

**Legal Services Amendment Bill
Justice Select Committee**

The Salvation Army Submission – 03 February 2023

Summary:

1. The Salvation Army supports this Bill in principle. We submit that the changes covered in this Bill will have some important benefits to the people and whanau using our services. However, there are some aspects of the wider review of Legal Aid and this process that we believe could be improved and so we offer our comments on these aspects.

Background of The Salvation Army:

2. The mission of The Salvation Army Te Ope Whakaora is to care for people, transform lives, and reform society by God's power. The Salvation Army is a Christian church and social services organisation that has worked in New Zealand for over one hundred and forty years. It provides a wide range of practical social, community, and faith-based services, particularly for those facing various forms of hardship and vulnerability.
3. The Salvation Army's combined services provide support to around 140,000 people annually. These services included providing around 88,000 food parcels to more than 33,000 families, providing some 4,600 people with short-or long-term housing, and over 4,000 families and individuals supported with social work or counselling. The Salvation Army also provides almost 20,000 addiction services and counselling sessions through Bridge (Alcohol and other drugs) and Oasis (gambling). Bridge and Oasis support over 2,000 Tangata Whaiora and their whanau annually across the country.
4. This submission has been prepared by the Social Policy and Parliamentary Unit (SPPU) of The Salvation Army. The SPPU works towards the eradication of poverty by advocating for policies and practices that strengthen the social framework of New Zealand. This submission has been approved by Commissioner Mark Campbell, Territorial Commander of The Salvation Army's Aotearoa New Zealand Fiji Tonga, and Samoa Territory.

Specific comments on Bill:

5. The Salvation Army is *not* a provider of community legal services. But many of our clients are current or former users of either Legal Aid or Community Law Centres (CLCs). The legal issues our clients face are hugely diverse, ranging from credit contracts and problem debt issues through to criminal and immigration law issues.
6. We reaffirm our support for the main provisions of this Bill. The cumulative effects of both clauses 5 and 9 of the Bill for people using our services is likely to be positive as this removes another set of financial obstacles from people accessing the legal support and advice they need. We are always weary of our clients falling into new or deeper financial hardship spirals and so these proposals will be extremely helpful. In the 2022 calendar year, we

conservatively estimate that over 40 per cent of our clients were receiving a government welfare payment or stated they were living with no income.ⁱ The removal of interest charges on legal aid debt is particularly helpful for many of the people and whanau we serve because of the high volumes of government debt they owe via fines and other debts. These moves, taken as a whole with the government's increased 2022 Budget commitment to improving access to legal justice services, are all positive moves for poorer New Zealanders, or those struggling to access the necessary help.

Comments on wider Review of Legal Aid

7. The Salvation Army understands the difficulties that Covid and the government lockdowns have brought to policy development. But this process is cosmetic tinkering of the principal Act rather than the significant review and reforming of the Act that stakeholders sought in 2018. The Government's own Disclosure Statement, section 2.3.1 states: *as noted in the analysis, evidence of problems with legal aid are well documented and confirmed by a range of stakeholders. The analysis is constrained by the existing legal assistance framework and the funding available to improve the system. The Government's preferred approach is unlikely to fully address the problems identified by stakeholders but will significantly alleviate the current pressures on the legal aid system.*ⁱⁱ There is some value to these proposals as we have outlined earlier in this submission. But more changes are needed to improve access to legal justice for lower income New Zealanders, and fix the major faults within the current system.
8. We also note the Discovery Report states there has been no additional publicly available evaluation, review, or inquiry reports.ⁱⁱⁱ Therefore, there is a strong reliance on the data and consultation of stakeholders undertaken in 2018. We submit it is somewhat risky to rely on dated feedback to develop these policy ideas. The Treasury's RIS uses Budget confidentiality as a reason for no continued discussion and consultation in 2022.^{iv} Additionally, the fact that this Bill was one of those rushed through in urgency in late 2022 likely points to a tight process and timeframe with limited opportunities to provide feedback on the policy development.

Ideas moving forward:

9. In closing this submission, we believe it is helpful to make some final comments on other potential solutions or ideas that can help the access to legal justice challenges in our system:
 - a. Implementing change based on the 2018 Review findings is important, especially given the decline in people accessing Legal Aid between 2013-2018. A comprehensive look at the income thresholds and impact of inflation, especially in recent years, is urgently needed to ensure people are not missing out this vital service.
 - b. With about 70% of legal aid recipients not required to repay any of their legal aid grants^v, the large majority of debt is being written off. This raises questions about the efficacy and efficiency of a system where essential legal services are being paid for by public money with little return or repayment coming back. Option Two of the RIS looked at better funding for CLCs. It seems to us that more investment and resourcing into CLCs is a more effective strategy for improving access to justice than pouring public money into the Legal Aid system that expects repayments yet very few debts are being repaid.
 - c. There is a raft of new access to justice initiatives and research being developed within the New Zealand context. We submit tapping into this greater body of

innovation and research. Still, some of this can be cosmetic tinkering on the edges of the system when deeper change is needed. *If* the Legal Aid system is to continue, then what innovations are needed to ensure this system is fit-for-purpose? Also, CLCs are functioning in this environment and need increased funding. Finally, what other innovations are there that can be developed to look at more financially sustainable models to improve access to legal justice? Options like improving the use of pro bono hours of lawyers, private funding of targeted legal services (e.g., credit contracts law) or developing social enterprise law firms should be explored in the wider review of this system.

ⁱ These figures are taken from our internal data management system & report titled: Client Demographics Report - All Community Ministries Centres - Period: 1/01/2022 - 31/12/2022

ⁱⁱ <https://disclosure.legislation.govt.nz/bill/government/2022/190>

ⁱⁱⁱ Ibid.

^{iv} <https://www.treasury.govt.nz/publications/risa/regulatory-impact-statement-improving-access-legal-assistance-low-income-new-zealanders>

^v Ibid.