

# OFFICE OF PARLIAMENTARY COUNSEL

## Section 1: Overview

The Office of Parliamentary Counsel (OPC) was established by the *Parliamentary Counsel Act 1970*. The role of OPC is to assist the Government to carry out its legislative drafting capability and, subject to government priorities, assist private members with their legislative requirements. OPC does not interpret, nor does it provide advice on, the intention of any Australian Government legislation.

OPC drafts Bills and Amendments of Bills and arranges supply of bulk copies of Bills and amendments to the Parliament. OPC has a role in arranging for Bills passed by both Houses of Parliament to be assented by the Governor-General.

OPC contributes to an effective statute book by maintaining a high standard of legislative drafting capability (in particular by providing substantial drafting training to employees of OPC and by engaging in continuous improvement of drafting techniques). OPC also maintains standardised drafting and formatting practices for Bills and Amendments, to ensure consistency in both the contents and the form of the statute book. As well, OPC encourages a high standard of legislative drafting proposals by providing advice to other agencies on legislative projects and by training staff of policy agencies who might be responsible for giving drafting instructions to OPC.

Commencing in the 2005-06 year, OPC received an additional \$8.000m over four years to maintain and increase bill drafting capacity.

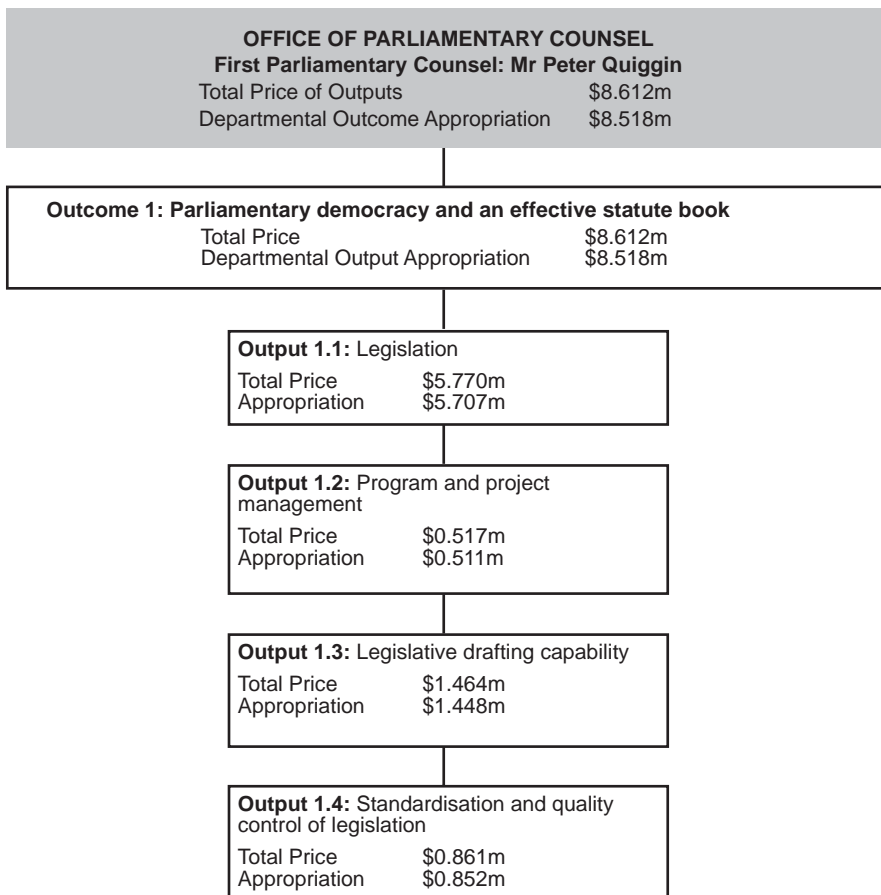
The Attorney-General's expectations of OPC, as set out in the Attorney-General's Statement of Expectations are to:

- provide a drafting service that is of the highest quality and responsive to government priorities
- ensure that its drafting output is effective and contributes to the accessibility of the statute book
- manage its resources efficiently and responsively
- manage its financial affairs in accordance with the relevant legislative

requirements as set out in the *Parliamentary Counsel Act 1970*, the *Financial Management and Accountability Act 1997*, (FMA Act) and the Finance Minister’s Orders, and maintain high standards of corporate governance, and

- adhere to and support the Australian Public Service Code of Conduct and Values.

**Table 1.1: Agency outcomes and output groups**



## Section 2: Resources for 2006-07

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total departmental appropriation for OPC in the 2006-07 Budget is \$8.518m. The total department capital (equity injections) is \$0.030m.

Table 2.1: Appropriations and other resources 2006-07

Outcome/ Non-operating	Departmental				Administered				Total
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 2		Special Appropriation \$'000	Receipts (a) \$'000	
					SPP \$'000	Other \$'000			
Outcome 1 - Parliamentary democracy and an effective statute book Equity injections	8,518	-	-	72	-	-	-	-	8,590
<b>TOTAL</b>	<b>8,518</b>	<b>30</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,620</b>

(a) Departmental and administered receipts from other sources (that is, other than appropriation amounts) that are available to be used.

## 2.2 2006-07 BUDGET MEASURES

There are no new budget measures in the 2006-07 Budget for the OPC.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by OPC for provision of goods or services. These resources are approved for use by OPC and are included in Table 2.1.

**Table 2.3: Other resources available to be used<sup>1</sup>**

	Estimated Resources 2005-06 \$'000	Budget Estimate 2006-07 \$'000
<b>Departmental resources</b>		
Sale of goods and services (FMA Act s31)	77	72
Resources free of charge <sup>2</sup>	25	22
<b>Total departmental other resources available to be used</b>	<b>102</b>	<b>94</b>

1. This table replaces the former table 'Receipts from Other sources'. It represents own source receipts available for spending on departmental purposes.

2. This charge is for audit services provided by the ANAO.

## 2.6 SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the FMA Act. These Determinations may be disallowed by the Parliament. Table 2.6 shows that there are no expected additions (credits) and reductions (debits) for each account used by OPC.

**Table 2.6: Estimates of special account flows and balances**

	Opening Balance <b>2006-07</b>	Credits <b>2006-07</b>	Debits <b>2006-07</b>	Adjustments <b>2006-07</b>	Closing Balance <b>2006-07</b>
	<i>2005-06</i>	<i>2005-06</i>	<i>2005-06</i>	<i>2005-06</i>	<i>2005-06</i>
Notes	\$'000	\$'000	\$'000	\$'000	\$'000
COMCARE - Other Trust Moneys Account s20 FMA Act (D)	-	-	-	-	-
	-	-	-	-	-
Services for other Government and Non-Agency Bodies Account - s20 FMA Act (D)	-	-	-	-	-
	-	-	-	-	-
<b>Total Special Accounts 2006-07 Budget Estimate</b>	-	-	-	-	-
<i>Total Special Accounts 2005-06 Estimated Actual</i>	-	-	-	-	-

(D) = Departmental

## 2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

OPC does not have any appropriation for administered capital or departmental loans in 2006-07.

OPC has an equity injection appropriation in 2006-07 of \$0.03m for IT equipment for additional drafting resources.

## Section 3: Outcomes

### 3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of OPC and the outcomes is summarised in Table 1.1.

There have been no changes to the number, wording or structure of outcomes or outputs from the 2005-06 PBS.

## 3.2 OUTCOMES — DEPARTMENTAL

### Departmental appropriations by outcome

The one outcome for OPC is Parliamentary democracy and an effective statute book. The departmental appropriation for the outcome for 2006-07 is \$8.518m.

## 3.3 OUTCOMES AND PERFORMANCE

### Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1 including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1: Total resources for Outcome 1**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output 1.1 - Legislation	5,311	5,707
Output 1.2 - Program and project management	476	511
Output 1.3 - Legislative drafting capability	1,347	1,448
Output 1.4 - Standardisation and quality control of legislation	793	852
<b>Total departmental appropriations</b>	<b>7,927</b>	<b>8,518</b>
<b>Total revenue from Government (appropriations) Contributing to price of departmental outputs</b>	<b>7,927</b>	<b>8,518</b>
<b>OTHER RESOURCES AVAILABLE TO BE USED</b>		
Output 1.1 - Legislation	69	63
Output 1.2 - Program and project management	6	6
Output 1.3 - Legislative drafting capability	17	16
Output 1.4 - Standardisation and quality control of legislation	10	9
<b>Total revenue from other sources</b>	<b>102</b>	<b>94</b>
<b>Total resources (Total revenue from Government and from other sources)</b>	<b>8,029</b>	<b>8,612</b>
<b>Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)</b>	<b>8,029</b>	<b>8,612</b>
<b>Average staffing level (number)</b>	<b>42</b>	<b>46</b>

### Measures affecting Outcome 1

There are no new measures.

## Contributions to achievement of Outcome 1

OPC contributes to meeting the outcome Parliamentary democracy and an effective statute book by:

- providing draft legislation which represents the proposals of the Executive Government in a form that makes them available for scrutiny, and approval or rejection, by the Parliament
- providing draft legislation which is comprehensible, workable and legally effective
- providing draft legislation which is consistent in approach to matters such as layout, formatting and basic drafting issues, and
- training lawyers recruited to the Office in the substantial body of legislative drafting knowledge and expertise that has been developed.

## Departmental outputs

The outputs for this outcome are:

- a. Legislation
- b. Program and project management
- c. Legislative drafting capability, and
- d. Standardisation and quality control of legislation.

The outputs distinguish between the day-to-day products (a and b) and those products provided by a centralised drafting office (c and d).

The methodology used by OPC for pricing outputs was developed and documented by OPC in 1999. The methodology is based on an estimation of the time spent by drafters on the various activities relating to outputs. The methodology has not been reviewed because the role, functions, structure and working arrangements have not changed since 1999.

All attributions used to allocate revenues and expenses between outputs are based on this methodology by applying a percentage of resource consumption to give a reasonable approximation of each output.

## Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to OPC are summarised in Table 3.2.

**Table 3.2: Performance information for Outcome 1**

<b>Effectiveness – overall achievement of the outcome</b>	
<i>Effectiveness Indicators</i>	<i>Measures</i>
Availability of Bills for parliamentary consideration	Government Bills drafted in accordance with Government priorities Private member's Bills drafted where resources permit Bills reflect sponsor's policy intentions and are legally effective
Condition of statute book	Drafting standards and conventions applied consistently to all Bills
<b>Performance information for departmental outputs</b>	
<i>Output Description</i>	<i>Performance Measure</i>
<b>Output 1.1:</b> Legislation	Quality: Bills drafted in accordance with government priorities, and supplied to Parliament in accordance with applicable deadlines. Bills reflect sponsor's policy intentions and are legally effective
<b>Output 1.2:</b> Program and project management	Quality: Drafting work is allocated, and legislative projects are managed, so as to make optimum use of drafting resources
<b>Output 1.3:</b> Legislative drafting capability	Quality: Lawyers recruited to OPC are trained in legislative drafting, to ensure the long term viability of drafting resources. Potential instructors are trained in policy development and preparation of instructions, to ensure efficient use of drafting resources and quality of Bills Legislative drafters maintain and improve drafting skills and knowledge
<b>Output 1.4:</b> Standardisation and quality control of legislation	Quality: Drafting standards and conventions applied consistently to Bills

## Evaluations for Outcome 1

There is no planned evaluation activity for the coming year that relates to this outcome.

## Section 4: Other reporting requirements

### **4.1 PURCHASER-PROVIDER ARRANGEMENTS**

OPC does not participate in purchaser-provider arrangements.

### **4.2 COST RECOVERY ARRANGEMENTS**

OPC does not presently have any cost recovery arrangements.

## Section 5: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

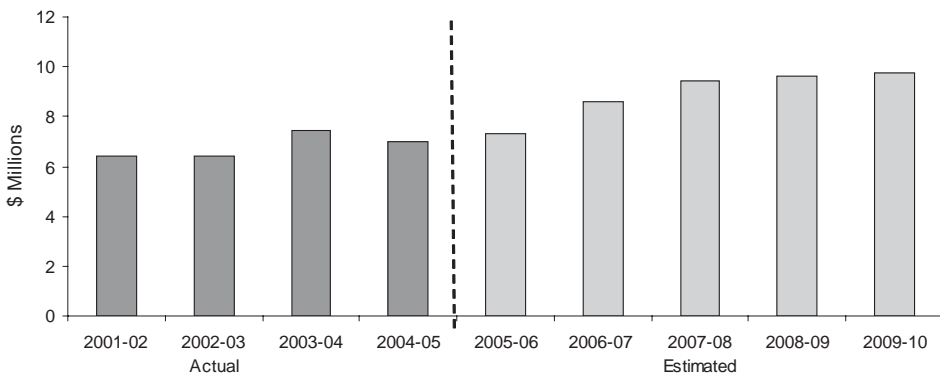
#### **Departmental**

##### **Statement of financial performance**

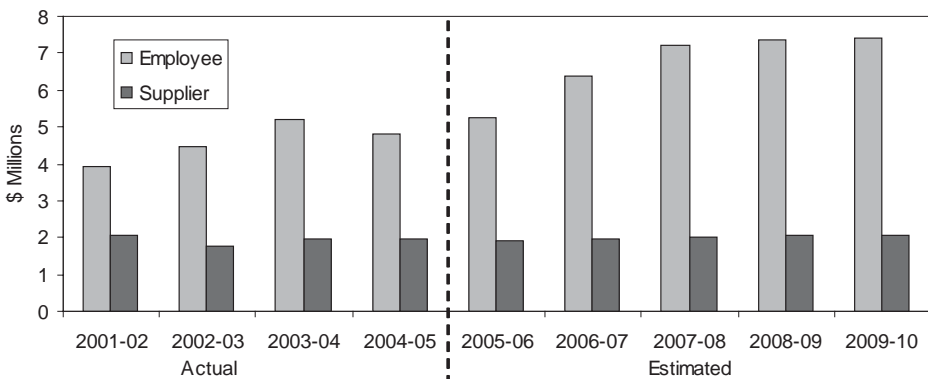
OPC is budgeting for a break even operating result for 2006-07. The estimated actual operating result for 2005-06 is a surplus of \$0.692m.

The total revenue for 2006-07 is estimated to be \$8.612m, an increase of \$0.583m from the 2005-06 estimated actual. The increase is primarily due to additional funding for the 2005-06 budget measure for maintaining and increasing Bill drafting capability.

Total expenses in 2006-07 are estimated to be \$8.612m, an increase of \$1.275m from the 2005-06 estimated actual. The increase is primarily due to employee expenses.

**Chart 5.1.1: Total departmental expenses**

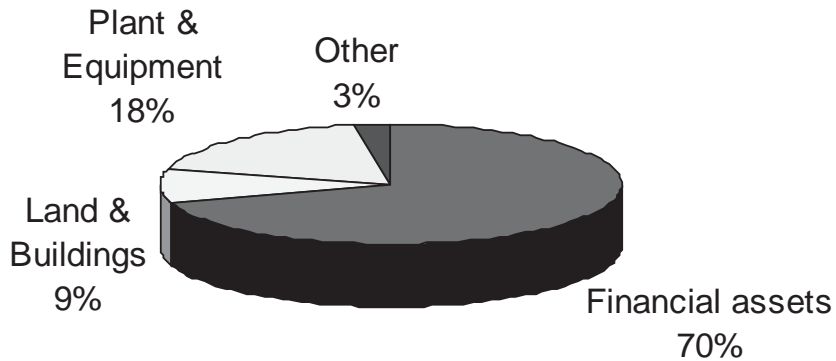
Employee expenses are expected to continue to rise at a consistent rate, and is primarily attributed to an expected small increase in the number of drafters, salary movements under OPC's Certified Agreement and Remuneration Tribunal determinations. While employee expenses are expected to continue to increase at a consistent rate, the supplier expenses are not expected to rise at the same rate.

**Chart 5.1.2: Comparison of employee and supplier expenses**

## Statement of financial position

Material changes in the net asset position are not expected in 2006-07. The major assets include cash at bank and appropriation receivable. Financial assets represent 70 per cent of total assets.

**Chart 5.1.3: Budgeted assets for 2006-07**



OPC's primary liability continues to be accrued employee entitlements. The liability is estimated to increase by approximately 4 per cent during 2006-07 and is 92 per cent of total liabilities.

## BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	7,927	8,518	9,364	9,552	9,640
Goods and services	77	72	73	75	76
Resources free of charge	25	22	22	22	22
<b>Total revenue</b>	<b>8,029</b>	<b>8,612</b>	<b>9,459</b>	<b>9,649</b>	<b>9,738</b>
<b>Total income</b>	<b>8,029</b>	<b>8,612</b>	<b>9,459</b>	<b>9,649</b>	<b>9,738</b>
<b>EXPENSE</b>					
Employees	5,227	6,387	7,191	7,341	7,419
Suppliers	1,904	1,986	2,029	2,069	2,080
Depreciation and amortisation	206	239	239	239	239
<b>Total expenses</b>	<b>7,337</b>	<b>8,612</b>	<b>9,459</b>	<b>9,649</b>	<b>9,738</b>
<b>Operating result</b>	<b>692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 5.2: Budgeted departmental balance sheet as at 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	250	99	167	102	192
Receivables	96	77	79	80	82
Other	2,315	2,660	2,860	2,960	2,960
<b>Total financial assets</b>	<b>2,661</b>	<b>2,836</b>	<b>3,106</b>	<b>3,142</b>	<b>3,234</b>
<b>Non-financial assets</b>					
Land and buildings	444	372	301	230	159
Infrastructure, plant and equipment	660	741	648	760	821
Other	112	105	107	109	111
<b>Total non-financial assets</b>	<b>1,216</b>	<b>1,218</b>	<b>1,056</b>	<b>1,099</b>	<b>1,091</b>
<b>Total assets</b>	<b>3,877</b>	<b>4,054</b>	<b>4,162</b>	<b>4,241</b>	<b>4,325</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	1,674	1,849	1,923	2,000	2,080
<b>Total provisions</b>	<b>1,674</b>	<b>1,849</b>	<b>1,923</b>	<b>2,000</b>	<b>2,080</b>
<b>Payables</b>					
Suppliers	157	129	132	134	137
Other	30	30	31	31	32
<b>Total payables</b>	<b>187</b>	<b>159</b>	<b>163</b>	<b>165</b>	<b>169</b>
<b>Total liabilities</b>	<b>1,861</b>	<b>2,008</b>	<b>2,086</b>	<b>2,165</b>	<b>2,249</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	1,054	1,084	1,114	1,114	1,114
Reserves	671	671	671	671	671
Retained surpluses or accumulated deficits	291	291	291	291	291
<b>Total parent entity interest</b>	<b>2,016</b>	<b>2,046</b>	<b>2,076</b>	<b>2,076</b>	<b>2,076</b>
<b>Total equity</b>	<b>2,016</b>	<b>2,046</b>	<b>2,076</b>	<b>2,076</b>	<b>2,076</b>
<b>Current assets</b>	<b>346</b>	<b>176</b>	<b>246</b>	<b>182</b>	<b>274</b>
<b>Non-current assets</b>	<b>3,531</b>	<b>3,878</b>	<b>3,916</b>	<b>4,059</b>	<b>4,051</b>
<b>Current liabilities</b>	<b>605</b>	<b>621</b>	<b>644</b>	<b>665</b>	<b>689</b>
<b>Non-current liabilities</b>	<b>1,256</b>	<b>1,387</b>	<b>1,442</b>	<b>1,500</b>	<b>1,560</b>

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	88	79	81	82	84
Appropriations	7,302	8,173	9,164	9,452	9,640
GST received from ATO	196	217	201	204	205
<b>Total cash received</b>	<b>7,586</b>	<b>8,469</b>	<b>9,446</b>	<b>9,738</b>	<b>9,929</b>
<b>Cash used</b>					
Employees	4,971	6,212	7,117	7,263	7,340
Suppliers	2,176	2,197	2,217	2,259	2,272
<b>Total cash used</b>	<b>7,147</b>	<b>8,409</b>	<b>9,334</b>	<b>9,522</b>	<b>9,612</b>
<b>Net cash from or (used by) operating activities</b>	<b>438</b>	<b>60</b>	<b>112</b>	<b>216</b>	<b>317</b>
<b>INVESTING ACTIVITIES</b>					
<b>Total cash received</b>					
	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment	217	241	75	280	229
<b>Total cash used</b>	<b>217</b>	<b>241</b>	<b>75</b>	<b>280</b>	<b>229</b>
<b>Net cash from or (used by) investing activities</b>	<b>(217)</b>	<b>(241)</b>	<b>(75)</b>	<b>(280)</b>	<b>(229)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	15	30	30	-	-
<b>Total cash received</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>Total cash used</b>					
	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>236</b>	<b>(151)</b>	<b>67</b>	<b>(64)</b>	<b>88</b>
Cash at the beginning of the reporting period	14	250	99	167	102
<b>Cash at the end of the reporting period</b>	<b>250</b>	<b>99</b>	<b>167</b>	<b>102</b>	<b>192</b>

**Table 5.4: Departmental statement of changes in equity — summary of movement Budget 2006-07**

	Accumulated Results \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2006</b>				
Balance carried forward from previous period	291	671	1,054	2,016
<b>Adjusted opening balance</b>	<b>291</b>	<b>671</b>	<b>1,054</b>	<b>2,016</b>
<b>Income and expense</b>				
<b>Sub-total income and expense</b>	-	-	-	-
Net operating result	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	-	-	-	-
<b>Transactions with owners</b>				
Appropriation (equity injection)	-	-	30	30
<b>Sub-total transactions with owners</b>	-	-	<b>30</b>	<b>30</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>291</b>	<b>671</b>	<b>1,084</b>	<b>2,046</b>

**Table 5.5: Departmental capital budget statement**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	15	30	30	-	-
<b>Total capital appropriations</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	15	30	30	-	-
<b>Total represented by</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	15	30	30	-	-
Funded internally by departmental resources	202	211	45	280	229
<b>Total</b>	<b>217</b>	<b>241</b>	<b>75</b>	<b>280</b>	<b>229</b>

**Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2006-07**

	Buildings	Other Infrastructure Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>				
Gross book value	586	924	-	1,510
Accumulated depreciation	142	264	-	406
<b>Opening net book value</b>	<b>444</b>	<b>660</b>	<b>-</b>	<b>1,104</b>
Additions:				
by purchase	-	250	-	250
Depreciation/amortisation expense	70	169	-	239
<b>As at 30 June 2007</b>				
Gross book value	586	1,174	-	1,760
Accumulated depreciation	214	433	-	647
<b>Estimated closing net book value</b>	<b>372</b>	<b>741</b>	<b>-</b>	<b>1,113</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The budgeted financial statements have been prepared on an accrual basis and in accordance with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards.

### Revenue from government

Appropriations from departmental outputs are recognised as revenue.

### Employee expenses

Employee expenses consist of salaries, leave entitlements, superannuation and workers' compensation.

### Suppliers expenses

Supplier expenses consists of office lease costs, information technology, bill printing expenses, and other administrative costs.

## **Cash**

Cash includes notes and coins held and any deposits held at call with a bank or financial institution.

## **Non-financial assets**

Purchases of property, plant and equipment are recognised initially at cost, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The Finance Minister's Orders require property, plant and equipment to be measured at fair value.

## **Liabilities**

Supplier payables consist of accrued supplier expenses.

Employee provisions consists of annual and long service leave liabilities and accrued salaries and superannuation.