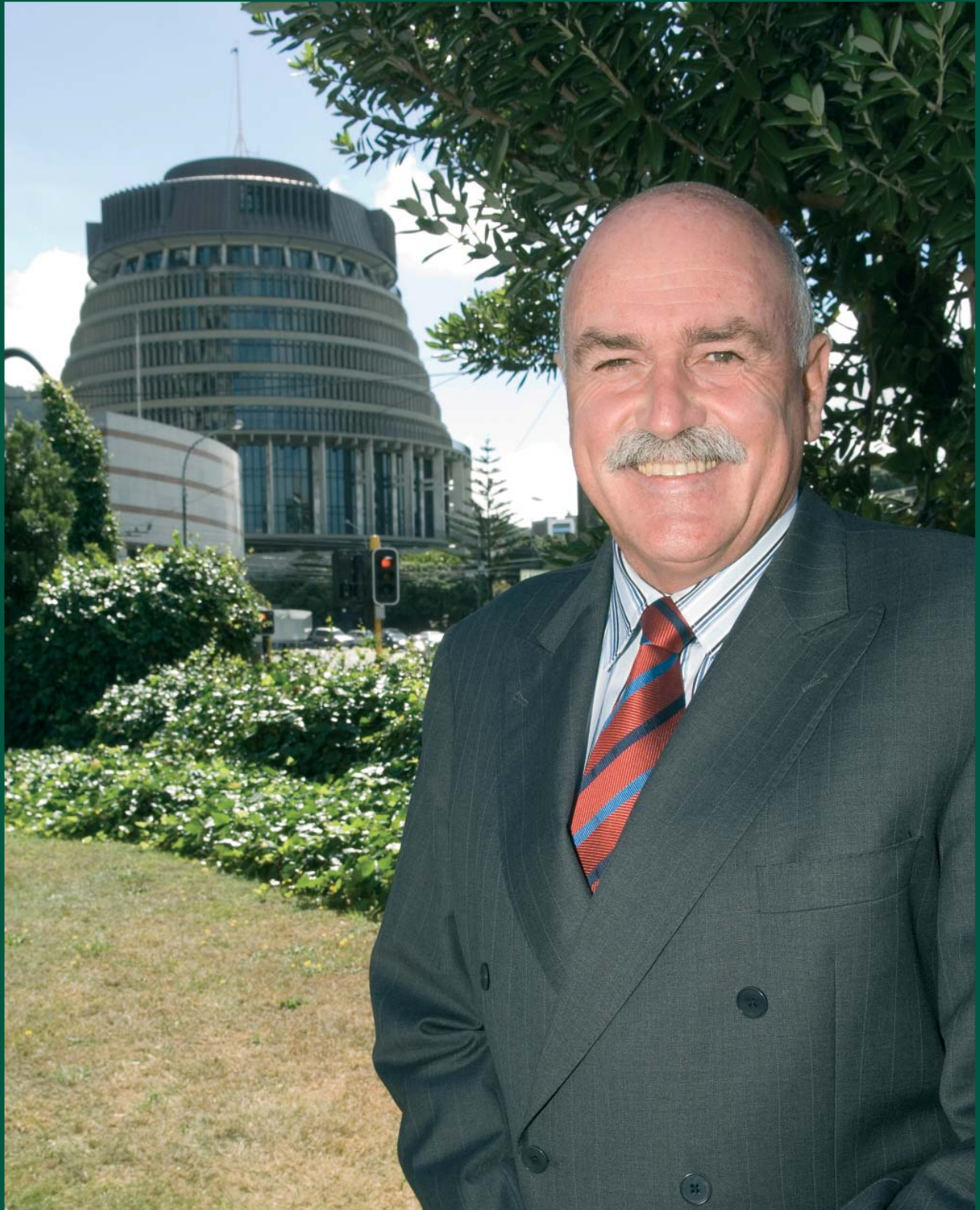


Annual Report and Statement of Accounts for the year ended 30 November 2006



New Zealand Law Society Council 2006-2007



From left

Front row: Liz Jamieson (Waikato Bay of Plenty), Pam Davidson (Vice-President, Wellington), Gary Gotlieb (Auckland), Chris Darlow (President), Wayne Peters (Auckland).

Second row: Jonathan Temm (Waikato Bay of Plenty), Kerry Ayers (Vice-President, South Island), Anne Stevens (NZLS Board), Kate Davenport (Vice-President, Auckland), Benedict Ryan (Waikato Bay of Plenty DLS Executive Officer), Nicholas Burley (Nelson), John Woodward (Canterbury).

Third row: Chris Moore (Property Law Section Chair), Helen Mackay (CLANZ observer, for Genevieve Hancock), Jacqui Gray (NZLS Board), Jeff Walker (Southland).

Fourth row: Wayne Chapman (Wellington, for Mary Jeffcoat), Warren Pyke (Vice-President, rest of North Island), Gordon Paine (Manawatu).

Fifth row: Ed Wylie QC (Canterbury), Margaret Malcolm (Auckland DLS Executive Director), Gordon Webb (Gisborne).

Back row: David Murphy (Wellington), Richard Fowler (Wellington), David Clarke (Wellington DLS Executive Director), James Coleman (Wanganui), Royden Somerville QC (Otago), David Clark (Marlborough), Keith Berman (NZLS Board), John Marshall (Treasurer, President-elect), Joel Fotu (Auckland), Len Andersen (Otago), Andrew Gilchrist (Auckland), Malcolm Ellis (Canterbury DLS Executive Director), John Brandts-Giesen (Canterbury).

Absent: Peter Ansley (Taranaki), Richard Bodle (Westland), Bruce Gilmour (Hawke's Bay), Genevieve Hancock (CLANZ President), Mary Jeffcoat (Wellington), Simon Maude (Family Law Section Chair), John Unsworth (Wanganui).

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Cover photo: President Chris Darlow against the backdrop of Parliament, which provided a major focus during his 3½-year term of office as working to see the Lawyers and Conveyancers Act passed took centre stage.

President's review



President Chris Darlow

This publication details the initiatives, work and finances surrounding the NZLS operations for the year to 30 November 2006. I am not going to enlarge on the various reports. Instead, I will provide a brief outline of the main events arising during my three and a half years in office.

On 20 October 2003, I took the NZLS Council chair as president. I did so after an unusually short apprenticeship in law society affairs, even if that did include two years as president of the Auckland District Law Society. On reflection, it really would not have mattered how long the apprenticeship I would still have been under-prepared for the shift from a local to a national organisation. On 30 March 2007, I leave the chair confident that a proper appreciation of the effectiveness of the NZLS is virtually impossible without the sort of first-hand, bird's-eye view that the presidency provides. I should make it clear that I am not referring to my own contribution, but to the way in which the council, board, committees, sections, groups, districts and staff combine for the profession's benefit. You need to be part of it to have a true understanding of how this combination of contributions ensures the quality and value of our law reform and new legislation work, our education programmes and publications, our regulatory obligations and our international relationships. I have said before that law society annual reports may not be at the top of lawyers' reading priorities, but it's still worth a glance at this report to gauge the extent of the work done on our behalf.

Centre stage throughout my term has been Law Practitioners Act reform (now, of course, the Lawyers and Conveyancers Act 2006). In 2003, I would have put the house on my being around for the early implementation of that but the MMP parliamentary process was an eye-opener, to say the least. However, work and consultation on practice rules and other subordinate legislation is now in full swing and we are on target for commencement on 1 July 2008. That is so, notwithstanding a decision of the NZLS Council to examine the prospect of developing and implementing a new organisational model for the NZLS and districts. If adopted, this would have a constitution providing for one law society (the NZLS) incorporating the districts, sections and possibly other groups in one form or another. I was honoured to be invited to lead this examination and I am hopeful of a positive outcome.

It is appropriate in this outline that I should report my clear view of the Lawyers and Conveyancers Act. It does not contain everything we would have wished but, through the efforts of many people over many years, we were able to influence policy and gain advantage for the profession out of threatening positions held by successive governments. We have done well in comparison with the self-regulatory erosion in other countries. The legislation will provide a top-rate, long-term co-regulatory regime in a spirit of cooperation between the profession and government.

On 1 July 2004, I addressed the ceremonial first sitting of the Supreme Court. It was an auspicious occasion and I am pleased that the country seems to have safely moved on from the unfortunate controversy surrounding the court's establishment and the appointment of its judges. It is developing into a court of true worth and quality, and is a credit to all involved.

The issue of privilege comes into the spotlight from time to time and it is incumbent on all lawyers to resist steadfastly every effort to water it down. It was a matter of satisfaction that we were, during my watch, able to turn aside threats of loss or limitation of privilege in the tax area and threats that non-lawyer tax advisers should be in the same position as lawyers when advising on tax matters. It was good to hear the Minister of Revenue confirm that legal professional privilege would continue in its traditional way.

I regret that legal aid generally, and rates of remuneration in particular, remain very troubling issues. It is true that they are just as bad, if not worse, in most other countries but that is cold comfort. The NZLS, through the board and its Legal Services Committee, has put the case very squarely to the Government. The Minister of Justice has been left in no doubt whatsoever about the feeling of exploitation prevalent in the profession. This issue is hard work and I am sorry that I have left much for my successor to do, but it is gratifying to have had an acceptance by the Minister that rates must be reviewed soon, and subsequently on a regular basis.

An important aspect of the NZLS presidency is the maintenance of relationships with bar associations and law societies in other jurisdictions. What has struck me repeatedly in this aspect of our work is the very high reputation the NZLS carries internationally. Our views are sought after and respected and many of our initiatives admired. It is hard to put a finger on just why this is so. I hope I have contributed, and I know my predecessors have, but something tells me that a major factor might very well be the influence brought to bear by our stable, long-serving and dedicated secretariat. It was, however, a signal honour for me to be asked to respond on behalf of international representatives to the speeches of welcome at the opening of the Legal Year in the Middle Temple Hall, London, in October last year.

The NZLS presidency has been an exhilarating, acutely challenging and unforgettable experience. I have cherished the opportunity, which was made possible for me through the support of my family, my partners in Grove Darlow, the secretariat and, not least, the profession as a whole.

Chris Darlow

New Zealand Law Society Board 2006-2007



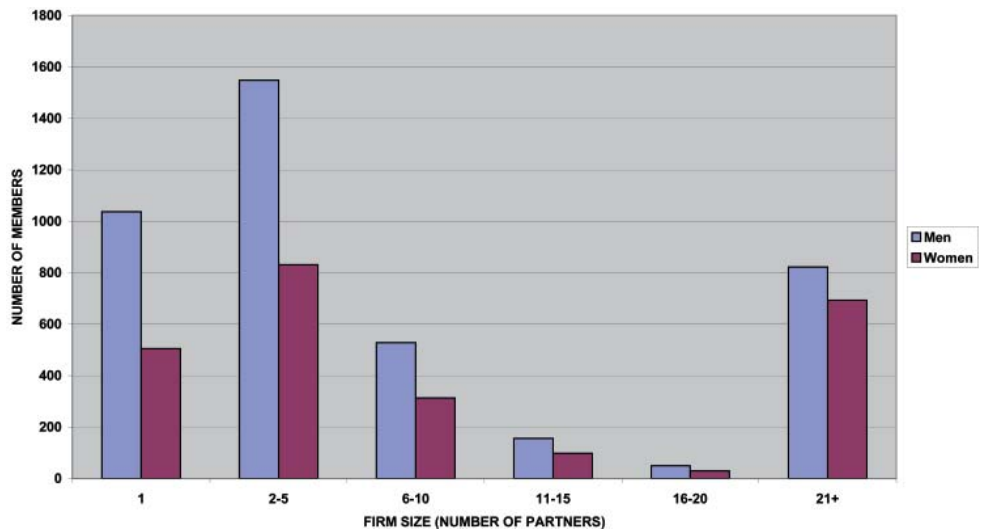
From left, front row: Kate Davenport (Vice-President, Auckland), Kerry Ayers (Vice-President, South Island), Chris Darlow (President), Pam Davidson (Vice-President, Wellington). Second row: Warren Pyke (Vice-President, rest of North Island), Gary Gotlieb (Auckland), Keith Berman (Auckland). Third row: Jacqui Gray (Hastings), Helen Mackay (CLANZ observer, for Genevieve Hancock), Anne Stevens (Dunedin), John Brandts-Giesen (Rangiora). Back row: Andrew Gilchrist (Auckland), Jonathan Temm (Rotorua), John Marshall (Wellington, Treasurer and President-elect). Absent: Alan Ritchie (NZLS Executive Director), Genevieve Hancock (CLANZ observer).

	PRACTISING CERTIFICATES ISSUED*						ADMISSIONS			
	Total	Total	Principals		Barristers sole		Male	Female	Total	Total
	2006	2005	2006	2005	2006	2005	2006	2006	2006	2005
Auckland	4,582	4,377	1,270	1,295	818	705	129	168	297	351
Canterbury	1,075	1,032	418	381	84	79	30	45	75	88
Gisborne	51	50	26	29	5	19	0	2	2	3
Hawke's Bay	215	205	106	104	17	15	3	3	6	3
Manawatu	137	129	69	71	16	13	1	2	3	3
Marlborough	50	50	24	22	1	3	0	0	0	1
Nelson	139	138	68	65	8	9	1	0	1	0
Otago	393	374	145	143	53	46	8	35	43	44
Southland	137	125	72	70	0	0	0	3	3	0
Taranaki	135	141	63	64	4	6	1	4	5	3
Waikato/BOP	897	882	353	351	138	119	28	55	83	110
Wanganui	64	65	40	44	4	5	2	2	4	0
Wellington	2,512	2,492	523	520	246	248	116	185	301	277
Westland	23	24	16	15	2	1	0	0	0	0
TOTAL	10,410	10,084	3,193	3,174	1,396	1,268	319	504	823	883
% incr/decr	3.2	3.7	0.6	-0.7	10.1	13.3			-6.8	4.0
GENDER %										
Male	59	61	81	82	65	68	-	-	39	38
Female	41	39	19	18	35	32	-	-	61	62

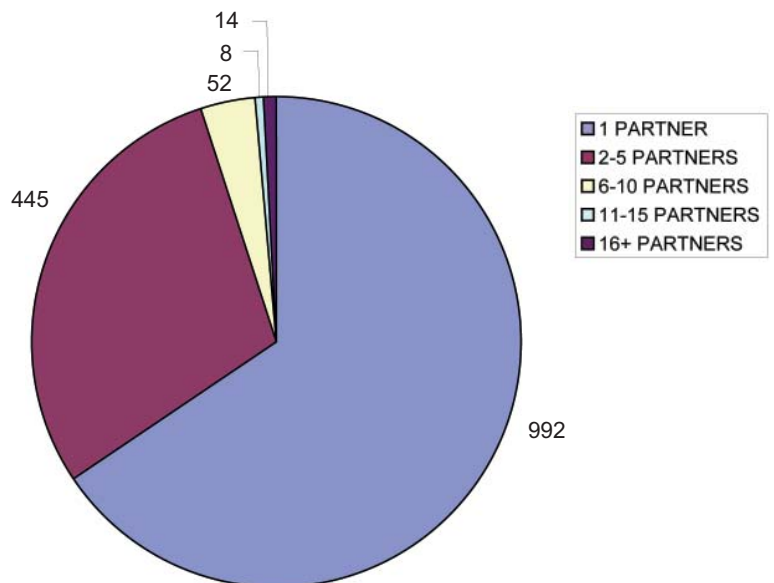
*NB: The certificates issued during 2006 do not necessarily represent actual members as at 30/11/06.

Members by size of firm

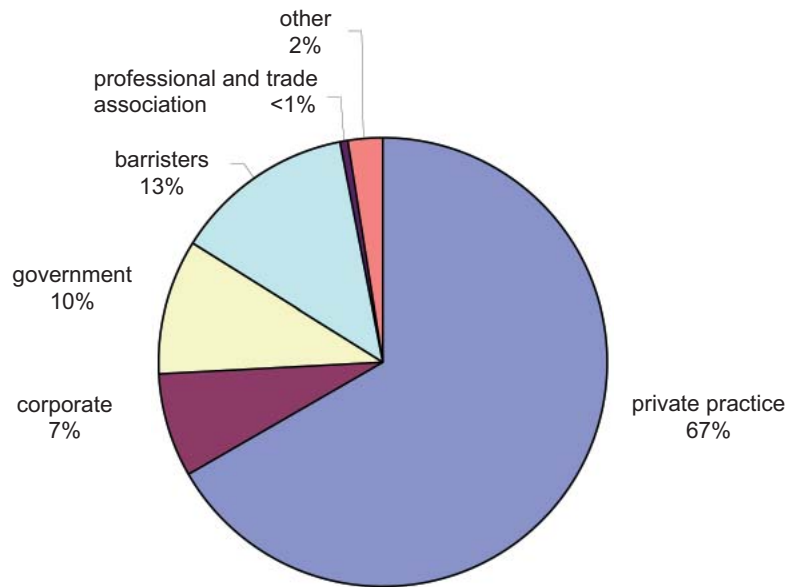
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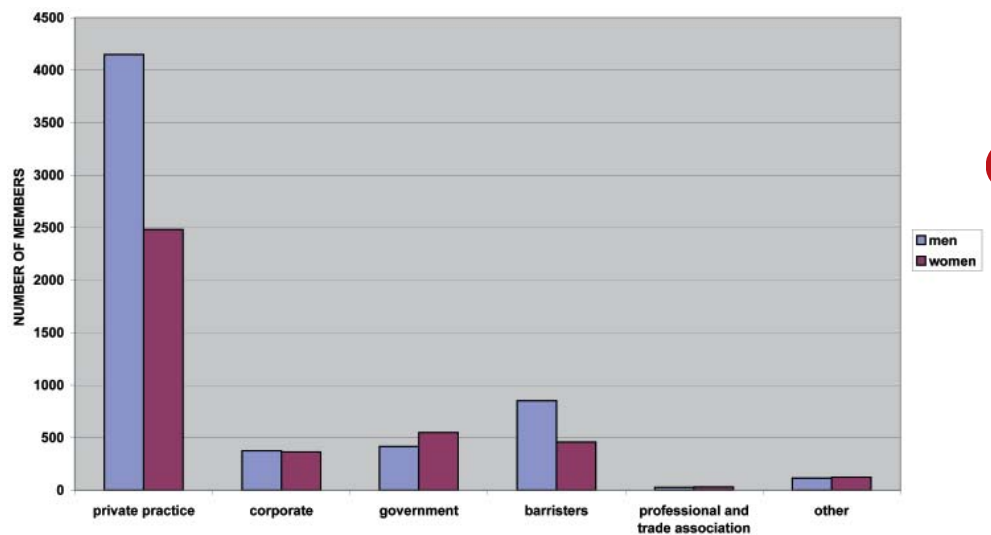
Size of law firms



Members by occupation type

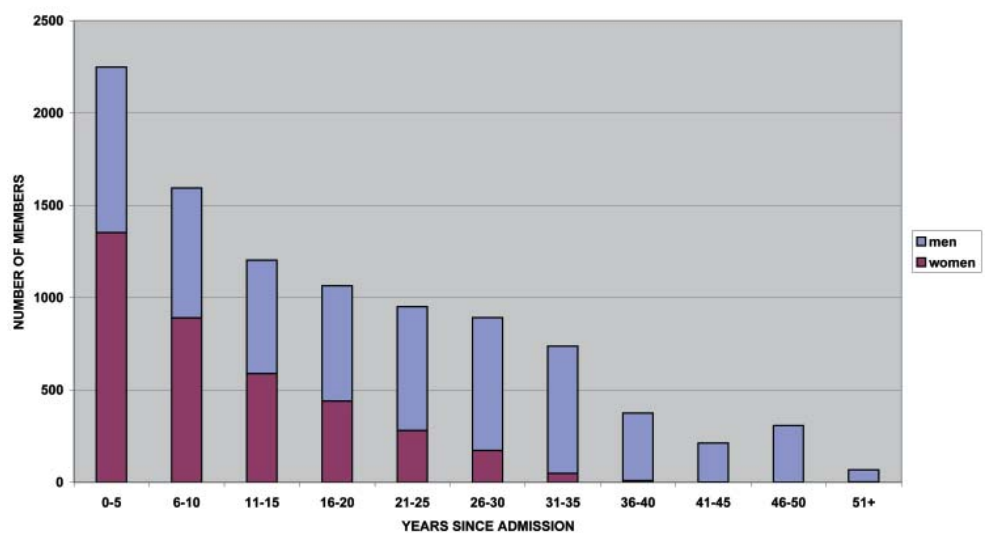


Members by occupation type and gender



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Experience of members by gender



Honours

Order of New Zealand (ONZ): retired Court of Appeal President, Sir Owen Woodhouse, Auckland.

Principal Companion of the New Zealand Order of Merit (PCNZM): Governor-General designate Anand Satyanand, Wellington.

Distinguished Companion of the New Zealand Order of Merit (DCNZM): Justice John McGrath, Wellington.

Companion of the New Zealand Order of Merit (CNZM): Peter Cartwright, Wellington; Jock Hobbs, Wellington; Justice Colin Nicholson QC, Auckland.

Companion of the Queen's Service Order (QSO): Judge Michael Hobbs, Upper Hutt.

Member of the New Zealand Order of Merit (MNZM): Linda Beck, Christchurch; retired Associate Professor Roger Pitchforth, Paraparaumu Beach; Lieutenant Colonel Justin Emerson, Upper Hutt.

Queen's Service Medal (QSM): Mohammed Khan, Auckland.

Appointments

Governor-General: Anand Satyanand PCNZM, Wellington.

Solicitor-General: David Collins QC, Wellington.

Judiciary

Appointments

Supreme Court: Justice Anderson; Justice Gault (acting); Justice Henry (acting).

Court of Appeal: Justice William Young (President); Justice Arnold QC (also High Court); Justice Ellen France; Justice Wilson QC.

High Court: Justice Andrews; Justice Clifford; Justice Mallon; Justice Stevens.

District Courts: Judge Emma Aitken; Judge Noel Cocurullo; Judge Philippa Cunningham; Judge Lex de Jong; Judge Stephen Harrop; Judge Duncan Harvey; Judge Kevin Phillips; Judge Michael Radford; Judge Rosemary Riddell.

Environment Court: Judge Brian Dwyer.

Cessations

Supreme Court: Justice Gault; Justice Keith.

House of Lords: Lord Cooke of Thorndon (*died*).

High Court: Justice Durie; Justice Goddard (*to become Police Complaints Authority*).

District Courts: Judge Dale Clarkson; Judge Shonagh Kenderdine; Judge Neil MacLean (*to become Chief Coroner*); Judge John Macdonald; Judge Ed Ryan; Judge Alexander Twaddle.

Bruce Gray, Auckland; Brian Keene, Auckland.

Queen's Counsel appointments

NZLS scholarships

Cleary Memorial Prize: Malcolm Birdling (studying at Oxford University).

NZLS Centennial Scholarship: Sasha Holden, Wellington.

Centennial Maori Scholarships: Season-Mary Downs, Waikato University; Cain Kerehoma, Waikato University; Kiri Toki, Auckland University.

NZLS committee membership

Business



John Horner

Commercial & Business Law Committee: John Horner, (Convener), Wellington; Gill Goodwin, Auckland; Gavin Adlam, Wellington; Paul Hartland, Christchurch; Kirk Hope, Wellington; Steve Nightingale, Wellington.



Ross Johnston

Electronic Commerce Subcommittee: Ross Johnston (Convener), Wellington; Gavin Adlam, Wellington; Clive Elliott, Auckland; Fraser Goldsmith, Dunedin; Peter Leonard, Sydney; Chris Linton, Auckland; Sarah-Jane Weir, Dunedin; Michael Wigley, Wellington; Henry Wolfe, Dunedin.



Paul Sumpter



Clive Elliot

Intellectual Property Working Party: Paul Sumpter (Co-Convener), Auckland; Clive Elliot (Co-Convener), Auckland; Doug Calhoun, Wellington; Susy Frankel, Wellington; John Glengarry, Auckland; Ken Moon, Auckland; Sheana Wheeldon, Auckland.



Stephen Ward

Contract & Consumer Law Reform Committee: Stephen Ward (Convener), Wellington; Bob Dugan, Wellington; Andrew Lawson, Auckland; Rae Nield, Auckland.



Kathryn Beck

Employment Law Committee: Kathryn Beck (Convener), Auckland; David Burton, Christchurch; Janie Kilkelly, Dunedin; Paul Roth, Dunedin; Kerry Smith, Christchurch; Joanne Watson, Hamilton.



Mark von Dadelszen

Environmental Law Committee: Mark von Dadelszen (Convener), Hastings; John Burns, Auckland; Ann Callaghan, Wellington; Paul Majurey, Auckland; Camilla Owen, Nelson; Paul Rogers, Christchurch.



Scott Barker

Joint Insolvency Committee: *NZLS members:* Scott Barker (Joint Convener), Wellington; Peter Barker, Wellington; David Brown, Wellington; Sean Gollin, Auckland; Justice Heath, Auckland; Murray Tingey, Auckland. *NZ Institute of Chartered Accountants members:* Michael Stiasney (Joint Convener), Auckland; Richard Agnew, Auckland; David Crichton, Christchurch; Bruce McCallum, Wellington; John Vague, Auckland.

Court-related and legal services



Casey Plunket

Taxation Committee: Casey Plunket (Convener), Auckland; Bruce Bernacchi, Auckland; Brendan Brown, Wellington; Geoff Clews, Auckland; Joanne Dunne, Auckland; Marian Hinde, Auckland; David McLay, Wellington; Neil Russ, Auckland; Stephen Tomlinson, Christchurch; Tony Wilkinson, Auckland (*ad hoc*).



Ed Wylie QC

Civil Litigation & Tribunals Committee: Ed Wylie QC (Convener), Christchurch; Andrew Beck, Wellington (*co-opted*); Geoff Brodie, Christchurch; Allison Ferguson, Auckland; David Hurd, Auckland; Christopher Littlewood, Christchurch; Willie Palmer, Christchurch.



Jonathan Krebs

Criminal Law Committee: Jonathan Krebs (Convener), Napier; Liz Bulger, Christchurch; Kelvin Campbell, Wellington; Richard Earwaker, Auckland; Mark Edgar, Auckland (*co-opted to represent Criminal Bar Association from 07/06*); Fiona Guy Kidd, Wellington (*co-opted*); Noel Sainsbury, Wellington; Antony Shaw, Wellington (*co-opted*); Peter Winter, Auckland.



Geoff Sharp

Dispute Resolution Committee: Geoff Sharp (Convener), Wellington; Mark Beech, Tauranga; Antonia Fisher, Auckland; Tony Herring, Christchurch; Allison Sinclair, Auckland.



Grant Burston

Evidence Law Reform Committee: Grant Burston (Convener), Wellington; Helen Cull QC, Wellington; Nick Davidson QC, Christchurch; Peter Whiteside, Christchurch.



James Wilding

Legal Services Committee: James Wilding (Convener), Christchurch; Sandy Baigent, Wellington (*co-opted*); Jenny Beck, Dunedin; Bill Bevan, Porirua; Roger Chambers, Auckland; Kathryn Crooks, Wanganui; Gary Gotlieb, Auckland; David More, Dunedin.



Lance Rowe

Youth Justice Committee: Lance Rowe, (Convener), Wanganui; Jackie Anderson, Wellington; Sonja Cooper, Wellington; Alister James, Christchurch; Geoff Wells, Auckland.

Other



Don Rennie

Accident Compensation Committee: Don Rennie (Convener), Wellington; Hazel Armstrong, Wellington; Alistair Barnett, Wellington; Nicola Drayton-Glesti, Wellington; John Miller, Wellington; Phil Schmidt, Auckland.



Alison Douglass

Health Law Committee: Alison Douglass (Convener), Wellington; Marie Bismark, Wellington; Warren Brookbanks, Auckland; Philippa Cunningham, Auckland (*to 02/07*); Nicolette Levy, Wellington.



Bernard Banks

Human Rights Committee: Bernard Banks (Convener), Wellington; Andrew Butler, Wellington; Stuart Dalzell, Wellington; Karun Lakshman, Wellington; Helen McQueen, Wellington; Jane Meares, Wellington; Marilyn Wallace, Wellington.



Paul Rishworth

Legislation Committee: Paul Rishworth (Convener), Auckland; Joanne Appleyard, Christchurch; Janine Bonifant, Nelson; David Cochrane, Wellington; Rachel Dunningham, Christchurch; Geoffrey Fuller, Wellington; David Jones QC, Auckland; Aaron Lloyd, Auckland; Alastair Logan, Dunedin; Kristina Muller, Auckland; Andy Nicholls, Wellington; Campbell Walker, Wellington.

Regulatory Services



Kevin Kilgour

Admissions & Credentials Committee: Kevin Kilgour (Convener), Auckland; Andrew Butler, Wellington; Colin Eason, Christchurch; Allen Mazengarb, New Plymouth; Sally Mountfort, Christchurch (*co-opted to represent the NZ Institute of Legal Executives*).



Nicholas Till

Ethics Committee: Nicholas Till (Convener), Christchurch; Helen Cull QC, Wellington; Christine French, Invercargill; Andrew Gilchrist, Auckland; Lisa Hansen, Wellington; Lindsay Lloyd, Christchurch; Duncan Webb, Christchurch.



Bruce Davidson

Joint Audit Board: *NZLS members:* Bruce Davidson (Convener), Auckland; David Murphy, Wellington; Richard Perry, Wellington. *NZ Institute of Chartered Accountants members:* Bill Heritage, Auckland; Brent Kennerley, Wellington; Simon Lee, Wellington; Peter Schumacher, Wellington.

Associate Membership Applications Committee and Section 97A Committee: Kerry Ayers, Christchurch; Kate Davenport, Auckland; Pam Davidson, Wellington; Warren Pyke, Hamilton (*all NZLS vice-presidents*).

Report from the secretariat

This report gives a brief overview of the activities of the NZLS sections, committees and groups. Details have usually already been covered in *LawTalk* and other publications, but further information is available to members on request.

Law reform

As the society considers and comments on most bills referred to parliamentary select committees and responds to many other government papers, it is very grateful to the practitioners from all around the country who collectively contribute thousands of hours each year to this work on a voluntary basis.

Members of the society's Legislation Committee prepare most submissions, with assistance from specialist committees where appropriate. In 2006, the society filed 23 submissions prepared by the Legislation Committee, on bills ranging from the Kiwisaver Bill to the Waste Minimisation (Solids) Bill (a Member's Bill from Nandor Tanczos MP). Once submissions have been presented, they are posted on the society's website at www.lawyers.org.nz/hmsubmissions.asp. The Family Law Section, Property Law Section and the Taxation Committee also filed submissions in their speciality areas.

At any given time numerous papers, discussion documents and exposure drafts, emanating from the full range of government agencies (including the Law Commission), are before the society for comment. Usually it provides disinterested comment in the public interest, to uphold the rule of law and facilitate the administration of justice. Sometimes, however, proposals would affect the profession directly.

For example, with the Government currently in regulatory mode, there have been several proposals that would have seen lawyers in niche areas regulated within other industry groups – eg, proposals for regulation of immigration advisers and financial advisers. The society has been vigilant in spotting these initiatives and fending off what would amount to double regulation of those lawyers, ie, subjecting them to two different regulators and regulatory regimes. *LawTalk* has carried reports on specific initiatives of this kind.

The society has also been very active in commenting on Ministry of Justice proposals for much stronger measures to counter money laundering and financing of terrorism. The push for these comes from international initiatives. Again, the society is looking to safeguard legal professional privilege, contain compliance costs and ensure that the profession remains self-regulating in this area.

The **Criminal Law Committee** has provided responses to Law Commission reports on *Sedition*, *Access to Court Records* and *Forfeiture under the Customs and Excise Act 1996*. It has been extensively consulted on the draft stages of a comprehensive Law Commission report on search and seizure, due for publication in 2007, and commented on the proposed establishment of a sentencing council.

The commission's Report 94 *Sentencing Guidelines and Parole Reform* has given rise to the Criminal Justice Reform Bill, one of many bills in the area of criminal law on which the society will comment in 2007. During 2006, the **Criminal Law Committee** helped develop the NZLS submissions on the Crimes (Abolition of Force as a Justification for Child Discipline) Amendment Bill, the Succession Homicide Bill, the Manukau City Council (Control of Graffiti) Bill and the Manukau City Council (Control of Street Prostitution) Bill. Although the Criminal Proceeds and Instruments Bill was withdrawn, it is likely to re-emerge in a similar form, so comments the committee prepared on that will not be unnecessary.

This committee also made substantial submissions to the Justice & Electoral Committee on its inquiry into victims' rights, with convener Jonathan Krebs presenting the submissions to the select committee.

The Evidence Bill was passed on 23 November and is likely to come into force during 2007. The Evidence Act 2006 makes significant changes to long-established rules, codifying existing statutory and common law principles. The impact on litigation practice is likely to be substantial. The Legal Affairs Department formed an **Evidence Law Reform Committee** in 1995 following a series of Law Commission papers on evidence law reform. As the commission's work became the Evidence Bill, that committee led the

society's submissions, which were delivered on 15 November 2005. During the bill's third reading, shadow Attorney-General Chris Finlayson made special mention of the society's submissions, saying that they had made a 'huge contribution' to the bill.

If passed, the Young Offenders (Serious Crimes) Bill will have a considerable impact on the legal landscape, as it would require young people to be removed from the Youth Court in many cases and tried as adults. The **Youth Justice Committee** contributed to the society's submissions on this bill. At the time of this report's preparation, the submissions had not been presented to the select committee. The Department of Child, Youth & Family has consulted the **Youth Justice Committee** over its redesigned youth justice structure and possible sentencing options that might arise upon passage of the Children, Young Persons, and their Families Amendment Bill (No 4).

In 2006, following consultation with members, the **Family Law Section** announced that it favoured amendment rather than repeal of s59 of the Crimes Act 1961, which allows a parent to use reasonable force to correct a child. The section's submissions on the Crimes (Abolition of Force as a Justification for Child Discipline) Amendment Bill, which took into consideration comments from the **Human Rights Committee**, were presented to the Justice & Electoral Committee in July. The section also contributed to the society's submissions on the Child Support Amendment Bill (No.4), the Succession (Homicide) Bill and the Wills Bill.

The **Commercial & Business Law Committee** prepared comments on the Securities Legislation Bill Regulations, and to the Takeovers Panel on Policy on Exemptions from the Code of Schemes of Arrangement effective under the Companies Act, and Schemes of Arrangements and Amalgamations Involving Code Companies. The committee has continued to assist the Ministry of Economic Development with its major review of financial products and providers by preparing comments on seven discussion papers: *Overview and Registration of Financial Institutions, Supervision of Issuers, Collective Investment Schemes, Insurance, Non-Bank Deposit Takers, Mutuals' Governance, and Insurance and Securities Offerings*. Its **Electronic Commerce Subcommittee** continued to monitor developments in e-commerce law.

As well as assisting the society with its submission on the Copyright (New Technologies and Performers' Rights) Amendment Bill, the **Intellectual Property Working Party** prepared comments on the Ministry of Economic Development's International Trademark Review and *The Commissioning Rule, Contracts and Copyright Act* discussion paper.

The **Employment Law Committee** contributed to submissions the society made on the Minimum Wage and Remuneration Amendment Bill.

The **Joint Insolvency Committee**, which has both NZLS and NZ Institute of Chartered Accountants members, continued its liaison with the Ministry of Economic Development in the ongoing insolvency review, and prepared the society's submissions on the Insolvency Law Reform Bill. NZLS Convener Scott Barker presented these to the Commerce Committee.

Taxation Committee work this year included submissions on *General and Limited Partnerships – Proposed Tax Changes, the Business Tax Review and Tax Consequences of Adopting International Reporting Standards*. It also prepared the NZLS submissions on the Taxation (Annual Rates, Savings Investment, and Miscellaneous Provisions) Bill, with Convener Casey Plunket presenting them to the Finance & Expenditure Committee, and it made a submission on the second interim report on the bill.

The **Accident Compensation Committee** commented on the ACC's proposed changes to levy rates for 2007/2008 and expressed support for expanding the list of occupational diseases in Schedule 2 of the Injury Prevention, Rehabilitation and Compensation Act 2001.

Bills for which the **Environmental Law Committee** contributed to the society's submissions included the Waitakere Ranges Heritage Area Bill, the Health (Drinking Water) Amendment Bill, the Waste Minimisation (Solids) Bill and the Resource Management (Climate Protection) Amendment Bill. It also provided comments to the Ministry for the Environment on a proposed national environmental standard for electricity transmission.

After lobbying for a review of the Property Law Act 1952 for some time, the **Property Law Section** welcomed the introduction of the Property Law Bill in November 2006. The Unit Titles Act Working Party, convened by John Harkness, prepared the section's submission on the Unit Titles *Options*

for Change discussion paper. A draft bill is expected early in 2007. The section's submission on the Walking Access Panel's consultation document supported the principles of free, certain and enduring access, but cautioned that these can be seriously eroded if the rights attaching to that access are compromised. The section also commented on the Weathertight Homes Resolution Services Amendment Bill, the Wills Bill, the Retirement Villages (Dispute Resolutions) Regulations and the Land Transfer (Amendment) Regulations.

Legal aid

With effect from 1 March 2007, the Legal Services Amendment Act 2006 makes significant changes to the legal aid landscape, including revised eligibility thresholds, granting procedures and a new repayments regime. The **Legal Services Committee** has been constantly involved with the Legal Services Agency in its formulation of policy for implementation of the amendments. It is also involved in the agency's trialling of changes to initial criminal legal services: the Police Detention Legal Assistance Scheme and the Duty Solicitor Roster.

Much of the committee's time has been taken up with legal aid remuneration rates. The amendment act created a new section in the principal act requiring the agency to review rates from time to time, and the agency has proposed conducting a review in 2007 following implementation of the amendment act. The committee has argued that the new section does not preclude an interim increase based on the significant increase of costs of legal practice in the last 10 years, and that this need not await a formal review. In any event, the review must be completed for any recommendations to be included in the 2008 budget.

Other activity saw the **Civil Litigation & Tribunals Committee** comment on the agency's assignment policy for civil matters and the **Dispute Resolution Committee** make submissions on the policy for funding private mediations.

Courts & judiciary

Much of the **Civil Litigation & Tribunals Committee's** work this year involved responding to various proposals. Most significant were its submissions to the Ministry of Justice review of the regulations that set civil court fees. It also prepared submissions to the Minister for Courts on a case for expanding the jurisdiction of the disputes tribunals and assisted the NZLS with its representations to the Law Commission on the confidentiality of appeals from arbitral awards to the High Court. These also formed the basis of the society's submission on the Arbitration Bill. Further submissions were sent to the Law Commission in response to its consultation on access to court records. At the Court of Appeal's request, the committee canvassed practitioner response to the implementation of the court's 15-minute rule and the committee made a number of submissions to the Rules Committee during 2006.

The **Environmental Law Committee** worked with the Environment Court on the development and release of a new standard form consent order and the court's consolidated practice note.

Regular meetings between the **Family Law Section's** Executive Committee and the Principal Family Court Judge, Peter Boshier, have led to considerable progress on updating and amending Family Court processes, rules, regulations and, especially, practice notes, with a new one containing the Code of Conduct for Lawyer for the Child being completed in March 2007.

Similarly, the **Employment Law Committee** met Chief Employment Court Judge Graeme Colgan to discuss suggested improvements in that court's practice and procedure. Ken Raureti, head of the Department of Labour Mediation Service, joined a committee teleconference discussing the mediators and all aspects of the service, including concern the committee had raised regarding legal education, fast track mediations and telephone mediations. In March 2006, the committee wrote to Attorney-General Michael Cullen regarding the need for more resources in the Employment Court, particularly in Auckland.

In the youth justice area, the **Youth Justice Committee** was involved in the preparation of a revised appointment protocol for Youth Advocates, now finalised, and ongoing negotiations for a review of remuneration rates for Youth Advocates. The latter has been held in conjunction with negotiations for a related review of rates for Lawyer for the Child, and the committee and the **Family Law Section** are working together on this. Rates for these court-appointed roles were last increased in March 1998, nine years ago.

Business law

The **Contract & Consumer Law Reform Committee** made submissions to the Ministry of Consumer Affairs on a review examining the effectiveness of the redress and enforcement provisions of the Consumer Guarantees Act and the Fair Trading Act. It also commented on the Ministry review of the Consumer Information Standards (Used Motor Vehicles) Regulations.

The **Dispute Resolution Committee** and **Civil Litigation & Tribunals Committee** commented on the Ministry of Economic Development's review of dispute resolution and redress mechanisms available to financial providers and consumers.

On 1 April 2006, the role of convener of the **Employment Law Committee** passed from Peter Churchman, who had completed the maximum term of six years (four as convener), to Kathryn Beck. The committee commented on two of the society's Lawyers and Conveyancers Act design papers: the scope and framework of professional rules in New Zealand; and the practice rules relating to standards of professional conduct and client care.

Health law

This year saw the **Biological & Medical Issues Committee** name changed to **Health Law Committee**, which, along with revised terms of reference, more accurately reflects its work. Convener Wendy Brandon, having completed her six-year term of office on the committee, was succeeded by existing member, Alison Douglass. David Collins QC stood down from the committee in March 2006 when he was appointed Solicitor-General and Chief Executive of the Crown Law Office.

Key work has involved commenting on the *Draft Guidelines for the Practice of Embryo Donation for Reproductive Purposes*, issued by the National Ethics Committee on Assisted Human Reproduction, and further work will be done in this area.

The **Accident Compensation Committee** was represented at a stakeholders' forum to discuss policy options with the ACC for a proposed review of weekly compensation.

Human rights

As well as its work in the law reform area (see above), the **Human Rights Committee** highlighted human rights issues for the NZLS working party on the review of the Immigration Act. It also wrote to the Attorney-General expressing support for an expansion of the New Zealand Bill of Rights Act s7 duty to require the scrutiny of bills beyond the introduction stage.

International

The society continued its membership of the International Bar Association, LAWASIA and the Commonwealth Lawyers' Association, all of which are also open to individual membership.

Bilateral links have also been maintained with law societies and bar associations in various countries and the society exchanges information, ideas and support, to mutual benefit, with equivalent organisations in Australia, the Pacific, Asia and Europe.

International contacts are also maintained, particularly at presidential level, through attendance at conferences.

Women lawyers



Donna
Buckingham

Women's Consultative Group (WCG): Donna Buckingham (Convener), Dunedin; Amy Adams, Christchurch; Rachael Dewar, Wellington; Sandra Heney, Nelson; Anne Hinton QC, Auckland; Heather MacColl, Hamilton; Natalie Palmer, Hamilton.

The WCG has been encouraging women practitioners to become involved in decision-making and leadership roles in both district law societies and the NZLS, as well as considering life on the bench. Information about applying for judicial appointment is on the website at www.lawyers.org.nz/wcg.

The group collects statistics on women in the profession, their involvement in law societies and appointment to the judiciary. Equal employment opportunity policies and practice are encouraged, and the WCG maintains liaison with the EEO Trust, the Ministry of Women's Affairs and with government ministers and opposition spokespeople. It has also been encouraging those district law societies that do not already do so to adopt reduced practising fees for part-time practitioners and is delighted that several more districts have chosen to do this.

As well as reporting regularly and providing articles about women in the profession for *LawTalk*, the WCG has kept women practitioners informed through its website and e-bulletins.

Sections

Corporate Lawyers Association of New Zealand (CLANZ)



Genevieve
Hancock

The NZLS has three specialist sections that enable practitioners in particular fields of practice to share knowledge and promote their interests.

Executive Committee: Genevieve Hancock (President), Wellington; Philip Griffiths (Vice-President, Auckland), Auckland; Helen Mackay (Vice-President, Wellington), Wellington; Hamish Woods, (Secretary), Wellington; Rob Wells (Treasurer), Wellington; James Radcliffe (Communications Director), Auckland.

2006 was a significant year for CLANZ, with many notable achievements, including its biggest conference yet and the launch of some new projects, including a new website and in-house counsel forums.

The annual conference, held in Christchurch in May drew over 300 attendees with its theme 'Faster, Higher, Stronger' focusing on learning how to work smarter rather than harder. Recipients of the annual awards were: Rebecca Holbrook from Fisher & Paykel Appliances as the CLANZ-Bell Gully Young Corporate Lawyer of the Year; Jennifer Lynch (posthumously) as the Corporate Lawyer of the Year; and Bronwyn Barnard, Department of Conservation, who received the CLANZ-Wigley Community Contribution Award.

A full seminar and function programme delivered monthly events in Auckland and Wellington, as well as Christchurch when possible, covering such topics as intellectual property, employment law, corporate tax, competition law, an introduction to the Solicitor-General's role, a 'chocoholics' evening, movie nights, an Asian cooking night and time management seminars.

Four editions of *Corporate Lawyer*, the organisation's magazine, were published in 2006, in addition to its monthly electronic newsletter, *e-CLANZ*.

CLANZ continued to take an active role in relation to legislative reforms affecting in-house lawyers, making submissions on legal professional privilege for in-house lawyers under the Evidence Bill and on regulatory reforms for lawyers. The association has been particularly active in holding discussions with the NZLS and district law societies over the Lawyers and Conveyancers Act to try to ensure that in-house lawyers are properly catered for in the new regime. CLANZ has observers at NZLS Board and Council meetings, and members on the councils of the Auckland and Wellington District Law Societies.

New projects have included setting up a working parents' forum for in-house lawyers and a South Auckland corporate lawyer forum that meets once a month. Also, after significant work, CLANZ launched a redesigned website with additional resources for members.



Simon Maude

Executive Committee: Simon Maude (Chair), Wellington; Barbara Collis (Deputy Chair), Opotiki; Jeremy Daley (Treasurer), Christchurch; Toni Brown, Alexandra; Bridget Burke, New Plymouth (*co-opted*); Murray Earl, Hamilton (*co-opted as Editor*, The Family Advocate); Fiona Mackenzie, Tauranga; Paul Maskell, Manukau City; Usha Patel, Auckland; Brandt Shortland, Hamilton; Anne Stevens, Dunedin (*President's nominee*); Nicola Williams, Dunedin.

The work done by the Executive Committee and the section's standing committees in 2006 was considerable, with much of it relating to law reform.

Section membership was maintained at 800. The Executive Committee remains mindful of the need for effective communication both ways, between it and members. Methods of communication include the section's quarterly journal, *The Family Advocate*, regular reports in *LawTalk*, the chair's monthly email bulletin and the website. Executive Committee members and the section's regional representatives liaise regularly with their district law society family law committees.

The regional representatives had a particularly busy year. Their work included organising 11 celebratory dinners around the country to mark the 25th anniversary of the Family Courts.

In May, the section's Executive Committee met the Minister of Justice, Mark Burton, as part of its policy of political liaison. Earlier, the Executive Committee had taken a case to the Ministry of Justice for an increase of 27% in the rates of remuneration for Lawyer for the Child. NZLS President Chris Darlow met the Minister of Justice in February 2007 to voice the depth of concern in the profession about legal aid rates. At the request of the section

Property Law Section (PLS)



Chris Moore

and the NZLS **Youth Justice Committee**, he also raised with the Minister the related issues of rates for Lawyer for the Child and Youth Advocates.

Consulting members, the **Lawyer for the Child Standing Committee** reviewed the section's *Lawyer for the Child Best Practice Guidelines* with a focus on the limits of the role, an issue that has been debated for many years.

Throughout the year, the Executive Committee has lobbied for two changes to the planned implementation of the Lawyers and Conveyancers Act 2006: reconsideration of the 'gateway' principle and a full vote on the NZLS Council. The gateway principle would require practitioners to join a district law society before they could join the section. This will be unnecessary if the 'One Society' proposal (see 'President's review' on page 2) is adopted.

Government agencies, including the Office for Senior Citizens and the Legal Services Agency, consulted the section on various projects. Media interest in the Family Courts has been steady. The chair and other executive committee members have spent considerable time speaking to reporters, enhancing the section's media profile and educating the public.

The section has assisted the Ministry of Justice in various projects including the launch of the Parent Information Programme, research on unrepresented litigants and the Parenting Hearings Programme Pilot. It is working with the Children's Issues Centre, which is funded by the New Zealand Law Foundation, to research relocation cases.

The section is proud of the following members who, in the last 12 months, have been elevated to the Family Court bench: Rosemary Riddell, Lex de Jong and Murray Cocurullo, and of its Chair, Simon Maude, who steps down in March 2007, having completed the maximum six-year term on the Executive Committee.

Executive Committee: Chris Moore (Chair), Auckland; Margaret Wellwood (Deputy Chair), Hastings; Andrew Logan (Treasurer), Christchurch; Don Breaden, Kapiti; Barry Gunson, Hamilton; Simon Hayden, Papamoa; Ian Haynes, Auckland (*President's Nominee*); Lindsay Lloyd, Christchurch; Philip Shannon, Wellington; Jane Stevenson, Wellington (*co-opted*); Todd Whitcombe, Dunedin.

Chris Moore served his fourth year as chair, assisted by a dedicated Executive Committee and many hard-working technical committees. During 2006, 1,251 property lawyers registered as members.

The beginning of 2006 saw the Government's announcement that 100% electronic lodgement of all land title transactions and survey plans would be introduced by 1 July 2008. The section continued to assist the profession with the transition to electronic registration through the NZLS *e-dealing* consultancy service (established in 2005), which provides advice and assistance with the conveyancing and practical property law issues that sit alongside *e-dealing*. This free service complements LINZ's 0800 and online help, website-based support and the LINZ training offered to firms.

Also available from the section are extensive *e-dealing* educational materials, including an updated version of the *E-dealing Guidelines* to take account of lawyers' experience with Landonline since the full roll-out of *e-dealing* in 2003. Hints and articles from Duncan Terris, the NZLS *e-dealing* consultant, have been published in the section's quarterly publication, *The Property Lawyer*, and on the PLS website.

Other resources developed during 2006 include an updated Fonterra shares clause and *Subdivision Workflow Guidance*, which illustrates the points of contacts between lawyers and surveyors in the subdivision process.

A highlight for many members was the successful and sold-out biennial Property Law Conference, held in Wellington on 12 and 13 June at Te Papa.

The Executive Committee prepared the section's submissions on the Lawyers and Conveyancers Act design papers on *Rules of Professional Conduct and Client Care*; *Senior Counsel*; the *NZLS Constitution*; and the *Fidelity Fund*.

Marketing of section members included print media advertising and a nationwide Yellow Pages advertisement. The section also has an online presence in the home buyer's checklist at the bottom of every *TradeMe* property listing and a link from the auction website enables potential property buyers to search the PLS website's 'Find a Property Lawyer' directory. Sixty-one qualifying PLS member firms have chosen to incorporate the Property Law Section logo into their own firm branding. This has helped to cement the new 'property lawyer' brand and logo, introduced mid-2005.

Continuing Legal Education (CLE)



Christine
Grice

CLE Board: Christine Grice (Chair), Hamilton; Annette Black (NZLS Executive Director's Nominee), Wellington; Anita Chan, Dunedin; Andrew Logan, Christchurch; Andrew Skelton, Wellington. *Non-voting members:* Associate Justice Gendall, Wellington; Judge Ingram, Tauranga (from 2/07); Tim Mullins, Auckland; Paul Rishworth, Auckland; Judge Walker, Wellington (to 12/06).

2006 was a further year of change in CLE. The department was off-site for most of the year in temporary accommodation while the NZLS building was refurbished. The refurbished offices are excellent and the return to them in December was most welcome.

Long-serving Deputy Director Jane Battersby left in March for a lifestyle change and, in July, Dick Edwards replaced Charlotte Cullen as Director. For Dick, this is a return to his NZLS roots as he was Deputy Director of Education from 1987 to 1996 before moving to head the Legal Affairs Department.

During the year, 6,593 registrants completed more than 50,000 hours of CLE at over 130 venues throughout New Zealand (excluding videoconferences); 42% of the profession attended one or more courses. While there were fewer than usual standard seminars, the number of conferences or intensives was the highest ever. Demand for entry level programmes continues to be high and these are a very important part of the programme catering, as they do, for practitioners at the start of their legal career. A number of repeat workshops were held and these continue to rate highly.

Overall, the 2006 programme was well received with nearly all courses at least meeting, or frequently exceeding, participants' expectations. Highlights included very successful Property Law, Legal Executive and Employment Law Conferences, a very well attended and rated Trusts and the Property Relationships Act Intensive and, after a gap of some years, a Tax Conference. As a result of the feedback from participants at this very successful conference, it is to become an annual fixture.

As ever, the annual Litigation Skills Programme, held over a week at Lincoln University and culminating in mock trials in the High Court and District Court in Christchurch, was very well received.

The NZLS Legal Executive Course is now under the direction of the CLE Board. Eight teaching institutions around the country offer the six course papers either face-to-face or via extramural tuition. The 2006 examinations ran smoothly, with 908 candidates sitting 1,550 examination papers at 41 centres, 26 in New Zealand and 15 overseas. Pass rates in the papers varied between 82% and 96%, and 153 students will graduate having completed their course requirements in 2006.

The 17-pamphlet NZLS Law Awareness series continues to be popular with law firms, which use the pamphlets to support their marketing and as a service to clients, and with the public, who can get free copies through citizens advice bureaux, community law centres, law societies or via the NZLS website (www.lawyers.org.nz/pubaboutlaw.asp). In 2006, over 62,000 pamphlets were sold to lawyers and over 61,000 given to the public (about 4,000 fewer in total than in 2005).

LawTalk is the society's primary means of communication with members, increasingly complemented by the website – www.lawyers.org.nz. A tight employment market for lawyers within New Zealand and overseas saw a further big increase in advertising, resulting in larger individual issues throughout the year. *LawTalk* showed an overall surplus of \$365,000 (\$300,000 in 2005) for the year, before indirect costs are taken into account.

Again, NZLS officers, committee and section conveners and chairs gave generously of their time (very often out of business hours) and expertise to answer many and varied inquiries from the media – with criminal and family law, unsurprisingly, attracting the greatest interest.

This department is responsible for maintaining standards within the profession. Its functions include promoting and encouraging proper conduct among members, suppressing illegal, dishonourable or improper practices, and preserving and maintaining the integrity and status of the profession. In the course of this work, the department maintains a close liaison with district societies and, where appropriate, regulatory authorities in other jurisdictions, particularly its Australian counterparts.

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Communications



Regulatory Services

The department provides assistance to practitioners, responding to numerous inquiries on ethical, general practice, trust accounting and other regulatory issues. While staff do not provide legal advice, practitioners are directed to the appropriate resources, including the website, which features an extensive range of regulatory information. From time to time, the department seeks specialist legal advice, which it makes available to district law societies and members, as appropriate, where the matter is of general application.

The **Admissions & Credentials Committee** considered 58 applications from overseas practitioners seeking admission in New Zealand. The highest number was from the UK (29), down from the 31 applications considered the previous year, followed by the USA on seven. The society's staff responded to more than 400 admission-related inquiries. The committee also dealt with 10 applications for review. One matter was referred to the NZLS Board for consideration and the committee's decision was overturned.

In the year ended 30 November 2006, 303 applications for certificates of standing were processed, nearly one-third more than in the previous year.

The **Ethics Committee** has provided comment on papers on proposed rules under the Lawyers and Conveyancers Act 2006 – the rules of professional conduct and client care, and on contingency fees.

In regard to the current Rules of Professional Conduct, the **Ethics Committee** recommended and the NZLS Council approved, amendments to commentaries (1) and (2) of rules 1.02 and 6.01 respectively. In both cases, the amendments inserted a reference to s21 of the Human Rights Act to bring the rules into line with the prohibited grounds of discrimination. The NZLS Council, on the committee's recommendation, also amended rule 7.05. This amendment related to the substitution of the word 'extortion' for the word 'blackmail' as used in the amendments to the Crimes Act. Commentary (1) was also amended to refer to s237(1) of the Crimes Act 1961. The committee dealt with matters raised by members in the areas of professional standards, court proceedings and practice, and conflicts of interest.

In the ethical area generally, the society, with considerable assistance from Professor Duncan Webb, provided the International Bar Association with suggestions on its revision of the IBA Code of Ethics, several of which were subsequently adopted.

In 2006, the **Inspectorate**, whose work is overseen by the **Joint Audit Board**, made 678 visits (514 in 2005) comprising 516 (316) inspections, 47 (53) new practice inspections, and 14 (18) investigations and interventions. Contracted accounting firms undertook an additional 101 (127) compliance reviews. During the year, 48% of firms were visited by an inspector or compliance reviewer, up 10% on the previous year – resulting in 95% coverage of all firms within the last three years.

Trust Account Partner courses were attended by 94 candidates (2005 – 111). The Trust Account Administrators Course was presented at seven (six in 2005) venues in March 2006 with a total attendance of 136 (116). Inspectors also assisted district law societies with their Flying Start programmes.

The database system is functioning smoothly and provides a good source of information to inspectors. The online certificates system now includes quarterly certificates and usage is now at 35% (2005 – 29%) of all firms. Publicity is used regularly to encourage more firms to file online.

In September, Andrew Burger took over as Director of Regulatory Services and in October, Tony Biss retired as Financial Assurance Manager. He was succeeded by John Munson who was recruited from within the Inspectorate.

Complaints

Where an individual has made a complaint to a district law society about a lawyer's conduct and is not satisfied with the outcome, he or she may refer the matter to a Lay Observer. The Lay Observer may make a report or recommendation to the district law society and, if not satisfied with the district's response, can refer the matter to the NZLS for review under s97A of the Law Practitioners Act. Last year, the Section 97A Committee, which comprises the society's vice-presidents, commenced one such review.

New Zealand Law Practitioners Disciplinary Tribunal



John Rowan QC

Report from the Chair

Tribunal members: John Rowan QC (Chair), Wanganui; Peter Radich (Deputy Chair), Blenheim; Bill Black, Nelson (*lay member*); Wayne Chapman, Wellington; Laurence Cooney, Ashburton; Nigel Hampton QC, Christchurch; Anne Hinton QC, Auckland; Judith Medlicott, Dunedin; Jim Rowe, Featherston (*lay member*); Shelley Sage, Auckland; Denis Sheard, Auckland; Alan Spence, Auckland (*lay member*); John Upton QC, Wellington; Ben Vanderkolk, Palmerston North; Owen Vaughan, Manukau City.

The tribunal heard 24 matters, covering a remarkable range of work, in the year ended 31 December 2006, most of which have been reported in *LawTalk*.

The year was particularly difficult with some matters unable to proceed as planned due to time constraints or district law societies filing further charges after hearings had been arranged. Consequently, the statistics in this report do not accurately reflect the significant work members voluntarily dedicated to the tribunal in the past year. Counsel, and, where not represented, practitioners appearing before the tribunal, are thanked for their willingness to participate in pre-hearing telephone conferences, which greatly assist the disposal of business.

In the coming year, we will be losing a most valuable and long-standing lay member – Dr Bill Black, whose expertise and good humour will be sorely missed.

On request, several tribunal members have far exceeded the normal six-year term while we waited for the passing of the Lawyers and Conveyancers Act. Now we know that under the new regime, expected to come into force mid-2008, the number of practitioner representatives will remain the same as at present. Having served on the tribunal for over 10 years, I intend to stand down after the next annual general meeting. This will enable a fresh practitioner appointment to be made and if other long-standing members follow suit, new practitioner members will be able to gain experience before the changeover. The voluntary contributions all these long-serving members have made to the tribunal can only be described as exceptional, and the debt owed to them by the public and the profession as immense.

The tribunal is also very grateful to its secretary, Bronwyn Jones, for her fine contribution in a demanding year.

A notable feature of the year was the release of the Court of Appeal decision in *Harris*, reversing (by a majority) a judgment of the High Court and so restoring the original tribunal decision to strike off Mr Harris. He has since been convicted of offences arising out of some of the same matters. Of particular importance to practitioners and the tribunal is that the Court of Appeal was not prepared to draw a distinction between acts or omissions leading to charges under s112 of the Law Practitioners Act.

Other cases heard highlighted the need for practitioners:

- not to access objectionable pornographic material;
- to be vigilant, thorough and robust when asked to provide independent advice (including to another practitioner's client) whatever the transaction;
- to maintain the integrity of the land transfer system by avoiding the temptation to add material to documents already signed, or permit documents to be taken away and signed by a party thereby not personally witnessing the signature;
- to be vigilant in regularly auditing the work of employees, particularly those trusted with arranging, preparing or signing firm or practitioner cheques;
- as barristers, to ensure that they do not breach the intervention rule.

Struck off

Graham John Capill, Christchurch – struck off after being convicted and imprisoned on pleading guilty to charges of rape, unlawful sexual connection and indecent assault of complainants under 12 years of age; ordered to pay costs of \$1,500 to the Canterbury District Law Society and \$1,623.76 to the NZLS.

Margaret Elizabeth Carran, Hamilton – struck off after not contesting charges of misconduct in her professional capacity; ordered to pay \$750 towards tribunal costs.

Bernie Kum-Onn Chow, Christchurch – struck off after the tribunal found him guilty of professional misconduct; ordered to pay costs of \$8,000 to the Canterbury District Law Society, which covered the period up to a grant of legal aid.

James Chapman Eide, Dunedin – struck off after being convicted of an offence punishable by imprisonment; ordered to pay costs of \$5,976.58 to the NZLS.

Brian Joseph Fay, Christchurch – struck off following a conviction on seven charges relating to theft of money from an elderly client; ordered to pay costs of \$1,000 to the Canterbury District Law Society and \$1,000 towards tribunal costs.

Christopher Lloyd Harder, Auckland – struck off by consent after admitting a single amended charge of misconduct in his professional capacity, arising out of dealing inappropriately with clients, other practitioners and the court; ordered to pay costs of \$22,226.35 to the NZLS.

William Raymond Harris, Cambridge – on 12 April 2006, the Court of Appeal restored the tribunal's November 2003 order that Mr Harris be struck off, that penalty having been reduced to 2½ years' suspension by the High Court following an appeal by Mr Harris, a decision that in turn was appealed against by the Waikato Bay of Plenty District Law Society.

A South Island practitioner – struck off after being convicted of an offence punishable by imprisonment; name suppressed on medical grounds; ordered to pay costs of \$2,000 to the relevant district law society and tribunal costs of \$1,930.40.

Supervision

Paul Francis Chambers, Auckland – admitted a charge relating to negligence and incompetence; ordered to make his practice available for inspection for three years from 17 May 2006; ordered to pay costs of \$11,445.50 to the Auckland District Law Society and \$9,468.50 to the NZLS.

Censure, fine, undertaking

Wayne John McKeague, Queenstown – admitted being convicted of offences punishable by imprisonment; censured and required to give undertakings to the Otago District Law Society and the tribunal not to practise in areas involving children or young people under the age of 18 years; subject to the undertakings, fined the maximum of \$5,000; ordered to pay costs of \$7,175.05 to the Otago District Law Society and \$5,812.81 to the NZLS.

A Waikato Bay of Plenty District Law Society practitioner – found guilty of purporting to witness the signature of a named person in a transfer document when he did not so witness the signature; censured and fined the maximum of \$5,000; ordered to pay costs of \$5,633.94 to the district law society and \$4,787.27 to the NZLS.

A Wellington District Law Society practitioner – found guilty of conduct unbecoming; censured and ordered to pay costs of \$14,623 to the Wellington District Law Society and \$7,521.06 to the NZLS. The practitioner has appealed against the decision.

Applications to amend previous orders

Stephen John De Vorms, Levin – having been ordered in 2002 not to practise on his own account unless authorised by the tribunal, his application for permission to practise on his own account was granted after he undertook to restrict his practice to youth advocacy, criminal, traffic or transportation law, and that he would not operate a trust account; ordered to pay tribunal costs of \$1,066.52.

Lyndon Clifford Watson, Christchurch – applied to be released from a 1983 undertaking that he would not practise other than as a patent attorney; that undertaking now modified to not practising on his own account, whether in partnership or otherwise, until authorised by the tribunal, so that he can now practise in any area of law as long as another practitioner employs him; ordered to pay tribunal costs of \$1,572.34.

Applications for restoration to the roll

Edward Poulter Leary, Auckland – application to be restored to the roll unanimously declined, Mr Leary having been struck off by the Court of Appeal in 1987; ordered to pay tribunal costs of \$8,193.23. Mr Leary has appealed against this decision.

John Andrew Tannahill, Wellington – having been struck off in 2001 following admission of offences punishable by imprisonment, he was restored to the roll on 15 August 2006 following an undertaking to practise only as a barrister; ordered to pay tribunal costs of \$4,550.96.

Applications for practising certificates

Under s58 of the Law Practitioners Act 1982 the tribunal can direct a district law society council to authorise the secretary to issue a practising certificate. The tribunal does not have the power to award costs. The tribunal directed the relevant district councils to authorise practising certificates to:

Peter Andrew Pau Nee-Harland, Havelock North.

John Andrew Tannahill, Wellington – barrister only.

A Waikato Bay of Plenty practitioner.

Appeals from district law practitioner disciplinary tribunal decisions

A Wellington practitioner – the tribunal reversed district disciplinary tribunal decisions, delivered in 2005, that had found professional misconduct; costs order also reversed.

Applications relating to former legal employees

Orders were made under s114 of the Law Practitioners Act 1982 that, as they were guilty of conduct that would render a practitioner liable to being struck off, the following former legal employees were not to be employed in connection with a practitioner's practice so long as the order remains in force:

Tania Din-Gee Brixton, formerly of Wellington – also ordered to pay costs of \$2,113.19 to the Wellington District Law Society and costs of \$1,150.05 to the NZLS.

Janice Playford, formerly of Palmerston North – no costs awarded.

Fualole Tonumaiepa, formerly of Wellington – also ordered to pay costs of \$1,963.42 to the Wellington District Law Society and \$1,150.05 to the NZLS.

Interim suspensions

During the year the tribunal made two orders for interim suspension.

Statistical summary of cases completed by 31 December 2006

Description*	2006	2005
Struck off	7	4
Suspended	0	3
Not to practise on own account, or supervision	1	1
Fine, censure, undertaking	2	2
Applications for amended orders	2	1
Appeal from district disciplinary tribunals	1	0
Restoration to the roll	2	0
Practising certificates	3	1
Interim suspension	2	0
Not to be employed	3	3
Charges withdrawn	1	1

* Highest penalty recorded

Finance



Peter Whiteside

Management Committee - Solicitors' Fidelity Guarantee Fund: Peter Whiteside (Convener), Christchurch; Mike Chapman, Mt Maunganui; Ron Mackersy, Dunedin; John Marshall, NZLS Treasurer; David Murphy, Wellington; Sue Styants, Papakura.

The fund settled seven claims during 2006 at a cost of just over \$1m.

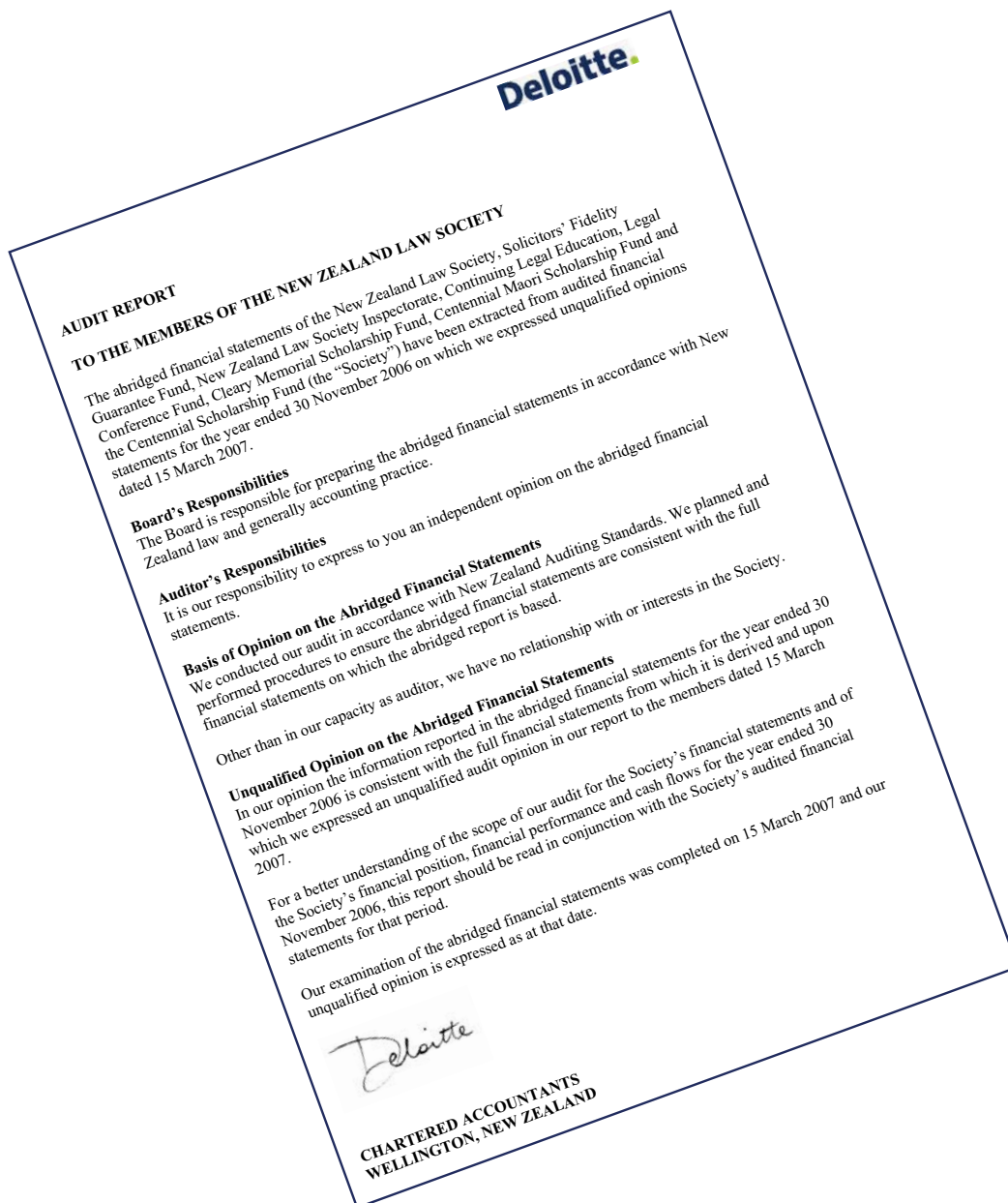
Management Committee - NZLS Special Fund: Chris Darlow (Convener), Auckland; John Marshall, Wellington; Alan Ritchie, NZLS Secretariat.

General finances



Treasurer
John Marshall

Notwithstanding an extensive NZLS building upgrade, with all attendant code compliance, the General Fund reserves remain intact and the society is well placed financially for the impending implementation of the Lawyers and Conveyancers Act.



Statement of accounts

NEW ZEALAND LAW SOCIETY

SUMMARY STATEMENT OF FINANCIAL POSITION

as at 30 November 2006

	2006	2005
	\$000	\$000
Current assets		
Cash and deposits at bank	8,212	9,498
Debtors	<u>1,043</u>	<u>713</u>
Fixed assets	<u>3,219</u>	<u>724</u>
Total assets	12,474	10,935
Current liabilities	<u>(992)</u>	<u>(895)</u>
Net assets	<u>11,482</u>	<u>10,040</u>
Represented by:		
General funds	6,908	6,908
Accumulated funds	<u>4,574</u>	<u>3,132</u>
	<u>11,482</u>	<u>10,040</u>

SUMMARY STATEMENT OF CASH FLOWS

for the year ended 30 November 2006

Net cash inflow from operating activities	1,427	1,886
Net cash outflow from investing activities	<u>(2,713)</u>	<u>(142)</u>
Net (decrease)/increase in cash held	(1,286)	1,744
Cash at beginning of year	<u>9,498</u>	<u>7,754</u>
Cash at year end	<u>8,212</u>	<u>9,498</u>

Approved on behalf of the Board as at 15 March 2007.



J L Marshall, Treasurer



A D Ritchie, Executive Director

NEW ZEALAND LAW SOCIETY

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 November 2006

	2006	2005
	\$000	\$000
General Operating Account		
Operating revenue		
Practising and membership fees	4,978	4,689
LawTalk	725	599
Interest	721	653
Service fees and other	<u>487</u>	<u>631</u>
	<u>6,911</u>	<u>6,572</u>
Operating expenses		
Administration	4,127	3,883
Committees/sections	310	266
LawTalk – direct expenses	360	299
Information	128	157
Disciplinary – after recoveries	<u>87</u>	<u>3</u>
	<u>5,012</u>	<u>4,608</u>
Operating surplus before income tax	1,899	1,964
Income tax expense	<u>(209)</u>	<u>(211)</u>
Net surplus transferred to accumulated funds	<u>1,690</u>	<u>1,753</u>
Building Operating Account		
Operating revenue	24	26
Operating expenses	<u>(272)</u>	<u>(245)</u>
Operating deficit	<u>(248)</u>	<u>(219)</u>
Accumulated funds		
Opening balance	3,132	2,498
Less: Transfer to general fund	-	(900)
Less: Deficit from building operating account	(248)	(219)
Plus: Surplus from statement of financial performance	<u>1,690</u>	<u>1,753</u>
Closing balance	<u>4,574</u>	<u>3,132</u>
General Funds		
Opening balance	6,908	6,008
Plus: Transfer in	-	900
Closing balance	<u>6,908</u>	<u>6,908</u>

These financial reporting summaries have been taken from the full audited financial reports of the New Zealand Law Society, the Solicitors Fidelity Guarantee Fund, the NZLS Inspectorate, NZLS Continuing Legal Education, the Centennial Maori Scholarship Fund, the Centennial Scholarship Fund, the Cleary Memorial Prize Fund and the Legal Conference Fund for the year ended 30 November 2006 for which an unqualified audit opinion was issued on 15 March 2007. The NZLS Board authorised the audited financial reports for issue on 15 March 2007. These financial reporting summaries cannot be expected to provide as complete an understanding as provided by the full reports of the financial performance, financial position and cash flows (where applicable) of the financial reports referred to above. The full financial reports are available at www.lawyers.org.nz/memaboutus.asp or as a hard copy on request.

Statement of accounts

SOLICITORS' FIDELITY GUARANTEE FUND

Part A

SUMMARY STATEMENT OF FINANCIAL POSITION as at 30 November 2006

	2006	2005
	\$000	\$000
Opening balance	-	6,112
Expenses – transfer to Part B	<u>-</u>	<u>(6,112)</u>
Closing balance	<u>-</u>	<u>-</u>
Represented by:		
Current assets	<u>-</u>	<u>-</u>

SUMMARY STATEMENT OF CASH FLOWS for the year ended 30 November 2006

Net cash inflow from operating activities	-	232
Net cash (outflow) from financing activities	<u>-</u>	<u>(6,112)</u>
Net (decrease)/increase in cash held	-	(5,880)
Cash at beginning of year	<u>-</u>	<u>5,880</u>
Cash at year end	<u>-</u>	<u>-</u>

Part B

SUMMARY STATEMENT OF FINANCIAL POSITION as at 30 November 2006

Opening balance	10,671	4,590
Revenue	1,592	1,653
Transfer from Part A	-	6,112
Expenses	<u>(1,384)</u>	<u>(1,684)</u>
Closing balance	<u>10,879</u>	<u>10,671</u>
Represented by:		
Current assets	11,165	11,656
Current liabilities	<u>(286)</u>	<u>(985)</u>
	<u>10,879</u>	<u>10,671</u>

SUMMARY STATEMENT OF CASH FLOWS for the year ended 30 November 2006

Net cash (outflow)/inflow from operating activities	(448)	370
Net cash inflow from financing activities	<u>-</u>	<u>6,112</u>
Net (decrease)/increase in cash held	(448)	6,482
Cash at beginning of year	<u>11,143</u>	<u>4,661</u>
Cash at year end	<u>10,695</u>	<u>11,143</u>

NEW ZEALAND LAW SOCIETY INSPECTORATE

SUMMARY STATEMENT OF FINANCIAL POSITION as at 30 November 2006

	2006	2005
	\$000	\$000
Current assets	464	549
Current liabilities	<u>(117)</u>	<u>(186)</u>
Net assets	<u>347</u>	<u>363</u>
Represented by:		
Accumulated funds	<u>347</u>	<u>363</u>

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 November 2006

Operating revenue		
Annual contributions	1,163	1,056
Compliance review costs recovered	180	174
Other	<u>153</u>	<u>294</u>
	<u>1,496</u>	<u>1,524</u>
Operating expenses		
Inspectors' salaries, travel and other	1,075	999
Compliance review costs	180	174
Administration and other	<u>257</u>	<u>401</u>
	<u>1,512</u>	<u>1,574</u>
Operating (deficit)/surplus	<u>(16)</u>	<u>(50)</u>

SUMMARY STATEMENT OF CASH FLOWS for the year ended 30 November 2006

Net cash (outflow) from operating activities	<u>(3)</u>	<u>(121)</u>
Net (decrease) in cash held	(3)	(121)
Cash at beginning of year	<u>352</u>	<u>473</u>
Cash at end of year	<u>349</u>	<u>352</u>

Statement of accounts

NEW ZEALAND LAW SOCIETY - CONTINUING LEGAL EDUCATION

SUMMARY STATEMENT OF FINANCIAL POSITION

as at 30 November 2006

	2006		2005	
	\$000		\$000	
Current assets				
Cash and deposits at bank	1,739		1,658	
Debtors	<u>172</u>	1,911	<u>275</u>	1,933
Fixed assets		<u>18</u>		<u>85</u>
Total assets		1,929		2,018
Current liabilities		<u>(468)</u>		<u>(679)</u>
Net assets		<u>1,461</u>		<u>1,339</u>
Represented by:				
Accumulated funds		<u>1,461</u>		<u>1,339</u>

SUMMARY STATEMENT OF CASH FLOWS for the year ended 30 November 2006

Net cash inflow from operating activities		82		455
Net cash (outflow) from investing activities		<u>(1)</u>		<u>(7)</u>
Net increase in cash held		81		448
Cash at beginning of year		<u>1,658</u>		<u>1,210</u>
Cash at year end		<u>1,739</u>		<u>1,658</u>

NEW ZEALAND LAW SOCIETY - CONTINUING LEGAL EDUCATION

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 November 2006

	2006		2005	
	\$000		\$000	
General Operating Account				
Operating revenue				
Professional development courses		2,681		3,462
Interest		<u>104</u>		<u>97</u>
		<u>2,785</u>		<u>3,559</u>
Operating expenses				
Administration		901		857
Contribution to stakeholders		41		41
Professional development courses - direct expenses		<u>1,649</u>		<u>2,221</u>
		<u>2,591</u>		<u>3,119</u>
Operating surplus before income tax		194		440
Income tax expense		<u>(72)</u>		<u>(159)</u>
Net surplus transferred to accumulated funds		<u>122</u>		<u>281</u>
Accumulated funds				
Opening balance		1,339		1,058
Plus: Surplus from statement of financial performance		122		281
Closing balance		<u>1,461</u>		<u>1,339</u>

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SCHOLARSHIP AND OTHER FUNDS

SUMMARY STATEMENT OF FINANCIAL POSITION as at 30 November 2006

	Centennial Maori		Centennial		Cleary Memorial		Legal Conference	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance	26	26	25	25	19	19	869	833
Revenue	2	2	2	2	2	2	59	53
Expenses	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(20)</u>	<u>(17)</u>
Closing balance	<u>26</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>19</u>	<u>19</u>	<u>908</u>	<u>869</u>
Represented by:								
Current assets	26	26	27	27	19	19	908	869
Current liabilities	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>26</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>19</u>	<u>19</u>	<u>908</u>	<u>869</u>

Other NZLS representatives

Statutory bodies

Council of Legal Education: Wayne Chapman, Wellington; Chris Darlow, Auckland; Christine Grice, Hamilton; Robert Osborne, Christchurch; Richard Worth MP, Auckland.

NZ Council of Law Reporting: Michael Cullen (Chair, *ex officio as Attorney-General*); Chris Darlow (*ex officio as NZLS President*); Peter Jenkin QC, Wellington; Chris McVeigh QC, Christchurch; Trevor Shiels, Dunedin; Graham Taylor, Wellington.

Court-related

Chief Justice's Criminal Practice Committee: Judith Ablett Kerr QC, Dunedin; Richard Earwaker, Auckland; Philip Morgan QC, Hamilton.

Courthouse Design, Property & Security Committee (Ministry of Justice): Dick Edwards, NZLS acting Director of Education.

Courts Liaison Group (Ministry of Justice): Chris Darlow (NZLS President); John Marshall (NZLS Board); Alan Ritchie (NZLS Executive Director); Margaret Bryson and then Kim Oelofse (as NZLS acting Directors of Legal Affairs).

Maori Land Court Consultative Committee: Russell Feist, Wellington.

Maori Land Court Rules Committee: John Stevens, Wellington.

Rules Committee: Andrew Beck, Wellington; Brendan Brown QC, Wellington.

International

International Bar Association: Chris Darlow, Auckland; Bruce Slane, Auckland (*both NZ Councillors*).

LAWASIA: Christine Grice, Hamilton (*NZ Councillor*); Chris Darlow, Auckland (*alternate NZ Councillor*); Ian Haynes, Auckland (*Executive Committee Member*).

Charitable

New Zealand Law Foundation: James Johnston (Chair), Wellington; Kerry Ayers, Christchurch (*NZLS Board nominee*); Annette Black, Wellington (*lay member*); Warwick Deuchrass, Dunedin (*President's nominee*); John Gallie, Te Awamutu; Daphne Rawstorne, Upper Hutt (*lay member*); Sue Styants, Papakura.

NZLS officers and directors

Officers

President	Chris Darlow
President-elect	John Marshall
Vice-Presidents	Kerry Ayers (for South Island) Kate Davenport (for Auckland) Pam Davidson (for Wellington) Warren Pyke (for rest of North Island)
Treasurer	John Marshall

Directors

Executive Director	Alan Ritchie
Deputy Executive Director	Rae Mazengarb
Senior Director	Margaret Bryson
Director of Regulatory Services	Rae Mazengarb (<i>to 09/06</i>); Andrew Burger (<i>from 09/06</i>)
Director of Education	Charlotte Cullen (<i>to 07/06</i>)
Acting Director of Education	Dick Edwards (<i>from 07/06</i>)
Director of Finance	Grant Caradus
Director of Legal Affairs	Dick Edwards (<i>to 07/06</i>)
Acting Director of Legal Affairs	Margaret Bryson (<i>07/06 to 01/07</i>); Kim Oelofse (<i>from 01/07</i>)
Director of Communications	Sue Ewart
Consultant	Annette Black



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