



Human Rights Commission
Te Kāhui Tika Tangata

Annual Report

Pūrongo ā Tau

2016 / 17

Human Rights Commission
Te Kāhui Tika Tangata

The Office of Human Rights Proceedings
Te Tari Whakatau Take Tika Tangata





Report of the

Human Rights Commission Te Kāhui Tika Tangata

And

The Office of Human Rights Proceedings Te Tari Whakatau Take Tika Tangata

For the year ended 30 June 2017

Presented to the House of Representatives pursuant
to section 150 of the Crown Entities Act 2004

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The Hon. Minister of Justice

Minister

Pursuant to section 150 of the Crown Entities Act 2004, I hereby transmit to you the Annual Report of the Human Rights Commission for the year ended 30 June 2017.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. Rutherford'.

David Rutherford
Chief Commissioner
Te Amokapua

The Hon. Minister of Justice

Minister

Pursuant to section 92A(4) of the Human Rights Act 1993, I hereby transmit to you pages 37 to 41 of this report as the Annual Report of the Director of the Office of Human Rights Proceedings for the year ended 30 June 2017.

Yours faithfully



Robert Kee
Director of Human Rights Proceedings
Tumuaki Whakatau Take Tika Tangata



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What the Commission is and what it does

Ko wai mātou, ā, he aha tā mātou mahi?

The Human Rights Commission is New Zealand's national human rights institution. It is an independent Crown entity responsible for promoting and encouraging the protection of human rights and harmonious relations between all people in New Zealand.

Our work is guided by strategic priorities and supported by our planning and evaluation frameworks.

We focus on some of the most egregious human rights issues and challenges facing New Zealanders today and all our work has a measurable and strategic line of sight that links projects to organisational outcomes.

The Board of the Commission determines the strategic direction and general activities of the Commission consistent with the Human Rights Act 1993 and the Crown Entities Act 2004.

The Commission is accredited with 'A' status by the United Nations Office of the High Commissioner for Human Rights and the Global Alliance of National Human Rights Institutions. This status is the highest recognition of independence that a national human rights institution can achieve and provides the Commission with speaking rights at relevant United Nations Human Rights Council and committee sessions. This means we operate in accordance with the principles relating to the Status of National Institutions, commonly known as the "Paris Principles". These principles set out the minimum international standards required for national human rights institutions to be considered credible and to operate independently.

The Office of Human Rights Proceedings (OHRP) is part of the Commission. The Director of Human Rights Proceedings independently provides legal representation under the Human Rights Act 1993 and brings proceedings under the Privacy Act 1993.

Nature and scope of the Commission's functions

The Commission's primary functions, as set out in section 5(1) of the Human Rights Act 1993, are to:

- a advocate and promote respect for, and an understanding and appreciation of, human rights in New Zealand society; and
- b encourage the maintenance and development of harmonious relations between individuals and among the diverse groups in New Zealand society; and
- c promote racial equality and cultural diversity; and
- d promote equal employment opportunities (including pay equity); and
- e promote and protect the full and equal enjoyment of human rights by persons with disabilities.

Section 5(2) of the Human Rights Act 1993 lists the detailed functions of the Commission. In addition to the Act, important human rights principles are enshrined in New Zealand's constitutional arrangements or legislation, including the:

- Treaty of Waitangi 1840
- New Zealand Bill of Rights Act 1990
- Crimes of Torture Act 1989.

The Chief Commissioner, Commissioners, Chief Executive and the Director of Human Rights Proceedings all have functions set out in the Human Rights Act and the Crown Entities Act.

As a member of the United Nations, New Zealand supports the human rights provisions of the United Nations Charter and the Universal Declaration of Human Rights 1948. New Zealand is obliged under international law to meet its human rights obligations to people in New Zealand as set out in the international human rights treaties New Zealand has ratified. These include the:

- International Covenant on Civil and Political Rights (ICCPR),
- International Covenant on Economic, Social and Cultural Rights (ICESCR)
- International Convention on the Elimination of All Forms of Racial Discrimination (CERD)
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT)
- Convention on the Rights of the Child (CRC)
- Convention on the Rights of Persons with Disabilities (CRPD)
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The Commission also has functions to facilitate the resolution of disputes, involving unlawful discrimination in the most efficient, informal, and cost-effective manner possible. The Commission has no adjudicative or judicial function. Those functions are carried out by the Human Rights Review Tribunal and the courts.

Governance, leadership and management

The Commission is governed by a Board consisting of all the Commissioners, chaired by the Chief Commissioner. The Board determines the strategic direction and general nature of the Commission's activities. In addition to their governance role, all Commissioners act as leaders in areas designated by the Human Rights Act 1993 or by designation of priority area and/or allocation of spheres of responsibility by the Chief Commissioner. Commissioners engage in the general activities of the Commission (excepting the unlawful discrimination dispute resolution process as those set out in s 76 (1) (b) of the Human Rights Act 1993) as determined by the Chief Commissioner. The roles of the Race Relations Commissioner, Equal Employment Opportunities Commissioner and Disability Rights Commissioner (effective June 2016) are designated under the Human Rights Act 1993.

The table sets out the priority areas and spheres of responsibility for Commissioners designated by statute or designated by the Chief Commissioner for 2016/17.

Commissioners	Priority Areas/Spheres of responsibility 2016/17
David Rutherford (full-time)	Chief Commissioner, children's human rights
Dame Susan Devoy (full-time)	Race relations, human rights of non-Māori ethnic or religious minorities including refugees and asylum seekers
Dr Jackie Blue (full-time)	Equal employment opportunities, human rights of women
*Paul Gibson (0.8 full-time equivalent)	Disability rights
*Karen Johansen (0.3 full-time equivalent)	Indigenous peoples' human rights
*Richard Tankersley (0.3 full-time equivalent)	Human rights of gay, lesbian, bisexual, transgender / transsexual and intersex (GLBTI) people

*Ceased term as Commissioner on 30 July 2017

The Chief Executive is responsible for the effective and efficient management of the Commission and staff (except OHRP).

The Director of Human Rights Proceedings provides legal representation to applicants whose complaints of unlawful discrimination have not been resolved through the Commission's dispute resolution process. The Director's functions also include bringing proceedings under the Privacy Act 1993 in respect to interferences with privacy referred by the Privacy

Commissioner. Claims of unlawful discrimination or interference with privacy are heard in the Human Rights Review Tribunal. The Director manages the staff of the OHRP.

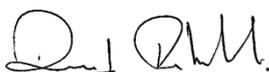
Organisational changes

Changes to the Commissioners were announced during the year. In July 2017, the terms of Karen Johansen and Richard Tankersley ceased after 9 years. Paul Gibson's term also ceased in July 2017 after nearly 6 years. The Commission thanks Karen, Richard and Paul for their valuable insights and significant contributions to the protection of human rights in New Zealand. We welcomed Paula Tesoriero to the Commission as Disability Rights Commissioner in July 2017.

We recognise that our people are crucial to our success. In 2016/17, we redesigned the way we work to improve our capability and efficiency. A simplified Collective Employment Agreement was negotiated with the union which supports enhanced productivity. We have continued to invest in staff and have implemented a new remuneration framework linked to individual performance and aligned with remuneration practice in the state sector.

The Board and Chief Executive thank everyone for their commitment and efforts throughout the year.

Na mātou noa, nā



David Rutherford
Chief Commissioner
Te Amokapua



Dame Susan Devoy
Race Relations Commissioner
Kaihautū Whakawhanaunga a Iwi



Dr Jackie Blue
Equal Employment
Opportunities Commissioner
Kaihautū Ōritenga Mahi

Goals and Impacts 2016/17

The Commission's vision is that "People in New Zealand live together harmoniously, sharing a common respect for each other's inherent dignity and human rights".

Our Statement of Intent 2016/17–2019/20 outlines the outcomes and impacts that we want to achieve. Our outcomes are:

- a peaceful and inclusive New Zealand society in which human dignity and human rights are respected
- discrimination and barriers to inclusion are reduced through education and compliance with human rights standards

To achieve this vision, the Commission seeks to influence and bring about positive change. This often involves long-term work and high levels of cooperation between communities and individuals. Our goal is to continue to work with Government, civil society and international partners to protect and promote the human rights of everyone in Aotearoa New Zealand.

Our strategic impacts are:

- more people in New Zealand know and practise their rights and fulfil their responsibility to respect the human dignity and rights of others
- people and organisations with legal obligations to respect and protect human dignity and rights do so
- better remedies for breaches of human dignity and rights
- increased observance of procedural safeguards by decision-makers when exercising their legislative oversight and public-sector management responsibilities
- Effective engagement of specific groups in decision-making affecting them and in the design of their communities
- Development of a culture where violence and abuse is not tolerated or unreported
- Increased adoption of effective policies and practices that provide for equality of opportunity and non-discrimination.

We measure our impact by monitoring progress against the following standards:

- the New Zealand public has a greater awareness and appreciation of human rights of all the diverse groups of people that make up our society.
- central and local government agencies increasingly consider and implement human rights standards and obligations into policy and legislative decisions.
- increased positive outcomes for breaches of human rights standards through the provision of effective dispute resolution services and legal representation.

The following sections Year in Review and Enquiries and Complaints provide a summary of some of the Commission's key achievements and contributions in 2016/17.

Year in Review Arotakenga ā Tau

Key achievements in 2016/17

That's Us

Give Nothing to Racism

This section provides a summary of some of the Commission's key achievements in 2016/17.

Our **That's Us** campaign is New Zealand's first anti-racism campaign to ask New Zealanders to share personal stories about racism, intolerance and hatred, as well as their hopes for the future. The campaign was a top trending topic on social media in New Zealand and reached over 3 million people online via video and website content. It also attracted significant media interest and coverage, with the Race Relations Commissioner's 'open letter' and interviews published across more than 20 media sources, including television, radio, and national and provincial dailies. A second campaign, **Give Nothing to Racism**, which challenged New Zealanders to confront and eliminate casual racism, featured 40 high-profile and influential Kiwis who generously gave their time, reputation and support. This ongoing, nationwide anti-racism campaign's objective is to create a culture in which racist, discriminatory attitudes and behaviours are considered unacceptable by most New Zealanders, and in which diversity is accepted and welcomed.

Never Again E Kore Ano

The Commission launched the **Never Again E Kore Ano** campaign in February. An open letter was sent to the Prime Minister, signed by prominent New Zealanders, calling for (i) an independent inquiry into the abuse of people held in state care, (ii) a public apology to those who were affected, (iii) appropriate steps to be taken to acknowledge the harm that has been caused to the victims and to provide appropriate redress and rehabilitation; and iv) action to be taken to ensure this never happens again. The campaign has attracted extensive media coverage and a groundswell of commentators, journalists, researchers and judiciary contributing to the call for an independent inquiry. At the end of the financial year the Never Again website had 11,296 signatures. The Commission facilitated external engagement with, and among, those affected, along with other civil society organisations, and government agencies and politicians. The Commission also contracted research into the experiences of disabled children and adults in historical state care and released the report, *Institutions are Places of Abuse: The Experiences of Disabled Children and Adults in State Care*. This report shows that the mistreatment of disabled people was systemic, enduring, and an everyday reality.

Staying in the Red Zones: Monitoring Human Rights in the Canterbury Earthquake Recovery

The Commission released *Staying in the Red Zones: Monitoring Human Rights in the Canterbury Earthquake Recovery*, a significant piece of research about the people living in or owning vacant land in the areas that were 'red zoned' after the Canterbury earthquakes. This was the second of two Canterbury earthquake monitoring reports from the Commission. The report provides detailed analysis and information about the impact on the affected individuals and the consequences of decisions made by various public-sector agencies. Key recommendations

include improved protection of property rights in the New Zealand Bill of Rights Act, and advocacy of a human rights approach to future disaster recovery frameworks to ensure they comply with international standards and emphasise non-discrimination, participation and accountability. The report was well received domestically and internationally.

Thinking Outside the Box? A Review of New Zealand's Seclusion and Restraint practices

Thinking Outside the Box? A Review of New Zealand's Seclusion and Restraint practices released in April 2017, examined the use of seclusion and restraint across different detention contexts in New Zealand. The report was completed with funding from the United Nations (UN) to provide an independent perspective on seclusion and restraint practices and to identify areas of best practice, as well as areas that require improvement. The report identified a number of areas of concern about the way that people are restrained or secluded in police cells, child and youth residences, mental health units and prisons. It generated significant discussion about seclusion and restraint-related practices, and provides opportunities to work with relevant authorities and detaining agencies to reduce the prevalence of seclusion and restraint in different settings, and to improve the way it is carried out (where necessary).

Banning seclusion /limiting restraint in schools

Significant public interest was expressed in school seclusion practices after the existence of a locked seclusion room at a Wellington school was revealed. The Commission worked collaboratively with external stakeholders to address the issue in a co-ordinated way. This contributed to substantive change, including the prohibition of these practices. The Commission orally submitted to the select committee on the Education (Update) Amendment Bill and the Supplementary Order Paper banning seclusion /limiting restraint in schools.

Monitoring Places of Detention

The Annual *2016 Monitoring Places of Detention* report tabled in Parliament outlined issues facing people in places of detention and detailed the work underway to address them. The annual report outlines activities under the Optional Protocol to the Convention against Torture (OPCAT) carried out by the National Preventive Mechanisms (NPMs) – Independent Police Conduct Authority, The Office of the Children's Commissioner, The Office of the Ombudsman and the Inspector of Service Penal Establishments.

He Ara Tika: A Pathway Forward

The Commission's Torture Prevention Ambassador produced a report *He Ara Tika: A Pathway Forward*, which considers the scope of OPCAT in relation to aged care and disability residences. The report recommended the Government work with the NPM to develop a framework for monitoring these facilities. The NPMs support the recommendations, and the report was well received domestically and internationally. The Commission also participated in a series of seminars highlighting concerns about the legal safeguards for people detained in locked dementia units and the importance of implementing supported decision-making frameworks to enhance their autonomy.

Business and human rights forum

New Zealand's inaugural **business and human rights** forum featured seven well – attended events in Wellington and Auckland over 3 days reaching an estimated 300 plus people. The focus of the forum was on providing a business case for companies to embed human rights into practice. Following the forum – and at the request of businesses attending – a multi-stakeholder alliance to protect human rights in business operations was formed, consisting of businesses including ANZ, The Warehouse Group, Sovereign, Watercare, Fonterra, Council of Trade Unions, Ministry of Business, Innovation and Employment (MBIE), Institute of Directors, Vodafone, Kathmandu, and Coca-Cola Amatil.

Ethical procurement and embedding family violence policies in the workplace

Two major human rights projects were undertaken with businesses on ethical **procurement** (the supply chain) and **embedding family violence policies** in the workplace. Two steering groups were formed to address these issues. The Commission is also working with the New Zealand Government to embed human rights in their Group Sourcing Code (procurement guidelines).

Human rights education

To strengthen and broaden its human rights education reach, the Commission is delivering **human rights education** through a digital platform. The first course, Introduction to Human Rights, was launched at the end of the financial year. It is made up of six modules and is a comprehensive introduction to human rights. The course is designed for a diverse range of people and groups: schools, universities, government agencies, community groups and private businesses. It encourages participants to engage with the learning and apply it to their own work and lives. It is accessible on a range of IT devices and offers the most comprehensive human rights learning environment in the country. In the first 10 days after the launch of Introduction to Human Rights, 1,743 people had participated in the course, 2,150 users had viewed it and 26 certificates of completion had been issued. Other courses targeted at specific audiences, such as human rights for business are underway.

Human Rights in the Sports

The Commission co-authored the White Paper on Remedy Mechanisms for **Human Rights in the Sports** context, a series of 11 white papers that present the latest thinking, practice and debate on key human rights issues involved in the planning, delivery and legacy of Mega Sporting events. The Chief Commissioner serves as part of the Commonwealth Advisory Body on Sport (CABOS), which is the Commonwealth's principal advisory body on sport policy issues, reporting to the Commonwealth Secretary-General and Commonwealth Sport Ministers. CABOS is developing guidance for Commonwealth Sports Ministers on human rights sustainable development in the context of sport.

Mega sports events

The UN Guiding Principles on Business and Human Rights are clear that as well as the state's duty to protect, respect, and fulfil rights, non-state actors (such as businesses and sports bodies) have a corresponding universal responsibility to actively respect these same human rights. The Commission participated at an event organised by KPMG and the Australian Human Rights Commission that brought together sports, business and government leaders to understand human rights and **mega sports events** in the context of the Gold Coast Commonwealth Games and other large events hosted in Australia. Over 75 organisations were represented, and there was significant agreement on the steps that needed to be taken.

UN Convention on the Rights of the Child

The Commission participated in New Zealand's fifth periodic review under the **UN Convention on the Rights of the Child**. The Commission submitted a comprehensive shadow report and a supplementary thematic report on housing and its impact on children, prepared in collaboration with the University of Otago and He Kainga Oranga / Housing and Health Research Programme. The Chief Commissioner delegated his role in the Geneva-based examination process to the Children's Commissioner, who was supported by Human Rights Commission staff. All recommendations made by the Commission were substantively reflected in the Committee's conclusions, including landmark recommendations on the rights of intersex children.

Privacy, Human Rights and Ethics Framework

The Commission addressed new information-sharing provisions under clause 38 of the Children, Young Persons and their Families, Oranga Tamariki Amendment Bill in its submission on the Bill. This follows the Commission's ongoing interest in the Government's development of a **Privacy, Human Rights and Ethics Framework** to apply to predictive risk modelling and other data sharing strategies. This was also an issue raised in the Commission's submission to the UN Committee on the Rights of the Child as part of New Zealand's fifth periodic review.

Human Rights, Big Data and Technology forum

A **Human Rights, Big Data and Technology** forum with the University of Essex was held with Data Futures Partnership and state sector agencies to explore the human rights dimensions of using big data.

Refugee claimant process

There has been ongoing engagement with Ministry of Business, Innovation and Employment (MBIE), legal representatives, and civil society in relation to guidelines on interviewing children and maintaining confidentiality during the **refugee claimant process**.

National Plan of Action (NPA)

The Commission continues to monitor the Government's actions to address the Universal Periodic Review and other international treaty recommendations through the **National Plan of Action (NPA)** online tool. The NPA was updated in March and July 2017. All contributing NPA agencies were contacted to update and publish actions online.

Sustainable Development Goals (SDGs)

The Commission continues to work with Treasury and the Ministry of Foreign Affairs and Trade (MFAT) to progress and publicise the **Sustainable Development Goals (SDGs)** in the state sector. The Commission participated in the second multi-agency SDG meeting, and outcomes of this meeting will feed into the SDG inter-agency working group meeting.

Best practice guidelines for the prioritisation of vulnerable customers

The Commission released **best practice guidelines** to help insurers, and potentially other businesses and social sector agencies, to prioritise vulnerable customers. The guidelines, endorsed by the Insurance Council of New Zealand (ICNZ), are linked on its website. The ICNZ applied the guidelines in the development of the Memorandum of Understanding between ICNZ members and the Earthquake Commission for managing the Kaikoura earthquake. The guidelines were also referred by ICNZ to the UN Environment programme.

Good employer review

In 2015/16, a total of 91 Crown Entities were reviewed against six criteria for the good employer review. The average overall compliance rating has gone up 4% from the previous year to 92%, the highest overall compliance rating Crown entities have achieved in the nine years the Human Rights Commission has carried out this monitoring. Of the 35 Crown entities that gained 100% compliance in this year's good employer review, six achieved this for the first time. Encouragingly, 31 Crown entities achieved a higher compliance rating than last year; 24 Crown Entities achieved a lower compliance rating than the previous year.

\$600K gap project

The Commission launched its **\$600K gap project** on International Women's Day with a video and website (www.the600kgap.co.nz) aimed at creating an environment where women can share their experiences, concerns and advice about common challenges faced within the workplace. The Commission launched a second video as part of the project which covered pay negotiation.

NZ Standard for gender and sexual diversity

The Commission was successfully accredited against the **NZ Standard for gender and sexual diversity** in employment and attained the 'Rainbow Tick'. The Commission is the first public sector agency to achieve the Rainbow Tick and has been assessed as meeting the NZ Standard for gender and sexual diversity in employment.

Intersex children

While substantial change in the care of **intersex children** has occurred over the past 20 years, concerns have been raised in New Zealand and internationally regarding practices in this area, with calls for recognition of bodily integrity and an end to treatments aimed solely at assigning gender. During the year, the Commission worked alongside its project partners, the Intersex Trust Aotearoa New Zealand, Tiwhanawhana Trust and the Otago Medical School Wellington to understand and address New Zealand's current practice of genital normalisation for intersex children. The Commission released a report in November following a national multi-sector roundtable, recommending the establishment of a

national multi-sector expert advisory body. The Commission included this recommendation in its submission to the United Nations Committee on the Rights of the Child (CRC) as part of New Zealand's review by the CRC. As a result, the Government received four concluding observations relating to intersex children. Continued external engagement, including with the Ministry of Health and members of the medical profession, and a second national roundtable have resulted in an agreement to establish a New Zealand Child and Youth Intersex Clinical Network under the auspices of the Paediatric Society of New Zealand.

Diversity Forum

New Zealand's 12th **Diversity Forum** in Wellington brought together over 500 individuals and organisations including community groups and non-government organisations who shared ideas and good practice on cultural diversity and positive race relations.

International students

The Race Relations Commissioner has continued to advocate for strengthened safeguards for **international students** studying in New Zealand. As a result of her advocacy, national consultation was undertaken with students, communities and education providers and a new International Students Wellbeing Strategy was launched by Education New Zealand in June 2017. Aligned to the strategy is a new \$750,000 fund to support international student wellbeing initiatives. An Auckland Agency group has also been established to lead the wellbeing strategy in Auckland and a series of initiatives – including the establishment of a new health service, improved orientation information, and increased positions across the education sector – have been implemented. A draft broader International Education strategy is also in development for launch and implementation in the next financial year.

Diversity and Inclusion

The Commission advocated for **Diversity and Inclusion** to be a priority in the public sector. In December 2016, the State Services Commission and the Human Rights Commission hosted a joint workshop on diversity for the public sector. As a result of this workshop a series of initiatives were implemented by the State Services Commission (SSC) including prioritising diversity and inclusion within the Better Public Services 2.0 strategy, a commitment by the State Services Commissioner that this will remain a priority during his 5 year tenure, strengthening of the Diversity and Inclusion team within the SSC, and partnering on an initiative with the Human Rights Commission and MBIE under the Government's Migrant Settlement and Integration Strategy to develop a cultural competency training programme for the public service.

Preventing violent extremism and social cohesion

The Commission highlighted **preventing violent extremism and social cohesion** as priority areas that require further focus. The changing demographics of New Zealand and Auckland require a clear strategic plan and prioritisation in resourcing and co-ordination. In March 2017 the Commission and SSC hosted a forum with key agencies and the community to discuss some of the challenges. As a result of this forum a social cohesion governance group has been established to progress and co-ordinate this work across the public sector.

Race Relations Day

The annual **Race Relations Day** was observed in 2017 with an unprecedented 35 events held throughout New Zealand. A highly successful national event was held in Wellington, which attracted thousands of visitors throughout the day including the Governor-General of New Zealand.

UN Declaration on the Rights of Indigenous Peoples (UNDRIP)

Eight Indigenous Rights Information forums were held to promote awareness of the **UN Declaration on the Rights of Indigenous Peoples (UNDRIP)** and its relevance and application to a range of issues including the right to language, health, environment, indigenous women's leadership, equality and non-discrimination, and indigenous rights. The events attracted considerable interest and positive feedback, including engagement from the public (via social media), as well as Māori media. A workshop was also held with 19 rangatahi (young people), culminating in the production of four short videos promoting young people's views of UNDRIP.

Te Mana i Waitangi

The Commission successfully delivered four **Te Mana i Waitangi** policy workshops to 96 policy staff across two agencies: the Ministry of Social Development and the Ministry for Vulnerable Children.

Cultural capability programme

The Commission completed an internal **cultural capability programme**, "Tiakina – Cultural Passport", an initiative to ensure all Commission staff have the necessary knowledge, skills and competencies to operate as a Treaty-based organisation and support the Commission's commitment to the Treaty of Waitangi.

Addressing the Gap in Complaints for Pacific People

A series of community meetings on **Addressing the Gap in Complaints for Pacific People** were initiated to better engage with the Pacific community and its stakeholders, to explore ways to increase awareness of and accessibility to the Commission's complaints and mediation service in the Pacific community. The project is a result of independent research coupled with many years of data that highlight low levels of complaints to the Commission by Pacific people.

Pay Equity Mediation

The Commission's dispute resolution team mediated successfully between the **College of Midwives and the Ministry of Health** to settle a long-running complaint about pay equity. The dispute was set to be heard in the High Court, but the parties agreed to mediation through the Commission in August 2016. A series of mediated meetings resulted in an interim 2.5% pay increase for midwives, a 6% pay increase from 1 July 2017, and an additional \$1 million targeted at 'urgent areas of need in the service'. As part of the agreement, the College and Ministry are now involved in a co-design process for a new funding model that will address pay equity.

Bullying in schools

The Commission continued its work in addressing and raising awareness of **bullying in schools** in 2016/17 through its participation on the Bullying Prevention Advisory Group. The Commission continues to advocate for the Ministry of Education to develop a comprehensive, evidence-based anti-bullying programme for New Zealand schools, which includes all the identifications used by bullies in school: race, disability, gender, economic status, family status and GLBTI. The Ombudsman, UN Committee on Economic Social and Cultural Rights and the Law Commission have also advocated for a comprehensive programme addressing all forms of bullying, including cyberbullying.

Neurodiversity Disability Forum

The Commission hosted a **Neurodiversity Disability Forum**, which was well attended by 30 stakeholders across the disability sector. Actions resulting from the meeting included briefing the new social investment board on neurodisability, the possibility of a prevalence study of a specific cohort, and mainstreaming communication supports throughout the sector.

The visit of Ms Catalina Devandas, United Nations Special Rapporteur on the Rights of Persons with Disabilities

The Commission, along with IHC, hosted and supported the visit of **Ms Catalina Devandas, United Nations Special Rapporteur on the Rights of Persons with Disabilities** with key stakeholders including government agencies, OPCAT NPM and the recently elected member of the UN Convention on the Rights of Persons with Disabilities, and held a community event at Te Papa.

Human Rights Education Blended Learning

The Commission led the successful facilitation of the Asia Pacific Forum (APF) **Human Rights Education Blended Learning** programme in Bangkok. The project develops human rights education and training for a wide audience by using a variety of e-learning techniques and processes.

Chief Mediator assists Sri Lanka Human Rights Commission

As part of an APF initiative, the Chief Mediator reviewed the Inquiries and Investigation Division of the Sri Lanka Human Rights Commission, providing recommendations on the treatment of a significant backlog of complaints and a suggested structure for the ongoing efficient and effective management of the **complaints service**. The Chief Mediator completed a report, drafted a procedural manual for the Sri Lanka Commission and conducted training for all investigation advisors and conciliators.

Annual Chinese internship programme

The Commission alongside MFAT, Victoria University of Wellington and the China University of Political Science and Law (Beijing) offer an **annual Chinese internship programme** designed to foster greater understanding of human rights in New Zealand. The programme runs from July to October each year and is the third year the Commission has participated in the programme since its inception. The internship programme has been a resounding success and goes from strength to strength. All four partners remain committed to the continuance of the programme.

Submissions

During the year the Commission prepared over 30 submissions to select committees, government departments and other agencies in relation to key human rights issues.

These submissions included:

- a submission to the Law Commission on its review of the Search and Surveillance Act 2012
- a submission to the Foreign Affairs and Trade Select Committee on the Security Intelligence Bill
- a submission to the Māori Affairs Select Committee on the Te Ture Whenua Bill
- a submission to the Education and Science Committee on the Education (Update) Amendment Bill 2016
- input and guidance to the Ministry of Business, Innovation and Employment (MBIE) on embedding human rights into procurement processes
- a submission on the Children, Young Persons and their families, Oranga Tamariki Bill
- various submissions in relation to proposed pieces of legislation relating to family violence.

Legal interventions

The Commission has continued to be involved in a range of human rights-related legal proceedings. We commenced three new legal interventions during the reporting period and continued to be involved in a number of ongoing cases. The outcomes in *Attorney-General v Taylor*, *Spencer v Attorney-General* and *Wall v Fairfax* are all of significance, and illustrate the importance of the Commissioner's statutory intervention functions.

Attorney General v Taylor CA 470/2015: This case involved important constitutional and human rights law questions regarding the status of the Bill of Rights Act, the remedies available to the courts when considering legislation that is inconsistent with the Bill of Rights, and the relationship between the different branches of government. It is also relevant to the right to effective remedies under international human rights law, namely Article 2 of the International Covenant on Civil and Political Rights (ICCPR). The Commission provided the Court with written submissions and was granted the opportunity to deliver extensive oral submissions at the hearing itself. The Court of Appeal issued its judgment in May 2017 and confirmed that the High Court does have jurisdiction to issue a declaration that legislation is inconsistent with the New Zealand Bill of Rights Act 1990, as argued by the Commission.

Spencer v Attorney-General [2016] NZHC 1650: Margaret Spencer is a caregiver who has provided care for her 48-year-old son Paul, who has Down syndrome, throughout his life. Her case was linked to the *Atkinson v Ministry of Health* proceedings, where a Ministry of Health policy that

excluded parents and family caregivers from receiving payment for caring for their adult disabled children was ruled to constitute unlawful discrimination under the Human Rights Act. Following the *Atkinson* proceedings, which determined the Ministry's liability, Mrs Spencer successfully applied to join the group of plaintiffs who had brought the case. She subsequently brought a claim for remedies in the High Court, the first time the Crown had been subject to liability for damages under the Human Rights Act in relation to a discriminatory policy. The Commission appeared as an intervener in the proceedings. In its landmark decision, the Court awarded monetary damages to Mrs Spencer for pecuniary loss suffered as a result of a discriminatory policy, the first time such a decision has been made. In addition, the High Court issued a training order against the Ministry of Health requiring them to provide human rights training to their officials. The overall outcome reflected the Commission's role in the proceedings by affirming the remedies provisions of the Human Rights Act and highlighted the utility of its legal intervention function under section 5(2)(j), particularly in terms of the impact of the judgment in increasing human rights knowledge and compliance in the public sector.

Wall v Fairfax [2017] HRRT 1; This case concerned a claim brought against Fairfax media in relation to several cartoons published in major daily newspapers. The Human Rights Review Tribunal confirmed the correctness of the position taken by the Commission in response to the original complaint, and during the hearing itself, in relation to the interpretation of section 61 of the Human Rights Act. The racially offensive cartoons published by Fairfax were found to be insulting but not unlawful. The HRRT specifically noted the assistance provided by the Commission during the hearing.

In December 2016, the Commission took steps to commence a new legal intervention under its section 5(2)(j) function. The Commission indicated to the Human Rights Review Tribunal its intention to intervene in *Hines & Jacobs v Attorney-General* [2016] HRRT 071/16, with regard to the issue of religious instruction in state schools. The case concerns an application for a declaration that the provisions of the Education Act 1964 and the Education Act 1989 that relate to religious instruction in schools are inconsistent with the right to freedom from discrimination under section 19 of the New Zealand Bill of Rights Act.

The Commission also intervened in *Brown v Basing NZ Ltd* [2017] NZSC 12, in which the Supreme Court considered whether parties to an employment contract governed by foreign law may contract out of the age-discrimination protections contained in the Employment Relations Act and the Human Rights Act. The Supreme Court is yet to release its judgment.

Enquiries and complaints

Ngā Pātai me ngā Amuamu

In any given year, the Commission helps thousands of people work through a human rights complaint. In many cases, the Commission helps people resolve their issues quickly and informally, or finds the appropriate process to resolve their concerns.

Under Section 77 of the Human Rights Act the Commission provides dispute resolution services¹ for complaints of unlawful discrimination. There are many ways in which to move a complaint towards resolution. We talk to complainants to help them identify the best path for them in the circumstances. This may involve us contacting other agencies that are not the respondent, or giving them information or suggestions on how to resolve their problem themselves, or referring them to another organisation better placed to help them, or brokering an agreement over the phone, or arranging mediation.

The Commission received 5,453 new human rights enquiries and complaints in 2016/17, an increase of 117 over the previous year. This total is made up of:

- 3,716 complaints about a human rights issue of which 1,211 were complaints about unlawful discrimination
- 1,501 requests for other assistance including enquiries about human rights training, advice or resources, legal intervention or advocacy (there were 224 enquiries for the Commission's publications)
- 236 registrations of concern (this does not include concern expressed over the Commission's social media sites, but concerns specifically sent to the Commission).

Timeliness of the complaint process

The Commission closed 5,115 enquiries and complaints over the year.

- 4,512 (88%) were resolved, or involved providing some form of assistance
- 492 (10%) were withdrawn or the person did not reply to the Commission
- 111(2%) were unable to be resolved within the Commission's dispute resolution service.

A total of 3,242 (63%) enquiries and complaints were dealt with and closed within 7 days, reflecting the fact that many matters of concern to the public are raised with us and resolved immediately by phone. In addition, 4,135 (81%) were closed within one month.

1 Section 77 provides for dispute resolution services to include the provision of general information about discrimination and legal obligations in relation to discrimination, the provision of a venue and mediator for a dispute resolution meeting, and other services of a type that can address a variety of circumstances that assist people to resolve their disputes.

Unlawful discrimination complaints

A total of 1,237 complaints of alleged unlawful discrimination were closed over the year. The outcomes were:

- 972 cases (79%) were resolved or assisted towards resolution or an alternative path to resolution
- In 156 cases no action was taken because the complainant withdrew or did not respond to follow-up calls by the Commission.
- 109 cases were not resolved through our offices and were referred to the Human Rights Review Tribunal.

Outcomes of closed unlawful discrimination complaints over the past 3 years*

	2016/17	2015/16	2014/15
Resolved or Assistance given	972 (79%)	969 (75.6%)	930 (82%)
Withdrawn or discontinued, no action taken	156 (12.6%)	192 (15%)	137 (12%)
Referred to the Human Rights Review Tribunal	109 (8.8%)	120 (9.4%)	70 (6%)
Total closed	1237	1281	1137

* Categories of outcomes were changed in 2013, so years before this are not comparable

Mediation results were wide and varied, addressing both the individual's situation and on many occasions enabling widespread systemic change. This year the mediation process produced 78 settlement outcomes involving systemic change. The following are some examples:

- As part of agreed settlements, organisations undertook staff training on anti-discrimination in recruitment, sexual harassment and disability service issues.
- Some organisations agreed to work with disability advocates to revise processes, for example in the IT industry and a television network developed apps to enhance accessibility for sight and hearing-impaired consumers.
- Work was undertaken on disability-designated car parking policies in a couple of organisations with national reach.
- Insurance guidelines for a company were reviewed where cover was considered not to adequately address disability.
- Guidance to staff was issued by an organisation after a complaint that a customer with a disability had been refused alcohol because the effects of the disability were confused with intoxication.
- A training provider changed its enrolment policy so that a 65-year old could enrol in a carpentry course.
- An airport installed a baby change table in its men's toilets as the result of a complaint.
- A company agreed to provide all its employees with information on human rights.

- A company recognised the need for staff to be able to use their own languages during the day.
- A retail outlet changed its requirement that women remove their burka while shopping.

Several schools made policy changes, including:

- accommodating health issues within an outdoor education programme
- provisions made for students who are breastfeeding
- the right to have an interpreter present at enrolment activities and meetings involving parents for children of minority cultures with special needs
- changes to procedures when considering autism in suspension/exclusion meetings
- changes to a school's board of trustees to be more representative of cultural diversity.

These systemic outcomes are alongside individual settlement agreements and broader human rights education outcomes as a result of the dispute resolution process.

In addition, mediation yielded 237 individual resolution results which included compensation, an apology, donation to a charity, participation in a review, a job reference, a job offer or an opportunity to interview, access to special dietary needs, and accommodation for transgender people at work and service providers.

In progressing complaints, there is an ongoing focus on advocacy to improve knowledge and awareness. This year we updated our publications on the complaint process, our popular A-Z pre-employment guide to human rights, sexual harassment guidelines for complainants and respondents, and the rights of indigenous peoples. Sixty-six settlement outcomes involved educative or advocacy results.

The Commission collects demographic data from complainants. For the most part complainants present in much the same proportions as in the general population. The exception is the number of complaints received from Pasifika, who are underrepresented. We held a series of fono to test and gather ideas that will increase accessibility and access to the Commission's Enquiries and Complaints service within the Pasifika community.

- 45% of complainants were women, 47% were men and 2% identified as transgender
- 32% of complaints came from people who live in the Auckland region², 12% from Wellington, 11% from Canterbury, 6% from Waikato, 4% from Bay of Plenty, 4% from Whanganui and Manawatu, 3% from Otago, 2% from Southland, 0.8% from Gisborne, 2% from Marlborough, Nelson and Tasman, 2% from Northland, and 2% from Taranaki

² 84% collection rate.

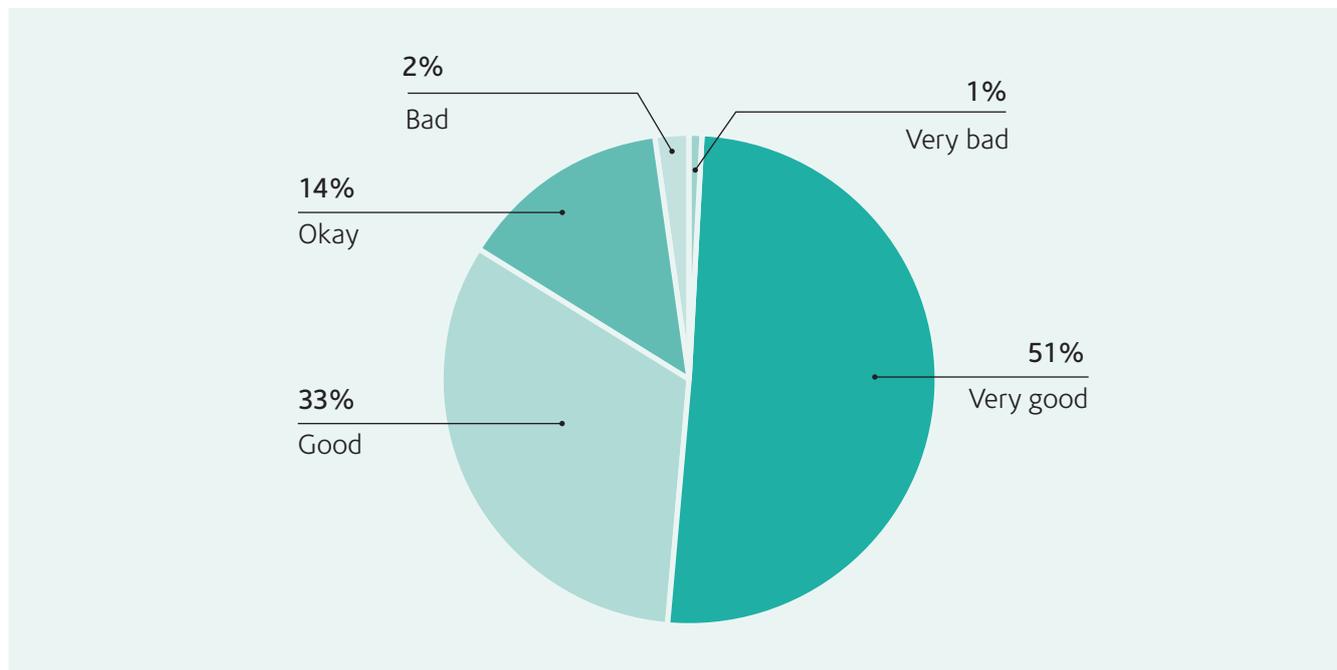
- 33% of complainants live with a disability³
- 24% of complainants were Pākeha/NZ European, 10.5% were Māori, 2.4% were Pasifika, and 12% were Asian⁴
- 23% between the ages of 31-50, 14% 18-30, 12% 51-65, 6% over 65, 8% under 18⁵

Satisfaction with the dispute resolution service

Our target is to have 90% of participants satisfied with the mediation process. We ask participants in mediation how well the mediator explained the process, whether the mediation enabled a better understanding of the issues, whether the mediator was fair and impartial and how well the issues were explored in the mediation process. For the 8 month period from 1 July 2016 to 28 February 2017, 95% of participants were satisfied or very satisfied⁶.

We changed our method of surveying people who participated in the Commission's dispute resolution process (to an online survey) part-way through the year. For the remaining 4 months of the year, 97% of respondents felt the service was very good, good or okay.⁷

Participants satisfaction with the mediation process (March-June 2017)



3 65% collection rate. Of these 15% identified an intellectual impairment, 28.4% a mental impairment, 44.7% a physical impairment, and 10% a sensory impairment.

4 63% collection rate.

5 65% collection rate.

6 60 returns. 27% response rate

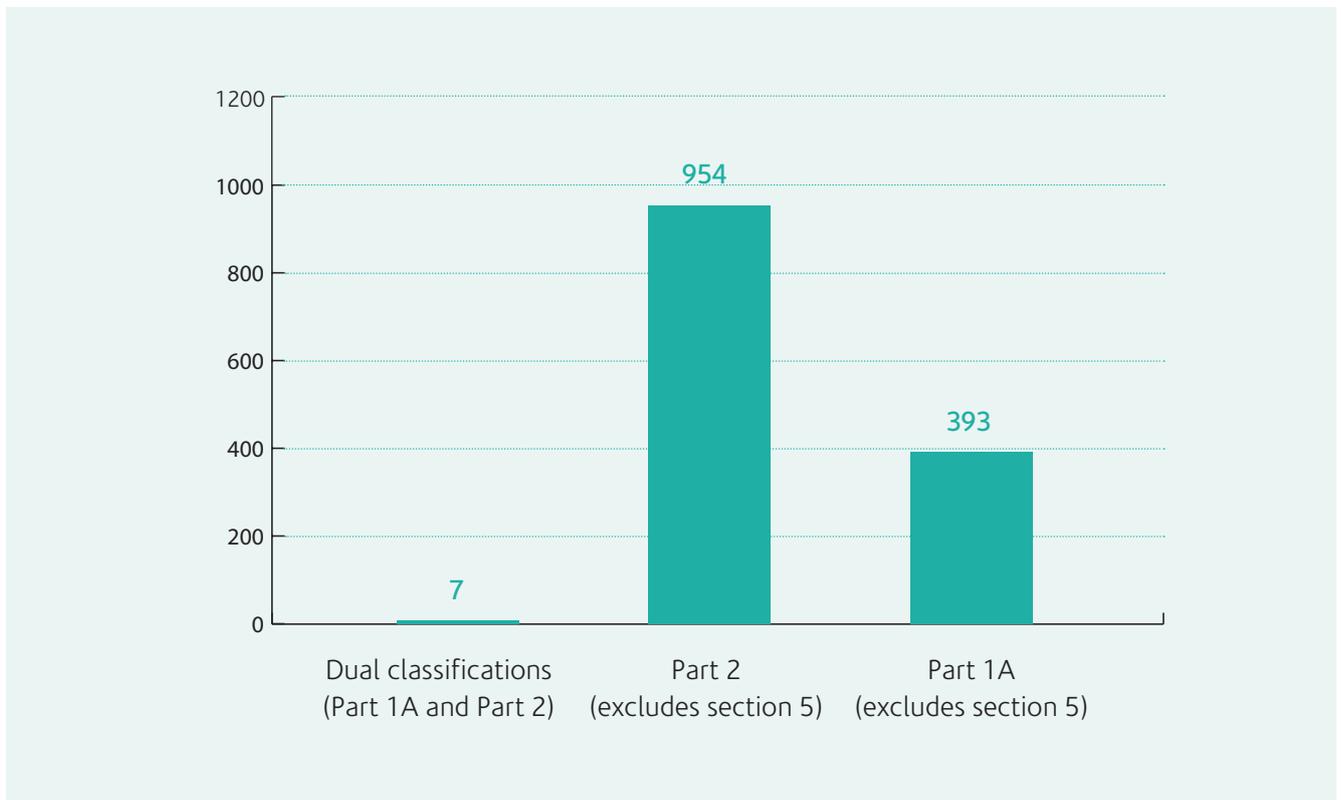
7 37 returns. 33% response rate

Unlawful discrimination by area and ground

The Human Rights Act distinguishes between unlawful discrimination complaints in Part 1A of the Human Rights Act 1993 (complaints about legislation, and Government policy or practice), and in Part 2 (pre-employment and employment complaints across all sectors and unlawful discrimination by business and non-governmental agencies).

As in previous years, the majority (954) of unlawful discrimination complaints and enquiries related to Part 2 (973 in 2015/16). There were 393 enquiries and complaints about unlawful discrimination concerning Part 1A. There were 7 dual classifications (Part 1A and Part 2).

Unlawful Discrimination Enquiries and Complaints (Grouped by Classification)



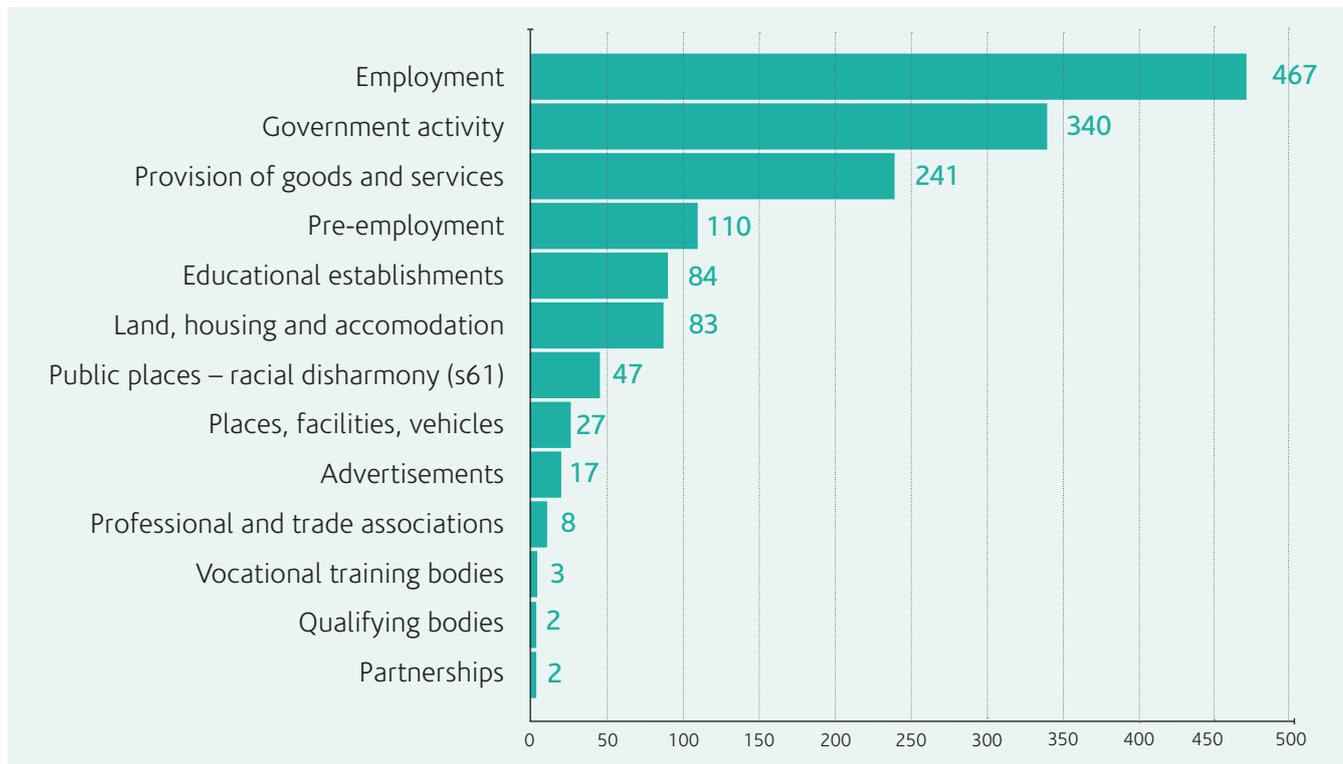
By area

Combined, employment and pre-employment enquiries and complaints accounted for 577 (40.32%) of all unlawful discrimination enquiries and complaints. Included in this number are employment and pre-employment complaints within both the private and public sectors. Employment-related complaints have been the most common area of complaint for several years.

Enquiries and complaints about government activity – the application of public sector legislation, policy or practice – are the next most common area of complaint. A large number of complaints relate to the education sector and a lack of reasonable accommodation of disability for students.

The provision of goods and services accounted for 241 enquiries and complaints (16.84%). Complainants said they had been treated unfairly, stereotyped or harassed in retail situations or when accessing services.

Unlawful Discrimination Enquiries and Complaints Part 1A and Part 2 (grouped by area)



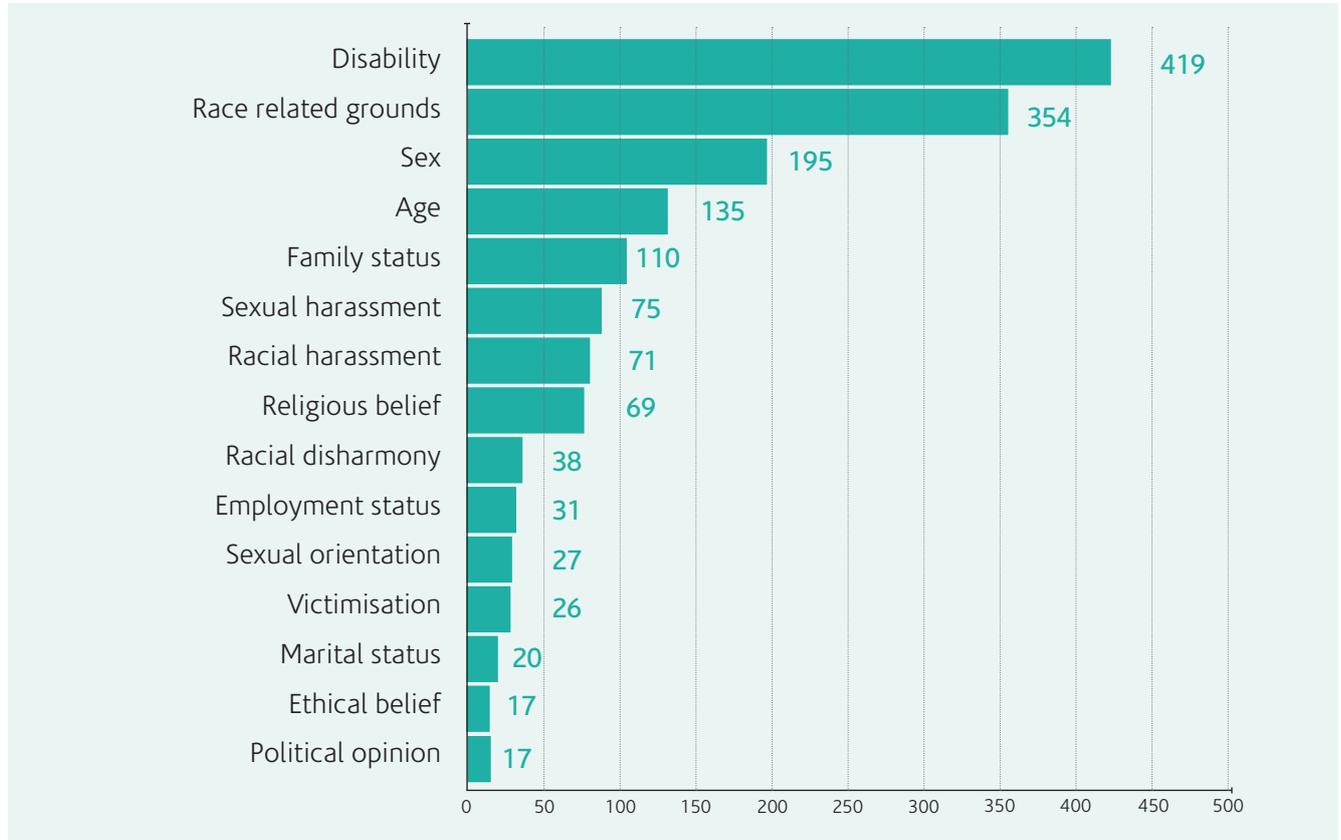
By ground

Enquiries and complaints about unlawful discrimination against disabled people made up the largest proportion of unlawful grounds this year: 419 complaints, a slight decrease compared to 455 the previous year. The majority of these complaints were about how people with disabilities are treated by public service organisations in policy or practice, particularly in schools. Employment issues were the second most common area of complaint from people alleging unlawful discrimination against disabled people.

In 2016/17 there was a significant increase in the number of enquiries and complaints related to race, colour and national and ethnic origin (race-related grounds consolidated), 354 compared with 282 in 2015/16. Most of the race related complaints were about employment and pre-employment, followed by complaints about provision of goods and services and government activity. There were also 71 complaints about racial harassment and 38 complaints about racial disharmony.

Other significant grounds for complaints were sex, age and family status.

Unlawful Discrimination Enquiries and Complaints Part 1A and Part 2 (grouped by ground)



Note that some complaints cite more than one ground

Broader human rights enquiries (outside unlawful discrimination)

In addition to unlawful discrimination, the Commission receives a vast number of enquiries on a variety of human rights issues. We considered 3,875 complaints, enquiries and requests for action on issues other than unlawful discrimination and closed 3736 during the course of the year.

Broader Human Rights Enquiries 2012-2017

	2016/17	2015/16	2014/15	2013/14	2012/13
Received	3,875	3,754	3,804	3,434	4,159
Closed	3,736	3,749	3,792	3,714	4,463

During 2016/17 the Commission responded to queries about the participation of people with disabilities in sports clubs and tournaments, International Men’s Day, water rights, vaccination and fluoridation, conscientious objection, bullying in schools, workforce participation for older workers, access to the internet for digitally disadvantaged groups, trade policy, gender violence, migrant support services, human rights related to various environmental issues such as air pollution and, water purity, special measures to ensure equality for Māori and others, seclusion in schools, data sharing, insurance guidelines, solitary confinement, repatriation of human remains and the Kermadec Ocean Sanctuary Bill.

We also contributed to statistics on superdiversity, student research papers, conferences on architecture and accessibility, various surveys on, for example rights of elderly and LGBTI, and responses to whistle blowing. Throughout the year, the Commission worked with Statistics New Zealand to develop statistical standards for sexual orientation, iwi and religion.

Additional queries were received from prisoners concerning voting rights, the donation of blood and semen, the right to work, the adequacy of mental health care while in prison and the removal of criminal records. Harassment, health, disability and criminal issues feature prominently in the issues brought to the Commission.

The Top 15 broader human rights enquiries grouped by issues

2016/17	Number of Section 5 enquiries outside scope of unlawful discrimination
Employment	455
Government Departments	432
Harassment	294
Health	265
Disability	255
Criminal issues	242
Prisons	222
Legal issues (Non-Human Rights)	217
Children and young people	204
Race	193
Accommodation	169
Sex	158
International	154
Refugees and migrants	135
Courts	134

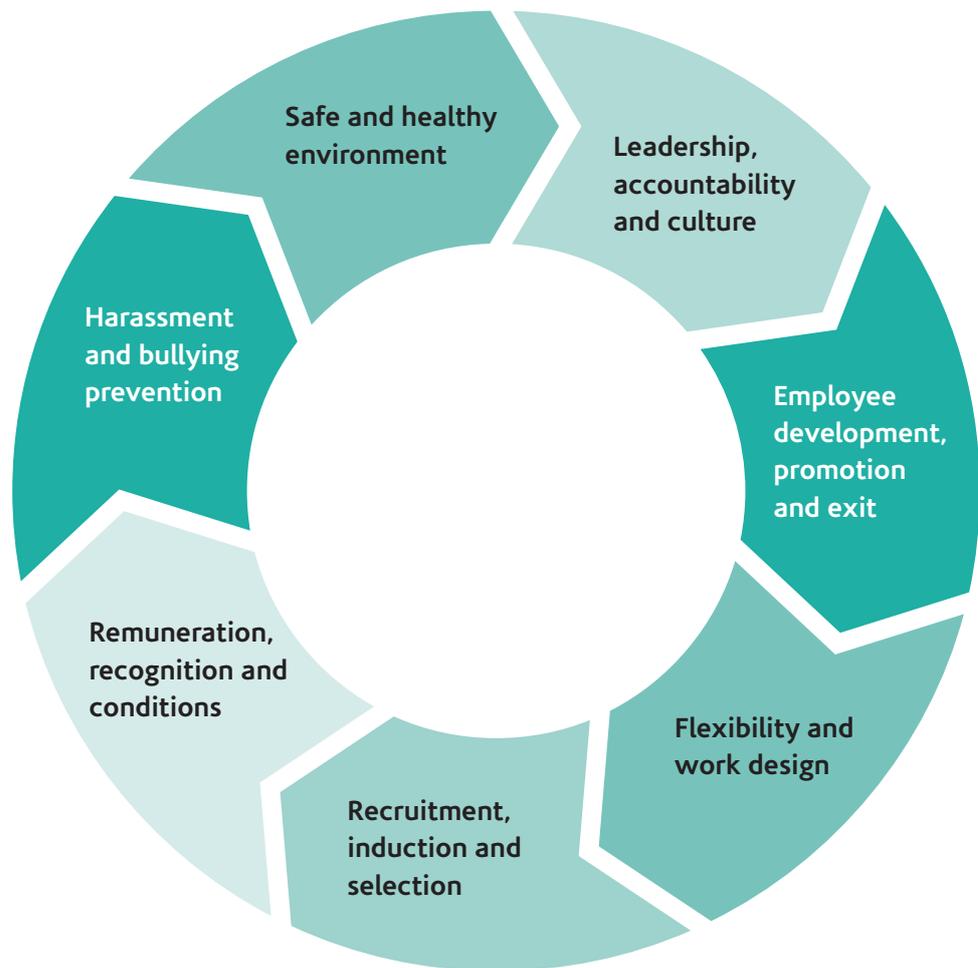
Note: Each enquiry may have more than one issue/keyword

Organisational health and capability

Te kaha ora o te Kāhui Tika Tangata

The Commission strives to continuously improve its services to foster excellence and delivery. We are committed to excellence and intelligent planning, aligned with agreed strategic objectives. We strive to find ways to be smarter, more productive and cohesive. This year the Commission undertook a limited workforce reorganisation to ensure we deliver and manage our organisation effectively, using our available resources to achieve the most impact.

Our activities this year are summarised against the seven 'good employer' key elements



Leadership, accountability and culture

- Talent management toolkit developed and aligned to the performance framework
- Four leadership courses offered to future leaders
- Multiple team level workshops were held
- Productivity workshop with Management Team
- Established Treaty-based cultural passport programme to increase relevance by engaging effectively with our external audience

Employee development, promotion and exit

- Forty staff undertook professional development opportunities
- Two senior leaders promoted
- Performance development framework in place
- Exits and retirements aligned with Commission's employee agreements to reflect good practice

Flexibility and work design

- Organisation-wide flexible work programme
- Some roles redesigned as part of limited workforce reorganisation
- Implemented new Electronic Document and Record Management System and Intranet including migration to a Cloud-based server enabling effective remote access
- Business Continuity Plan implemented

Recruitment, induction and selection

- Robust recruitment and selection processes in place to ensure diversity of age, ethnicity, gender and disability
- Induction programme for new Commissioners implemented

Remuneration, recognition and conditions

- Introduced new Reward and Recognition Programme "Living our Values". 10 staff were recognised in 2016/17 acknowledging individual performance and contribution
- New remuneration framework developed linked to individual performance and aligned with remuneration practice in the state sector
- A simplified Collective Employment Agreement negotiated with the PSA till 2020 which supports enhanced productivity

Harassment and bullying prevention

- Strong values based working environment
- New family violence policy implemented
- Values and Behaviours framework in place
- Employee Code of Conduct and relevant policies available on Intranet

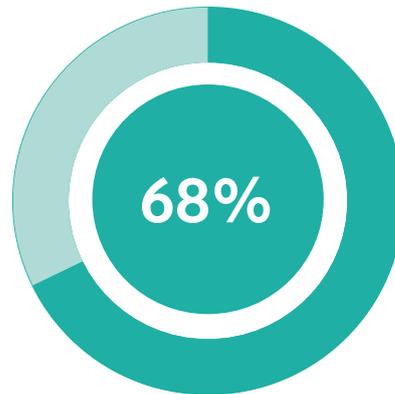
Safe and healthy environment

- Du Pont Switch on for Safety workshop delivered to strengthen commitment and ownership of workplace safety
- Visible leadership – CE underwent Family Violence training and Health and Safety training with designated staff
- Participation, including PSA engagement, as part of health and safety policy and training
- New online portal to record hazards implemented
- Zero lost time workplace injuries
- Wellbeing initiatives – Employee Assistance Programme (EAP), ergonomic workstation assessments and Onsite flu vaccinations

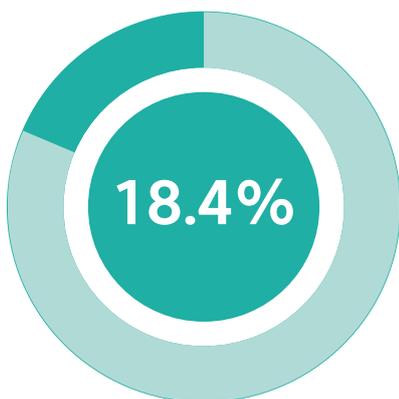
Staff Workplace Profile⁸



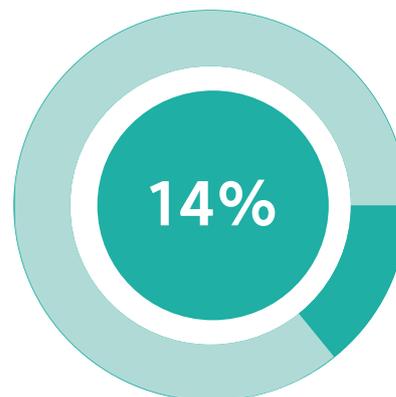
The Commission has 47 staff and 44 Full-time equivalent (FTEs)



68% of our workforce are female



Gender pay gap unadjusted 18.4%⁹



14% of staff reported a disability

⁸ Excludes Commissioners.

⁹ The Commission's gender pay gap at 1 July 2017 was 10.3% unadjusted.

Our age profile

Age	Staff	Commissioners
Under 30 years	13.95 %	0 %
30–39 years	25.58 %	0 %
40–49 years	20.93 %	0 %
50–59 years	30.23 %	83.33 %
60 and over years	9.30 %	16.66 %

Our ethnicity profile*

Ethnicity	Staff	Commissioners
NZ European	70.73 %	75 %
Māori	29.27 %	25 %
Asian	12.20 %	0 %
Other	12.20 %	0 %
Pacific	4.88 %	0 %

*People can identify with more than one ethnic group and so percentages do not add up to 100%

Length of service

Length of service	Staff	Commissioners
Under 3 years	21	0
3–10 years	13	6
Over 10 years	13	0

The Office of Human Rights Proceedings Te Tari Whakataua Take Tika Tangata

Report to the Minister on the Director's decisions

This report is made by the Director of Human Rights Proceedings to the Minister pursuant to s 92A(4) of the Human Rights Act 1993 (HRA) in respect to decisions on requests for representation in the Human Rights Review Tribunal (Tribunal).¹⁰

Summary of decisions made

The Director made 61 decisions in respect to applications for representation in the Tribunal.

Of these, the Director decided to provide representation on 19 applications: in 10 instances for representation in the Tribunal, and 9 for representation for settlement (including 2 for representation in mediation).

In respect to the other 42 decisions: 33 decisions were made not to provide representation; and 9 to take no further action.

The proportion of decisions in respect to complaints made under Part 1A as against Part 2 of the HRA

Of the total 61 decisions the Director made, 31 were in respect to applications involving complaints under Part 1A¹¹ as against 30 decisions made in respect to applications involving complaints under Part 2 of the HRA. The following diagram shows the relative proportions of complaints under Part 1A as against Part 2 of the HRA as a percentage.

Percentage of complaints made under Part 1A and Part 2



¹⁰ Under s 92A(4) the Director must report to the Minister at least once each year and without referring to identifiable individuals concerned, on the Director's decisions under s 90(1)(a) (applications for representation in the Human Rights Review Tribunal (Tribunal) in respect to enforcing settlement) and s 90(1)(c) (applications for representation in the Tribunal in respect to complaints under the Human Rights Act 1993 (HRA)).

¹¹ Part 1A applies to unlawful discrimination complaints against Government branches or persons or bodies performing public acts pursuant to law, other than complaints against those respondents that deal with employment, racial disharmony, racial harassment, sexual harassment, and victimisation.

Part 1A complaints by entity, ground and decision

The Director made 31 decisions on applications involving complaints under Part 1A of the HRA. The table below shows the public-sector entities or type of public-sector entities complained against, the prohibited grounds of discrimination alleged in respect to those entities, and the Director's decisions by ground.

Public Sector Entity	Ground ¹²	Decision
Housing New Zealand (3)	Disability (2) Race (1)	No (1), Yes (S) ¹³ (1) No (1)
New Zealand Transport Agency (2)	Disability (1) Religious belief (1)	No (1) No (1)
Ministry of Business Innovation & Employment (2)	Family status (1) No prohibited ground/no jurisdiction (1)	No (1) No (1)
Ministry of Social Development (6)	Employment status (2) Disability (1) Marital status (1) Sex (2)	Yes (1), No (1) No (1) NFA ¹⁴ (1) Yes (1), No (1)
Department of Corrections (5)	Disability (3) Sex (2)	NFA (1), Yes (S) (2) No (2)
Auckland Transport (1)	Disability (1)	NFA (1)
Educational Institute (3)	Ethnic or national origins (2) Disability (1)	No (2) Yes (1)
Ministry of Health (2)	Family status (2)	Yes (2)
ACC (2)	Age (1) Disability (1)	No (1) No (1)
Education Council of Aotearoa New Zealand (1)	Ethnic or national origins (1)	No (1)
Wellington City Council (1)	Disability (1)	No (1)
New Zealand Police (1)	No prohibited ground/no jurisdiction (1)	No (1)
Ministry of Education (1)	Age (1)	No (1)
New Zealand Government (1)	Race (1)	No (1)

12 Where an applicant has relied on several grounds, a single primary ground has been isolated.

13 '(S)' denotes that representation was provided for settlement purposes only.

14 'NFA' denotes that the Director decided to take no further action on the application.

Part 2 complaints by area, ground, and decision

In respect to the Director's 30 decisions on applications involving complaints under Part 2 of the HRA, the following table shows the areas of life in which events occurred, the prohibited grounds of discrimination alleged to be involved, and the Director's decisions by ground.

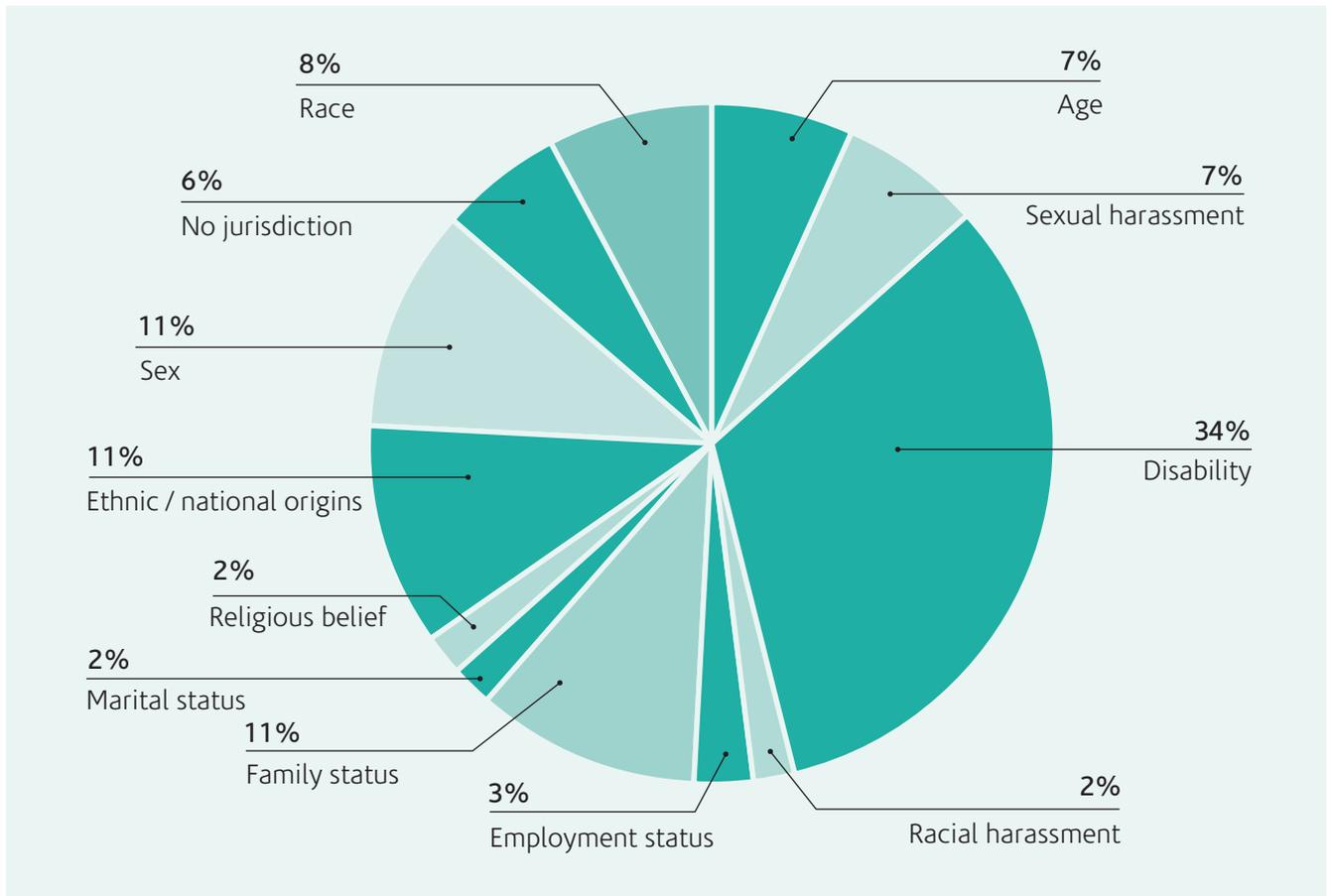
Area	Ground/other ¹⁵	Decision
Employment (21)	Sex (2)	No (1), Yes (1)
	Age (2)	NFA (1), No (1)
	Disability (7)	No (3), NFA (2), Yes (S)(1), RB ¹⁶ (1)
	Racial harassment (1)	No (1)
	Family status (2)	No (1), Yes (S) (1)
	Sexual harassment (3)	Yes (3)
	Ethnic or national origins (3)	No (2), NFA (1)
	Race (1)	No (1)
Provision of goods and services (8)	Sexual harassment (1)	Yes (1)
	Disability (3)	No (1), Yes (2)
	Ethnic or national origins (1)	No (1)
	Family status (1)	No (1)
	Race (2)	No (1), NFA (1)
Access to education (1)	Family status (1)	RB (1)

¹⁵ Where an applicant has relied on several grounds, a single primary ground has been isolated.

¹⁶ 'RB' denotes that the Director decided to refer the complaint back to the Human Rights Commission for mediation pursuant to s 90(1)(b) of the HRA.

Decisions by ground

The following diagram shows all decisions made by reference to the alleged prohibited grounds involved in the complaints, as a percentage.¹⁷



The Director's Privacy Act functions

The Director also has powers, duties and functions under the Privacy Act 1993. Most significantly, the Director may bring privacy interference proceedings when the Privacy Commissioner refers a case to him or her under s 77(2) of that Act.

The Director made 6 decisions on referrals from the Privacy Commissioner under section 77(2). The Director decided to bring proceedings in the Tribunal in 5 of those matters.

The remaining matter was settled prior to a decision being made.

The Director also made 39 decisions in respect to invitations to intervene in proceedings before the Tribunal and 1 decision following an invitation to intervene in an appeal in the High Court. The Director decided not to intervene in any of these.

¹⁷ Where an applicant has relied on several grounds, a single primary ground has been isolated.

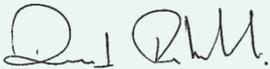
Human Rights Commission Statement of Responsibility

for the year ended 30 June 2017

Pursuant to section 155 of the Crown Entities Act 2004, we certify that:

- 1 We have been responsible for the preparation of these financial statements and the statement of performance and for the judgements in them.
- 2 We have been responsible for any end-of-year performance information provided by the Commission under section 19A of the Public Finance Act 1989, whether or not that information is included in this annual report.
- 3 We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 4 We are of the opinion that these financial statements and statement of performance fairly reflect the financial position as at 30 June 2017 and the operating results and cash flows of the Commission for the year ended 30 June 2017.

Approved on behalf of the Board of the Commission



David Rutherford
Chief Commissioner



Dr Jackie Blue.
Equal Employment Opportunities Commissioner

25 October 2017

Statement of Performance

1 July 2016 to 30 June 2017

Whakatutukitanga Ratonga Tauākī

The *Statement of Performance* is a report on the Commission's performance against key activities, standards and measures set out in its Statement of Performance Expectations for 2016/17 to 2019/20 and in the appropriation Justice Advocacy, Advice and Promotion.

Reporting results

The following sections of the *Statement of Performance* describe the 2016/17 performance results assessed against the appropriation Justice Advocacy, Advice and Promotion Services.

Progress made towards achieving the identified standards and performance measures are reported under the Commission's six output areas as outlined in the Statement of Performance Expectations. The Statement of Performance Expectations also contains a number of performance standards and measures over and above those in the appropriation. These have been marked with an asterisk in this report.

Output class statement – Justice Advocacy, Advice and Promotion Services

	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Revenue			
Crown	9,496	9,496	9,496
Other	729	735	394
Total revenue	10,225	10,231	9,890
Total expenses	11,122	11,119	9,404
Net surplus/(deficit)	(897)	(888)	486

Output performance 2016/17

Output 1: Human rights education, promotion, and advocacy programmes that are delivered effectively

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
Increased reach and relevance	The number of downloads and access to Commission digital information	New measure in 2016/17 Baseline 35,000	10% increase from previous year	Achieved: 39,713 (+13.47% increase)
	*Percentage of civil society and government stakeholders that provide positive feedback about key HRC external events ¹⁸	New measure in 2016/17	70%	Achieved: 90%+
Increase the understanding of the human rights dimensions of the Treaty of Waitangi (Te Mana i Waitangi)	*Percentage of engaged civil society and government stakeholders that provide positive feedback on the effectiveness of Te Mana i Waitangi training, promotion, and education	New measure in 2016/17	Increase from previous year	Baseline of 70% established to benchmark against in following years. This was not measured in previous year

Output 2: Effective engagement with government, civil society and business to protect human rights and reduce barriers to inclusion

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
Engagement with government, civil society and business to effect positive human rights changes	*Percentage of planned engagements ¹⁹ that result in actions that progress positive change	New measure in 2016/17	72%	Achieved: 77%

¹⁸ Measured through formal feedback solicited at key external events.

¹⁹ Includes face to face and written engagement, including but not limited to facilitation of events. Engagements occur in line with the strategic objectives and advocacy areas as defined in the Commission's business plan.

Output 3: Legal interventions in courts and tribunals promote human rights

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
Legal interventions to promote human rights	Number of new legal interventions the Commission engages in related to significant human rights matters	New measure in 2016/17	2	Achieved: 3

Output 4: Recommending, monitoring and reporting on human rights standards to government, civil society and business

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
Monitoring and analysing progress in improving equal opportunity employment opportunities in New Zealand and reporting on the outcomes	Percentage of Crown entities reaching 100% compliance with good employer obligations	New measure in 2016/17	50%	Not achieved: ²⁰ 38%
	*Number of Crown entities per year improving on their previous compliance rating	3	Increase from previous year	Achieved: 31
Coordination of monitoring mechanisms and publication of reports associated with CRPD, OPCAT and EMRIP/UNDRIP ²¹	*Thematic report(s) completed and published	New measure in 2016/17	One	Achieved: OPCAT NPM Annual Report published Seclusion and Restraint report published
	*Number of national preventative mechanism (NPM) meetings arranged and held	New measure in 2016/17	2 meetings per year	Achieved: 3 meetings held
	*Number of UNDRIP; CRPD independent monitoring mechanism (IMM) meetings arranged and held	New measure in 2016/17	2 meetings per year	Hosted 3 meetings of the UNDRIP IMM and participated in 4 meetings of the CRPD IMM ²²

20 This measure was disestablished for 2017/18 as the Commission has an advisory/monitoring role only and does not control the result.

21 The Commission, reporting to United Nation treaty monitoring bodies, works with government and civil society; providing reports, advice and technical assistance in response to periodic compliance examinations.

22 The Office of the Ombudsman was the coordinating CRPD IMM agency for the relevant reporting period

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
NPA monitors the Government's actions to address UPR and other international treaty recommendations	Number of updates to the NPA tool to reflect changes to actions	New measure in 2016/17	2	Achieved: 2
	*Report produced on the status of human rights based on the NPA ²³	New measure in 2016/17	Annually	Achieved: NPA Annual Report produced
International commitments, engagements and activities have a positive impact in the realisation of human rights	*Percentage of international interactions that have a positive impact ²⁴	New measure in 2016/17	70%	Achieved: 100%
Independence, credibility and effectiveness in discharging the functions of a NHRI	*Maintaining International A-Status accreditation as National Human Rights Institution (NHRI) ²⁵	Achieved	Achieved	Achieved Reaccredited with A Status
	*NZs compliance with ratified human rights treaties is reported on through timely monitoring reports to UN bodies	New measure in 2016/17	Achieved	Achieved

23 The NZ Government's human rights record was reviewed by the United Nations as part of the UPR. The NPA monitors the Government's actions on the 121 recommendations it accepted. The Commission works with the Government and civil society on how to successfully address the identified issues and monitor progress. An indicators framework that measures the outcomes from those actions and progress against UN treaty body recommendations has been developed, and an annual report is produced on the status of human rights based on the actions that will progress the UPR recommendations accepted by the Government.

24 The Commission participates in a number of international commitments and engagements that aim to have a positive impact on the realisation of human rights, not only locally but also in the international sphere. Impact is measured by inclusion or acceptance of the Commission's contributions into the advice, guidelines and directives by international institutions and guiding bodies that contribute to the advancement of human rights.

25 The Commission has an A-status accreditation as a National Human Rights Institution by the United Nations Office of the High Commissioner for Human Rights (OHCHR) and the Global Alliance of National Human Rights Institutions (GANHRI). This status is the highest recognition of the independence a national human rights institution can achieve. NHRIs that are awarded A-status are recognised for their credibility and professionalism. It shows that the NHRI "is legitimate, relevant and effective in promoting human rights at the national level" (OHCHR, 2012). A-status also provides formal participation in the United Nations Human Rights Council and engagement with other UN treaty bodies. Re-accreditation occurs every 5 years involving a sub-committee of GANHRI, and approval of the organisation on behalf of the United Nations.

Output 5: Human rights enquiries and complaints received are advanced and concluded within agreed timeframes and standards

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
Human rights enquiries and complaints are provided with a responsive and effective dispute resolution service	Customer satisfaction with the mediation process ²⁶	92%	90%	Achieved: 95% ²⁷
	Responsive and timely resolution of enquiries and complaints as measured by the percentage of complaints of unlawful discrimination closed within one year	91%	80%	Achieved: 97%

Output 6: Applications for legal representation under the Human Rights Act 1993 and referrals received under the Privacy Act 1993, and associated litigation are progressed within the agreed timeframes and in accordance with expected professional legal standards

Objective	Measure	2015/16 Result	2016/17 Standard	2016/17 Result
Responsive and timely decision making	Percentage of applications decided within 4 months	78%	80%	Achieved: 84%

26 The survey results are influenced by how survey parameters are set such as number of responses per user, when and to whom the survey link is sent, and the collation of the outcome. Limitations of the survey have been identified as a) participants can complete a survey more than once and b) results may not reflect all the completed surveys.

27 For all these survey results – ‘very satisfied’, ‘satisfied’ and ‘average’ are included in the result as satisfied.

Financial Statements Tauākī pūtea

Human Rights Commission Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Revenue				
Revenue from the Crown		9,496	9,496	9,496
Interest received		107	146	166
Other revenue		622	589	228
Total revenue	2	10,225	10,231	9,890
Expenses				
Personnel costs	3	7,736	7,351	6,606
Other expenses	4	1,915	2,182	1,776
Projects and programmes		945	999	596
Travel costs		387	425	310
Depreciation and amortisation		139	162	116
Total expenses		11,122	11,119	9,404
Net surplus / deficit		(897)	(888)	486
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(897)	(888)	486

Explanations of major variances from budget are detailed in note 17.

The accompanying notes form part of the financial statements.

Human Rights Commission Statement of Financial Position

as at 30 June 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Equity				
Accumulated funds		1,728	1,588	2,625
Total equity		1,728	1,588	2,625
Current assets				
Cash and cash equivalents		360	384	679
Term deposits		1,640	1,000	900
Receivables	5	40	23	75
Prepayments		103	57	41
Total current assets		2,143	1,464	1,695
Current liabilities				
Payables	6	567	282	516
GST payable		111	160	114
Employee entitlements	7	602	401	344
Total current liabilities		1,280	843	974
Working capital		863	621	721
Non-current assets				
Term deposits		-	-	1,500
Property, plant and equipment	8	1,030	1,023	465
Intangible assets	9	2	2	5
Total non-current assets		1,032	1,025	1,970
Non-current liabilities				
Payables	6	79	-	-
Employee entitlements	7	88	58	66
Total non-current liabilities		167	58	66
Net assets		1,728	1,588	2,625

The accompanying notes form part of the financial statements.

Human Rights Commission Statement of Changes in Equity

for the year ended 30 June 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Balance at 1 July		2,625	2,476	2,139
Total comprehensive revenue and expense		(897)	(888)	486
Balance at 30 June		1,728	1,588	2,625

The accompanying notes form part of the financial statements.

Human Rights Commission Statement of Cash Flows

for the year ended 30 June 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Cash flows from operating activities				
Receipts from the Crown		9,496	9,496	9,496
Receipts from other sources		382	589	235
Interest received		163	199	122
Payments to commissioners and employees		(6,272)	(6,111)	(6,157)
Payments to suppliers		(4,275)	(4,994)	(3,205)
Goods and services tax (net)		(3)	-	(46)
Net cash flow from operating activities		(509)	(821)	445
Cash flows from investing activities				
Maturity of term deposits		4,590	3,900	3,700
Sales of property, plant and equipment		201	-	-
Placement of term deposits		(3,830)	(2,500)	(4,100)
Purchases of property, plant and equipment		(771)	(621)	(226)
Net cash flow from investing activities		190	779	(626)
Net increase/(decrease) in cash		(319)	(42)	(181)
Cash and cash equivalents at the beginning of the year		679	426	860
Cash and cash equivalents at the end of the year		360	384	679

The accompanying notes form part of the financial statements.

Human Rights Commission Notes to the Financial Statements for the year ended 30 June 2017

1 Statement of accounting policies

Reporting entity

The Human Rights Commission is a Crown entity as defined by the Crown Entities Act 2004. The Commission's functions and responsibilities are set out in the Human Rights Act 1993 and Crimes of Torture Act 1989 and it has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Commission are for the year ended 30 June 2017 and were approved by the Board of the Commission on 25 October 2017.

Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Commission have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards as appropriate for public sector entities. The Commission is eligible to apply Tier 2 PBE accounting standards because it does not have public accountability, as defined in the PBE accounting standards, and its total expenses are less than \$30 million.

These financial statements comply with 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).

Summary of significant accounting policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

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

Revenue from the Crown

The Commission is primarily funded by revenue received from the Crown through the Ministry of Justice for the provision of outputs. This funding is dedicated to the Commission meeting the objectives specified in the Human Rights Act 1993 and Crimes of Torture Act 1989 and the scope of the relevant appropriations of the funder. The Commission considers there are no conditions attached to the funding and it is recognised as non-exchange revenue at the point of entitlement. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest received

Interest revenue is recognised using the effective interest method.

Rental revenue

Lease receipts under an operating sublease are recognised as revenue on a straight-line basis over the lease term.

Provision of services

Services provided to third parties on commercial terms, such as the provision of advice and educational workshops, are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

Grants received

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Project and programme costs

Costs that are directly attributable to a project or programme activity are reported in the statement of comprehensive revenue and expense as project and programme costs. This includes the cost of travel where the primary purpose of the travel relates to the project or programme activity.

Leases

Operating leases

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

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 in the statement of comprehensive revenue and expense as a reduction in rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and funds on deposit at banks with an original maturity of three months or less.

Term deposits

Term deposits include funds on deposit at banks with an original maturity of more than three months and are initially measured at the amount invested. Term deposits which will be recovered more than three but no more than twelve months after the reporting date are classified as current. Term deposits which will be recovered more than twelve months after the reporting date are classified as non-current and the amount expected to be recovered after more than twelve months is disclosed.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that the Commission will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Property, plant and equipment

Property, plant and equipment consists of equipment, furniture and fittings, leasehold improvements, library books and motor vehicles.

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

Additions

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

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value 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 reported as a net amount in the surplus or deficit in the statement of comprehensive revenue and expense.

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 the Commission 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 in the statement of comprehensive revenue and expense 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 of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Equipment	2.5–12 years	8.3–40%
Furniture and fittings	5–20 years	5–20%
Leasehold improvements	5–12 years	8.3–20%
Library books	5 years	20%
Motor vehicles	5 years	20%

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

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

Intangible assets

Software acquisition

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

Costs associated with maintaining computer software, the development and maintenance of the Commission's website, and staff training costs are recognised as an expense when incurred.

Trademarks

Trademarks are capitalised based on the costs incurred to register the trademark with the Intellectual Property Office of New Zealand.

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 in the statement of comprehensive revenue and expense.

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

Acquired software	2–5 years	20–50%
Trademarks	10 years	10%

Impairment of property, plant and equipment and intangible assets

Cash-generating assets

The Commission does not hold any property, plant and equipment or intangible assets that are cash-generating. Assets are considered cash-generating where their primary objective is to generate a commercial return, otherwise they are considered non-cash generating.

Non-cash-generating assets

Property, plant and equipment and intangible assets 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 costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure 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 amount. The total impairment loss is recognised in the surplus or deficit in the statement of comprehensive revenue and expense. The reversal of an impairment loss is also recognised in the surplus or deficit in the statement of comprehensive revenue and expense.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An intangible asset that is not yet available for use at the balance date is tested for impairment annually.

Payables

Short-term payables are recorded at their face value. Leasehold incentives with an unexpired portion beyond 12 months are recorded at face value and classified as a non-current liability.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Permanent employees are entitled to actual and reasonable sick leave to recover from genuine illness but entitlements do not accumulate and are recognised as an expense when the absence occurs.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long-service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

Accrued salaries and wages, bonuses, annual leave and vested long service leave are classified as a current liability. 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.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit in the statement of comprehensive revenue and expense as incurred.

Defined benefit schemes

The Commission does not make contributions to defined benefit schemes.

Provisions

A provision is recognised for future expenditure of an uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Organisational change costs

A provision for organisational change costs arising from restructuring is recognised when either an approved detailed formal plan for the restructuring has been announced publicly to those affected or implementation of it has already started.

Commitments

Expenses yet to be incurred on non-cancellable operating leases that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable operating leases that have penalty or exit costs explicit in the agreement on exercising that option to cancel are disclosed at the value of that penalty or exit cost.

Accumulated funds

Accumulated funds are the net surpluses and deficits that have accumulated over time and represent the Crown's investment in the Commission. Accumulated funds are measured as the difference between total assets and total liabilities.

Goods and services tax (GST)

All items in the financial 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, Inland Revenue (IRD) is presented in the statement of financial position.

The net GST paid to or received from the IRD, including the 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

The Commission is a public authority and consequently is exempt from the payment of income

tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are derived from the Statement of Performance Expectations approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, the Commission 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 causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Estimating useful lives and residual values of property, plant and equipment and intangible assets

At each balance date, the useful lives and residual values of property plant and equipment and intangible assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment and intangible assets requires several factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Commission, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciation or amortisation expense recognised in the surplus or deficit in the statement of comprehensive revenue and expense, and the carrying amount of the asset in the statement of financial position.

Notes 8 and 9 detail the carrying amounts of property, plant and equipment and intangible assets respectively.

Retirement and long service leave

Note 7 details the critical estimates and assumptions made in relation to retirement and long service leave liabilities.

Critical judgements in applying accounting policies

Acquired software

The Commission has exercised judgement to determine whether expenditure on developing and implementing an Electronic Document Records Management System and intranet meets the criteria for recognition as an intangible asset. This included an assessment of whether the expenditure creates an item that can be identified and separated from the

Commission, is under the control of the Commission, and will provide future economic benefits or service potential. Because the software is provided as an annual subscription service and the licence agreement cannot be on-sold to a third party, the criteria for recognition as an intangible asset has not been met. Accordingly, costs to implement the software have been expensed.

Comparative information

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

2 Revenue

	2017	2016
	\$000	\$000
Revenue from non-exchange transactions		
Revenue from the Crown	9,496	9,496
Other revenue	48	58
Total revenue from non-exchange transactions	9,544	9,554
Revenue from exchange transactions		
Interest received	107	166
Other revenue	574	170
Total revenue from exchange transactions	681	336
Total revenue	10,225	9,890

Other revenue in 2017 includes compensation received for the early surrender of an office lease at the landlord's request.

3 Personnel costs

	2017 \$000	2016 \$000
Salaries and wages	6,162	5,831
Employer contributions to defined contribution plans	127	110
Increase/(decrease) in employee entitlements	254	(30)
Other ²⁸	1,193	695
Total personnel costs	7,736	6,606

Personnel costs include the Commissioners and Director of Human Rights Proceedings who are appointed by warrant of the Governor-General and are therefore not employees.

Employer contributions to defined contribution plans include contributions to KiwiSaver.

Personnel costs were \$1.1m higher than last year due to:

- a decision to use more contractors to deliver a larger programme of work
- redundancies following a limited workforce reorganisation.
- One-time payments to agree new modernised terms and conditions of employment including reduced leave entitlements and productivity improvements, and
- annual salary increases.

Note 7 details employee entitlements owing at balance date.

4 Other expenses

	2017 \$000	2016 \$000
Operating lease expense	475	468
Information and communications technology	711	519
Other operating costs	729	789
Total other expenses	1,915	1,776

Expenditure on information and communications technology in both years includes costs to implement an Electronic Document Records Management System and intranet.

28 Relates to short-term contractors and professional development

5 Receivables

	2017 \$000	2016 \$000
Receivables under exchange transactions		
Debtors	-	-
Accrued revenue	17	72
Total receivables under exchange transactions	17	72
Receivables under non-exchange transactions		
Debtors	23	3
Total receivables under non-exchange transactions	23	3
Total receivables	40	75

The carrying value of receivables approximates their fair value. All receivables have been assessed for impairment and there is no impairment.

6 Payables

	2017 \$000	2016 \$000
Current portion		
<i>Payables under exchange transactions</i>		
Creditors	386	407
Revenue received in advance	1	34
Lease incentive	19	-
Total payables under exchange transactions	406	441
<i>Payables under non-exchange transactions</i>		
PAYE tax payable	161	75
Total payables under non-exchange transactions	161	75
Total current portion	567	516
Non-current portion		
<i>Payables under exchange transactions</i>		
Lease incentive	79	-
Total non-current payables under exchange transactions	79	-
Total non-current portion	79	-
Total payables	646	516

7 Employee entitlements

	2017 \$000	2016 \$000
Current portion		
Accrued salaries, redundancy and one-time payments	290	21
Annual leave	292	300
Retirement and long service leave	20	23
Total current portion	602	344
Non-current portion		
Retirement and long service leave	88	66
Total non-current portion	88	66
Total employee entitlements	690	410

Employee entitlements payable at 30 June 2017 were \$280,000 higher than last year because some payments relating to the 2017 year were not made until after balance date. This includes a redundancy payment, one-time payments for agreeing to reduced leave entitlements, and two days of the fortnightly pay cycle falling after balance date compared to one day last year.

The liability for retirement and long-service leave entitlements is carried at the present value of estimated future cash flows, calculated based on several factors determined on an actuarial basis.

Two key assumptions used in calculating the retirement and long service leave liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The salary inflation factor has been determined based on the long-term annual increase in salaries and wages expected by the New Zealand Treasury. A discount rate of 3.92% (2016: 3.13%) and an inflation factor of 3.1% (2016: 3.0%) were used.

Because the carrying amount of the retirement and long-service leave liability is small, the impact of either the discount rate or salary inflation factor differing by 1 percentage point from that used is negligible.

8 Property, plant and equipment

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

	Equipment \$000	Furniture & Fittings \$000	Leasehold Improvements \$000	Library \$000	Motor Vehicles \$000	Total \$000
Cost						
Balance at 1 July 2015	644	279	561	115	46	1,645
Additions	130	12	149	-	-	291
Disposals	(183)	(5)	(500)	-	-	(688)
Balance at 30 June 2016	591	286	210	115	46	1,248
Balance at 1 July 2016	591	286	210	115	46	1,248
Additions	37	48	624	-	-	709
Disposals	(114)	(12)	(61)	(115)	(46)	(348)
Balance at 30 June 2017	514	322	773	-	-	1,609
Accumulated depreciation and impairment losses						
Balance at 1 July 2015	489	175	526	115	46	1,351
Depreciation expense	65	11	36	-	-	112
Eliminate on disposal	(177)	(3)	(500)	-	-	(680)
Balance at 30 June 2016	377	183	62	115	46	783
Balance at 1 July 2016	377	183	62	115	46	783
Depreciation expense	65	13	60	-	-	138
Eliminate on disposal	(109)	(10)	(62)	(115)	(46)	(342)
Balance at 30 June 2017	333	186	60	-	-	579
Carrying amounts						
At 1 July 2015	155	104	35	-	-	294
At 30 June and 1 July 2016	214	103	148	-	-	465
At 30 June 2017	181	136	713	-	-	1,030

There are no restrictions over the title of the Commission's property, plant and equipment, nor are any assets held under finance leases or pledged as security for liabilities (2016: nil).

9 Intangible assets

Movements for each class of intangible asset are as follows:

	Acquired Software \$000	Trademarks \$000	Total \$000
Cost			
Balance at 1 July 2015	125	4	129
Disposals	(30)	-	(30)
Balance at 30 June 2016	95	4	99
Balance at 1 July 2016	95	4	99
Disposals	(7)	-	(7)
Balance at 30 June 2017	88	4	92
Accumulated amortisation and impairment losses			
Balance at 1 July 2015	118	2	120
Amortisation expense	3	1	4
Eliminate on disposal	(30)	-	(30)
Balance at 30 June 2016	91	3	94
Balance at 1 July 2016	91	3	94
Amortisation expense	1	-	1
Eliminate on disposal	(5)	-	(5)
Balance at 30 June 2017	87	3	90
Carrying amounts			
At 1 July 2015	7	2	9
At 30 June and 1 July 2016	4	1	5
At 30 June 2017	1	1	2

There are no restrictions over the title of the Commission's intangible assets, nor are any intangible assets pledged as security for liabilities (2016: nil).

10 Capital commitments and operating leases

Capital commitments

At the balance date, there were no capital commitments (2016: \$514,000 for the construction of the Auckland office fit out).

Operating leases

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2017 \$000	2016 \$000
Not later than one year	340	-
Later than one year and not later than five years	1,358	-
Later than five years	2,041	-
Total non-cancellable operating leases	3,739	-

A significant portion of the total non-cancellable operating lease expense relates to the lease of one floor of an office building in Auckland, part of which is subleased to the Energy Efficiency and Conservation Authority (EECA). The initial term ends in August 2022 with an option to renew for a further six years and final expiry date of August 2028. The Commission has assumed it will exercise the renewal.

The remainder of the non-cancellable operating lease expense relates to the lease of a small portion of floor space in the Christchurch Integrated Government Accommodation campus. The lease expires in November 2027.

The Commission does not have the option to purchase the assets at the end of the lease terms and there are no restrictions placed on the Commission by any of the leasing arrangements.

The Commission also occupies office space in Wellington, on a shared services arrangement with EECA.

11 Contingencies

Contingent liabilities

If the Commission does not exercise the option to renew the lease of its Auckland office space then, upon expiry of the lease, it must make-good the premises. The make-good obligations require all chattels and leasehold improvements be removed and the premises reinstated. The Commission has assumed it will exercise the option to renew (2016: same).

Contingent assets

The Commission has no contingent assets (2016: nil).

12 Related party transactions and key management personnel

The Commission 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 it is reasonable to expect the Commission would have adopted in dealing with a 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 with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

	2017	2016
Commissioners and Director of Human Rights Proceedings		
Total remuneration	\$1,382,710	\$1,373,125
Full-time equivalent members	5.6	5.6
Senior Management Team		
Total remuneration	\$1,841,287	\$1,374,584
Full-time equivalent members	9.1	8.2
Total key management personnel compensation	\$3,223,997	\$2,747,709
Total full-time equivalent personnel	14.7	13.8

Full-time equivalent values have been pro-rated for positions that were not part of the senior management team for the full year. The total compensation for the year ended June 2017 includes \$173,600 of accrued cessation payments, payable in the financial year ending June 2018.

13 Commissioners' and other committee member's total remuneration

Total remuneration includes all benefits paid or payable to each commissioner, the Director and committee member during the financial year. No Commissioners, Director or committee members received compensation or other benefits in relation to cessation (2016: nil).

Position	Member	2017 \$	2016 \$
Chief Commissioner	David Rutherford	340,091	339,253
Commissioner (part-time)	Karen Johansen	83,250	83,920
Commissioner (part-time)	Richard Tankersley	77,700	71,860
Director of Human Rights Proceedings	Robert Kee	227,985	225,779
Disability Rights Commissioner (part-time)	Paul Gibson	186,723	186,376
Equal Employment Opportunities Commissioner	Jackie Blue	233,491	232,990
Race Relations Commissioner	Susan Devoy	233,470	232,947
Audit Committee Chair	Graeme R Mitchell	2,213	1,918

Indemnity insurance

The Commission effected Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of commissioners, the Director, and employees.

14 Employee remuneration

The Commission, as a Crown entity, is required to disclose in its annual report the number of employees receiving total remuneration of \$100,000 or more per annum. Total remuneration includes end of contract payments such as contractual notice pay and accrued leave entitlements but excludes cessation payments. In compliance, the table below has been produced, which is in \$10,000 bands to preserve the privacy of individuals. Because Commissioners and the Director are not employees of the Commission, they have been excluded from the table.

Remuneration of employees over \$100,000 per annum

Total remuneration p.a.	Number of employees	
	2017	2016
\$100,000 – \$110,000	6	3
\$110,001 – \$120,000	5	4
\$120,001 – \$130,000	-	-
\$130,001 – \$140,000	-	1
\$140,001 – \$150,000	1	-
\$150,001 – \$160,000	1	6
\$160,001 – \$170,000	4	1
\$170,001 – \$180,000	2	-
\$180,001 – \$190,000	-	-
\$190,001 – \$200,000	-	-
\$200,001 – \$210,000	-	-
\$210,001 – \$220,000	-	-
\$220,001 – \$230,000	-	1
\$230,001 – \$240,000	-	1
\$240,001 – \$250,000	1	-

Cessation payments

During the year ended 30 June 2017 payments totalling \$128,000 were made to four employees in relation to their cessation of employment (2016: six employees, total \$245,000).

15 Events after the balance sheet date

There were no significant events after the balance date.

16 Categories of financial instruments

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

	2017 \$000	2016 \$000
Loans and receivables		
Cash and cash equivalents	360	679
Term deposits	1,640	2,400
Receivables	40	75
Total loans and receivables	2,040	3,154
Financial liabilities measured at amortised cost		
Payables (excluding revenue in advance and taxes payable)	386	407
Total financial liabilities measured at amortised cost	386	407

17 Explanation of major variances from budget

Statement of comprehensive revenue and expense

Revenue and expenditure met budget expectations. Significant variances were as follows:

- Personnel costs were \$385,000, or 5% more than budgeted due to costs related to a limited workforce reorganisation and modernising of employment agreements.
- Spending on projects and programmes was \$54,000, or 5% less than budgeted due to the deferral of some costs to next year.
- Travel costs were \$38,000, or 9% less than budgeted due to ongoing cost management together with some planned travel not taking place.
- Depreciation and amortisation was \$23,000, or 14% less than budgeted due to the timing of asset purchases and disposals.

Other expenses were \$267,000, or 14% less than budgeted primarily due to the delivery of a significant information technology project under budget and two other information technology projects being deferred.

Statement of financial position

Total assets were \$686,000 or 22% more than budgeted and total liabilities \$546,000 or 38% more than budgeted. This resulted in \$140,000 or 9% more accumulated funds than budgeted. Significant variances were as follows:

- Term deposits were \$640,000 or 39% more than budgeted due to timing of expenditure and available cash.
- Total payables were \$364,000 or 56% more than budgeted due to the timing of large expenditure in the closing stages of the year, including for our Give Nothing to Racism campaign.
- Total employee entitlements were \$231,000 or 33% more than budgeted due to opportunities late in the financial year to undertake a limited workforce reorganisation and modernise employment agreements with payments made shortly after balance date.

Statement of cash flows

Payments to suppliers were less than budgeted due to the timing of large expenditure in the closing stages of the year.

The amount of term deposits placed and that reached maturity during the year was higher than expected because the timing of expenditure allowed more term deposits to be placed.

Independent Auditor's Report

To the readers of the Human Rights Commission's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of Human Rights Commission. The Auditor-General has appointed me, JR Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Human Rights Commission on his behalf.

Opinion

We have audited:

- the financial statements of the Human Rights Commission on pages 48 to 68, that comprise the statement of financial position as at 30 June 2017, 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 including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Human Rights Commission on pages 10 to 31 and 43 to 47.

In our opinion:

- the financial statements of the Human Rights Commission on pages 48 to 68:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information on pages 10 to 31 and 43 to 47:
 - presents fairly, in all material respects, the Human Rights Commission's performance for the year ended 30 June 2017, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

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 and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor 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 Board for the financial statements and the performance information

The Board are responsible on behalf of the Human Rights Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of the Human Rights Commission for assessing the Human Rights Commission's ability to continue as a going concern. The Board are 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 Human Rights Commission, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are 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 these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Human Rights Commission's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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 financial statements and the performance information, 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 Human Rights Commission's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Human Rights Commission's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Human Rights Commission'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 financial statements and the performance information 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 Human Rights Commission to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Board 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 Board is responsible for the other information. The other information comprises the information included on pages 1 to 9, and pages 32 to 42, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 Human Rights Commission in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners 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 Human Rights Commission.

A handwritten signature in black ink, appearing to read 'JR Smaill', with a long horizontal stroke above the name.

JR Smaill

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand

