

OFFICE OF PARLIAMENTARY COUNSEL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The strategic direction statement for the Office of Parliamentary Counsel (OPC) can be found in the 2017-18 Portfolio Budget Statements. There has been no change to OPC's strategic direction as a result of Additional Estimates.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for OPC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 budget year, including variations through Appropriation Bill No. 3.

Table 1.1: Entity resource statement—additional estimates for 2017–18 as at Additional Estimates February 2018

	Actual available appropriation 2016–17 \$'000	Estimate as at Budget 2017–18 \$'000	Proposed Additional Estimates 2017–18 \$'000	Total estimate at Additional Estimates 2017–18 \$'000
Departmental Annual appropriations—ordinary annual services (a)				
Prior year appropriations available (b)	14,500	14,851	–	14,851
Departmental appropriation	13,773	15,074	309	15,383
s74 retained revenue receipts (c)	7,128	6,214	–	6,214
Departmental capital budget (d)	312	130	–	130
Total resourcing for entity	35,713	36,269	309	36,578

	Actual 2016–17	2017–18
Average staffing level (number)	92	104

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

(a) *Appropriation Act (No. 1) 2017–18* and *Appropriation Bill (No. 3) 2017–18*.

(b) Excludes \$0.027m which has been withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Estimated retained revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in *Appropriation Act (No.1)* and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 ENTITY MEASURES

Table 1.2 summarises new government measures taken since the 2017–18 Budget.

Table 1.2: Entity 2017–18 measures since Budget

Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Expense measures				
National Security—2017 Independent Intelligence Review – Tranche 2 (a)	1.1			
Departmental expenses	309	1,230	1,231	1,237
Total expense measures	309	1,230	1,231	1,237

Prepared on a Government Financial Statistics (fiscal) basis.

(a) The lead entity for this measure is the Department of the Prime Minister and Cabinet. The full measure description and package details will appear in the 2018–19 Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table details the changes to the resourcing for OPC at Additional Estimates. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017–18 Budget in Appropriation Bill No. 3.

Table 1.3: Additional estimates and other variations to outcomes since 2017–18 Budget

	Program impacted	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Outcome 1					
DEPARTMENTAL					
Annual appropriations					
National Security—2017 Independent Intelligence Review – Tranche 2	1.1	309	1,230	1,231	1,237
Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse—offset	1.1	–	(2)	(2)	(2)
Changes in parameters					
Net increase	1.1	–	16	15	31
Total net impact on appropriations for Outcome 1		309	1,244	1,244	1,266

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the Additional Estimates sought for OPC through Appropriation Bill No. 3.

Table 1.4: Appropriation Bill (No. 3) 2017–18

	2016–17 Available \$'000	2017–18 Budget \$'000	2017–18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL PROGRAMS					
Outcome 1					
A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments	14,081	15,204	15,513	309	–
Total departmental	14,081	15,204	15,513	309	–

Note: 2016–17 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Budgeted expenses for Outcome 1

This table shows how much OPC intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2016–17 Actual expenses \$'000	2017–18 Revised estimated expenses \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.1: Legislative drafting and publication					
Departmental expenses					
Departmental appropriation	13,336	15,383	16,013	16,189	16,284
s74 retained revenue receipts (a)	6,550	6,214	6,259	6,367	6,480
Expenses not requiring appropriation in the budget year (b)	687	762	753	761	775
Departmental total	20,573	22,359	23,025	23,317	23,539
Total expenses for program 1.1	20,573	22,359	23,025	23,317	23,539
<hr/>					
	2016–17	2017–18			
Average staffing level (number)	92	104			

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the budget year are made up of depreciation expenses of \$0.704m and audit fees of \$0.058m.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

3.1.1 Estimates of special account flows

OPC has no special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

OPC's income statement has been updated:

- to reflect the 2016–17 operating result (an operating deficit of \$0.186m)
- for the ongoing impact of the National Security – 2017 Independent Intelligence Review - Tranche 2 measure
- for indexation changes and new minor savings measure across the current and forward years.

OPC's balance sheet has been updated to reflect the impact of the closing balances from 2016–17.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016–17 Actual \$'000	2017–18 Revised budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	15,212	16,969	17,995	18,257	18,380
Suppliers	4,216	4,426	4,075	4,077	4,142
Depreciation and amortisation	1,145	964	955	983	1,017
Total expenses	20,573	22,359	23,025	23,317	23,539
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	6,279	6,214	6,259	6,367	6,480
Other revenue	335	58	58	58	58
Total own-source revenue	6,614	6,272	6,317	6,425	6,538
Total own-source income	6,614	6,272	6,317	6,425	6,538
Net cost of/(contribution by services)	(13,959)	(16,087)	(16,708)	(16,892)	(17,001)
Revenue from government	13,773	15,383	16,013	16,189	16,284
Surplus/(deficit) attributable to the Australian Government	(186)	(704)	(695)	(703)	(717)
Total comprehensive income/(loss) attributable to the Australian Government	(186)	(704)	(695)	(703)	(717)
Note: Impact of net cash appropriation arrangements.					
	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	437	–	–	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations (a)	(623)	(704)	(695)	(703)	(717)
Total comprehensive income/(loss) as per the statement of comprehensive income	(186)	(704)	(695)	(703)	(717)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the government introduced net cash appropriation arrangements where revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget. The departmental capital budget (DCB) is provided through Appropriation Act No. 1. For information regarding DCBs, refer to Table 3.5: Departmental capital budget statement.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016–17 Actual \$'000	2017–18 Revised budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	368	368	368	368	368
Trade and other receivables	16,085	15,203	14,773	14,462	14,721
Total financial assets	16,453	15,571	15,141	14,830	15,089
Non-financial assets					
Land and buildings	3,429	3,007	2,585	2,162	1,740
Property, plant and equipment	854	715	526	519	501
Intangibles	722	449	166	2,887	2,585
Work in progress	–	1,200	2,400	–	–
Other non-financial assets	205	205	205	205	205
Total non-financial assets	5,210	5,576	5,882	5,773	5,031
Total assets	21,663	21,147	21,023	20,603	20,120
LIABILITIES					
Payables					
Suppliers	1,427	1,485	1,495	1,504	1,463
Personal benefits	498	498	498	498	498
Other payables	96	96	96	96	96
Total payables	2,021	2,079	2,089	2,098	2,057
Provisions					
Employee provisions	5,860	5,860	5,860	5,860	5,860
Total provisions	5,860	5,860	5,860	5,860	5,860
Total liabilities	7,881	7,939	7,949	7,958	7,917
Net assets	13,782	13,208	13,074	12,645	12,203
EQUITY (a)					
Parent entity interest					
Contributed equity	7,572	7,702	8,263	8,537	8,812
Reserves	1,495	1,495	1,495	1,495	1,495
Retained surplus/(accumulated deficit)	4,715	4,011	3,316	2,613	1,896
Total parent entity interest	13,782	13,208	13,074	12,645	12,203
Total equity	13,782	13,208	13,074	12,645	12,203

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

**Table 3.4: Departmental statement of changes in equity—summary of movement
(budget year 2017–18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	4,715	1,495	7,572	13,782
Adjusted opening balance	4,715	1,495	7,572	13,782
Comprehensive income				
Surplus/(deficit) for the period	(704)	–	–	(704)
Total comprehensive income	(704)	–	–	(704)
Of which:				
Attributable to the Australian Government	(704)	–	–	(704)
Transactions with owners				
Contributions by owners				
Departmental capital budget (DCB)	–	–	130	130
Sub-total transactions with owners	–	–	130	130
Estimated closing balance as at 30 June 2018				
	4,011	1,495	7,702	13,208
Closing balance attributable to the Australian Government	4,011	1,495	7,702	13,208

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016–17 Actual \$'000	2017–18 Revised budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	19,547	22,479	22,702	22,867	22,505
Sale of goods and rendering of services	6,781	6,214	6,259	6,367	6,480
Net GST received	146	190	190	190	223
Total cash received	26,474	28,883	29,151	29,424	29,208
Cash used					
Employees	15,188	16,969	17,995	18,257	18,380
Suppliers	4,243	4,500	4,197	4,200	4,348
s74 retained revenue receipts transferred to Official Public Account	7,128	6,214	6,259	6,367	6,480
Total cash used	26,559	27,683	28,451	28,824	29,208
Net cash from/(used by) operating activities	(85)	1,200	700	600	–
INVESTING ACTIVITIES					
Purchase of property, plant, equipment and intangibles	184	1,330	1,261	874	275
Total cash used	184	1,330	1,261	874	275
Net cash from/(used by) investing activities	(184)	(1,330)	(1,261)	(874)	(275)
FINANCING ACTIVITIES					
Contributed equity	312	130	561	274	275
Total cash received	312	130	561	274	275
Net cash from/(used by) financing activities	312	130	561	274	275
Net increase/(decrease) in cash held	43	–	–	–	–
Cash and cash equivalents at the beginning of the reporting period	325	368	368	368	368
Cash and cash equivalents at the end of the reporting period	368	368	368	368	368

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016–17 Actual \$'000	2017–18 Revised budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Act No. 1 (DCB)	312	130	561	274	275
Total new capital appropriations	312	130	561	274	275
Provided for:					
Purchase of non-financial assets	184	130	561	274	275
Total items	184	130	561	274	275
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB (a)	184	258	561	274	275
Funded internally from departmental resources (b)	–	1,072	700	600	–
TOTAL AMOUNT SPENT	184	1,330	1,261	874	275
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	184	1,330	1,261	874	275
Total cash required to acquire assets	184	1,330	1,261	874	275

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous departmental capital budgets (DCBs).

(b) Includes prior and current year cost recovered section 74 receipts.

Table 3.7: Statement of asset movements (2017–18 budget year)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Work in Progress \$'000	Total \$'000
As at 1 July 2017					
Gross book value	4,228	1,201	5,066	–	10,495
Accumulated depreciation/ amortisation and impairment	(799)	(347)	(4,344)	–	(5,490)
Opening net book balance	3,429	854	722	–	5,005
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation ordinary services (a)	–	110	20	1,200	1,330
Total additions	–	110	20	1,200	1,330
Other movements					
Depreciation/amortisation expense	(422)	(249)	(293)	–	(964)
Total other movements	(422)	(249)	(293)	–	(964)
As at 30 June 2018					
Gross book value	4,228	1,311	5,086	1,200	11,825
Accumulated depreciation/amortisation and impairment	(1,221)	(596)	(4,637)	–	(6,454)
Closing net book balance	3,007	715	449	1,200	5,371

Prepared on Australian Accounting Standards basis.

(a) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No.1) 2017–18* from current and prior year departmental capital budgets and section 74 retained revenue receipts.