

OFFICE OF PARLIAMENTARY COUNSEL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of Parliamentary Counsel (OPC) was established by the *Parliamentary Counsel Act 1970*. OPC is the Commonwealth's principal provider of professional legislative drafting and publishing services.

OPC delivers drafting and advisory services for Bills and subordinate legislation, prepares compilations of laws as amended and publishes laws and instruments on behalf of more than 70 Commonwealth entities. OPC also provides comprehensive, free access to Commonwealth legislation and related material through the Federal Register of Legislation website.

In 2017–18, OPC will continue to be responsive to government priorities through:

- continuing to maintain a high standard of legislative drafting capability, in particular by providing substantial drafting training to its employees and by engaging in continuous improvement of drafting techniques
- continuing to progress work on practical measures to improve the clarity and accessibility of Commonwealth Acts and subordinate legislation
- continuing to encourage a high standard of legislative drafting proposals by providing advice to other entities on legislative projects and by training staff of policy entities who might be responsible for giving drafting instructions to OPC
- maintaining free online access to up-to-date Commonwealth laws and instruments through the Federal Register of Legislation website
- continuing to work with other entities to reduce the regulatory burden, particularly by reducing legislative complexity, ensuring the repeal of spent instruments and assisting entities to manage the sunseting of their legislative instruments.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to OPC for its operations and to deliver programs and services on behalf of the government.

Table 1.1 is prepared on a resourcing (that is, appropriations and cash available) basis, while the outcome expenses table in section 2 and the financial statements in section 3 are prepared on an accrual basis.

Table 1.1: Entity resource statement—Budget estimates for 2017–18 as at Budget May 2017

	2016–17 Estimated actual \$'000	2017–18 Estimate \$'000
DEPARTMENTAL		
Annual appropriations—ordinary annual services(a)		
Prior year appropriations available(b)	14,527	14,878
Departmental appropriation(c)	13,769	15,074
s 74 retained revenue receipts(d)	6,491	6,214
Departmental capital budget(e)	312	130
Total net resourcing for entity	35,099	36,296
	2016–17	2017–18
Average staffing level (number)	92	103

Prepared on a resourcing (that is, appropriations and cash available) basis.

Note: All figures are GST exclusive and may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2017–18.

(b) Excludes \$0.004m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Excludes the departmental capital budget.

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

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. See Table 3.5 for further details. For accounting purposes, this amount is designated as 'contributions by owners'.

1.3 BUDGET MEASURES

Budget measures announced since the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to OPC are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. Other measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Entity 2017–18 Budget measures

Part 1: Measures announced since the 2016–17 MYEFO

	Program	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Expense measures						
Legislative drafting—additional resources(a)	1.1					
Departmental expenses		–	1,307	1,300	1,300	1,307
Total expense measures		–	1,307	1,300	1,300	1,307

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative represent a decrease in funds, and figures displayed as a positive represent an increase in funds.

(a) The lead entity for this measure is the Department of the Treasury. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

Part 2: MYEFO measures and other measures not previously reported in a portfolio statement

	Program	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Expense measures						
Public Sector Transformation and the Efficiency Dividend(a)	1.1					
Departmental expenses		–	(213)	(349)	(426)	(426)
Total expense measures		–	(213)	(349)	(426)	(426)
Capital measures						
Public Sector Transformation and the Efficiency Dividend(a)	1.1					
Departmental capital		–	(2)	(15)	(9)	(9)
Total capital measures		–	(2)	(15)	(9)	(9)

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative represent a decrease in funds, and figures displayed as a positive represent an increase in funds.

(a) This is a cross-portfolio measure that was published in the 2016–17 Budget. The lead entity is the Department of Finance.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the budget and forward years.

OPC's outcome is described below together with its related program.

Note

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan and annual performance statement for OPC can be found at <http://www.opc.gov.au/about/documents.htm>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

Table 2.1 shows how much OPC intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and by departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'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 appropriations	13,269	15,074	14,770	14,945	15,019
s 74 retained revenue receipts(a)	6,491	6,214	6,259	6,367	6,480
Expenses not requiring appropriation in the budget year(b)	703	762	753	761	775
Total expenses for Outcome 1	20,463	22,050	21,782	22,073	22,274

	2016–17	2017–18
Average staffing level (number)	92	103

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 *Public Governance, Performance and Accountability Act 2013*.

(b) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and audit fees.

Performance criteria for Outcome 1

Table 2.2 details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered.

Table 2.2: Performance criteria for Outcome 1

<p>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</p>		
<p>Program 1.1: Legislative drafting and publication</p> <p>OPC contributes to the outcome by:</p> <ul style="list-style-type: none"> working with government agencies to clarify policy proposals and implement the intended policy of the executive government in legally effective legislation. The legislation drafted is comprehensible, workable and in a form available for scrutiny, and approval or rejection, by the Parliament managing the Federal Register of Legislation (the Legislation Register), including registering legislative instruments and lodging them for tabling in the Parliament; preparing compilations of laws as amended and publishing laws and instruments on behalf of more than 70 Commonwealth entities; and providing comprehensive, free access to Commonwealth legislation and related material through the Legislation Register website. 		
<p>Delivery</p>	<p>Providing high-quality drafting and advisory services for Bills and legislative instruments to be made or approved by the Governor-General (Federal Executive Council (ExCo) instruments) in accordance with government priorities.</p> <p>Ensuring consistency in applying drafting standards and conventions to all Bills and ExCo instruments.</p> <p>Preparing, registering and publishing of Commonwealth laws and instruments on the Legislation Register in an accurate and timely manner.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2016–17</p>	<p>Bills and ExCo instruments reflect sponsors' policy intentions and are legally effective.</p> <p>Drafting standards and conventions are applied consistently to all Bills and ExCo instruments.</p> <p>New legislative instruments and gazette notices lodged for registration are registered promptly on the Legislation Register.</p> <p>New Acts are registered promptly on the Legislation Register.</p> <p>Act and legislative instrument compilations are registered promptly on the Legislation Register.</p>	<p>Expected results</p> <p>100% of client surveys indicate Bills and ExCo instruments reflect sponsors' policy intentions and are legally effective.</p> <p>An average rating (rating scale 1–5) of 4 or above received on client survey forms for overall satisfaction with the drafting process and draft legislation.</p> <p>100% of Bills and ExCo instruments have drafting standards and conventions applied consistently.</p> <p>100% of legislative instruments and gazette notices are registered on a specific date as required by lodging entities.</p> <p>98% of other legislative instruments and gazette notices are registered no later than two business days after lodgement.</p> <p>98% of Acts are registered on the Legislation Register no later than two working days after receipt of notification of Royal Assent.</p> <p>90% of Act and legislative instrument compilations required to be prepared by OPC are registered on the Legislation Register by the later of 90 days after Royal Assent or making date, or 28 days after commencement of the prospective amendments.</p>

Table 2.2: Performance criteria for Outcome 1 (continued)

Program 1.1: Legislative drafting and publication (continued)		
Performance information		
Year	Performance criteria	Targets
2017–18	<p>Bills and ExCo instruments reflect sponsors' policy intentions and are legally effective.</p> <p>Drafting standards and conventions are applied consistently to all Bills and ExCo instruments.</p> <p>New legislative instruments and gazette notices lodged for registration are registered promptly on the Legislation Register.</p> <p>New Acts are registered promptly on the Legislation Register.</p> <p>Act and legislative instrument compilations are registered promptly on the Legislation Register.</p>	<p>100% of client surveys indicate Bills and ExCo instruments reflect sponsors' policy intentions and are legally effective.</p> <p>An average rating (rating scale 1–5) of 4 or above received on client survey forms for overall satisfaction with the drafting process and draft legislation.</p> <p>100% of Bills and ExCo instruments have drafting standards and conventions applied consistently.</p> <p>100% of legislative instruments and gazette notices are registered on a specific date as required by lodging entities.</p> <p>98% of other legislative instruments and gazette notices are registered no later than two business days after lodgement.</p> <p>98% of Acts are registered on the Legislation Register no later than two working days after receipt of notification of Royal Assent.</p> <p>90% of Act and legislative instrument compilations required to be prepared by OPC are registered on the Legislation Register by the later of 90 days after Royal Assent or making date, or 28 days after commencement of the prospective amendments.</p>
2018–19 and beyond	Same as for 2017–18.	Same as for 2017–18.
Purpose	<p>OPC's purpose is to:</p> <ul style="list-style-type: none"> enable the government to carry out its legislative program through the drafting of all Bills, all ExCo instruments and a range of other instruments ensure Commonwealth laws and instruments are freely available and accessible to everyone by publishing those laws and instruments on the Legislation Register. 	

Section 3: Budgeted financial statements

This section presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2017–18 Budget year, including the impact of budget measures and resourcing.

3.1 DIFFERENCES BETWEEN ENTITY RESOURCING AND FINANCIAL STATEMENTS

There is no material difference between the entity resourcing and financial statements.

3.2 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Comprehensive income statement

OPC is budgeting for a small deficit attributable to the Australian Government in 2017–18 and the forward years. The amount of the deficit for each year is the amount of non-cost-recovered depreciation and amortisation expenses.

Revenue from government, employee benefits and supplier expenses increase in 2017–18 and the forward years due to the *Legislative drafting – additional resources* measure. OPC is expecting a constant level of expenditure over the budget and forward years.

Balance sheet

Assets

For 2017–18, financial assets represent 72% of total assets. These funds have been set aside for repayment of employee liabilities as and when they fall due and to fund the future redevelopment of the Federal Register of Legislation system.

Liabilities

OPC's primary liability continues to be accrued employee entitlements. For 2017–18, the estimated liability of \$5.510m represents 79% of total liabilities.

Equity

The annual departmental capital funding is included in contributed equity.

The movement in equity across the forward years is the difference between depreciation and amortisation and the departmental capital budget for asset replacement.

3.3 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	14,907	16,704	16,926	17,188	17,290
Suppliers	4,387	4,382	3,901	3,902	3,967
Depreciation and amortisation	1,169	964	955	983	1,017
Total expenses	20,463	22,050	21,782	22,073	22,274
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	6,227	6,018	6,063	6,168	6,279
Other	322	254	254	257	259
Total own-source revenue	6,549	6,272	6,317	6,425	6,538
Total own-source income	6,549	6,272	6,317	6,425	6,538
Net (cost of)/contribution by services	(13,914)	(15,778)	(15,465)	(15,648)	(15,736)
Revenue from government	13,769	15,074	14,770	14,945	15,019
Surplus/(deficit) attributable to the Australian Government	(145)	(704)	(695)	(703)	(717)
Total comprehensive income/(loss) attributable to the Australian Government	(145)	(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	500	–	–	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations	645	704	695	703	717
Total comprehensive income/(loss) as per the statement of comprehensive income	(145)	(704)	(695)	(703)	(717)

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	325	325	325	325	325
Trade and other receivables	15,084	14,202	13,772	13,461	13,720
Total financial assets	15,409	14,527	14,097	13,786	14,045
Non-financial assets					
Land and buildings	3,469	3,047	2,625	2,202	1,780
Property, plant and equipment	876	737	547	540	521
Intangibles	765	492	209	2,930	2,628
Work in progress	–	1,200	2,400	–	–
Other non-financial assets	217	217	217	217	217
Total non-financial assets	5,327	5,693	5,998	5,889	5,146
Total assets	20,736	20,220	20,095	19,675	19,191
LIABILITIES					
Payables					
Suppliers	200	200	200	200	200
Other payables	1,215	1,273	1,283	1,292	1,251
Total payables	1,415	1,473	1,483	1,492	1,451
Provisions					
Employee provisions	5,510	5,510	5,510	5,510	5,510
Total provisions	5,510	5,510	5,510	5,510	5,510
Total liabilities	6,925	6,983	6,993	7,002	6,961
Net assets	13,811	13,237	13,102	12,673	12,230
EQUITY					
Parent entity interest					
Contributed equity	7,572	7,702	8,262	8,536	8,810
Reserves	1,495	1,495	1,495	1,495	1,495
Retained surplus/(accumulated deficit)	4,744	4,040	3,345	2,642	1,925
Total parent entity interest	13,811	13,237	13,102	12,673	12,230
Total equity	13,811	13,237	13,102	12,673	12,230

Prepared on Australian Accounting Standards basis.

Table 3.3: 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	4,744	1,495	7,572	13,811
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	4,744	1,495	7,572	13,811
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	–	–	130	130
Sub-total transactions with owners	–	–	130	130
Estimated closing balance as at 30 June 2018	4,040	1,495	7,702	13,237
Closing balance attributable to the Australian Government	4,040	1,495	7,702	13,237

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	20,239	22,138	21,377	21,478	21,017
Sale of goods and rendering of services	6,491	6,214	6,259	6,367	6,480
Net GST received	130	190	190	190	223
Total cash received	26,860	28,542	27,826	28,035	27,720
Cash used					
Employees	15,286	16,704	16,926	17,189	17,290
Suppliers	5,083	4,424	3,941	3,879	3,950
s 74 retained revenue receipts transferred to Official Public Account	6,491	6,214	6,259	6,367	6,480
Total cash used	26,860	27,342	27,126	27,435	27,720
Net cash from/(used by) operating activities	–	1,200	700	600	–
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	312	1,330	1,260	874	274
Total cash used	312	1,330	1,260	874	274
Net cash from/(used by) investing activities	(312)	(1,330)	(1,260)	(874)	(274)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	312	130	560	274	274
Total cash received	312	130	560	274	274
Net cash from/(used by) financing activities	312	130	560	274	274
Net increase/(decrease) in cash held	–	–	–	–	–
Cash and cash equivalents at the beginning of the reporting period	325	325	325	325	325
Cash and cash equivalents at the end of the reporting period	325	325	325	325	325

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	312	130	560	274	274
Total new capital appropriations	312	130	560	274	274
Provided for:					
Purchase of non-financial assets	312	130	560	274	274
Total items	312	130	560	274	274
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB(a)	312	130	560	274	274
Funded internally from departmental resources(b)	–	1,200	700	600	–
Total purchases of non-financial assets	312	1,330	1,260	874	274
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	312	1,330	1,260	874	274
Total cash used to acquire assets	312	1,330	1,260	874	274

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

(a) Includes purchases from current year DCB.

(b) Includes current Bill 1 and prior year Act 1 appropriations (excluding amounts from the DCB) and section 74 retained revenue receipts.

Table 3.6: Statement of asset movements (budget year 2017–18)

	Buildings \$'000	Other property, plant & equipment \$'000	Computer software & intangibles \$'000	Work in progress \$'000	Total \$'000
As at 1 July 2017					
Gross book value	4,267	1,249	5,114	–	10,630
Accumulated depreciation/ amortisation and impairment	(798)	(373)	(4,349)	–	(5,520)
Opening net book balance	3,469	876	765	–	5,110
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation ordinary annual 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	4,267	1,359	5,134	1,200	11,960
Accumulated depreciation/ amortisation and impairment	(1,220)	(622)	(4,642)	–	(6,484)
Closing net book balance	3,047	737	492	1,200	5,476

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2017–18 for departmental capital budgets and prior year section 74 retained revenue receipts.