

OFFICE OF PARLIAMENTARY COUNSEL

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OFFICE OF PARLIAMENTARY COUNSEL

Section 1: Agency 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 Commonwealth 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 to 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.

Table 1.1 Agency outcomes and outputs

Office of Parliamentary Counsel	
First Parliamentary Counsel: Mr Peter Quiggin	
Total Price of Outputs	\$8.019m
Departmental Outcome Appropriation	\$7.927m
Outcome 1: Parliamentary democracy and an effective statute book	
Total Price of Outputs	\$8.019m
Departmental Outcome Appropriation	\$7.927m
Output 1.1: Legislation	
Total Price of Outputs	\$5.373m
Departmental Outcome Appropriation	\$5.311m
Output 1.2: Program and project management	
Total Price of Outputs	\$0.481m
Departmental Output Appropriation	\$0.476m
Output 1.3: Legislative drafting capability	
Total Price of Outputs	\$1.363m
Departmental Output Appropriation	\$1.347m
Output 1.4: Standardisation and quality control of legislation	
Total Price of Outputs	\$0.802m
Departmental Output Appropriation	\$0.793m

Section 2: Agency resources for 2005–06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the Office of Parliamentary Counsel in the 2005–06 Budget is \$7.942m including \$0.015m departmental capital (equity injections).

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the Office of Parliamentary Counsel as explained in Budget Paper No. 2 are summarised in Tables 2.2.1 and 2.2.2. These tables also identify the relevant outcomes, administered items and outputs associated with each measure.

Table 2.1: Appropriations and other revenue 2005–06¹ ('000)

Outcome	Appropriations				Revenue from Other Sources ⁵		Total Resources ⁷
	Bill No. 1	Bill No. 2 ²	Special approp ³	Total approp ⁴	% ⁶	% ⁶	
Outcome 1 Parliamentary democracy and an effective statute book							
Departmental	7,927	-	-	7,927	99	92	8,019
Total outcome 1	7,927	-	-	7,927		92	8,019
Departmental capital (equity injections)	-	15	-	15		-	15
Previous year's outputs	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-
Total resources	7,927	15	-	7,942		92	8,034

- 1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.
 - 2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
 - 3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.
 - 4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
 - 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
 - 6 Percentage figures indicate the percentage contribution of Revenue from Government (departmental appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
 - 7 Total resources = Total appropriations + Revenue from other sources.
- Note: Refer to Budgeted statement of financial performance for application of agency revenue.

Table 2.2.1: Summary of expense measures disclosed in the 2005–06 Budget (impact on fiscal balance)

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)			Appropriations Forward Estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Drafting of legislation - increased capacity	1	1.1, 1.2, 1.3, 1.4	-	1,185	1,185	-	1,670	1,670	-	2,470	2,470	-	2,600	2,600
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1, 1.2, 1.3, 1.4	-	(17)	(17)	-	(38)	(38)	-	(62)	(62)	-	(62)	(62)
Total			-	1,168	1,168	-	1,632	1,632	-	2,408	2,408	-	2,538	2,538

Table 2.2.2: Summary of capital measures disclosed in the 2005–06 Budget (impact on fiscal balance)

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)			Appropriations Forward Estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Drafting of legislation - increased capacity	1	1.1, 1.2, 1.3, 1.4	-	15	15	-	30	30	-	-	-	-	-	-
Total			-	15	15	-	30	30	-	30	30	-	-	-

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Relevant receipts for OPC are set out below.

Table 2.3: Other receipts available to be used

	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL OTHER RECEIPTS		
Sale of goods and services	66	70
Resources free of charge	22	22
Total departmental other receipts available to be used	88	92

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

OPC does not have any appropriation for administered capital or departmental loans in 2005–06.

OPC has an appropriation for an equity injection in 2005–06 totalling \$15,000 for IT equipment for additional drafting resources.

Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the one outcome for the Office of Parliamentary Counsel.

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

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.

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. The work demand, staffing levels and the number of legal staff to non-legal staff have remained fairly constant.

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.

There have been no changes to the number, wording or structure of outcomes or outputs from the 2004–05 Portfolio Budget Statements.

3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

The one outcome for OPC is *Parliamentary democracy and an effective statute book*. The Departmental appropriation for the outcome for 2005–06 is \$7.927m.

3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

Table 3.1 Total resources for Outcome 1

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 - Legislation	4,456	5,311
Output 1.2 - Program and project management	399	476
Output 1.3 - Legislative drafting capability	1,131	1,347
Output 1.4 - Standardisation and quality control of legislation	665	793
Total departmental appropriations	6,651	7,927
Total revenue from Government (appropriations) Contributing to price of departmental outputs	6,651	7,927
REVENUE FROM OTHER SOURCES		
Output 1.1 - Legislation	59	62
Output 1.2 - Program and project management	5	5
Output 1.3 - Legislative drafting capability	15	16
Output 1.4 - Standardisation and quality control of legislation	9	9
Total revenue from other sources	88	92
Total price from departmental outputs (Total revenue from Government and from other sources)	6,739	8,019
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	6,739	8,019
	2004–05	2005–06
Average staffing level (number)	40	45

Measures affecting Outcome 1

A summary of measures in the 2005–06 Budget is at Tables 2.2.1 and 2.2.2.

Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

Effectiveness – overall achievement of the outcome	
<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
Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Output 1.1: Legislation	<i>Quality:</i> 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
Output 1.2: Program and project management	<i>Quality:</i> Drafting work is allocated, and legislative projects are managed, so as to make optimum use of drafting resources
Output 1.3: Legislative drafting capability	<i>Quality:</i> Lawyers recruited to the Office 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
Output 1.4: Standardisation and quality control of legislation	<i>Quality:</i> 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 has no cost recovery arrangements requiring a Cost Recovery Impact Statement.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

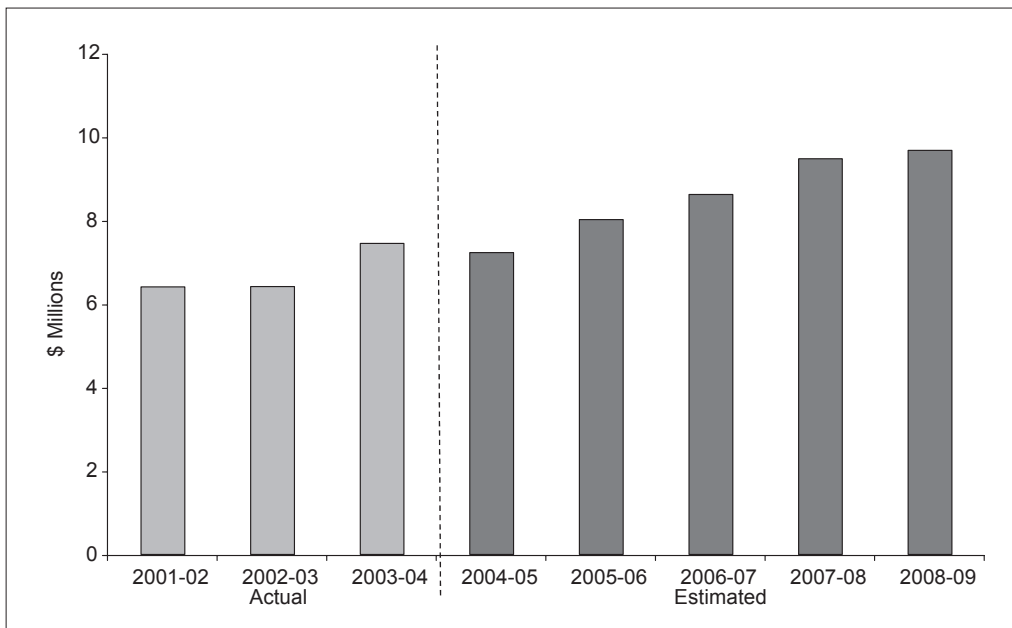
Departmental

Statement of financial performance

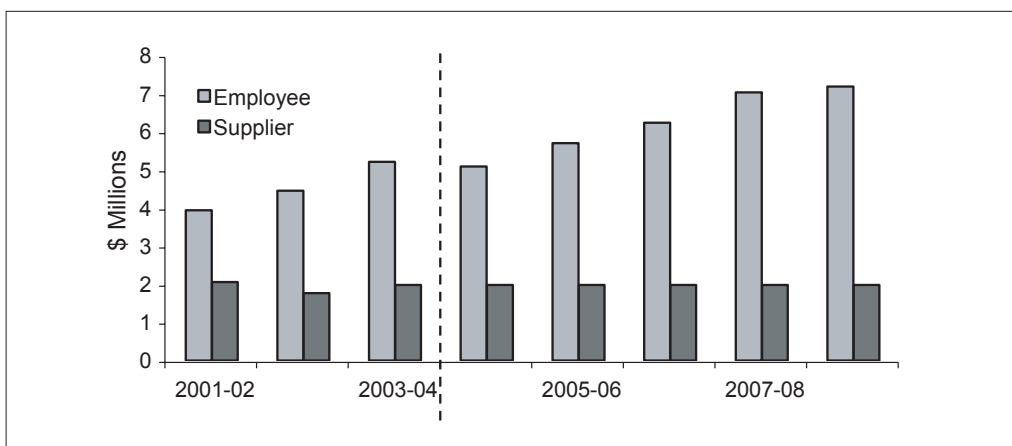
OPC is budgeting for a break even operating result for 2005–06. The estimated actual operating result for 2004–05 is an approved loss of \$0.489m attributable to a continued rise in employee expenses.

The total revenue for 2005–06 is estimated to be \$8.019m, an increase of \$1.280m from the 2004–05 estimated actual. The increase is primarily due to additional funding for the new budget measure for increasing Bill drafting capability.

Total expenses in 2005–06 are estimated to be \$8.019m, an increase of \$0.791m from the 2004–05 estimated actual. The increase is primarily due to employee and contract drafter expenses.

Chart 5.1.1: Total departmental expenses

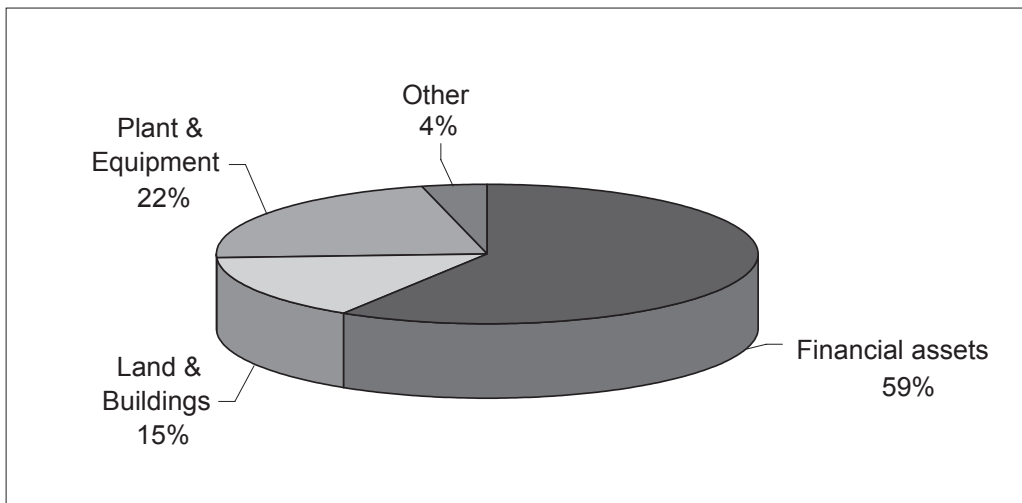
Employee expenses are expected to continue to rise at a consistent rate, and is primarily attributed to an expected small increase in the number of drafters, salary movements under OPC's Certified Agreement and Remuneration Tribunal determinations. While employee expenses are expected to continue at 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 2005-06. The major assets include cash at bank and appropriation receivable. Financial assets represent 59% of total assets.

Chart 5.1.3: Budgeted assets for 2005–06



OPC's primary liability continues to be accrued employee entitlements. The liability is estimated to increase by approximately 9% during 2005–06.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	6,651	7,927	8,526	9,382	9,580
Goods and services	66	70	70	73	74
Other	22	22	22	22	22
Revenues from ordinary activities	6,739	8,019	8,618	9,477	9,676
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	5,087	5,705	6,238	7,040	7,189
Suppliers	1,891	2,066	2,107	2,149	2,192
Depreciation and amortisation	250	248	273	288	295
Expenses from ordinary activities (excluding borrowing costs expense)	7,228	8,019	8,618	9,477	9,676
Operating surplus or (deficit) from ordinary activities	(489)	-	-	-	-
Gain or (loss) on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or (deficit)	(489)	-	-	-	-
Outside equity interests in net surplus or (deficit)	-	-	-	-	-
Net surplus or deficit attributable to the Australian Government	(489)	-	-	-	-
Net credit or (debit) to asset revaluation reserve	(65)	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity*	(65)	-	-	-	-
Total changes in equity other than those resulting from transactions with owners	-	-	-	-	-
as owners	(554)	-	-	-	-

Table 5.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
ASSETS					
Financial assets					
Cash	55	242	208	499	667
Receivables	1,491	1,482	1,482	1,482	1,482
Total financial assets	1,546	1,724	1,690	1,981	2,149
Non-financial assets					
Land and buildings	513	443	373	303	233
Infrastructure, plant and equipment	600	640	824	685	640
Other non-financial assets	93	113	113	113	114
Total non-financial assets	1,206	1,196	1,310	1,101	987
Total assets	2,752	2,920	3,000	3,082	3,136
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,487	1,677	1,727	1,779	1,833
Total provisions	1,487	1,677	1,727	1,779	1,833
Payables					
Suppliers	160	133	133	133	133
Other payables	20	10	10	10	10
Total payables	180	143	143	143	143
Total liabilities	1,667	1,820	1,870	1,922	1,976
EQUITY*					
Parent entity interest					
Contributed equity	1,039	1,054	1,084	1,114	1,114
Reserves	671	671	671	671	671
Retained surpluses or accumulated deficits	(625)	(625)	(625)	(625)	(625)
Total parent entity interest	1,085	1,100	1,130	1,160	1,160
Total equity	1,085	1,100	1,130	1,160	1,160
TOTAL ASSETS AND LIABILITIES BY MATURITY					
Current assets	91	269	235	526	694
Non-current assets	2,661	2,651	2,765	2,556	2,442
Current liabilities	532	552	565	578	592
Non-current liabilities	1,135	1,268	1,305	1,344	1,384

* '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 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	66	70	70	73	74
Appropriations	6,651	7,927	8,526	9,382	9,580
GST received from ATO	197	219	229	232	237
Cash received from Official Public Account	495	-	-	-	-
Total cash received	7,409	8,216	8,825	9,687	9,891
Cash used					
Employees	5,318	5,515	6,188	6,987	7,135
Suppliers	2,016	2,312	2,314	2,359	2,407
Total cash used	7,334	7,827	8,502	9,346	9,542
Net cash from or (used by) operating activities	75	389	323	341	349
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	45	217	387	80	180
Total cash used	45	217	387	80	180
Net cash from or (used by) investing activities	(45)	(217)	(387)	(80)	(180)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	15	30	30	-
Total cash received	-	15	30	30	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	15	30	30	-
Net increase or (decrease) in cash held	30	187	(34)	291	169
Cash at the beginning of the reporting period	25	55	242	208	499
Cash at the end of the reporting period	55	242	208	499	667

Table 5.4: Departmental Capital Budget Statement for the Period ended 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	15	30	30	-
Total loans	-	-	-	-	-
Total capital appropriations	-	15	30	30	-
Represented by:					
Purchase of non-financial assets	45	220	387	80	180
Other	-	-	-	-	-
Total represented by	45	220	387	80	180
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	15	30	30	-
Funded internally by Departmental resources	45	205	357	50	180
Total	45	220	387	80	180

Table 5.5: Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2005–06)

	Buildings \$'000	Computer Software \$'000	Other Infrastructure Plant and Equipment \$'000	Total \$'000
As at 1 July 2005				
Gross book value	583	-	734	1,317
Accumulated depreciation	70	-	134	204
Opening net book value	513	-	600	1,113
Additions:				
by purchase	-	-	220	220
by finance lease	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-
Net revaluation increment/decrement	-	-	-	-
Reclassifications	-	-	-	-
Depreciation/amortisation expense	70	-	180	250
Recoverable amount write-downs	-	-	-	-
Other movements	-	-	-	-
Disposals:				
from disposal of entities or operations (including restructuring)	-	-	-	-
other disposals	-	-	-	-
As at 30 June 2006				
Gross book value	583	-	954	1,537
Accumulated depreciation	140	-	314	454
Closing net book value	443	-	640	1,083

5.3: NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements have been prepared on an accrual basis and in accordance with the Australian Accounting Standards.

