

Legal Services (Distribution of Special Fund) Amendment Bill

Government Bill

As reported from the Justice Committee

Commentary

Recommendation

The Justice Committee has examined the Legal Services (Distribution of Special Fund) Amendment Bill and recommends that it be passed. We recommend all amendments unanimously.

About the bill as introduced

The Lawyers and Conveyancers Special Fund collects interest from banks on the nominated trust accounts of solicitors and licensed conveyancers. Section 298 of the Lawyers and Conveyancers Act 2006 provides that money in the Special Fund must be paid to the Secretary for Justice for the purpose of funding community law centres. Section 94(1) of the Legal Services Act 2011 enables the Secretary to enter into contracts with community law centres to purchase community legal services. However, because this provision is narrow, it is unclear whether community law centres can use money from the Special Fund to meet indirect costs incurred when providing services, such as leases or utilities. Where the Special Fund cannot be used to meet costs, Crown funding is required instead. The bill seeks to clarify how money in the Special Fund can be spent. It would do so by allowing the Secretary to contract with community law centres to fund, facilitate, and otherwise support the provision of community legal services by those centres.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

Proposed amendment to the bill's commencement date

This commentary covers the one amendment we recommend to the bill as introduced. Clause 2 states that the Act would come into force on 1 July 2025. As this date has already passed, we recommend amending the commencement date to the day after Royal assent.

Appendix

Committee process

The Legal Services (Distribution of Special Fund) Amendment Bill was referred to this committee on 15 July 2025. The House instructed us to report the bill back no later than 17 November 2025.

We called for submissions on the bill with a closing date of 14 August 2025. We received and considered submissions from 19 interested groups and individuals. We heard oral evidence from one submitter at a hearing in Wellington.

Advice on the bill was provided by the Ministry of Justice. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

Committee membership

Hon Andrew Bayly (Chairperson)

Hon Ginny Andersen

Jamie Arbuckle

Carl Bates

Tākuta Ferris

Rima Nakhle

Tom Rutherford

Todd Stephenson

Vanushi Walters

Hon Dr Duncan Webb

Dr Lawrence Xu-Nan

Related resources

The documents we received as advice and evidence are available on the Parliament website.

**Legal Services (Distribution of Special Fund)
Amendment Bill**

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Hon Paul Goldsmith

Legal Services (Distribution of Special Fund) Amendment Bill

Government Bill

Contents

	Page
1 Title	1
2 Commencement	1
3 Principal Act	1
4 Section 94 amended (Secretary may enter into contracts with community law centres)	1

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Legal Services (Distribution of Special Fund) Amendment Act **2025**.
- 2 Commencement** 5
This Act comes into force on **1 July 2025** the day after Royal assent.
- 3 Principal Act**
This Act amends the Legal Services Act 2011.
- 4 Section 94 amended (Secretary may enter into contracts with community law centres)** 10
Replace section 94(1) with:
 - (1) The Secretary may, as they determine appropriate, enter into a contract with 1 or more community law centres to—
 - (a) purchase community legal services:

**Legal Services (Distribution of Special Fund)
Amendment Bill**

- (b) fund, facilitate, and otherwise support the provision of community legal services.

Legislative history

22 May 2025
15 July 2025

Introduction (Bill 160–1)
First reading and referral to Justice Committee