2025/2026

Annual Report
Pūrongo ā-tau

Te Tari Ture
o te Karauna
Crown Law

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o te Karauna
Crown Law

Presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989.

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Solicitor-General's foreword

In my first Annual Report as Solicitor-General and Chief Executive of Crown Law, I am pleased to reflect on a year in which Crown Law has provided trusted legal advice and representation to the government while positioning itself to meet the opportunities and challenges ahead.

I assumed this role in May 2026 and have been struck by the breadth and importance of Crown Law's work. I am committed to leading an organisation that delivers excellence and integrity in legal services to the government. In doing so, we serve the people of New Zealand and support the rule of law by helping ensure government action is lawful, effective and accountable. This is in turn critical to public confidence in our legal system.

Support for the Law Officers, the Solicitor-General and the Attorney-General, remains at the heart of Crown Law's purpose and is the reason the agency is resourced. During the year, Crown Law supported the transition to a new Attorney-General and Solicitor-General. A change to both Law Officer roles in close succession is uncommon, and Crown Law has worked hard to ensure continuity of support and a seamless transition.

Demand for Crown Law's legal advice and representation services remains high and continues to grow. Instructions to advise and represent the government in litigation are increasing in both volume and complexity. Meeting this demand requires us to continually improve how we work and to prioritise our resources.

In June 2026, I announced that I had asked the Public Service Commission to undertake a short, future-focused Performance Improvement Review of Crown Law. Its findings, due for release in September 2026, will inform my 5-year plan to strengthen Crown Law's performance, client service, future readiness and continued delivery of core functions with excellence.

Strategic priorities

While Crown Law's next plan will guide our future, the strategic priorities established in 2024/25 continue to guide our work and provide a framework for assessing our performance:

- Leading with a system view.
- Delivering right sized, timely services that meet government needs.
- Sustaining core services and capabilities.

The Solicitor-General is the Head of Profession for government lawyers and Crown Law partners with the Government Legal Network and the Crown Solicitor network. We also contribute to cross-government initiatives and justice sector groups.

The public most often sees Crown Law in its litigation capacity before courts and tribunals. However, Crown Law work spans many different situations. We regularly achieve outcomes that avoid or end ongoing litigation. For example, this year, we played a central role in the historic agreement between the Crown and descendants of Te Tauihu Māori that ended complex trust property claims brought by Rore Stafford.

Crown Law lawyers provide timely and insightful advice on legal risks facing the government, and

we are increasingly taking a more strategic and active role in managing those risks.

We continue to look for new ways to deliver our legal professional services efficiently and effectively. Enabling our lawyers to focus on the work that only they can do remains important. We have also sharpened our focus on our legal support services and digital foundation, modernising our approach to technology to strengthen our legal services in the future.

Acknowledgements

My tenure began on 11 May 2026. I would like to acknowledge my predecessor, Una Jagose KC, who concluded a decade of distinguished service as Solicitor-General in February 2026, and the Crown Law leadership team, particularly Aaron Martin, who ably guided the organisation during the intervening period.

I would also like to thank the dedicated people of Crown Law who strive for professional excellence every day to ensure that the government is able to operate lawfully. Much of what Crown Law does goes unseen by the public, but we all benefit from it.



Anna Adams KC
Solicitor-General and Chief Executive
Rōia Mātāmua o te Karauna me te Tumu Whakarae

Statement of responsibility
Tauākī haepapa

I am responsible, as Chief Executive of Crown Law, for:

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

In my opinion:

- the Annual Report fairly reflects the operations, progress and the organisational health and capability of Crown Law
- the financial statements fairly reflect the financial position of Crown Law as at 30 June 2026 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of Crown Law as at 30 June 2027 and its operations for the year ended on that date.



Anna Adams KC
Solicitor-General and Chief Executive
Rōia Mātāmua o te Karauna me te Tumu Whakarae

29 September 2026

Who we are and what we do
Ko wai mātou, he aha tā mātou mahi

Trusted legal advisors to the New Zealand Government since 1875.

The Crown Law Office has provided independent legal advice and representation to the New Zealand Government for 150 years.

Crown Law has two primary roles in providing these services:

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

Law Officers of the Crown

By long tradition the Crown has appointed two Law Officers to represent its interest in the courts. The offices of Attorney-General and Solicitor-General retain the responsibility of being the principal legal advisers to the government and representatives in court.

The Attorney-General

The Attorney-General has two roles in Government:

- The senior Law Officer of the Crown with principal responsibility for the government's administration of the law. This function is exercised in conjunction with the Solicitor-General, who is the junior Law Officer.
- A Minister of the Crown with ministerial responsibility for the Crown Law Office.

The Solicitor-General

The Solicitor-General holds office as an official of government and is also the Chief Executive of the Crown Law Office. The Solicitor-General is:

- the government's chief legal advisor and advocate in the courts, subject only to overarching authority of the Attorney-General
- responsible for Crown prosecutions and the conduct of criminal appeals.

The Crown Law Office

Crown Law supports the Attorney-General and the Solicitor-General to fulfil their constitutional responsibilities as Law Officers of the Crown. We do this by:

- providing legal services to government
- overseeing public prosecutions
- leading the government legal profession.

Providing legal services to government

Crown Law provides legal advice and representation services to government in matters affecting the Crown, particularly in the areas of criminal, public and administrative law. Crown Law's focus is on core Crown legal work – essentially, the core legal work for which

the Attorney-General and Solicitor-General are constitutionally responsible – and how that work is to be conducted.

Overseeing public prosecutions

Crown Law assists the Solicitor-General's oversight of public prosecutions and administers the network of Crown Solicitors. Crown Solicitors are funded through a capped bulk funding model. For non-Crown prosecutions, Crown Law maintains the In-House Public Prosecutors classification framework, which determines the level of experience needed to conduct prosecutions. We also carry out quality assurance reviews of Crown Solicitors and, from time to time, for prosecuting agencies.

Leading the government legal profession

The Solicitor-General is the professional head of more than 900 government lawyers, comprising the Government Legal Network (GLN). The GLN is a collaborative initiative by departmental Chief Legal Advisors and the Solicitor-General to promote across-government collaboration in delivery of legal services to the Crown. A networked approach enhances the Crown's legal capability and facilitates the Law Officers' constitutional functions.

Who we work with

We work with a wide range of agencies and stakeholders to help achieve our strategic priorities, including:

- the Law Officers (Attorney-General and Solicitor-General)
- Parliamentary Counsel Office
- public sector agencies that we represent and to which we provide legal advice
- Government Legal Network
- the network of Crown Solicitors and many public prosecuting agencies.

We also work with our partners in the justice sector to deliver accessible justice services for all New Zealanders.

Our strategic intentions
Ā mātou takune rautaki

We have three strategic priorities:

- Leading with a **system view**.
- **Delivering** right-sized, timely services that meet government needs.
- **Sustaining** core services and capabilities.

Our strategic priorities are the areas where we are focusing our resources and investment in the short to medium term so that we continue to deliver our functions to a very high standard and achieve our purpose.

Although we discuss our priorities separately, our priorities have significant overlap and dependency in both delivery and timing of objectives.

Strategic Intentions 2024-29

Te Tari Ture o te Karauna
Crown Law

OUR PURPOSE

We serve New Zealand by supporting government to operate lawfully

OUR FUNCTIONS

- Supporting the Law Officers of the Crown
- Leading the government legal profession
- Overseeing public prosecutions
- Providing legal services to government

OUR PRIORITIES

Leading with a **system view**

Delivering right sized, timely services that meet government needs

Sustaining core services and capabilities

OUR VALUES

We look after the **mana** of other people

We value our **differences**

We **care** about each other

We recognise our **impact** on others

We take **pride** in all we do

Our long-term indicators

We use the three indicators below from the World Justice Project Rule of Law Index[1] to track how we are achieving our purpose. Crown Law is one of many institutions that contribute to the rule of law in New Zealand. We expect to see New Zealand's score and ranking in the index remain stable in the medium to long term. In the latest Rule of Law Index, which was released in October 2025, New Zealand's global rank improved for the overall index and remained stable for the other two indicators that we track.

World Justice Project Rule of Law Index – New Zealand ranking for selected factors	2019	2020	2021	2022	2023	2024	2025
Overall index score							
Index score	0.82	0.83	0.83	0.83	0.83	0.83	0.83
Global rank	8/126	7/128	7/139	7/140	8/142	6/142	5/143
Government powers are effectively limited by the judiciary							
Index score	0.86	0.87	0.88	0.87	0.87	0.87	0.87
Global rank	4/126	4/128	4/139	4/140	4/142	4/142	4/143
Due process of the law and rights of the accused							
Index score	0.76	0.77	0.79	0.78	0.78	0.81	0.81
Global rank	15/126	15/128	14/139	15/140	15/142	11/142	11/143

[1] worldjusticeproject.org/rule-of-law-index/

Leading with a system view Te ārahi ki te tirohanga ā-pūnaha

An important part of the Solicitor-General's role is providing leadership of government's legal system. To do this effectively, the Solicitor-General must take a system-wide view and draw on the expertise within the Government Legal Network to deliver the best legal services in support of government. This focus underpins everything we do across the organisation.

Contributing to public confidence in law and order is also central to our work through our oversight of public prosecutions and our conduct of criminal appeals. Crown warrant holders are held to high standards by both the profession and the public, and we work closely with all Crown Solicitors to support them in meeting those expectations.

Leadership of the Government Legal Network

The Government Legal Network is a collaborative initiative led by the Solicitor-General and Chief Legal Advisors from government departments. The Government Legal Services Strategy 2022–2026 outlines how the GLN can ensure quality government legal services that are timely, practical and proactive.

Training for government lawyers

Crown Law provided 38 hours of training to government lawyers, reducing departments' costs of compulsory professional development. This training was delivered to 1,870 attendees.

Highlights included:

- the GLN Conference 2026, which was attended by 637 lawyers, with topics including updates on recent legal decisions, lawyering in an emergency, the Regulatory Standards Act 2025 and common issues in contracting
- training for new-to-government lawyers and legal training on the Treaty of Waitangi | te Tiriti o Waitangi
- a half-day of training and legal updates for Chief Legal Advisors from government departments
- seminars on current legal topics, including common GST issues for government, legal issues relating to insurance and a presentation from the Clerk of the House of Representatives.

Oversight of Crown Solicitors

Reviews and appointments

In 2025/26, three survey reviews of Crown Solicitor offices were completed for Whangārei, Gisborne and Palmerston North. The reviews drew on feedback from a range of stakeholders, including defence counsel, prosecuting agencies, Police, and victim support organisations. The reviews indicated that, overall, the offices were performing well, with stakeholders recognising legal capability,

sound prosecutorial judgement and effective advocacy. While findings varied across the three offices, the reviews highlighted the importance of maintaining capability and resilience, managing workload pressures and sustaining effective relationships with key justice sector stakeholders.

As part of the process for appointing new Crown Solicitors in Manukau and Napier, in-depth reviews were undertaken of each Crown Solicitor office. The reviews involved in-person and online interviews with a wide range of stakeholders, including members of the judiciary. The interviews supported an informed assessment of the quality of prosecutorial services, leadership and professional relationships. The reviews demonstrated that both offices are operating at a high standard, with capable and effective prosecution teams, and are respected, trusted members of their local justice sector networks.

Expressions of concern and complaints

We received 27 expressions of concern during the 2025/26 financial year. Three of these were progressed as formal complaints under Crown Law's complaints process. The first complaint related to the handling of a sexual violence prosecution. Following a review, the complaint was not upheld, with the prosecution found to have been conducted appropriately and in accordance with expected prosecution standards. The second complaint, concerning the conduct of a Crown Solicitor, was still being assessed at the end of the reporting period. The third complaint followed a finding of the Court of Appeal that the Crown prosecutor had made significant errors in a trial. At the end of the reporting timeframe, that matter was still being considered. In addition, a complaint received during the 2024/25 financial year was resolved during the reporting period. The review found no misconduct by the Crown Solicitor involved.

Conferences and training

The biennial Crown Solicitors Conference was held in Wellington in October 2025, bringing together Crown Solicitors and prosecutors from across Aotearoa New Zealand, with remote participation available for those unable to attend in person. The 2-day programme featured updates on developments in prosecution practice, judicial perspectives, innovative approaches to evidence presentation and practical advocacy workshops. The conference provided a valuable opportunity for professional development, knowledge sharing and strengthening relationships across the prosecution network.

In addition, two online training sessions were delivered for Crown prosecutors during the year. These sessions focused on prosecutions involving strangulation and responding to Privacy Act 2020 requests. Three more training sessions are planned for 2026/27.

Oversight of prosecuting agencies

We continued our regular engagement meetings with prosecuting agencies to better understand the challenges they face within the prosecution system and the approaches they are taking to address them. These discussions included how stakeholders are working collaboratively to respond to issues such as prosecutor resourcing, capability development, and training needs.

Victims' Rights Act 2002

The Victims' Rights Act ensures that the experience of victims of crime in the criminal justice system is what New Zealanders would expect of high-quality justice sector services.

Five of the 27 expressions of concern received during the reporting period were made by victims. Four were referred to the relevant Crown Solicitor or the appropriate complaints body, and no further action was required by Crown Law. The remaining matter was still under assessment at the end of the reporting period. Three of the four complaints that were active during the reporting period (two complaints received during the year and the complaint carried over from 2024/25) were made by victims. In the two matters concluded during the reporting period, no misconduct or breach of a Crown Solicitor's terms of office was identified.

We continued to engage with the Chief Victims Advisor and justice sector agencies on initiatives aimed at improving victims' experiences of the criminal justice system. This included contributing to the refreshed victims' website and the Victims Future State work programme led by the Justice Sector Directorate.

How we are performing

Leadership of the Government Legal Network

	2022	2023	2024	2025	2026
Satisfaction of Chief Legal Advisors with System Leadership Group's engagement and communication[2]					
Excellent	41.2%	70.8%	50.0%	70.0%	66.7%
Very good	37.5%	25.0%	42.3%	30.0%	20.9%
Good	20.8%	4.2%	7.7%	-	12.5%
Continuous professional development delivered to the Government Legal Network					
Hours delivered	72.5	77.5	65.5	35[3]	38

Satisfaction with System Leadership Group's engagement and communications remained very high in 2025/26, although it was slightly below the previous year. Our goal for this indicator is for results to be stable over the medium term.

Refer to *Training for government lawyers* for information about the continuous professional development opportunities that Crown Law provided to the GLN in 2025/26.

Crown Solicitor network

In 2025/26, our oversight of the Crown Solicitor network included:

- three survey-based reviews
- two in-depth reviews
- three formal investigations in response to complaints
- delivering the biennial Crown Solicitors Conference and two online training sessions.

Refer to *Oversight of Crown Solicitors* for more information.

[2] Crown Law surveys senior legal staff at client agencies through the annual Crown Law client survey, which seeks our clients' opinion of the quality of Crown Law's legal advice and services.

[3] This indicator is also an Estimates performance measure. The target for the measure was reduced to 30 hours in 2024/25 due to changed priorities.

Delivering right-sized, timely services that meet government needs
Te tuku i ngā ratonga e tika ana te rahi me te wā e whakatutukihia ai ngā hiahia o te kāwanatanga

We are a small agency that has served governments for 150 years. Our well-established professional practices stand us in good stead to continue delivering quality legal services, while also giving us a solid foundation from which to evolve to meet changing demands, changing priorities and a changing society.

New Zealanders and the government have high expectations of Crown Law to deliver quality, timely and right-sized legal services. The importance of our role in safeguarding the rule of law is evidenced repeatedly through our work. This unique function is performed through providing practical and authoritative advice on the meaning of the law and its boundaries to assist Ministers and decision makers to implement their policy choices lawfully and appearing in courts and tribunals as they fulfil their constitutional roles in supporting government to operate lawfully and determining disputes.

Our quality framework

Crown Law has processes to ensure we provide high-quality, fit-for-purpose legal services that meet needs and expectations. The mechanisms we use include the following:

- **Continuous professional development** – legal employees must maintain a programme of continuous professional development.
- **Professional standards** – our internal Professional Standards Committee reviews our professional practices, ensuring policies, guidelines, templates and resources represent best practice. All advice provided must be consistent with these policies and guidelines.
- **Peer review and consultation** – all formal Crown Law advice must be peer reviewed by colleagues with relevant and specific legal expertise.

- **Litigation management planning** – involves planning by assigned lead counsel and communication with stakeholders. As with all our work, the outcome sought should be consistent with wider Crown interests.
- **Feedback from other agencies** – our annual satisfaction survey offers an opportunity for other agencies to rate, and comment on, our service. We ask open-ended questions to help us understand how we can improve our legal advice and services.

Working with government agencies and stakeholders

Crown Law supports collaboration on cross-government legal issues. One example is the GLN Emerging Technologies Legal Group. Members of the group from government departments identify and address legal questions to facilitate the provision of technology-based public services. This involves considering how government lawyers ensure they have the capability to advise Ministers and departments on emerging technologies, and that government lawyers also appropriately adopt such technologies (including AI) in their own legal work.

Advising and representing government agencies

Crown Law provides legal advice and litigation representation to public service agencies in a wide range of areas, including their implementation of Government priorities. Our role is to help agencies achieve their objectives lawfully and manage legal risk to the Crown. In 2025/26, this included advice on:

- infrastructure and resource management issues
- Treaty of Waitangi | te Tiriti o Waitangi settlements and Waitangi Tribunal Kaupapa Inquiries
- climate change and climate-related issues
- proposed Conservation Act 1987 reforms
- specific issues that arose during the year, such as the fuel crisis response.

We also provide advice on setting up public inquiries. This year, we advised on the establishment of an inquiry into the landslide at Mauao Mount Maunganui, and we advised on the Public Inquiry into the Disappearance of the Phillips Children.

Settling the Stafford litigation

On 17 December 2025, the Attorney-General and Conservation Minister announced an agreement to resolve the Stafford litigation, a long-running private property claim regarding ownership of land in the Nelson, Motueka and Golden Bay area dating back to the 1840s.

The agreement restores approximately 3,068 hectares of land to descendants of its original owners. The Crown and the owners, descendants of Te Tauihu Māori, agreed to allow continued public access to land currently used by the government agencies, including the Kaiteriteri Recreation Reserve and the Abel Tasman Coast Track Great Walk. There is also a $420 million payment.

People from Crown Law have worked on this case and the agreement for many years. Mr Stafford first raised the issue with the Crown 39 years ago and the breach of trust litigation began in 2010. In addition to the main Stafford proceedings, which involved a ground-breaking decision from the Supreme Court in 2017 and more specific hearings about the land parcels recently, there has also been ancillary litigation (*Stafford v Accident Compensation Corporation*, *Stafford v Attorney-General*) that has addressed key Crown legal issues like Ministers' powers to direct Crown entities and the separate legal personality of core Crown vs Crown entities.

Overseeing complex and long-running cases (supported by authoritative historical evidence) is a core part of the legal services we provide at Crown Law. This case is a good example of what we do and shows the importance of working together at Crown Law and across the Government Legal Network and public sector agencies.

Crown Law and Te Puni Kōkiri supported the Te Here ā Nuku (Nelson Tenths) Act 2026 through Parliament, with the Bill receiving Royal assent on 24 August 2026, marking a significant milestone in resolving this longstanding matter.

At the settlement signing, there were many references to the role of the law and legal processes to fulfil the original deal, including using the whakatauakī, a favourite of Tā Joe Williams, "Ma te ture anō te ture e aki" (by the law, the law itself is upheld), said by Te Kooti Arikirangi in 1893.

Providing proactive advice

Crown Law gives system-wide legal advice on strategic legal topics to facilitate consistency and control legal risk across government. The advice covers matters requiring immediate action and more in-depth legal analysis. In 2025/26, our work included advice on aspects of judicial review, Treaty of Waitangi law and automated decision-making. Of survey respondents who answered the questions about System Advice, 88% agreed that System Advice saves them time. The amount of time saved in a task ranged from less than 30 minutes (15%) to a day or more (4%).

Our legal bulletin, Te Kawerongo, shares updates with government lawyers on legal developments specific to government.

Crown Law reports twice-yearly to the Attorney-General on significant and systemic legal risks. With departments, we identify emerging and existing legal risks that may affect government. This enables system-wide risk management and appropriate action by individual agencies.

Crown Law supports collaboration on cross-government legal issues. One example is a project bringing together employment lawyers across government to share precedents, advice and templates. These are published on our secure online workspace for government lawyers.

How we are performing

Stakeholder satisfaction measures

	2022	2023	2024	2025	2026
Attorney-General satisfaction with the quality of advice and representation provided by Crown Law					
	Satisfied	Satisfied[4]	3.5/5	4.5/5	4.3/5
Partner satisfaction with the quality of advice and representation provided by Crown Law[5]					
Overall quality of advice and services					
Excellent	29.2%	37.5%	44.4%	50%	45.8%
Very good	58.3%	45.8%	48.1%	46.7%	37.5%
Good	12.5%	16.7%	7.4%	3.3%	16.7%
Satisfaction with timeliness					
Excellent	20.8%	41.7%	44.4%	48.3%	34.8%
Very good	58.3%	45.8%	33.3%	48.3%	34.8%
Good	20.8%	12.5%	18.5%	3.4%	13.0%
Did not meet expectations	-	-	3.7%	-	13.0%
Poor	-	-	-	-	4.4%
Percentage of clients who consider the service received represents value for money					
Excellent	45.8%	52.2%	36.0%	48.2%	33.3%
Very good	29.2%	34.8%	44.0%	33.3%	38.1%
Good	20.8%	13.0%	20.0%	18.5%	28.6%
Did not meet expectations	4.2%	-	-	-	-

Partner satisfaction with the quality of advice and representation provided by Crown Law remained high in 2026, although it was slightly below the previous year.

Satisfaction with timeliness decreased in 2026. The transition between Solicitors-General and a temporary recruitment pause led to staffing levels being below planned levels for part of the year, reducing available capacity across Crown Law's legal services.

The percentage of clients who consider the service received represents value for money decreased in 2026, likely influenced by cost pressures experienced by client agencies. However, 100% of responses rated value for money as 'good' to 'excellent'.

Our goal for these indicators is for results to be stable over the medium term.

4 Results for 2022 and 2023 were from a different Attorney-General and used a different survey format. They are not comparable to the 2024, 2025 and 2026 results.

5 Crown Law surveys senior legal staff at client agencies through the annual Crown Law client survey, which seeks our clients' opinion of the quality of Crown Law's legal advice and services.

Sustaining core services and capabilities
Te whakaū i ngā ratonga matua me ngā āheinga

Financial sustainability is an ongoing focus for both Crown Law and Crown prosecution services. We continue to manage ongoing cost pressures within a constrained funding environment.

The Financial Sustainability Programme (FSP) was established to support Crown Law to maintain operations within current baseline and ensure our ongoing sustainability.

On 1 April 2026, the FSP became a permanent team and was renamed Organisational Change and Improvement (OCI). OCI delivers priority business change and improvement initiatives, including changes to processes, systems, ways of working and service delivery to drive efficiency, in line with our strategic priorities.

OCI delivers initiatives in a structured, disciplined and sustainable way, with a focus on strengthening long-term capability and performance. 2025/26 OCI and FSP deliverables included the following:

- **Legal services prioritisation** - designed and implemented a decision framework to assist with prioritising and resourcing legal work by setting out common considerations linked to organisational focus areas.
- **High Court Rules** - played a key role in preparing for High Court Rules changes, providing project coordination, change management, process design, communications support and ongoing implementation support.
- **Strategic insights and reporting** - created the Organisational Performance Report to improve senior leadership visibility of performance and results.
- **Capability and delivery model** - built reusable tools, resources and framework to accelerate project delivery, improve consistency of support and strengthen stakeholder engagement.

OCI's current focus:

- **Legal Practice Management Modernisation Programme** – replacing an outdated legacy system, enabling a modern and efficient legal practice. The programme is also modernising core processes, governance, reporting and financial management, and positioning Crown Law to align with government cloud policy and future court systems.
- **Sustainable Legal Support** – a programme to address capacity pressures in legal support services by improving consistency of practice, workforce planning and supporting sustainable ways of working. Initiatives include clearer role expectations, standardised processes and enhanced training and induction.
- **Te Au Reka** – a justice sector transformation initiative introducing a new national digital case management system. OCI provides coordination and oversight to support Crown Law's engagement, ensuring alignment

with organisational priorities and readiness for changes to practice, roles, processes and information management arising from implementation.

Sustainability of Crown prosecution services

Demand for Crown prosecution services provided by the Crown Solicitor network remained high in 2025/26. While the volume of Crown prosecutions disposed of by the network decreased by 1% compared to 2024/25, the average number of active prosecutions increased by 2% and reported Crown prosecution hours increased by 5%, reflecting the increasing complexity and resourcing requirements of prosecutions.

Forecasts show that both disposal volumes and reported hours are expected to increase over the medium term, suggesting that pressure on the network will continue. We continue to actively manage Crown prosecution funding to ensure the work is sustainably funded and that the Crown Solicitor network is able to respond to changes in demand arising from legislative and policy changes, shifts in offending patterns and regional service delivery pressures. Sustainable service delivery depends both on funding keeping pace with changes in demand and on Crown Solicitors continuing to deliver prosecution services efficiently and effectively across their warrants.

How we are performing

Operating within baseline

In 2025/26, Crown Law operated within its approved baseline. Total revenue was $129.2 million and total expenses were $124.2 million, resulting in a surplus of $4.9 million. Expenditure was managed within appropriations, supported by savings from reduced contractor spend and efficiency measures.

Refer to the *Statement of comprehensive revenue and expense* and the *Statement of budgeted and actual expenses and capital expenditure against appropriations* for more information.

Our clients confirm that we are doing the right things

	2022	2023	2024	2025	2026
Crown Law's understanding of clients' business and operating environment[6]					
Excellent	25.0%	37.5%	18.5%	23.3%	16.7%
Very good	62.5%	37.5%	51.9%	46.7%	37.5%
Good	12.5%	25.0%	29.6%	30.0%	41.7%
Poor	-	-	-	-	4.2%
How responsive Crown Law is to client needs					
Excellent	54.2%	50.0%	55.6%	50.0%	37.5%
Very good	29.2%	37.5%	33.3%	36.7%	41.7%
Good	12.5%	12.5%	11.1%	13.3%	20.8%
Did not meet expectations	4.2%	-	-	-	-

Although results have decreased in 2026, 100% of responses said Crown Law's responsiveness to client needs was 'good' to 'excellent' and 96% said Crown Law's understanding of their business and operating environment was 'good' to 'excellent'. The decrease in results for these indicators is likely to be related to the decrease in satisfaction with timeliness that was discussed earlier in this report.

[6] Crown Law surveys senior legal staff at client agencies through the annual Crown Law client survey, which seeks our clients' opinion of the quality of Crown Law's legal advice and services.

Assessment of operations
Te aromatawai i nga mahi

Implementing the Government's priorities

Baseline savings

Crown Law's baseline was reduced by $2 million in 2024/25 as part of the Budget 2024 Initial Baseline Exercise, which required agencies to identify savings. We achieved these savings by scaling back support functions and non-essential legal functions.

Crown Law was not required to make baseline reductions in 2025/26.

Reduction in expenditure on contractors and consultants

In 2025/26, Crown Law reduced expenditure on contractors and consultants by $0.8 million.

Total expenditure on contractors and consultants in 2025/26 was $1.4 million (4.0% of total departmental workforce expenditure). This compares with total expenditure of $3.6 million in 2023/24 and $2.2 million in 2024/25, which represents 10.3% and 6.1% of total departmental workforce expenditure in these years respectively.

Expenditure on contractors and consultants decreased from 2024/25 to 2025/26 due to the successful implementation of Crown Law's payroll system replacement project and the delay of Crown Law's legal practice management system project following internal restructuring of IT services. Both of these events resulted in the release of contractors attached to both projects.

Government targets

Crown Law is not a lead agency for the Government targets. As one of the justice sector agencies, we support delivery of the following.

- **Reduced violent crime** – 20,000 fewer people who are victims of an assault, robbery or sexual assault (lead agency – Ministry of Justice).
- **Reduced child and youth offending** – 15% reduction in the total number of children and young people with serious and persistent offending behaviour (lead agency – Oranga Tamariki).

Other Government and ministerial priorities

The Attorney-General has the role of ensuring government according to law. Maintaining a sustainable Crown prosecution service remains an important priority in supporting the effective administration of justice.

Crown Law's strategic priority *sustaining core services and capabilities* includes sustainability of Crown prosecution services.

Crown Law also supports the justice sector's timely justice priority. We contribute to this work through our membership of the Justice Sector Leadership Board and through our role assisting the Solicitor-General's oversight of public prosecutions and administering the network of Crown Solicitors.

Assessment of operations

Crown Law's services are primarily delivered by our three legal groups, each of which has several teams and is led by a Deputy Solicitor-General. The services delivered by these teams are covered by the Law Officer Functions multi-category appropriation. The 2025/26 performance information for this appropriation is included in *Performance information on appropriations*.

Criminal group provides advice and representation on criminal appeals and related criminal matters. The Public Prosecutions Unit provides oversight and supervision of public prosecutions, including managing funding for all Crown prosecutions.

Attorney-General's group provides advice and representation on constitutional and human rights matters, and in relation to Treaty of Waitangi | te Tiriti o Waitangi matters. The System Leadership Team provides oversight and leadership to the Government Legal Network.

Crown Legal Risk group provides advice and representation across a wide range of subjects through four public law teams. A fifth team advises and represents the Crown on matters concerning the protection of revenue.

Our legal groups are supported by the **Strategy and Corporate group**, which provides essential enabling business services and administrative and specialist legal support services to support Crown Law to operate efficiently and achieve its purpose.

Our business groups collectively contribute to our strategic priorities.

Service performance judgements and assumptions

In the preparation of the service performance information contained in Crown Law's Annual Report, Crown Law has made the following judgements in the selection of our service performance measures:

- We have reflected on how best to capture our service performance by reporting on appropriate performance measures that are consistently measurable and provide the public with a good understanding of how Crown Law operates.
- We have ensured that the performance measures adequately inform progress towards the strategic priorities in Crown Law's Strategic Intentions 2024-29.

Under the Public Finance Act 1989, we are mandated to provide standard performance measures so the public can compare the level of service provided in relation to the discharge of the Law Officers' constitutional, criminal law and system leadership responsibilities, including legal advice and representation. We are also required to demonstrate compliance with statutory measures (such as the percentage of responses to Official Information Act 1982 and Privacy Act 2020 requests on time).

Further to the above judgements, in the selection of performance measures, we also apply judgements in the measurement, aggregation and presentation of performance information.

Material judgements have been applied as follows:

- **Survey:** To measure the quality of our outputs, we use an annual client survey to assess how well we provide legal advice and representation services to our clients as well as the quality of our system leadership initiatives delivered through the Government Legal Network. Crown Law uses a commercially available survey tool when surveying clients and stakeholders. The survey is designed to capture a snapshot of performance on a yearly basis and to elicit

truthful responses from the group surveyed (the survey does not contain leading questions and uses a neutral tone). The response rate for the 2026 client survey was 65%.

- **External implications for statements about performance:** Conditions that affect the service performance results may result in variation from forecasted or targeted results that are outside Crown Law's control such as where demand forces are the primary driver behind a performance measure's result.
- **Assumptions:** Crown Law uses forecasting to determine future performance against our non-financial performance measures. Target ranges shown for each measure are based on forecast data.

Performance information on appropriations

Identification of service performance information

Service performance information for Crown Law is contained in the following sections of the Annual Report.

- Our strategic intentions (pages 8-19).
- Performance information on appropriations (pages 23-29).

Statement of compliance

The service performance information has been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The performance information on appropriations has been prepared in accordance with Tier 1 public benefit entity (PBE) financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

Law Officer Functions – multi-category appropriation (MCA)

Overarching purpose and intention

The single overarching purpose of this appropriation is to provide for the discharge of the Law Officers' constitutional, criminal law and system leadership responsibilities, including legal advice and representation.

This appropriation is intended to achieve improvement in the management of Crown legal risk and improved criminal justice, maintain strong legal institutions and strengthen the influence of the rule of law.

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
4.5	The Attorney-General is satisfied with the services provided by Crown Law[7]	At least 3 out of 5	4.3

How much it cost

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supplementary Estimates 2026 $000
	Revenue			
105,169	Crown	101,317	104,017	101,317
27,904	Other	27,842	30,790	31,790
133,073	**Total revenue**	**129,159**	**134,807**	**133,107**
	Expenditure			
129,150	**Expenditure**	**124,222**	**134,807**	**133,107**
3,923	**Total annual and permanent appropriations**	**4,937**	**-**	**-**

[7] This performance measure is calculated based on an averaged result of the annual Attorney-General's Satisfaction Survey. The survey asks the Attorney-General to provide a score out of five for several factors that contribute to their satisfaction with Crown Law's advice and representation.

Law Officer Functions (MCA) – Conduct of Criminal Appeals from Crown Law Prosecutions

This category is intended to achieve safer communities, reduced impact of crime and related justice sector outcomes.

What we achieved

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
Quantity – new matters			
22	Crown appeals	15-30	25
821	Accused appeals	700-800	937
This performance measure is demand-driven. While the inflow of new matters may vary significantly from year to year, particularly where multiple appeals are brought against the same judgment, there has been a consistent upward trend in accused appeal numbers. The forecast range for 2026/27 has been updated to reflect this trend.			
Quality			
75%	Percentage of Crown appeals concluded in favour of the Crown	60%	65%

How much it cost

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supplementary Estimates 2026 $000
	Revenue			
11,365	Crown	11,127	11,127	11,127
-	Other	-	50	50
11,365	**Total revenue**	**11,127**	**11,177**	**11,177**
	Expenditure			
7,382	**Expenditure**	**7,942**	**11,177**	**11,177**
3,983	**Total annual and permanent appropriations**	**3,185**	**-**	**-**

Law Officer Functions (MCA) – Law Officer Constitutional and Criminal Law Duties

This category is intended to achieve increased trust in the justice system through the performance of the Principal Law Officers' constitutional and other duties.

What we achieved

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
Quantity – new matters			
46	Applications processed on behalf of the Attorney-General	30-50	56
This performance measure is demand-driven and the inflow of new matters may vary significantly from year to year.			
141	Advice on behalf of the Attorney-General	120-160	135
20	Litigation on behalf of the Law Officers (Attorney-General and/or Solicitor-General)	10-25	14
5	Criminal advice	5-10	5
5	Judicial reviews	5-10	8
115	Mutual assistance and extraditions	100-120	120
111	Criminal cases (other types)[8]	80-100	130
This performance measure is demand-driven and the inflow of new matters may vary significantly from year to year. We consider whether to update the forecast range based on a historical trend analysis and consideration of factors such as policy changes and recent events.			
84	Requests for prosecution appeals and judicial reviews	70-110	74
Timeliness[9]			
90%	Ministerial correspondence on time	100%	95%
This result is a significant improvement from the previous year. Timeframes for ministerial correspondence are determined in consultation with the Office of the Attorney-General and may be adjusted on a case-by-case basis such as coordinating with other agencies or balancing other internal priorities.			
100%	Responses to Parliamentary questions on time	100%	100%
100%	Official Information Act 1982 and Privacy Act 2020 responses on time	100%	99%
One Official Information Act and one Privacy Act response, out of 242, were not responded to on time due to administrative oversights.			

8 The criminal cases under this performance measure include stays due to death, consent to criminal prosecutions, immunities from prosecution and request to amend murder to manslaughter or other charge.

9 The timeframes for delivering ministerial correspondence and Parliamentary questions are agreed with the Attorney-General's Office. Delivery of Official Information Act 1982 and Privacy Act 2020 responses are determined by legislative deadlines.

How much it cost

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supplementary Estimates 2026 $000
	Revenue			
12,085	Crown	9,678	12,378	9,678
57	Other	34	70	70
12,142	**Total revenue**	**9,712**	**12,448**	**9,748**
	Expenditure			
8,990	**Expenditure**	**8,583**	**12,448**	**9,748**
3,152	**Total annual and permanent appropriations**	**1,129**	**-**	**-**

Law Officer Functions (MCA) – Public Prosecution Services

This category is intended to achieve safer communities, reduced impact of crime and related justice sector outcomes.

What we achieved

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
Quantity			
6,760	Crown prosecutions, including appeals to the High Court from non-Crown prosecutions, disposed of	6,600-7,400	6,700
312,092	Hours of service provided by the Crown Solicitor Network	313,000-349,000	327,199
5	Number of quality assurance reviews (full network is reviewed on rotation every three years)	5-6	5
Quality			
5	Reviews, quality assessed as exceeding or meeting expected standards	5-6	5

How much it cost

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supplementary Estimates 2026 $000
	Revenue			
79,110	Crown	77,553	77,553	77,553
-	Other	1	20	20
79,110	**Total revenue**	**77,554**	**77,573**	**77,573**
	Expenditure			
82,607	**Expenditure**	**77,554**	**77,573**	**77,573**
(3,497)	**Total annual and permanent appropriations**	**-**	**-**	**-**

Law Officer Functions (MCA) – Strategic and Operational Legal Advice and Representation

This category is intended to achieve improved management of Crown legal risk and better policy decisions informed by legal implications, and enable the Crown to improve the value generated from the collective resources of the Government Legal Network.

What we achieved

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
Quantity - new matters			
327	Advice	250-350	282
259	Litigation	200-250	263
84	Judicial review	80-100	88
88	Claims before Waitangi Tribunal	50-100	86
35	Number of continuous professional development compatible hours delivered annually to the Government Legal Network	30	38
Quality			
100%	Responses to the client survey that consider the advice and services received overall are good to excellent[8]	90%	100%
100%	Responses to the client survey that consider the responsiveness, relevancy, accuracy, and clarity of advice are good to excellent[10]	90%	100%

[10] Crown Law surveys senior legal staff at client agencies through the annual Crown Law client survey, which seeks our clients' opinion of the quality of Crown Law's legal advice and services. The results of these performance measures exclude 'unable to rate yet' responses.

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
	What we achieved (continued)		
100%	Written opinions and advice that are peer reviewed	90%	99%
100%	Chief Legal Advisors consider Government Legal Network team engagement and communications as good to excellent[7]	90%	100%
New measure	Departmental lawyers who access System Advice agree it saves them time and/or improves the quality of their work	75%	98%
Timeliness			
100%	Responses to the client survey that consider timeliness in responding to requests are good to excellent[11]	85%	83%
	The transition between Solicitors-General and a temporary recruitment pause led to staffing levels being below planned levels for part of the year, reducing available capacity across Crown Law's legal services and contributing to a decline in performance against this measure.		
87%	Written opinions/advice (final or draft) completed by the due date	85%	81%
	The decrease from last year is mainly related to workforce capacity pressures across Crown Law's legal services.		
82%	Litigation Management Plans completed by the due date	80%	85%

How much it cost

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supplementary Estimates 2026 $000
	Revenue			
2,609	Crown	2,959	2,959	2,959
27,847	Other	27,807	30,650	31,650
30,456	**Total revenue**	**30,766**	**33,609**	**34,609**
	Expenditure			
30,171	**Expenditure**	**30,143**	**33,609**	**34,609**
285	**Total annual and permanent appropriations**	**623**	**-**	**-**

[11] Crown Law surveys senior legal staff at client agencies through the annual Crown Law client survey, which seeks our clients' opinion of the quality of Crown Law's legal advice and services. The results of these performance measures exclude 'unable to rate yet' responses.

Crown Law Office – capital expenditure PLA

This appropriation is intended to achieve the renewal and replacement of life-expired assets in support of the delivery of the Crown Law Office's services.

Performance information

Actual 2024/25	Performance measure	Budget standard 2025/26	Actual 2025/26
Achieved	Expenditure is in accordance with the Crown Law Office's capital asset management plan	Achieved	Achieved

How much it cost

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supplementary Estimates 2026 $000
71	**Total capital expenditure**	**916**	**1,086**	**1,086**

The increased actual capital spend was mainly due to IT projects for the replacement of end-of-life hardware devices purchased in 2025/26 that had been delayed from the prior year.

Our organisational capability Te āheinga o tō mātou whakahaere

People capability

For Crown Law to deliver excellent, relevant and valued services to our customers and to New Zealand, our people need professional development as well as being engaged in their work, collaborative and welcoming of diverse perspectives. Everyone needs to feel safe in the workplace and comfortable sharing ideas, and considering different viewpoints.

Continuing legal education for Crown Law counsel

Crown Law supports the continuing legal education requirements of counsel, with a particular emphasis on Crown practice, and provides all Crown Law staff with educational updates and information. We do this through a range of activities, including fortnightly lunchtime seminars.

We also deliver initiatives focused on developing counsel skills and capability for Assistant Crown Counsel (ACC), including an annual litigation skills programme for junior counsel with at least one year of litigation experience, as well as a dedicated ACC training programme.

Lunchtime seminars delivered to all staff in 2025/26 included:

- professional conduct and practice management
- updates on legal developments relating to our core areas of work
- seminars from external organisations and office holders including the Chief Victims Advisor, Public Service Commission and the Parliamentary Counsel Office.

Diversity, equity and inclusion (DEI)

Crown Law meets its equal employment opportunity commitments through the practices we established in our previous Diversity, Equity and Inclusion Plan and Kia Toipoto Pay Gap Action Plan and wider culture and capability work programme. A Workforce Diversity Action Plan for 2026-2028 is in development, in line with the updated Public Service Commission guidance.

DEI activities by Crown Law over the last year included:

- **Addressing bias | Te urupare i te mariu** – We developed and launched unconscious bias online learning and developed an unconscious bias facilitated training option. We hosted webinars on understanding and supporting neurodiversity in the workplace. Crown Law became a member of the New Zealand Disability Employers' Network Public Service Community of Practice in 2026.
- **Cultural competence | Te āheinga ā-ahurea** – We delivered online learning in te ao Māori to employees, offered facilitated introductory te reo Māori workshops, embedded the use of karakia in team meetings and events, and launched te reo immersion wānanga for employees who

need to speak te reo Māori as a required part of their role. We also delivered The Wall Walk, including hosting participants from other small agencies to help ensure value for money across the public service. Organisation-wide initiatives have focused on celebrating Matariki and Te Wiki o te Reo Māori (Māori Language Week). See *Māori Crown relations capability* for more information.

- **Inclusive leadership | Hautūtanga ngākau tuwhera and Fostering diverse leadership | Hautūtanga kākano rau** – We continued using our internal leadership expectations and behaviours framework, delivered leadership training as part of an inhouse Experienced People Leaders programme and supported leaders to attend external leadership development opportunities. We promoted the tools and guidance for performance development conversations and continued equitable selection processes for training and leadership programmes.
- **Employee-led networks | Ngā tūhononga e kōkiritia ana e ngā kaimahi** – We continue to support employee-led networks (ELN) and ELN-led initiatives in the workplace. They provide the opportunity for our people to share their ideas and concerns and provide insights towards workforce policy and initiatives at Crown Law. In 2025, a new ELN was established for neurodivergent employees.

Pay Gap Action Plan

Crown Law's diversity action plan aims to identify and address gender and ethnic pay gaps.

The gender pay gap compares the average salaries for all men and women at Crown Law. Likewise, ethnic pay gap analysis compares the average salary of those identifying in a particular ethnic group compared to the average for those who do not.

	2025	2026
Overall gender pay gap	21.0%	22.5%

The majority of Crown Law's workforce are women. Over half of Crown Law's managers are women. As at 30 June 2026, Crown Law's Leadership Team consisted of three women and two men.

The overall (vertical) gender pay gap has increased over the last year. This is directly related to the organisational structure. Junior lawyers and support staff paid in the lower pay bands are predominantly women. As a small workforce, the data was also impacted by the profile of people who left Crown Law over the past year, which included junior male lawyers and senior female employees.

We continue to apply starting salary guidance in all our appointment processes. This provides guidance on placement in range based on the level of demonstrable skills, experience and knowledge an individual brings to the role and having regard for internal relativities.

We also undertook an annual gender and ethnic pay analysis to ensure there are no unjustified horizontal pay gaps.

Māori Crown relations capability

As advisors to and representatives of the Crown, we need to be capable of supporting the relationship between the Crown and Māori and be confident in dealing with te ao Māori in our legal work. To achieve this, we must adopt a considered and appropriate approach to build understanding and knowledge of te ao Māori and tikanga Māori across the workforce. We provide training opportunities in the following:

- Te reo Māori at the introductory level and immersion level, depending on role

requirements and current capability. Our Study Assistance Policy provides for te reo Māori development outside of our current offerings.

- Te Tiriti/Aotearoa New Zealand history through online learning and delivery of The Wall Walk.
- Tikanga/kawa Māori – supported through activities such as karakia and karakia kai for use in the office and offering a mihi whakatau to new employees as part of their introduction to Crown Law.

Crown Law demographic profile (as at 30 June 2026)[12]

Workforce[13]			
216	people	73.4% (157)	European
68.1% (147)	of our workforce are women	7.5% (16)	NZ Māori
30.6% (66)	of our workforce are men	4.2% (3)	Pacific people
1.4% (3)	of our workforce are another gender	12.1% (26)	Asian
		0.5% (1)	MELAA[14]
		15.4% (33)	Other ethnicity[15]
Our locations			
87.0% (188)	based in Wellington		
9.3% (20)	based in Auckland		
3.7% (8)	based in other regions around Aotearoa New Zealand		
Leadership cohort[12]			
24	people		
54.2% (13)	of our tier 1-3 are women		
45.8% (11)	of our tier 1-3 are men		
Lawyer cohort			
66.1% (78)	are women		
33.9% (40)	are men		

[12] Figures are based on employees as at 30 June 2026 plus the Solicitor-General. Headcounts have been included in brackets. Demographics on gender and ethnicity are based on how employees have self-identified and using classifications provided by Stats NZ.

[13] Ethnicity – total percentage exceeds 100% because employees can declare more than one ethnicity.

[14] MELAA classification includes Middle Eastern, Latin American and African ethnicities.

[15] Other ethnicity classification includes Indigenous American, Mauritian, Seychellois, Other South African, New Zealander and Other Ethnicity not elsewhere classified.

Workplace health, safety and wellbeing

Our Leadership Team and Assurance and Risk Committee consider wellbeing, health and safety (WHS) regularly. Governance of wellbeing, health and safety issues and initiatives is also provided by the Performance and Capability Governance Committee.

The last year saw a maturing of the WHS framework, including a continued focus on ways to address psychosocial risk and wider representation on the WHS Committee. Specific actions included:

- providing Health and Safety Representative training for all WHS Committee members
- promotion of professional coaching (professional supervision) available to build resilience and develop strategies for enhanced professional practice
- delivering Mental Health 101 training for leaders and senior staff as part of a mental health crisis response initiative
- making flu shots available for all our people
- Employee Assistance Programme (EAP) for confidential counselling, including support for symptoms of menopause impacting on performance and career
- support and training for Safety Net – Crown Law volunteers with the purpose of "proactively keeping our people safe through policy, education, support and growing cultural awareness" relating to sexual misconduct and harassment in the workplace
- refreshed WHS Policy and Guidelines
- regular Leadership Team presence at WHS Committee meetings
- representation at the Government Health and Safety Conference
- increased lawyer representation on the WHS Committee.

WHS performance indicators

	2024/25	2025/26
Workplace lost-time injuries	0	0
Workplace injuries (minor)	2	2
Work-related notifiable injuries	0	0
Early report pain or discomfort / workplace support provided	1	12
Professional Coaching (Supervision) sessions attended	30	115
Number of trained First Aiders[16]	20	22
Number of Wellbeing, Health and Safety Committee members	10	9
Number of Wellbeing, Health and Safety Committee members formally trained as Health and Safety Representatives[17]	0	8

[16] As at 30 June each year.

[17] Training for WHS Committee members was elevated to H&S Representative training (HSR Stage 1) in 2025/26. Previously, committee members were trained in understanding the role and function of a H&S Committee.

Digital transformation

The Digital Transformation Programme was established to meet expectations of public sector digital capability alongside the standards agencies must meet for security, privacy and the protection of official information. Building and maintaining technology that is modern, secure and reliable, while continuing to deliver the essential services the organisation depends on each day, is a significant and ongoing undertaking.

Modernising Crown Law's established technology environment is complex. It means renewing core systems and strengthening security while keeping existing services stable and protecting the information we hold. The work is structured to manage that balance and to sequence change without disrupting essential legal work.

In March 2025, Crown Law endorsed its Digital Transformation Strategy as a key organisational objective and has since reshaped its technology capability and delivery approach. A coherent programme now guides prioritisation and delivery, and improvements are being made. The strategy is a living document that continues to evolve as priorities change.

- **Reshaped technology capability and delivery.** A reshaped technology function, with strengthened leadership and delivery roles, has established a more resilient operating model and lifted the pace of remediation.
- **A single, coherent programme.** Strategy, transformation initiatives and day-to-day services are brought together under one right-sized programme, with proportionate governance, clear prioritisation and active management of risk.
- **Strengthened security and information protection.** Access controls, identity management and the protection of official information have been strengthened, supported by ongoing alignment with recognised government security standards and independent assurance.
- **Movement to modern, supported platforms.** Core systems are moving onto modern, cloud-based and supported platforms, reducing reliance on ageing technology and improving the resilience of essential services.
- **More disciplined delivery and risk management.** Structured planning, change management and regular assurance reporting give greater transparency and accountability over how change is delivered and how risk is managed.
- **Stronger internal capability and alignment.** Investment in internal capability is improving the organisation's ability to plan, prioritise and deliver, and to align technology with business priorities and long-term sustainability.

This progress has been deliberate and carefully managed, with change sequenced within the organisation's capacity and informed by ongoing risk assessment and clear prioritisation. A strong foundation is in place, and the work continues in a planned and disciplined way.

Governance and assurance

Crown Law's Leadership Team is supported by the following:

- The **Performance and Capability Governance Committee** (PCGC) reviews Crown Law's operational management and performance, including security, information and records, people capability, finance, and health and safety.
- The **Professional Standards Governance Group** (PSGG) reviews the professional performance of Crown Law's legal

services and system leadership role across government. The PSGG is supported by a working group, the Professional Standards Committee.

- The **Assurance and Risk Committee** (ARC) provides an independent perspective on Crown Law's performance, assurance and strategic risk management. The ARC has two independent members, including the Chair.
- The **GLN Governance Board** oversees activities to support the GLN and supports the Solicitor-General in her consideration of and response to legal risk matters. It has independent members from across the GLN.

Managing risk

Crown Law operates a risk assessment framework that helps to assess legal and operational risk (including technology, security, privacy, fraud and corruption, procurement and business risk). Crown Law maintains the Crown's Significant Legal Risk Register. This register captures significant legal risks for individual departments and systemic legal risks that affect multiple departments or the whole Crown. A report on key legal risks is provided twice a year to the Attorney-General.

Our sustainability reporting

For the Carbon Neutral Government Programme, we have chosen 2019/20 as our base year. Our emissions have been reported and independently verified by Toitū Envirocare. We are a Toitū Carbon Reduce organisation, and a copy of our Toitū Carbon Reduce certification disclosure can be viewed on the Toitū website.

Total annual emissions and their source

In 2025/26, Crown Law emitted 118.78 tCO_2e (tonnes of carbon dioxide equivalent), a 52% reduction from our base year (246.74 tCO_2e). This decrease is primarily due to a 67% reduction in air travel compared to the base year.

Looking ahead, the phased implementation of Te Au Reka is expected to support further reductions in travel and paper consumption by enabling more digital interactions with the courts and increasing opportunities for remote participation where appropriate.

Across our two offices, the main sources of emissions were business travel, wastewater, paper use and electricity.

Our Sustainability Working Group continues to identify and implement strategies to minimise emissions and prevent future increases.

Emissions profile broken down by scope and total annual emissions (tCO_2e)	Base year 2019/20	Prior year 2024/25	Current year 2025/26
Category 1: Direct emissions	0.33	2.10	2.10
Category 2: Indirect emissions from imported energy	9.19	4.31	4.65
Category 3: Indirect emissions from transportation	194.76	91.04	91.03
Category 4: Indirect emissions from products used by the organisation	42.45	23.77	20.99
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	0.00	0.00
Category 6: Indirect emissions from other sources	0.00	0.00	0.00
Total direct emissions	**0.33**	**2.10**	**2.10**
Total indirect emissions	**246.41**	**119.12**	**116.68**
Total gross emissions in tCO_2e	**246.74**	**121.22**	**118.78**
Change in gross emissions since base year		**-51%**	**-52%**

Total emissions breakdown by sources 2025/26	2025/26	Percentage
Travel - flights	53.08	45%
Taxi, petrol and mileage	27.66	23%
Wastewater services	9.87	8%
Paper	7.63	6%
Electricity transmission and distribution losses	7.18	6%
Travel - accommodation	5.78	5%
Working from home	4.01	3%
Waste	2.16	2%
Water supply	0.91	1%
Freight	0.50	0%
Total gross emissions in tCO_2e	**118.78**	**100%**

Emissions intensity by FTE

Since our base year, Crown Law has achieved a significant reduction in emissions intensity. Emissions per FTE and per million dollars of expenditure have both decreased, reflecting our commitment to sustainability and our initiatives to reduce our carbon footprint.

Emissions intensity by FTE and expenditure	Base year 2019/20	Prior year 2024/25	Current year 2025/26
KPI			
FTEs	199	232	216
Expenditure ($m)	72.64	129.15	124.29
Emissions intensity			
Total gross emissions per FTE in tCO_2e	1.24	0.52	0.55
Total gross emissions per million dollars of expenditure in tCO_2e	3.40	0.94	0.96

Our reduction targets

Crown Law is committed to reducing carbon emissions and has reduction targets aligned to keep global warming to less than 1.5°C of warming as required under the Carbon Neutral Government Programme.

Our target also aligns to the Toitū Carbon Reduce programme. We have set the following emissions reduction targets:

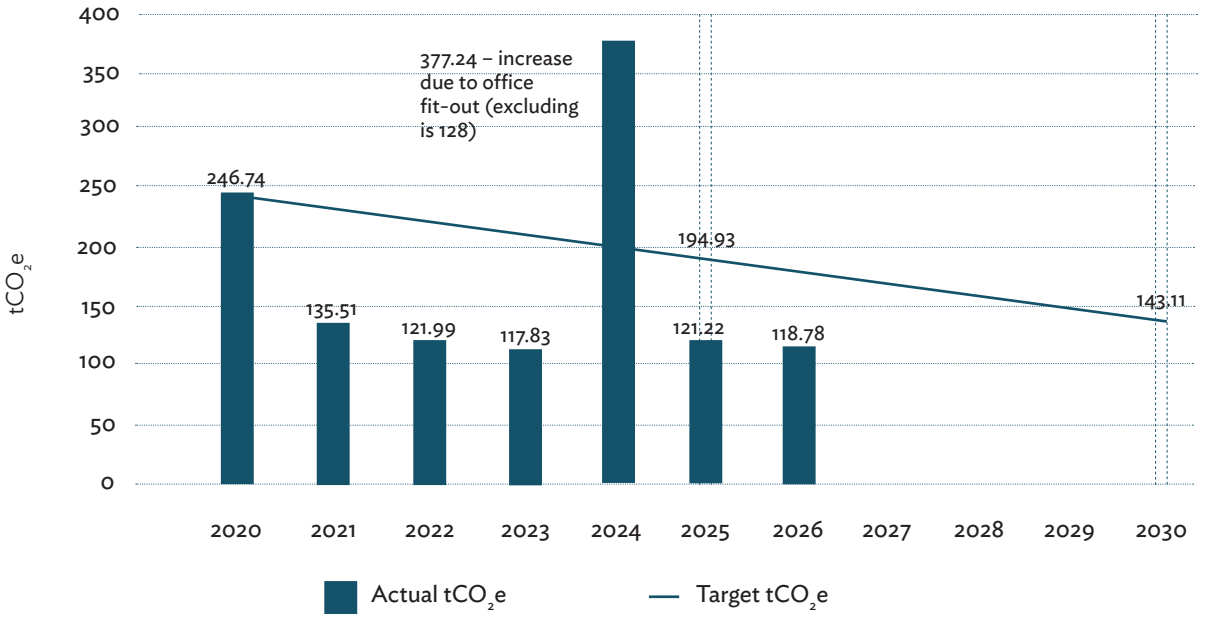
- **2025 target:** Gross emissions (all categories) to be no more than 195 tCO_2e or a 21% reduction in gross emissions (all categories) compared to base year FY19/20.
- **2030 target:** Gross emissions (all categories) to be no more than 143 tCO_2e or a 42% reduction in gross emissions (all categories) compared to base year FY19/20.

Progress towards our targets

Our emissions for 2025/26 have decreased by 52% compared to our base year of 2019/20, primarily due to a reduction in air travel and paper use. Maintaining this current level of emissions would enable us to meet our emissions targets.

We anticipate our emissions profile to remain relatively stable over the coming financial year. Our primary focus will be managing and reducing business travel emissions, which remains our largest source of greenhouse gas emissions. The Sustainability Working Group will continue to lead initiatives that encourage sustainable travel practices and support lasting behavioural change across the organisation. This effort will be complemented by the ongoing digitisation of court services, including the rollout of Te Au Reka, which is expected to reduce reliance on paper-based processes and enable greater use of remote participation where appropriate, reducing the need for travel.

Total emissions against targets



Our reduction plans and future reporting

Future reduction plans

Having exceeded our 2025 emissions reduction target, our focus is now on sustaining this performance and progressing towards our 2030 target. The Sustainability Working Group is leading initiatives to reduce emissions and embed sustainable practices across the organisation.

- **Paper:** Paper consumption remains below our base year levels. The Sustainability Working Group continues to support initiatives that promote digital ways of working and further reduce paper use across the organisation.
- **Travel:** Reducing travel-related emissions remains a key focus for Crown Law. We continue to increase the use of remote hearings where appropriate, supported by dedicated remote hearing facilities and digital ways of working. Looking ahead, the continued rollout of Te Au Reka and wider court digitisation initiatives are expected to support greater remote participation, reducing the need for travel while improving access to court services.

As part of our commitment to ongoing improvement, our plans for the 2026/27 financial year include the following:

- The Sustainability Working Group will continue to prioritise initiatives that reduce travel and paper consumption across the organisation. This includes supporting digital-first ways of working, identifying practical emissions reduction opportunities and actively supporting the wider justice sector's digital transformation initiatives, including the implementation of Te Au Reka.
- Increasing awareness and encouraging behavioural change through targeted communications and staff engagement initiatives that support sustainable choices both at work and in everyday life.

Improving our data

Crown Law has strengthened its emissions reporting processes to support accurate and reliable carbon accounting. A planned upgrade

of our financial management system will provide opportunities to better capture and classify emissions-related data, enabling the potential for more detailed reporting and more effective monitoring of our emissions reduction performance.

Other reporting obligations

Crown Law is subject to other organisational reporting obligations, noted below.

Treaty of Waitangi | Te Tiriti o Waitangi settlement commitments

Crown Law had one Treaty settlement commitment from 1993 that was completed on 8 July 2026 – a procedural step in the Wai 94 agreement to inform the Waitangi Tribunal that Wai 94 had been settled and to provide a copy of the agreement.

Critical assets

Agencies must report on relevant asset performance indicators for service critical assets in their annual reports.

Crown Law has not identified any service critical assets in line with the reporting requirements in CO (23) 9.

Financial statements
Ngā tauākī pūtea

Financial statements

Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2026

Actual 2025 $000		Notes	Actual 2026 $000	Unaudited Budget 2026 $000	Unaudited Forecast 2027 $000
	Revenue				
105,169	Revenue Crown	2	101,317	104,017	104,826
27,904	Other revenue	2	27,842	30,790	31,790
133,073	**Total income**		**129,159**	**134,807**	**136,616**
	Expenses				
35,601	Personnel costs	3	34,696	36,069	37,109
1,155	Depreciation and amortisation	7,8	1,149	1,266	1,293
458	Capital charge	4	473	473	488
80,011	Crown Solicitors' fees		74,818	74,310	73,627
224	Restructuring costs		25	-	-
11,701	Other expenses	5	13,061	22,689	24,099
129,150	**Total expenses**		**124,222**	**134,807**	**136,616**
3,923	Surplus/(deficit)		**4,937**	**-**	**-**
3,923	**Total comprehensive revenue and expense**		**4,937**	**-**	**-**

Explanations for major variances against the original 2025/26 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2026

Actual 2025 $000		Notes	Actual 2026 $000	Unaudited Budget 2026 $000	Unaudited Forecast 2027 $000
	Current assets				
21,609	Cash and cash equivalents		18,015	7,772	12,851
761	Prepayments		1,002	600	600
-	Debtor Crown		-	-	-
5,054	Receivables	6	5,839	5,000	5,000
27,424	**Total current assets**		**24,856**	**13,372**	**18,451**
	Non-current assets				
7,122	Property, plant, and equipment	7	6,998	7,234	6,116
147	Intangible assets	8	37	37	-
7,269	**Total non-current assets**		**7,035**	**7,271**	**6,116**
34,693	**Total assets**		**31,891**	**20,643**	**24,567**
	Current liabilities				
17,242	Payables and deferred revenue	9	13,907	9,570	11,570
156	Provisions	10	124	-	-
3,672	Employee entitlements	11	2,761	2,600	2,600
3,799	Return of operating surplus	12	4,750	-	-
24,869	**Total current liabilities**		**21,542**	**12,170**	**14,170**
	Non-current liabilities				
277	Employee entitlements	11	315	250	250
277	**Total non-current liabilities**		**315**	**250**	**250**
25,146	**Total liabilities**		**21,857**	**12,420**	**14,420**
9,547	**Net assets**		**10,034**	**8,223**	**10,147**
	Equity				
9,459	Taxpayers' funds	13	9,760	8,223	10,147
88	Memorandum accounts	13	274	-	-
9,547	**Total equity**	13	**10,034**	**8,223**	**10,147**

Explanations for major variances against the original 2025/26 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2026

Actual 2025 $000		Notes	Actual 2026 $000	Unaudited Budget 2026 $000	Unaudited Forecast 2027 $000
9,123	**Balance at 1 July**		**9,547**	**7,923**	**9,847**
3,923	Total comprehensive revenue and expense		4,937	-	-
	Owner transactions				
300	Capital injections		300	300	300
-	Capital withdrawals		-	-	-
(3,799)	Return of operating surplus to the Crown	12	(4,750)	-	-
9,547	**Balance as at 30 June**	13	**10,034**	**8,223**	**10,147**

Explanations for major variances against the original 2025/26 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2026

Actual 2025 $000		Notes	Actual 2026 $000	Unaudited Budget 2026 $000	Unaudited Forecast 2027 $000
	Cash flows from operating activities				
105,169	Receipts from revenue Crown		101,317	104,017	104,826
28,264	Receipts from other revenue		27,057	30,790	31,790
(35,308)	Payments to employees		(35,533)	(36,069)	(37,109)
(89,995)	Payments to suppliers		(91,267)	(96,999)	(97,726)
(511)	Goods and services tax (net)		(282)	-	-
(458)	Payment for capital charge		(472)	(473)	(488)
7,161	**Net cash flows from operating activities**		**820**	**1,266**	**1,293**
	Cash flows from investing activities				
(71)	Purchase of property, plant, and equipment		(915)	(1,086)	(225)
(71)	**Net cash flows from investing activities**		**(915)**	**(1,086)**	**(225)**
	Cash flows from financing activities				
300	Capital injections		300	300	300
(7,438)	Repayment of operating surplus		(3,799)	-	-
(7,138)	**Net cash flows from financing activities**		**(3,499)**	**300**	**300**
(48)	**Net (decrease)/increase in cash**		**(3,594)**	**480**	**1,368**
21,657	Cash and cash equivalents at the beginning of the year		21,609	7,292	11,483
21,609	**Cash and cash equivalents at the end of the year**		**18,015**	**7,772**	**12,851**

Explanations for major variances against the original 2025/26 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

Statement of cash flows *(continued)*

FOR THE YEAR ENDED 30 JUNE 2026

Reconciliation of the net surplus to net cash flows from operating activities

Actual 2025 $000		Actual 2026 $000
3,923	**Net surplus/(deficit)**	**4,937**
	Add/(less) non-cash items	
1,155	Depreciation and amortisation expense	1,149
1,155	**Total non-cash items**	**1,149**
	Add/(less) items classified as investing or financing activities	
-	Net (gain)/loss on disposal of property, plant, and equipment	-
	Add/(less) movements in statement of financial position items	
360	(Increase)/decrease in receivables	(785)
17	(Increase)/decrease in prepayments	(241)
1,395	Increase/(decrease) in payables and deferred revenue	(3,335)
154	Increase/(decrease) in provision	(32)
157	Increase/(decrease) in employee entitlements	(873)
2,083	**Total net movement in statement of financial position items**	**(5,266)**
7,161	**Net cash flows from operating activities**	**820**

The accompanying notes form part of these financial statements.

Statement of commitments

AS AT 30 JUNE 2026

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into as at balance date. Information on non-cancellable capital and lease commitments are reported in the statement of commitments.

Crown Law has no capital commitments.

Non-cancellable operating lease commitments

Crown Law leases property, plant, and equipment in the normal course of its business. The majority of these leases are for premises and photocopiers, which have a non-cancellable leasing period ranging from 5 to 11 years.

Crown Law's office lease at 19 Aitken Street, Wellington, is a sub-lease from the Ministry of Justice. The lease started on 1 July 2013 and the sub-lease with the Ministry of Justice was renewed in June 2024 to extend the lease term to 6 December 2034. Under the renewed lease, either party may terminate the lease with effect from a renewal date under the lease, being 6 December 2034 and then 6 December 2039, by giving the other party no less than 18 months' prior written notice.

Crown Law also leases an office with the Serious Fraud Office (SFO) in Auckland. The lease term is from 24 February 2022 to 24 February 2033. The SFO may terminate by giving Crown Law 18 months' prior written notice. However, Crown Law may terminate the lease at any time by giving not less than 12 months' prior written notice to the SFO. Crown Law may be required to contribute up to $15,000 should the SFO be required by the landlord to make good the premises at the time of termination of the lease as Crown Law is co-locating with the SFO. Should the lease be terminated by Crown Law before 24 February 2031, Crown Law will not be responsible for any make-good provision.

There are no restrictions placed on Crown Law by any of its leasing arrangements.

The amounts disclosed below as future commitments are based on the current rental rates.

Actual 2025 $000		Actual 2026 $000
	Operating leases as lessee (inter-entity)	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases	
1,566	Not later than 1 year	1,568
6,284	Later than 1 year and not later than 5 years	6,293
6,850	Later than 5 years	5,273
14,700	**Total non-cancellable operating lease commitments (inter-entity)**	**13,134**
14,700	**Total commitments**	**13,134**

Statement of contingent liabilities and contingent assets

AS AT 30 JUNE 2026

Quantified contingent liabilities

Crown Law has no quantifiable contingent liabilities at 30 June 2026 (30 June 2025: nil).

Unquantified contingent liabilities

Crown Law has no unquantifiable contingent liabilities at 30 June 2026 (30 June 2025: nil).

Contingent assets

Crown Law has no contingent assets as at 30 June 2026 (30 June 2025: nil).

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2026

NOTE 1:
Statement of accounting policies

Reporting entity

Crown Law is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing Crown Law's operations include the Public Finance Act 1989, and the Public Service Act 2020. Crown Law's ultimate parent is the New Zealand Crown.

In addition, Crown Law has reported on trust monies that it administers on page 74.

The primary objective of Crown Law is to provide services to the Government of New Zealand. Crown Law does not operate to make a financial return.

Crown Law has designated itself as a public benefit entity (PBE) for the purpose of complying with generally accepted accounting practice (GAAP).

The financial statements of Crown Law are for the year ended 30 June 2026 and were approved for issue by the Solicitor-General and Chief Executive of Crown Law on 29 September 2026.

Basis of preparation

The financial statements of Crown Law have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period. The accrual basis of accounting has been used unless otherwise stated (for example, the statement of cash flows). Under an accrual basis, revenues are recognised when rights to assets are earned rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled.

Statement of compliance

The financial statements of Crown Law have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with GAAP and Treasury instructions.

These financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000).

New or amended standards adopted

There are no new amendments or standards required to be applied this year.

Changes in accounting policies

There have been no changes in Crown Law's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments issued but not yet effective that have not been early adopted that are relevant to Crown Law are as follows.

2024 Omnibus Amendments to PBE Standards (Amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ended 30 June 2027.

Crown Law has not yet assessed in detail the impact of these amendments. However, these amendments are not expected to have a significant impact on Crown Law's financial statements.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

Crown Law is permitted to expend its cash and cash equivalents only within the scope and limits of its appropriations.

Goods and services tax (GST)

Items in the financial statements and appropriation statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IR, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Crown Law is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, Crown Law has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of software

An explanation of how Crown Law determines the estimate of the useful lives of software is disclosed in Note 8.

Measuring retirement and long service leave

An analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities is disclosed in Note 11.

Budget and forecast figures

Basis of the budget and forecast figures

The 2026 budget figures are for the year ended 30 June 2026 and were published in the 2024/25 Annual Report. They are consistent with Crown Law's best estimate financial information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2025/26.

The 2027 forecast figures are for the year ending 30 June 2027, which are consistent with the best estimate financial forecast information submitted to Treasury for the BEFU for the year ending 2026/27.

The forecast financial statements have been prepared as required by the Public Finance Act 1989 to communicate forecast financial information for accountability purposes. The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements. The 30 June 2027 forecast figures have been prepared in accordance with and comply with PBE FRS 42 *Prospective Financial Statements*.

The forecast financial statements were approved for issue by the Chief Executive on 16 April 2026. The Solicitor-General, as Chief Executive of Crown Law, is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although Crown Law regularly updates its forecasts, it will not publish updated forecast financial statements for the year ending 30 June 2027.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect Crown Law's purpose and activities and are based on a number of assumptions on what may occur during the 2026/27 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, adopted as at 16 April 2026, were as follows.

- Crown Law's activities and output expectations will remain substantially the same as the previous year focusing on the government's priorities.
- Personnel costs were based on 239 full-time equivalent staff positions, which takes into account staff turnover. Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are Crown Law's best estimate of future costs that will be incurred.
- Estimated year-end information for 2025/26 was used as the opening position for the 2026/27 forecasts.

The actual financial results achieved for 30 June 2027 are likely to vary from the forecast information presented, and the variations may be material.

Since the approval of the forecasts, there has been no significant change or event that would have a material impact on the forecast figures.

NOTE 2:
Revenue

Accounting policy

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

Revenue Crown

Revenue from the Crown is measured based on Crown Law's funding entitlement for the reporting period.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

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

The fair value of Crown revenue has been determined to be equivalent to the funding entitlement.

Other revenue

Crown Law derives revenue through the provision of legal services to third parties, mainly government agencies. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Breakdown of other revenue

Actual 2025 $000		Actual 2026 $000
	Revenue received from:	
27,847	Government departments/other government entities	27,806
12	Other	13
45	Court-awarded costs	23
27,904	**Total other revenue**	**27,842**

NOTE 3:
Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employer contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs

Actual 2025 $000		Actual 2026 $000
33,651	Salaries and wages	33,757
126	Other personnel costs	275
1,511	Employer contribution to defined contribution plans	1,537
313	Increase/(decrease) in employee entitlements	(873)
35,601	**Total personnel costs**	**34,696**

NOTE 4:
Capital charge

Accounting policy

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

Further information

Crown Law pays a capital charge to the Crown on its equity (adjusted for memorandum accounts) as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2026 was 5.0% (30 June 2025: 5.0%).

NOTE 5:

Other expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight–line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

The amounts disclosed in the statement of commitments as future commitments are based on the current rental rates.

Other expenses

Other expenses are recognised as goods and services when they are received.

Breakdown of other expenses

Actual 2025 $000		Actual 2026 $000
126	Fees to The Audit Office for audit of financial statements	119
1	Disbursements to The Audit Office for audit of financial statements	-
468	Consultancy	1,235
1,641	Operating lease expenses (rent for office accommodation)	1,743
2,716	IT and library costs	2,883
3,292	External barrister/solicitor fees	3,316
1,402	Other matter related costs	1,289
2,055	Other expenses	2,476
11,701	**Total other operating expenses**	**13,061**

NOTE 6:
Receivables

Accounting policy

Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECLs). Crown Law applies the simplified ECL model of recognising lifetime ECLs for short-term receivables.

In measuring ECLs, short-term receivables have been assessed on a collective basis because they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than 1 year overdue.

Work in progress

Work in progress is determined as unbilled time and disbursements that can be recovered from clients and is measured at the lower of cost and net realisable value. Work in progress is generally invoiced in the following month.

Breakdown of receivables and further information

Actual 2025 $000		Actual 2026 $000
2,444	Debtors (gross)	2,798
-	Less: allowance for credit losses	-
2,604	Work in progress (gross)	3,041
6	Sundry debtors	-
5,054	**Total receivables**	**5,839**
	Total receivables comprise:	
5,048	Receivables from the sale of legal advice and representation services to other government agencies at cost recovery (exchange transactions)	5,839
6	Receivables from miscellaneous expense recoveries	-

Ageing profile

	2025			2026		
	Gross $000	Expected credit loss $000	Net $000	Gross $000	Expected credit loss $000	Net $000
Current	2,094	-	2,094	2,479	-	2,479
1–2 months	87	-	87	113	-	113
2–3 months	66	-	66	26	-	26
3–4 months	97	-	97	45	-	45
4–6 months	7	-	7	53	-	53
6–12 months	86	-	86	74	-	74
1–2 years	7	-	7	8	-	8
>2 years	-	-	-	-	-	-
Total	**2,444**	**-**	**2,444**	**2,798**	**-**	**2,798**

The expected credit loss rates for receivables at 30 June 2025 and 30 June 2026 are based on the payment profile of revenue on credit over the prior 2 years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses at 30 June 2026 was determined as follows.

30 June 2026	Receivables past due								
	Current	1–2 months	2–3 months	3–4 months	4–6 months	6–12 months	1–2 years	>2 years	Total
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-
Gross carrying amount ($000)	2,479	113	26	45	53	74	8	-	2,798
Expected credit loss ($000)	-	-	-	-	-	-	-	-	-

30 June 2025	Receivables past due								
	Current	1–2 months	2–3 months	3–4 months	4–6 months	6–12 months	1–2 years	>2 years	Total
Expected credit loss rate	0.00%	0.05%	0.29%	0.00%	0.45%	0.07%	0.45%	-	
Gross carrying amount ($000)	2,094	87	66	97	7	86	7	-	2,444
Expected credit loss ($000)	-	-	-	-	-	-	-	-	-

The movement in allowance for credit losses is as follows.

Actual 2025 $000		Actual 2026 $000
1	**Opening balance as at 1 July**	-
-	Increase in loss allowance made during the year	-
(1)	Receivables written off during the year	-
-	**Closing allowance for credit losses as at 30 June**	-

NOTE 7:

Property, plant, and equipment

Accounting policy

Property, plant, and equipment consists of the following asset classes: leasehold improvements, computer hardware, furniture and fittings and office equipment.

Property, plant, and equipment are measured at cost, less accumulated depreciation and impairment losses.

Individual assets or groups of assets are capitalised if their cost is greater than $1,000. The value of an individual asset that is less than $1,000 and is part of a group of similar assets is capitalised.

Additions

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

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive revenue and expense. When the revalued asset is sold, the amount included in the property, plant, and equipment revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Subsequent costs

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

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows.

Leasehold improvements	Up to 10 years	10%
Computer hardware	2-6 years	16.7%-50%
Furniture and fittings	5 years	20%
Office equipment	5 years	20%

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

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

Impairment

Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less cost to sell and value in use.

Value in use is the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach or service units approach. The most appropriate approach used to measure the value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Breakdown of property, plant, and equipment and further information

Movements for each class of property, plant, and equipment are as follows.

	Leasehold improvements $000	Office equipment $000	Furniture and fittings $000	Computer equipment $000	Total $000
Cost					
Balance as at 01 July 2024	6,789	518	891	1,025	9,223
Additions	1	39	6	25	71
Disposals	-	-	-	-	-
Balance as at 30 June 2025	**6,790**	**557**	**897**	**1,050**	**9,294**
Balance as at 01 July 2025	6,790	557	897	1,050	9,294
Additions	-	-	7	909	916
Disposals	-	-	-	(243)	(243)
Balance as at 30 June 2026	**6,790**	**557**	**904**	**1,716**	**9,967**
Accumulated depreciation and impairment losses					
Balance as at 01 July 2024	183	46	224	675	1,128
Depreciation expense	672	96	146	130	1,044
Elimination on disposal	-	-	-	-	-
Balance as at 30 June 2025	**855**	**142**	**370**	**805**	**2,172**
Balance as at 01 July 2025	855	142	370	805	2,172
Depreciation expense	672	99	142	126	1,039
Elimination on disposal	-	-	-	(242)	(242)
Balance as at 30 June 2026	**1,527**	**241**	**512**	**689**	**2,969**
Carrying amount					
At 30 June and 01 July 2024	6,606	472	667	350	8,095
At 30 June 2025	5,935	415	527	245	7,122
At 30 June 2026	**5,263**	**316**	**392**	**1,027**	**6,998**

There are no restrictions over the title of Crown Law's property, plant, and equipment. No property, plant, and equipment assets are pledged as security for liabilities.

NOTE 8:

Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire the specific software and bring it to use.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset where this results in an asset controlled by Crown Law. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Where software is provided under a Software-as-a-Service arrangement, costs of configuration and customisation are recognised as an intangible asset only if the activities create an intangible asset that Crown Law controls and asset recognition criteria are met. Costs, including ongoing fees for use of software, that do not result in an intangible asset or a software finance lease are expensed as a service contract as incurred. However, where fees represent payment for future services to be received, Crown Law recognises these as a prepayment and expenses these as subsequent services are received.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

Acquired computer software	3 years	33%
Internally developed computer software	3 years	33%

Impairment

Refer to the policy for impairment of property, plant, and equipment in Note 7. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Useful lives of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the

useful life represents management's view of the expected period over which Crown Law will receive benefits from the software but not exceeding the licence term. For internally generated software developed by Crown Law, the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life such as changes in technology.

Breakdown of intangible assets and further information

Movements in the carrying value for intangible assets are as follows.

	Acquired software $000
Cost	
Balance as at 01 July 2024	2,109
Additions	-
Disposals	-
Balance as at 30 June 2025	**2,109**
Balance as at 01 July 2025	2,109
Additions	-
Disposals	(87)
Balance as at 30 June 2026	**2,022**
Accumulated amortisation and impairment losses	
Balance as at 01 July 2024	1,852
Amortisation expense	111
Elimination on disposal	(1)
Impairment losses	-
Balance as at 30 June 2025	**1,962**
Balance as at 01 July 2025	1,962
Amortisation expense	110
Elimination on disposal	(87)
Impairment losses	-
Balance as at 30 June 2026	**1,985**
Carrying amount	
At 30 June and 01 July 2024	257
At 30 June 2025	147
At 30 June 2026	**37**

There are no restrictions over the title of Crown Law's intangible assets. No intangible assets are pledged as security for liabilities.

NOTE 9:

Payables and deferred revenue

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of payables and deferred revenue

Actual 2025 $000		Actual 2026 $000
	Payables and deferred revenue under exchange transactions	
60	Creditors – Crown Solicitors' fees	297
442	Creditors – other	1,420
15,142	Accrued expenses – unbilled Crown Solicitors' fees	10,999
362	Other accrued expenses	237
-	Income in advance for cost recovered services	-
16,006	**Total payables and deferred revenue under exchange transactions**	**12,953**
1,236	GST payable	954
1,236	**Payables and deferred revenue under non-exchange transactions**	**954**
17,242	**Total payables and deferred revenue**	**13,907**

NOTE 10:

Provisions

Accounting policy

A provision is recognised for future payments of uncertain amounts or timing where there is a present obligation (either legal or constructive) as a result of a past event, it is probable that a payment will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate based on market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated timing of the future cash outflows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Restructuring

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

Breakdown of provisions and further information

Actual 2025 $000		Actual 2026 $000
	Current portion	
156	Restructuring	124
156	**Total provisions**	**124**

Movements of provisions

Balance at 1 July 2024	154
Additional provisions made	70
Amounts used	(17)
Unused amounts reversed	(51)
Balance as at 30 June 2025	**156**
Additional provisions made	-
Amounts used	-
Unused amounts reversed	(32)
Balance as at 30 June 2026	**124**

Restructuring provision

The restructuring provision relates to the expected redundancy costs arising from Crown Law's organisational review processes in 2024 and 2025 and is based on the final decisions announced. Crown Law anticipates that the restructuring decisions will be completed by 30 June 2027, and the amount of the liability provided is considered to be reasonably certain.

NOTE 11:
Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of remuneration. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retirement leave, and long service leave entitlements expected to be settled within 12 months.

Long-term employee entitlements

Employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave and retirement leave, are calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

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

Annual leave is calculated using the number of days owing as at 30 June 2026.

The collective employment agreement and individual employment contracts provide 1 week's long service leave after completing 10 years' service with Crown Law. A number of employees have grand-parented long service arrangements prior to the above agreement.

The retirement and long service leave from an old expired contract are maintained for three staff as at June 2026 (2025: three).

Critical accounting estimates and assumptions

Long service leave and retirement leave

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

Expected future payments are discounted using the discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The discount rates in year 1 of 2.97% (2025: 3.14%), year 2 of 3.75% (2025: 3.47%) and year 3 and beyond of 5.38% (2025: 5.58%) and a long-term salary inflation factor of 3.12% (2025: 2.89%) were used. The discount rates and the salary inflation factor are those advised by Treasury.

Sensitivity analysis

If the discount rates and the inflation rate were to differ by 1% from Crown Law's estimates, with all other factors held constant, the carrying amount of the liability and the surplus or deficit would be an estimated $2,286 higher or lower.

Breakdown of employee entitlements

Actual 2025 $000		Actual 2026 $000
	Current accruals	
1,052	Personnel accruals	61
2,501	Annual leave	2,538
119	Retirement and long service leave	162
3,672	**Total current portion**	**2,761**
	Non-current liabilities	
277	Retirement and long service leave	315
277	**Total non-current portion**	**315**
3,949	**Total employee entitlements**	**3,076**

NOTE 12:
Return of operating surplus

Actual 2025 $000		Actual 2026 $000
3,923	Net surplus/(deficit)	4,937
(125)	Add (surplus)/deficit of memorandum account: legal advice and representation	(220)
1	Add (surplus)/deficit of memorandum account: processing of King's Counsel applications	33
3,799	**Total return of operating surplus**	**4,750**

The return of operating surplus to the Crown is required to be paid by 31 October of each year.

NOTE 13:
Equity

Accounting policy

Equity is the Crown's investment in Crown Law and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds and memorandum accounts.

Memorandum accounts

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

Breakdown of equity

Actual 2025 $000		Actual 2026 $000
	Taxpayers' funds	
9,160	**Balance at 1 July**	**9,459**
3,923	Net surplus/(deficit)	4,937
(125)	Transfer of memorandum accounts net (surplus)/deficit for the year	(187)
300	Capital injections	300
-	Other	1
(3,799)	Return of operating surplus to the Crown	(4,750)
9,459	**Balance at 30 June**	**9,760**
	Memorandum accounts	
(37)	Opening balance at 1 July	88
27,758	Revenue	27,682
(27,633)	Less expenses	(27,495)
125	Surplus/(deficit) for the year	187
-	Other	(1)
88	**Closing balance at 30 June**	**274**
9,547	**Total equity at 30 June**	**10,034**

Breakdown of memorandum accounts and further information

Actual 2025 $000		Actual 2026 $000
	Legal advice and representation	
(143)	Opening balance at 1 July	(17)
27,746	Revenue	27,671
(27,620)	Less expenses	(27,451)
126	Surplus/(deficit) for the year	220
-	Other	(1)
(17)	**Closing balance at 30 June**	**202**
	Processing of King's Counsel applications	
106	Opening balance at 1 July	105
12	Revenue	11
(13)	Less expenses	(44)
(1)	Surplus/(deficit) for the year	(33)
105	**Closing balance at 30 June**	**72**
	Total memorandum accounts	
(37)	Opening balance at 1 July	88
27,758	Revenue	27,682
(27,633)	Less expenses	(27,495)
125	Surplus/(deficit) for the year	187
-	Other	(1)
88	**Closing balance at 30 June**	**274**

These memorandum accounts summarise financial information relating to the accumulated surpluses and deficits incurred in the provision of legal advice and representation services and processing of King's Counsel applications by Crown Law to third parties on a full cost recovery basis.

The balance of each memorandum account is expected to trend towards zero over a reasonable period of time, with any interim deficit being met whether from cash from Crown Law's statement of financial position or by seeking approval for a capital injection from the Crown. Capital injections will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

The transactions are included as part of Crown Law's operating income and expenses in the net surplus/(deficit). However, effective 1 July 2011, these transactions have been excluded from the calculation of Crown Law's return of operating surplus (refer Note 12). The cumulative balance of surplus/(deficit) of the memorandum accounts is recognised as a component of equity.

Action taken to address sur4pluses and deficits

The fee strategy has been developed and will be regularly reviewed to ensure that the fee structure and associated revenues are in line with the forecast activities.

NOTE 14:
Capital management

Crown Law's capital is its equity, which comprise taxpayers' funds and memorandum accounts. Equity is represented by net assets.

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

The objective of managing Crown Law's equity is to ensure that the office effectively achieves its goals and objectives for which it has been established while remaining a going concern.

NOTE 15:
Related party information

Crown Law is a wholly owned entity of the Crown.

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

Collective but not individually significant transactions with government-related entities

The Cabinet Directions for the Conduct of Crown Legal Business 2016 (Cabinet Manual Appendix C) set out the requirements for chief executives of departments to refer specified legal work to Crown Law. During the year ended 30 June 2026, Crown Law has provided legal services to departments and government entities in the amount of $27.671 million (2025: $27.746 million).

Transactions with key management personnel

Key management personnel compensation

Actual 2025 $000		Actual 2026 $000
	Leadership Team, including the Chief Executive	
2,092	Remuneration	2,075
5	Full-time equivalent staff	5

The key management personnel remuneration disclosure includes the Solicitor-General/Chief Executive, and four other members of the Leadership Team, and those formally acting in these positions during the financial year on a full-time equivalent basis.

The Remuneration Authority determines the Solicitor-General's remuneration annually.

There are no related-party transactions involving key management personnel (or their close family members).

The above key management personnel disclosure excludes the Attorney-General. The Minister's remuneration and other benefits are not received only for their role as a member of key management personnel of Crown Law. The Remuneration Authority sets the Minister's remuneration and other benefits under the Members of Parliament (Remuneration and Services) Act 2013, and they are paid under permanent legislative authority on behalf of the Crown by the Department of Internal Affairs, not by Crown Law.

NOTE 16:
Financial instruments

NOTE 16A:
Financial instrument categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows.

Actual 2025 $000		Actual 2026 $000
	Financial assets measured at amortised cost	
21,609	Cash and cash equivalents	18,015
5,054	Receivables	5,839
26,663	**Total financial assets measured at amortised cost**	**23,854**
	Financial liabilities measured at amortised cost	
17,242	Payables	12,953
17,242	**Total financial liabilities measured at amortised cost**	**12,953**

NOTE 16B:
Financial instrument risks

Crown Law's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Crown Law has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Crown Law occasionally purchases goods and services from overseas such as Australia, but contracts are always signed in New Zealand currency. Therefore, Crown Law has no exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or the cash flow from a financial instrument will fluctuate due to changes in market interest rates.

Crown Law has no interest-bearing financial instruments and, accordingly, has no exposure to interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Crown Law, causing Crown Law to incur a loss.

In the normal course of its business, credit risk arises from receivables, deposits with banks and derivative financial instrument assets.

Crown Law is permitted to deposit funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank with high credit rating.

Crown Law does not enter into foreign exchange forward contracts.

Crown Law's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables (refer Note 6). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

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

In meeting its liquidity requirements, Crown Law closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. Crown Law maintains a target level of available cash to meet liquidity requirements.

The table below analyses Crown Law's financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Notes	Carrying amount $000	Contractual cash flows $000	Less than 6 months	6 months to 1 year	1–5 years	Over 5 years
2026							
Payables	9	12,953	12,953	12,953	-	-	-
2025							
Payables	9	17,242	17,242	17,242	-	-	-

Crown Law has no finance leases and derivative financial instrument liabilities.

NOTE 17:

Events after balance date

There have been no significant events after the balance date.

NOTE 18:

Explanation of major variances against budget

Statement of comprehensive revenue and expense

Revenue Crown

Revenue Crown was $2.700 million less than budgeted due to an expense transfer of $2.700 million in the Law Officer Functions MCA from the 2025/26 financial year to future years to fund the implementation and licensing costs associated with the legal practice management system and financial management information system. Funding of $1.300 million was transferred to 2026/27, $0.700 million to 2027/28 and $0.700 million to 2028/29.

Other revenue

Income from other revenue was $2.948 million less than budgeted primarily due to lower revenue from billable legal advice and representation services. This reflected vacancies held during the Solicitor-General transition and a higher proportion of non-chargeable legal work, particularly criminal appeals and the Law Officer functions.

Personnel costs

Personnel costs were $1.373 million less than budgeted, primarily due to a temporary hiring pause implemented in March 2026 during the transition of the Solicitor-General. Recruitment activity remained on hold following the commencement of the Performance Improvement Review (PIR) in June 2026.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents were $10.243 million more than budgeted. This is largely attributable to an increase in payables and also reflects the surplus on operating costs.

Payables and deferred revenue

Payables and deferred revenue were $4.337 million more than budgeted. This was mainly due to a higher than expected/budgeted accounts payable balance at year end due to timing of invoices being received for payments.

Return of operating surplus

Return of operating surplus was $4.750 million more than budgeted. This contributed to and is in line with the higher than budgeted cash balances as at 30 June 2026.

Statement of cash flows

Statement of cash flows variances are in line with variances in the statement of comprehensive revenue and expense and statement of financial position as explained above.

Schedule of trust monies

FOR THE YEAR ENDED 30 JUNE 2026

Actual 2025 $000		Actual 2026 $000
	Crown Law Office Legal Claims Trust Account	
134	**Opening balance at 1 July**	**20**
9,268	Contributions	633
(9,376)	Distributions	(646)
63	Revenue	-
(69)	Expenditure	-
20	**Closing balance at 30 June**	**7**
	Crown Law Office Retention Money Trust Account	
104	**Opening balance at 1 July**	**-**
-	Contributions	-
(100)	Distributions	-
5	Revenue	-
(9)	Expenditure	-
-	**Closing balance at 30 June**	**-**
	Trust account total	
238	**Opening balance at 1 July**	**20**
9,268	Contributions	633
(9,476)	Distributions	(646)
68	Revenue	-
(78)	Expenditure	-
20	**Closing balance at 30 June**	**7**

This legal claims interest-bearing account is operated to receive and pay legal claims and settlements on behalf of clients of Crown Law, and the retention money account was opened to hold and manage retention money for the Wellington office fit-out construction contract as per the Construction Contracts (Retention Money) Amendment Act 2023. In accordance with the Public Finance Act 1989, the interest income is payable to the Crown.

Non-departmental schedules

FOR THE YEAR ENDED 30 JUNE 2026

A non-departmental appropriation was administered by Crown Law to settle a one-off Crown settlement for the *Stafford v Attorney-General* litigation. The Crown recognised a provision and expense for this settlement in 2024/25, which was settled by Crown Law on behalf of the Crown during the 2025/26 financial year. Due to the timing and nature of the settlement, an appropriation was sought to ensure authority to settle this liability of the Crown was in place.

There are no revenue, expenses, assets, liabilities, commitments, or contingent liabilities and contingent assets that Crown Law manages on behalf of the Crown.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by Crown Law for the year ended 30 June 2026. They are prepared on a GST-exclusive basis.

Statement of cost accounting policies

Crown Law has determined the cost of outputs using the cost allocation system outlined below.

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

Direct costs are charged directly to output expenses. Personnel costs are charged on the basis of actual time incurred. Depreciation, capital charge and other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

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

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

FOR THE YEAR ENDED 30 JUNE 2026

Actual 2025 $000		Actual 2026 $000	Main Estimates 2026 $000	Supp. Estimates 2026 $000	Approved approp. 2026* $000	Location of end-of-year perf. info.
	Vote Attorney-General					
	Non-Departmental Other Appropriation					
-	Stafford Litigation Settlement Costs	-	-	422,500	422,500	**
	Multi-Category Appropriations					
	Law Officer Functions MCA					
30,171	Strategic and Operational Legal Advice and Representation	30,143	33,609	34,609	34,609	***
7,382	Conduct of Criminal Appeals arising from Crown Prosecutions	7,942	11,177	11,177	11,177	***
8,990	Law Officer Constitutional and Criminal Law Duties	8,583	12,448	9,748	9,748	***
82,607	Public Prosecution Services	77,554	77,573	77,573	77,573	***
129,150	**Total multi-category appropriations**	**124,222**	**134,807**	**133,107**	**133,107**	
	Appropriations for capital expenditure					
71	Capital expenditure	916	1,086	1,086	1,086	***
129,221	**Total annual and permanent appropriations**	**125,138**	**135,893**	**556,693**	**556,693**	

* The approved appropriation is the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A (nil for 2025/26) of the Public Finance Act 1989.

** No reporting due to an exemption granted under section 15D of the Public Finance Act 1989.

*** The *Performance information on appropriations* section of the Crown Law Annual Report.

As per section 2 and section 4 of the Public Finance Act 1989, expenditure reported should exclude remeasurements from appropriation.

There have been no remeasurements identified during the 2025/26 financial year, which implies that the actual expenditure incurred was equal to the expenditure after remeasurement.

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

FOR THE YEAR ENDED 30 JUNE 2026

Crown Law has no expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2026.

Expenses and capital expenditure incurred in excess of appropriation

Nil.

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Nil.

Statement of departmental capital injections

FOR THE YEAR ENDED 30 JUNE 2026

Actual capital injections 2025 $000		Actual capital injections 2026 $000	Approved appropriation 2026 $000
	Vote Attorney-General		
300	Crown Law – capital injection	300	300

Statement of departmental capital injections made without, or in excess of, authority

FOR THE YEAR ENDED 30 JUNE 2026

Crown Law has not received any capital injections during the year without, or in excess of, authority (2025: nil).

The Audit Office
Te Mana Arotake

Independent auditor's report

To the readers of the Crown Law Office's annual report for the year ended 30 June 2026

The Auditor-General is the auditor of the Crown Law Office ('the Department'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of The Audit Office, to carry out the audit of the information required to be audited on his behalf.

Opinion

We have audited:

- The financial statements of the Department that comprise the statement of financial position, statement of commitments, and statement of contingent assets and contingent liabilities as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information on pages 41 to 73.
- The service performance information of the Department for the year ended 30 June 2026 on pages 8 to 29.
- The appropriation statements of the Department for the year ended 30 June 2026 on pages 76 to 78.
- The explanatory information about non-departmental activities managed by the Department on behalf of the Crown on page 75.

In our opinion:

- The financial statements of the Department present fairly, in all material respects, its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended, in accordance with the Public Benefit Entity Standards.
- The service performance information for the year ended 30 June 2026 is appropriate and meaningful and prepared in accordance with the Department's measurement bases or evaluation methods and the Public Benefit Entity Standards, and presents fairly, in all material respects:
  - what has been achieved with the appropriations; and
  - the actual expenses or capital expenditure incurred in relation to the appropriations as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred.
- The appropriation statements have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The explanatory information about non-departmental activities managed by the Department on behalf of the Crown has been prepared, in all material respects, in accordance with the Treasury Instructions.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the information to be audited* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Solicitor-General for the information to be audited

The Solicitor-General is responsible on behalf of the Department for preparing financial statements and service performance information that are fairly presented and comply with the Public Benefit Entity Standards and legislative requirements.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of end of year performance information for an appropriation that is appropriate and meaningful; and
- the preparation of service performance information in accordance with the Department's measurement bases or evaluation methods and the Public Benefit Entity Standards and legislative requirements.

The Solicitor-General is responsible on behalf of the Department for preparing appropriation statements, and schedules (where relevant) and explanatory information about non-departmental activities managed by the Department on behalf of the Crown in accordance with the Public Finance Act 1989 and Treasury Instructions.

The Solicitor-General is responsible for such internal control as she determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Solicitor-General is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Solicitor-General is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Solicitor-General's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material

misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audit, our procedures are limited to checking that the information agrees to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2026. For service performance information, we agree any changes from the performance measures and standards in the Estimates to the Supplementary Estimates. For the forecast financial information for the year ending 30 June 2026, our procedures are limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Solicitor-General.
- In respect of the service performance information, we:
    - obtain an understanding of the process applied by the Department to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods and evaluate whether these present an appropriate and meaningful assessment of the entity's service performance.
    - evaluate whether the service performance information is prepared in accordance with the entity's measurement bases or evaluation methods, in accordance with the Public Benefit Entity Standards.
- We evaluate whether the appropriation statements have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Solicitor-General and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Solicitor-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Solicitor-General is responsible for all of the information included in the annual report other than the information we audited and our auditor's report thereon ('the other information').

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Department in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.



Chrissie Murray
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
30 September 2026



New Zealand Government
Te Kāwanatanga o Aotearoa

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