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Report of the
LAW COMMISSION
for the year ended
31 March 1990

Presented to the House of Representatives pursuant to section 17 of the
Law Commission Act 1985

1990
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4 September 1990

Hon W P Jeffries
Minister of Justice
Parliament Buildings
Wellington

Dear Minister

I have the honour to transmit to you the annual report of the Law Commission for the year ended
31 March 1990.

This report is prepared pursuant to section 17 of the Law Commission Act 1985.

Yours sincerely

A O WOODHOUSE
President

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INTRODUCTION

The Law Commission was established by the Law Commission Act 1985 as “a central advisory body for the systematic review, reform and development of the law of New Zealand”. It has three major functions. They are

- to make recommendations for the reform and development of the law on its own initiative or at the request of the Minister of Justice
- to advise on the review of any aspect of the law conducted by any government department and on proposals made as a result of the review
- to advise the Minister of Justice on ways in which the law can be made as understandable and accessible as is practicable.

In relation to the second of those functions, the Commission may request information from any government department or comparable organisation considering the review, reform or development of any aspect of the law of New Zealand. It may provide advice and assistance concerning such proposals.

The Law Commission's reports to the Minister of Justice are published and laid before Parliament. The Commission may publicise its work as it thinks fit.

In accord with the statute, the Commission, when making recommendations, takes into account te ao Maori (the Maori dimension) and also the multicultural character of New Zealand society.

1989 - AN OVERVIEW

During the year the Commission completed and presented five reports to the Minister of Justice and published one preliminary paper.

At the same time work continued or commenced on the extensive programme outlined in this report, including four new references from the Minister of Justice. These last matters involve consideration of the legal status of the Crown, and the remedy of habeas corpus, together with two wide-ranging enquiries: the first a general review of criminal procedure, the second the law of evidence and its possible codification.

In a variety of ways the Commission has continued and developed its wider advisory role, and through its members it has maintained close liaison with such bodies as the Legislation Advisory Committee.

PROGRAMME

LEGISLATION

By reason of one of the first of the references to be received from the Minister of Justice (29/5/86) and "for the purposes of making legislation as understandable and accessible as practicable", the Commission has a standing responsibility to examine and review

- the language and structure of legislation
- arrangements for the systematic monitoring and review of legislation
- the law relating to the interpretation of legislation
- the provisions of the Acts Interpretation Act 1924 and related legislation.

In discharge of that responsibility the Commission is required to recommend changes, as appropriate, in relevant law and practice.

During the year this objective was carried forward in the report on a Bill already before Parliament: *Legislation and its Interpretation: Statutory Publications Bill* (NZLC R11).

The Commission recommended that the Bill be divided into two Bills dealing with its separate subject-matters: the publication of legislation and the control by the House of Representatives over the making of regulations. In accordance with the substance of the Commission's recommendations, two statutes have been enacted (the Acts and Regulations Publication Act 1989 and the Regulations (Disallowance) Act 1989), and the obligation to publish is stated more specifically so that it is enforceable in law.

During the year extensive work was also done on a new Interpretation Act. The Commission appreciates the comments and assistance it has received from a number of departments and specialists in the field. A report containing a draft Bill is nearing completion.

The Commission is also working on a new design for the layout of statutes, to make them easier to read. In addition it is preparing a legislation manual to facilitate clear, consistent drafting. The computerisation of the statute book and improved systems for the consolidation and revision of legislation are other important matters which the Commission continues to pursue with all those who share the responsibility for making legislation accessible to its users.

ACCIDENT COMPENSATION

Following the publication of a final report on the Accident Compensation scheme, *Personal Injury: Prevention and Recovery* (NZLC R4), Commissioners were involved (as the 1989 Annual Report noted) in a wider inquiry into the feasibility of an extended incapacity scheme. In his Budget speech on 27 July 1989, the Minister of Finance announced that, after careful consideration of the recommendations of the Law Commission and the Royal Commission on Social Policy, it had been

concluded that it was possible to move to a general scheme of assistance for incapacity to include sickness. The intention would be to provide an equal benefit, regardless of cause, to all adults aged under 60 years who are affected by illness or injury.

COMPANY LAW

Another initial reference from the Minister of Justice asked the Law Commission to examine and review the law relating to bodies incorporated under the Companies Act 1955, and to report on the form and content of a new Companies Act. After completing its reports: *Company Law: Reform and Restatement* (NZLC R9) and *A Personal Property Securities Act for New Zealand* (NZLC R8), the Commission undertook extensive consequential work in consultation with the interested departments and agencies and affected interests.

The report on companies recommends a new Companies Act to provide for a simple, inexpensive and flexible form of company organisation. Unless varied by other constitutional documents, the statute would be the source of rights and duties within the company. On that basis those rights and duties would be comprehensible not merely to lawyers or accountants but to directors and shareholders generally. It is intended that remedies for any abuse of the company's separate identity and limited liability would be effective while balancing economic and social benefits which can arise from aggregating capital against the need to accept sensible commercial risks.

The report maintains and builds upon the distinction between company law and securities law: company law being concerned with the incidents, benefits and abuses of the corporate form; securities law having a wider concern with the integrity and efficiency of capital markets through which public investment is invited.

The Commission's report on a new Personal Property Securities Act recommends the removal of the law relating to company charges from the Companies Act. Instead, it proposes a new Act dealing with all securities over personal property, whether given by a company or by a partnership or a single individual, and whatever the form of the security.

The new Act would be based on a voluntary system of computerised registration. Failure to register would affect the priority of the security interest. In the case, not only of such personal property as motor vehicles but any other consumer goods, that failure would enable an innocent purchaser to obtain a good title free of the unregistered interest. The Commission considers its proposals to be reconcilable with the policies underlying the Bill then in the House and subsequently enacted as the Motor Vehicle Securities Act 1989.

In general the proposals are a reflection of the model provided by Article 9 of the United States Uniform Commercial Code, and subsequently widely adopted in Canada for reasons of its considerable efficiency. The Law Commission regards its proposals as an initiative towards the harmonisation of Australian and New Zealand business law as proposed in the Memorandum of Understanding between the two Governments signed at Darwin on 1 July 1988.

It is encouraging that by the year's end both the Law Reform Commission of Victoria and the Australian Law Reform Commission were expecting references (since received) to review the law relating to securities over personal property, taking account of the New Zealand Law Commission's report.

CORPORATE LAW REFORM

The Minister of Finance announced in his 1989 Budget speech, that the Minister of Justice would be asking Parliament to address a number of related areas of corporate law reform. They would include the recommendations of the Law Commission in respect of a revised Companies Act and several proposals concerning securities law reform.

The relationship between the various initiatives was spelt out subsequently in the Government's Economic Statement of 28 March 1990 which announced the Government's decision that the first step was to get the basic structure right. Accordingly, a Bill to revise the Companies Act based on the Law Commission's report, would be introduced first, followed by Bills to reform the areas of takeovers and securities law.

Since then the Commission has continued work on the transitional provisions necessary to provide for the re-registration under a new Companies Act of companies already registered under the 1955 Act. It has also considered the way in which the new Act should be applied to flat- and office-owning companies and to insurance companies. The Law Commission has also looked into the position of companies incorporated under the Cooperative Companies Act 1956 or similar legislation, and reconsidered a number of substantive and drafting points arising in connection with its original reports. This further work will be the subject of a supplementary report.

INTELLECTUAL PROPERTY

Another report published in the period under review was *Intellectual Property: The Context for Reform* (NZLC R13). The Commission did not itself recommend changes to the law in this area, but stressed the need for the coordination of existing departmental initiatives to review the Copyright Act 1962 and other statutes, and, eventually, for the bringing together of responsibility for policy advice and administration of the law relating to all kinds of intellectual property.

Appended to the report are a number of papers presented at seminars organised by the Law Commission in Wellington and Auckland. In these, recognised experts review recent developments in the law of intellectual property on a broad scale and in their international setting. Main themes are the economic implications of the protection of intellectual property and the difficulties brought about by new technology in determining borderlines between different kinds of intellectual property.

REAL PROPERTY STATUTES

Earlier annual reports have indicated the Commission's intention to review the Imperial Acts concerning property and the law of landlord and tenant which the Imperial Laws Application Act 1988 declares to be part of the law of New Zealand. This year research papers were prepared, taking into account the work done by the former Property Law and Equity Reform Committee. The Commission plans to carry the work forward in the coming year.

THE COURTS

In the period since the publication of its report on *The Structure of the Courts* (NZLC R7), the Commission has been engaged in numerous discussions with the Chief Justice and the Chief District Court Judge, as well as with the Minister of Justice and his department about the implementation of aspects of the report. The Commission has offered to assist, if required, with the

necessary task of making the Rules of the District Court consistent with those of the High Court to facilitate the disposition of civil cases in the appropriate court.

ARBITRATION

The topic of arbitration was taken up by the Commission on its own initiative. A discussion paper (NZLC PP7) was published in 1988. During the year the process of consultation continued, notably through participation in seminars conducted by the Law Commission in conjunction with the Legal Research Foundation.

The main issue of contention is the extent to which the courts should be able to review the decision of an arbitral body on the ground that it has erred in law. There is a need to balance the principle of the autonomy of the parties with the principle that, as a matter of public policy, private relationships should not be outside the reach of the law. This issue involves in part a choice of the appropriate international or trans-Tasman model for domestic arbitrations. Work continues on the drafting of a final report.

RECIPROCAL ENFORCEMENT OF JUDGMENTS

During the year the Commission gave some attention to the arrangements put in place under CER (closer economic relations with Australia) for the reciprocal enforcement of injunctive relief granted by the Commerce Commission in New Zealand or the corresponding body, the National Companies and Securities Commission, in Australia. The Law Commission will take up wider aspects of the reciprocal enforcement of judgments - and also of international arbitral awards - later this year.

CRIMINAL PROCEDURE

As already mentioned the Minister of Justice gave the Commission a reference to review criminal procedure. The Commission is asked to "examine the law, structures and practices governing the procedure in criminal cases from the time an offence is suspected to have been committed until the offender is convicted". The question of which courts or other judicial bodies should exercise criminal jurisdiction, appeals, and the general subject of sentencing are excluded from the terms of this reference.

But this considerable task embraces all other aspects of criminal procedure including such matters as the prosecution process; the control of decisions to prosecute; and the arrangements that may be made for some method of diversion; the powers of entry, search and arrest; the rights of suspects and police powers in relation to suspects; preliminary hearings and criminal discovery; and various aspects of evidence in criminal cases such as the rules affecting confessional statements, hearsay evidence and the implications of evidence to be given in sexual and child abuse and other special cases.

The Commission decided that, to avoid the considerable delay which would follow if an attempt were made to deal comprehensively with this wide inquiry in a single report, it would take the issues up in stages, reporting on different aspects separately and not necessarily in chronological sequence.

An earlier and comprehensive survey by the former Criminal Law Reform Committee (*Discovery in Criminal Cases* (1986)) - together with a recent decision by the Court of Appeal (*Commissioner*

of Police v Ombudsman [1988] 1 NZLR 385) which held that much material gathered by the police during an investigation should be disclosed under the Official Information Act 1982 - indicated a need to examine at an early stage the value of pre-trial disclosure of relevant information by prosecution and defence.

This topic and also the related topic of committal hearings prior to a trial before a judge and jury are the subject of a report scheduled for the end of June.

Subjects likely to be considered next are the prosecution process, aspects of police powers and some areas of criminal evidence.

HABEAS CORPUS

In earlier annual reports the Commission referred to the need to review the Imperial statutes which make this ancient remedy against unlawful detention available in New Zealand. The Law Commission has now received a reference from the Minister of Justice asking it to review all the relevant law in this area, with a view to the enactment of a comprehensive New Zealand statute to remove the defects of the present law, enhance the effectiveness of the remedy and clarify the relationship between habeas corpus and other judicial remedies for unlawful detention. Work will begin on this reference as soon as possible, having regard to other commitments.

EMERGENCIES

This project, which forms part of the Government's general review of planning for national emergencies led by the Coordinator, Domestic and External Security, has a high priority. During the year the main effort went into *First Report on Emergencies: Use of the armed forces* (NZLC R12). It was presented in connection with a Bill that had already been introduced. This meant that the issues relating to the use of the armed forces in emergency situations had to be dealt with in advance of other aspects of emergency powers but within the same broad approach.

The report covered: the sending of the armed forces overseas in response to requests for help from partner nations in the South Pacific, or to evacuate New Zealand nationals; the provision of public services by the armed forces and of aid to the police; and the use of the armed forces in connection with an industrial dispute. The Commission's recommendations included criteria and procedures for the triggering of emergency powers and safeguards protecting the rights of individuals. With only minor drafting changes the Commission's recommendations were implemented in full by the Defence Act 1990.

The publication of a final report on this many-faceted topic is scheduled for the second half of 1990.

CONTRACTS

The Commission's planned study of the question of unconscionability or unfairness in relation to contract has proceeded during the year. A discussion paper is nearing completion.

The Commission also set in train a review of the operation of the group of statutes which have codified or varied the common law rules on such matters as the contracts of minors, illegal contracts, contractual remedies, privity of contract and contractual mistake. This review involves the commissioning of papers by outside experts.

SALE OF GOODS

The United Nations Convention on Contracts for the International Sale of Goods was opened for signature at Vienna on 11 April 1980. The Commission was invited by the Department of Justice to study the Convention with a view to possible accession by New Zealand. Its purpose is to achieve greater certainty as to the law which should govern the formation of contracts with international implications and the rights and obligations of buyer and seller.

The Commission believes there are distinct advantages in New Zealand acceding to the Convention, and in doing so sooner rather than later. In order to explain the implications of the Convention to the legal profession and others having an interest in the matter, the Commission has agreed to publish a background paper at the time of the introduction of the implementing legislation.

LIMITATION DEFENCES

By 31 March 1990 the only Commission report which awaited evaluation and implementation was that on *Limitation Defences in Civil Proceedings* (NZLC R6), presented in October 1988. The Commission understands that implementation of its recommendations in this area is seen by some New Zealand authorities as inhibited by the commitment to promote harmonisation of areas of business law under CER. However, achievement of uniform periods of limitation has never featured as a goal of the law of the various Australian jurisdictions. Furthermore, international instruments impose their own rules as to the time within which claims must be brought in such commercially significant and practical fields as international sales and liability for damage to passengers and goods carried by sea or air.

In any event the Law Commission believes that if unification of the law in this area is a goal to be pursued, it can scarcely be on the basis of the existing law of New Zealand or any of the Australian States.

EVIDENCE

This project has been given a higher priority following the receipt of a reference from the Minister of Justice in August 1989. The Commission is asked to examine the statutory and common law rules governing evidence in proceedings before courts and tribunals and make recommendations for its reform with a view to codification.

In the wider context of the reference now given to it, the Commission will first consider the principles upon which the review of the law of evidence should be based and the implications of, and techniques for, codifying the law of evidence over the whole field. Thereafter priorities will be set for reviewing the rules about all types of evidence.

During the year the Commission published an options paper on *Hearsay Evidence* (NZLC PP10) as a vehicle for obtaining the views of interested persons, principally the legal profession, on possible lines of reform of the rules relating to the admissibility of this type of evidence.

CHOICE OF LAW

The Law Commission is undertaking, in conjunction with the Australian Law Reform Commission, a project on choice of law. The purpose is to settle the rules for determining which system of law should apply when there are links with more than one jurisdiction; for example, when a contract is entered into in New Zealand for work to be done in New South Wales, or when allegations are made that a tort has been committed in one country while a remedy is sought in another. Each Commission will publish a discussion paper in the coming year.

CROWN

In August 1989 the Commission received from the Minister of Justice a reference asking it to examine aspects of the legal position of the Crown, including but not limited to

- the civil liability of the Crown, its officers and agents, and in particular the special rules limiting or excluding that liability
- the Crown Proceedings Act 1950, with a view to its reform and simplification
- the criminal liability of the Crown, its officers and agencies, and relevant procedures

and to make recommendations accordingly.

The reference reflects a long-standing interest on the Commission's part in the legal status of the Crown, carried forward during the year in the context of the legislation reference by work done on s 5(k) of the Acts Interpretation Act 1924, concerning the effect of statutes on the rights of the Crown. The subject will be taken up more comprehensively in the coming year together with the associated topic of State immunity.

DAMAGES

This topic has had to be accorded a low priority during the year under review but it has considerable practical implications. They include such matters as the principles surrounding awards of exemplary damages, the interest component in damages and the common law limits on damages for breach of an employment contract. Work will continue on the subject generally in the coming year.

CONTRIBUTION IN CIVIL CASES

It was not possible during the year to make much progress with this complex topic. It is concerned with the liability of the parties to civil actions where the losses are attributable to the fault of more than one person. The issues affect, for example, the construction industry and professional liability, and extend to the availability of insurance cover. It is hoped to give the topic a higher priority in the near future.

OTHER SUBJECTS

It has been necessary to delay work on the conversion of goods by reason of more pressing tasks. Nor has it been possible in the year under review to carry forward the work done earlier on a background paper dealing with developments in the law of employment contracts.

GENERAL

Assistance to other departments and agencies

In conjunction with the Legislation Advisory Committee the Commission has continued to give help on a wide range of matters affecting the preparation of legislation including

- the need to ensure that the legislation gives proper effect to Government policies
- the role of statements of purpose in legislation
- the statutory provisions relating to departments and other State organisations
- the relative roles of Ministers, officials, regional and local government, independent bodies, tribunals and courts
- the principles governing the conferral, definition and control of regulatory powers, including occupational regulation
- the ways in which treaty obligations can best be implemented in legislation
- the legal and constitutional principles relating to the raising, spending and control of public finance
- the legal and constitutional principles governing the collecting of fees
- the grant, exercise and control of regulation-making powers.

Assistance has also been given on legal and constitutional matters not involving legislation, such as

- the preparation of a new Cabinet Office Manual
- principles governing the creation, operation and control of quangos
- the content and drafting of charters for tertiary educational institutions
- the organisation and structure of departments of State
- the practical operation of Commissions of Inquiry and Royal Commissions.

In addition, Commissioners and staff members have, at the Government's request, contributed in a personal capacity to major initiatives for law reform or dispute settlement in New Zealand and overseas.

Digest of law reform

Drawing on the experience of law reform agencies elsewhere, the Commission is setting up a digest of information about law reform in New Zealand, stored electronically. Two broad categories of material will be captured:

- an up-to-date index of initiatives for the reform of the law (or of its administration). We expect that this information will come primarily from government departments and quasi-government organisations, although there will be other sources;
- an index of suggestions about ways in which aspects of the law should be reformed. This material will be collected from a number of sources: the media, community groups, the universities, professional organisations, judgments of the courts, suggestions by members of the public and so on. This material will provide a useful resource for consultation purposes when a particular area of the law comes to be reconsidered. It may also be useful in demonstrating community concern and suggesting areas of the law which should be the subject of review.

The information is to be stored on a database with powerful search and retrieval software and so will be readily and quickly accessible on request. Publication on a regular basis is a possibility.

The database should assist the co-ordination of the government's policy-making and legislative processes (and consequently improve the efficient use and allocation of resources) by providing a clear, current and easily accessible source of information about organisations and people who have an interest in a particular proposal or are carrying out work in the same or related areas.

The Commission would be pleased to hear from any interested organisation with which it has not yet made contact, or from anybody who would like to make use of the database.

Australasian Law Reform Agencies Conference

The Law Commission was represented at the annual conference of the Australasian Law Reform Agencies, hosted by the Law Reform Commission of New South Wales and held in Sydney on 12 and 13 August 1989, immediately before the 26th Australian Legal Convention.

One session was devoted to the Australia-New Zealand Closer Economic Relations Trade Agreement - a direct consequence of the interest in that subject generated by the address given by the President of the Law Commission the previous year (see Annual Report 1989). Having been asked to follow up his earlier paper, the President noted that, although the law reform agencies were well placed and willing to assist directly with the harmonisation of business law under CER, they had not yet been asked to do so. He said that harmonisation requires compatibility in the law of the trans-Tasman jurisdictions, but emphasised that this goal may be more efficiently served in some areas by novel legislation which incorporates modern solutions to modern problems, rather than by adopting one, or a composite, of the current models already in place in one country or the other.

Meeting of Commonwealth law reform agencies

By the year's end the Commission had completed preparations for hosting a meeting of Commonwealth law reform agencies to be held in Auckland on 16 and 19 April 1990 in conjunction with the 9th Commonwealth Law Conference. More than 20 overseas agencies were expected to attend. Papers had been prepared by a number of them, including the Law Commission, on one or both of the themes of the meeting: the relationship between law reform agencies and the Ministers or governments they advise, and international and regional initiatives for law reform.

CHANGES IN THE COMMISSION'S MEMBERSHIP

The first five appointments of members of the Law Commission were for five-year terms expiring in February 1991. In 1989 two of the foundation members resigned early, Sian Elias QC on 23 August to resume full-time practice as a barrister, and Jim Cameron, who was appointed to the Law Commission with effect from the date of his retirement as Deputy Secretary of Justice, on 30 November to enjoy rather more fully the fruits of retirement from his long public service career. A third Commissioner, Margaret Wilson, who was appointed in February 1988, resigned on 1 October 1989 in order to take up the position of Chief Political Adviser in the newly reorganised Office of the Prime Minister. To all three the Commission extends appreciation for the hard work on individual projects and the insights and wisdom they contributed to the Commission's work as a whole.

The Commission has since been able to welcome one new Commissioner, Mr Justice Wallace, a serving Judge of the High Court, who was appointed on 22 December 1989 and took up office on 7 March 1990. Mr Justice Wallace is a former Chairman of the Human Rights Commission and also served as the Chairman of the Royal Commission on Electoral Reform. He was a member of the Contracts and Commercial Law Reform Committee for many years.

Staff

The Commission continues to be well served by all members of its staff. By the end of the year it had in sight the recruitment of a full complement of research officers for the first time since its establishment. This was possible despite the resignation during the year of three researchers to return to their parent or other departments or to undertake postgraduate study overseas. The rotation of research staff after a certain period is seen as an important way of bringing fresh ideas to the Commission's work. To those who left during the year - Prue Oxley, Mandy McDonald and Janet McLean - the Commission expresses warm appreciation and best wishes for their future careers. And for their hard work and support it thanks two secretaries, Catherine Burt and Cheryl Bicknell, an office assistant, Paula McLeod, and temporary librarian, Kay Samuels, who also resigned. The Commission's membership and staff as at 31 March 1990 are listed in the Appendix.

FINANCE

The Law Commission is funded from money appropriated by Parliament. The accounts of the Commission for the year ended 31 March 1990 are attached.

REPORT OF THE AUDIT OFFICE

The Audit Office, having been appointed in terms of section 15 Law Commission Act 1985, has audited the financial statements of the Law Commission.

The audit was conducted in accordance with generally accepted auditing standards and practices.

In the opinion of the Audit Office, the financial statements appearing on pages 15 to 19 fairly reflect the financial position as at 31 March 1990 and the financial results of operations for the year ended on that date.

D C Cruickshank
For Controller and Auditor-General

21 August 1990

BALANCE SHEET AS AT 31 MARCH 1990

CURRENT ASSETS	Note	1990	1989
Bank of New Zealand		66,121	105,331
Short term deposits	2	400,000	235,000
BNZ term deposits	2	2,900,000	700,000
Accounts receivable		2,301	31,184
Interest receivable		207,588	4,362
Goods and Services Tax		39,703	33,042
		<hr/>	<hr/>
		3,615,713	1,108,919
FIXED ASSETS	3	952,332	1,104,749
TOTAL ASSETS		<hr/>	<hr/>
		\$4,568,045	\$2,213,668
CURRENT LIABILITIES			
Accounts payable		284,075	212,592
Grant in advance	4	911,111	-
Provision for superannuation	5	213,000	-
		<hr/>	<hr/>
		1,408,186	212,592
ACCUMULATED FUNDS	6	3,159,859	2,001,076
		<hr/>	<hr/>
Total funds employed		\$4,568,045	\$2,213,668

Signed on behalf of the Law Commission:

Alison Quentin-Baxter
Director

Penelope Root
Finance Officer

21 August 1990

17 August 1990

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 1990

	Note	1990	1989
INCOME			
Government grant	4	3,750,60	62,811,818
Interest received		29,130	282,225
Sales of publications		8,780	13,692
Sundry			
Consultancy fees		8,889	57,500
Total income		\$4,197,405	\$3,165,235
EXPENDITURE			

Personnel			
Salaries and wages		1,407,00	11,515,870
Superannuation	5	213,000	-
ACC Levy		13,402	13,250
Fringe benefit tax		2,265	-
Commission activities			
Advertising		691	-
Publications		52,213	83,707
Research and consultation		297,650	372,543
Travel		96,529	122,672
Library			
Library acquisitions		123,671	80,338
Searches – database		5,072	4,068
Computer software		-	2,312
Administration			
Audit fees		1,555	5,500
Bank interest and charges		453	435
Cleaning		14,450	13,263
Communications		53,983	69,207
Depreciation		200,556	231,125
Electricity		14,069	15,320
Insurance		4,044	4,044
Other operating		28,550	28,081
Professional services		35,844	26,739
Rent and rates		405,590	390,855
Repairs and maintenance		47,847	68,263
Stationery		20,187	22,537
Total expenditure		\$3,038,622	\$3,070,128
Excess income over expenditure			
Transfer to Accumulated Funds		\$1,158,783	\$95,107

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 1990

	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Grant		5219
Receipts from customers		<u>48</u>
		5267
Cash was disbursed to:		
Payments to suppliers and employees	2660	
Taxes paid (GST)	<u>451</u>	<u>3111</u>
Net cash flows from operating activities		<u>2156</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash was provided from:

Investments	6150	
Proceeds from sale of fixed assets	5	
Interest received –		
Term deposits	167	
Autocall	<u>58</u>	6380

Cash was applied to:

Investments	8350	
Purchase of fixed assets	<u>60</u>	<u>8410</u>

Net cash used in investing activities 2030

CASH FLOWS FROM FINANCING ACTIVITIES

Nil-

Net increase in cash held 126

Add opening cash brought forward 1/4/89 340

Ending cash carried forward 31/3/90 466

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1990

1 STATEMENT OF ACCOUNTING POLICIES

General accounting principles

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the Commission is a going concern. Accrual accounting is used to match expenses and revenues.

Particular accounting policies

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

- Accounts receivable are stated at their estimated net realisable value.
- Investments are valued at cost.
- The foundation library is valued at cost and is not depreciated.
- Other fixed assets are stated at cost less aggregate depreciation. Depreciation has been calculated using the diminishing value method. The rates used are:

Computer equipment	20% DV
Furniture and fittings	20% DV
Office equipment	20% DV

- Goods and Services Tax has been accounted for using the net method.
- Research and development expenditure is charged against income in the period it is incurred.

Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

2 SHORT TERM INVESTMENTS

	Interest rate	Maturity date	1990	1989
BNZ term investments	13.2%	7/4/90	500,000	
	13.8%	20/4/90	300,000	
	13.05%	7/5/90	400,000	
	13.15%	5/6/90	400,000	
	13.6%	2/7/90	300,000	
	13.2%	31/8/90	500,000	
	13.2%	31/8/90	250,000	
	13.2%	31/8/90	250,000	
			<u>\$2,900,000</u>	<u>\$700,000</u>
BNZ Money Market deposits	13.0%	1/4/90	\$400,000	\$235,000

3 FIXED ASSETS

	Cost	Aggregate depreciation	Book Value 1990	Value 1989
Computer equipment	510,869	241,587	292,282	327,349
Foundation library	174,254	-	174,254	161,352
Furniture and fittings	817,388	357,174	460,214	564,356
Office equipment	86,836	38,254	48,582	51,692
	<u>\$1,589,347</u>	<u>\$637,015</u>	<u>\$952,332</u>	<u>\$1,104,749</u>

4 GRANT

	1990	1989
Grant received	4,661,717	2,811,818
Less 1991 grant in advance	911,111	-
	<u>\$3,750,606</u>	<u>\$2,811,818</u>

Due to the change in government departments' financial year the grant received covered the period 1/4/89 to 30/6/90

5 SUPERANNUATION

	1990	1989
An amount provided for payment of employer contribution to the Government Superannuation Fund	\$213,000	-

6 ACCUMULATED FUNDS

	1990	1989
Balance at 1/4/89	2,001,076	1,905,969
Excess income over expenditure	1,158,783	95,107
Balance at 31/3/90	<u>\$3,159,859</u>	<u>\$2,001,076</u>

7 COMMITTED EXPENDITURE

As at balance date, the following expenditure had been committed but is not included in these financial statements:

	1990	1989
Capital expenditure	32,190	5,500
Consultants fees	22,750	33,000
Other operating	35,659	7,511
	<u>\$90,599</u>	<u>\$46,011</u>

APPENDIX B

Members of the Law Commission:

The Rt Hon Sir Owen Woodhouse KBE DSC - *President*

Sir Kenneth Keith KBE - *Deputy President*

Jack Hodder

The Hon Mr Justice J H Wallace

Permanent staff of the Law Commission as at 31 March 1990:

Director	Alison Quentin-Baxter
Senior Legal Research Officers	Megan Richardson
	Phil Shattky
Legal Research Officers	Lisa Atkinson
	Michael Dreaver
	Paul McKnight
	Grant Marjoribanks
	Moira Thompson
	Nicola White

Manager
Finance Officer
Librarian
Assistant librarian
Secretaries

Receptionist
Systems Operator
Records Clerk
Office Assistant

Sachin Zodgekar
Frank Muller
Penelope Root
Katrina Young-Drew
Jocelyn Ferguson
Lynette Bridgeman
Susan Davies
Carol Stevenson
Linda Sundberg
Glenys Bunkall
Tracy Forde
Marjorie Park
Melissa Harrison

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