

Legal Professions Legislation

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Justice Minister Phil Goff today announced details of a proposed new regulatory regime for lawyers and of a new profession of qualified conveyancers.

"The reforms are intended to promote a more competitive environment for the law and real estate industries, that will allow for a flexible regulatory response in a market that is undergoing rapid change both here and overseas," Mr Goff said.

"Among the changes introduced will be the removal of monopoly rights for lawyers over conveyancing, though all conveyancers will be required to be properly qualified. Lawyers and conveyancers will also be able to compete with the real estate agencies, which currently have a monopoly position in property sales."

"The proposals, which are currently being drafted into a Legal Professions Bill that will be introduced into the House early next year, will balance self regulation with clear and defined protections for consumers."

"Protections will include defined entry criteria for lawyers and conveyancers, and a requirement that individual practitioners be subject to the control of a regulating body."

"The New Zealand Law Society will perform this role for lawyers, and a new regulatory body with the working title of the Society of Conveyancers will regulate non-lawyer conveyancers."

"The New Zealand Law Society and the new Society of Conveyancers will be able to make rules regulating their members. The rules will have to be approved by the Minister of Justice and will subject to the Commerce Act, to ensure that they are in the public interest and do not unnecessarily inhibit competition."

"The legislation will also incorporate consumer protections, such as compulsory indemnity insurance and, for those who handle clients' money, a fidelity fund to protect against theft."

"The new legislation will explicitly set out the work that is reserved to lawyers. Lawyers will retain their exclusive role as advocates in Courts, although lay advocates in Courts such as the Employment Court, will be retained. People will of course continue to have the right to represent themselves. Only lawyers or litigants will be able to draft Court documents, but there is scope for exceptions for documents of a routine nature."

"Conveyancing work will be reserved to licensed conveyancers and lawyers."

"Lawyers and conveyancers will be free to practice in whatever business structure they choose. This will mean the possibility of incorporated practices and multi-disciplinary practices. This will allow lawyers to offer services with other service providers and professionals in the same firm, which provides benefits to consumers and business clients."

"There will be a new complaints system for lawyers and conveyancers that will allow for more independent, transparent, and effective handling of complaints and treatment of disciplinary matters. Clients who are dissatisfied with the way their complaints are handled by the regulating body will be able to complain to an independent Legal Complaints Office."

"A senior person with relevant experience will head the Legal Complaints Office. Practising lawyers, however, will be excluded from appointment. The office will be able to make orders in appropriate cases, or require or initiate proceedings before a national disciplinary tribunal. It will replace the current office of Lay Observer, which has more limited powers."

