the Statement of Financial Performance.

#### Note 11: Employee Entitlements

2000 Actual \$000		2001 Actual \$000
	<b>Current liabilities</b>	
643	Annual leave	578
46	Long service leave	47
<u>689</u>	<b>Total current portion</b>	<u>625</u>
	<b>Non-current liabilities</b>	
70	Long service leave	54
53	Retirement leave	80
<u>123</u>	<b>Total long term portion</b>	<u>134</u>
<u>812</u>	<b>Total employee entitlements</b>	<u>759</u>

## **CROWN LAW OFFICE**

### **Notes to the Financial Statements for the year ended 30 June 2001**

#### **Note 12: Financial Instruments**

The Office is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable and trade creditors.

##### *Credit Risk*

Credit risk is the risk that a third party will default on its obligations to the Office, causing the Office to incur a loss. In the normal course of its business, the Office incurs credit risk from trade debtors and transactions with financial institutions. The Office does not require any collateral or security to support financial instruments with financial institutions that the Office deals with, as these entities have high credit ratings. For its other financial instruments, the Office has in excess of 88% of the outstanding revenue represented by debtors and work in progress due from government departments and ministries.

##### *Fair Value*

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

##### *Currency and interest rate risk*

There are no financial instruments that potentially subject the Office to material foreign exchange or interest rate risks.

#### **Note 13: Contingencies**

The Office does not have any contingent assets as at 30 June 2001 (30 June 2000: Nil). There were no contingent liabilities as noted in the Statement of Contingent Liabilities.

#### **Note 14: Related Party Information**

The Office is a wholly owned entity of the Crown. The Crown Law Office enters into trading activities with the Crown, other departments and ministries, and Crown Entities. These activities are conducted on an arms length basis and are not considered to be related party transactions.

#### **Note 15: Post Balance Date Events**

There were no significant events occurring between the year end and the signing of the financial statements.