

OFFICE OF PARLIAMENTARY COUNSEL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION FOR 2008–09

The Office of Parliamentary Counsel (OPC) was established by the *Parliamentary Counsel Act 1970*. The role of OPC is to assist the Australian 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 maintains 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 content and the form of the statute book. 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 Budget, OPC received incremental increases in funding over four years to maintain and increase its Bill drafting capacity. These have plateaued to establish a new base level of funding for OPC from 2008–09. OPC's strategy for the current Budget year is to use these funds to increase drafting capacity while maintaining a balanced budget.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows total resources from all origins. The table summarises how resources will be applied by departmental classification.

**Table 1.1: Resource statement—Budget estimates for 2008–09
(as at Budget May 2008)**

	Estimate of prior year amounts available in 2008–09 (\$'000)	+ Proposed at Budget 2008–09 (\$'000)	= Total estimate 2008–09 (\$'000)	Estimated appropriation available 2007–08 (\$'000)
ORDINARY ANNUAL SERVICES				
Departmental outputs				
Departmental outputs	3,927 ⁴	9,363 ¹	13,290	9,339
S 31 relevant agency receipts	–	90 ³	90	79
Total ordinary annual services	3,927	– 9,453	13,380⁵	9,418
OTHER SERVICES				
Departmental non-operating				
Equity injections	–	– ²	–	30
Total other services	–	–	–	30
Total resourcing for the Office of Parliamentary Counsel	3,927	9,453	13,380	9,448

All figures are GST exclusive.

Notes:

1. Appropriation Bill (No. 1) 2008–09.
2. Appropriation Bill (No. 2) 2008–09.
3. Section 31 relevant agency receipts—estimate.
4. Estimated adjusted balance carried forward from previous year for annual appropriations.
5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

1.3 BUDGET MEASURES

There are no new measures for OPC.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the government on the Australian community. Agencies are required to identify the outputs that demonstrate their contribution to government outcomes over the coming year.

OPC's outcome is described below by outputs, including the indicators and targets used to assess and monitor performance.

2.1.1 Outcome 1: Laws passed by the Commonwealth Parliament are drafted in such a way that they give legal effect to the intended policy and form a coherent and readable body of Commonwealth laws

Outcome 1 strategy

OPC contributes to meeting this outcome by:

- providing draft legislation that 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 that is comprehensible, workable and legally effective
- providing draft legislation that is consistent in approach to matters such as layout, formatting and basic drafting issues, and
- training lawyers recruited to OPC in the substantial body of legislative drafting knowledge and expertise that has been developed.

Outcome 1 resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing available for Outcome 1.

Table 2.1: Total resources available for Outcome 1

	2008–09 total estimate of available resources (\$'000)	2007–08 estimated actual (\$'000)
Outcome 1		
Output 1: Legislation		
Departmental outputs	6,273	6,257
Revenues from other sources (s 31)	61	53
Subtotal for Output 1	6,334	6,310
Output 2: Program and project management		
Departmental outputs	562	560
Revenues from other sources (s 31)	5	5
Subtotal for Output 2	567	565
Output 3: Legislative drafting capability		
Departmental outputs	1,592	1,588
Revenues from other sources (s 31)	15	13
Subtotal for Output 3	1,607	1,601
Output 4: Standardisation and quality control of legislation		
Departmental outputs	936	934
Revenues from other sources (s 31)	9	8
Subtotal for Output 4	945	942
Total resources for Outcome 1	9,453	9,418
Average staffing level (number)	48	47

Departmental appropriation splits and totals by output are indicative estimates and may change in the course of the Budget year as government priorities change.

Contributions to Outcome 1

Output 1

Output 1: Legislation	
Providing draft legislation that represents the proposals of the Executive Government in a form that makes them available for scrutiny, and approval or rejection, by the Parliament. Ensuring that the laws approved by the Parliament are expressed so that they are comprehensible and workable.	
Key performance indicators	2008–09 target
Availability of Bills for parliamentary consideration <ul style="list-style-type: none"> • Bills are drafted in accordance with government priorities, and supplied to Parliament in accordance with applicable deadlines • Bills reflect sponsors' policy intentions and are legally effective 	Government Bills are drafted in accordance with government priorities Private members' Bills are drafted where resources permit Client surveys indicate that all Bills reflect sponsors' policy intentions and are legally effective

Output 2

Output 2: Program and project management	
Contributing to the legal effectiveness of laws approved by Parliament by its work in clarifying government policies and proposals, and then drafting laws that are legally effective to implement those policies and proposals. Ensuring a high degree of liaison between drafters within OPC so as to guard against overlaps and inconsistencies in the operation of different statutes, especially those sponsored by different agencies.	
Key performance indicators	2008–09 target
Program and project management <ul style="list-style-type: none"> • Drafting work is allocated, and legislative projects are managed, so as to make optimum use of drafting resources 	Drafting work is allocated in accordance with government priorities Average rating of 4 or greater (rating scale 1–5) is received on client survey forms for overall satisfaction with the drafting process and draft Bill

Output 3

Output 3: Legislative drafting capability	
Training lawyers recruited to OPC in the substantial body of legislative drafting knowledge and expertise that has been developed since the 19th century.	
Key performance indicators	2008–09 target
Legislative drafting capability <ul style="list-style-type: none"> • 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 	All assistant drafters work closely, in an apprenticeship relationship, with a senior drafter Ten or more legislation process courses are conducted during the year Legislative drafters maintain and improve drafting skills and knowledge by working in teams in a range of subject areas and by participating in professional development activities

Output 4

Output 4: Standardisation and quality control of legislation	
Adopting strictly consistent approaches to matters such as the layout and formatting of legislation, and largely consistent approaches to basic drafting issues. This benefits the users of multiple statutes. Undertaking the preparation of a Statute Law Revision Bill to correct technical errors and to remove Acts that no longer have any operation.	
Key performance indicators	2008–09 target
Condition of statute book <ul style="list-style-type: none"> • Drafting standards and conventions are applied consistently to Bills 	Drafting standards and conventions are applied consistently to all Bills

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements and provides further details of special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The agency resource statement (Table 1.1) details the total available appropriation from all sources. For departmental operating appropriation (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities (generally depreciation and employee entitlements), the total amount of departmental operating appropriation available to an agency is unlikely to be fully used in the Budget year.

The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency’s asset base and to meet employee entitlement liabilities. Table 3.1.1 reconciles the total available appropriation and amounts attributable to outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	(\$'000)
Total available departmental operating appropriation (outputs)	13,380
Less estimated payments in 2008–09	(8,993)
Estimated departmental outputs carried forward and available for 2009–10	4,387

3.1.2 Movement of administered funds between years

OPC has no administered funds.

3.1.3 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation.

Table 3.1.3 lists the current special accounts of OPC. OPC does not use these accounts.

Table 3.1.3: Estimates of special account cash flows and balances

	Outcome	Opening balance 2008–09 2007–08 (\$'000)	Receipts 2008–09 2007–08 (\$'000)	Payments 2008–09 2007–08 (\$'000)	Closing balance 2008–09 2007–08 (\$'000)
Other Trust Moneys— s 20 FMA Act (D)	1	–	–	–	–
	1	–	–	–	–
Services for Other Governments and Non-Agency Bodies—s 20 FMA Act (D)	1	–	–	–	–
	1	–	–	–	–
Total special accounts 2008–09 Budget estimate		–	–	–	–
Total special accounts 2007–08 estimated actual		–	–	–	–

(D) = Departmental.

FMA Act = *Financial Management and Accountability Act 1997*.

3.1.4 Australian Government Indigenous expenditure

OPC has no Australian Government Indigenous expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences between agency resourcing and financial statements

There is no significant difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Income statement

OPC is estimating a balanced budget in 2008–09 and for the forward estimate years. In the 2007–08 PB Statements, OPC estimated a surplus of \$0.207m for 2008–09.

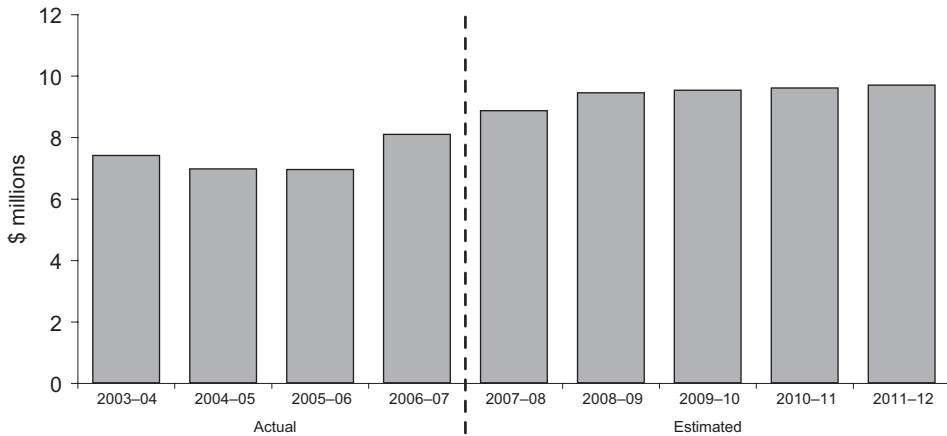
In the 2005–06 Budget, OPC received incremental increases in funding for maintaining and increasing Bill drafting capacity. These increases were spread over four years. The 2008–09 financial year establishes a new base level of funding for OPC.

Total revenue for 2008–09 is estimated to be \$9.477m, a decrease from the estimate of \$9.642m published in the 2007–08 PB Statements. This is primarily

the result of a reduction in appropriation from the application of government savings measures.

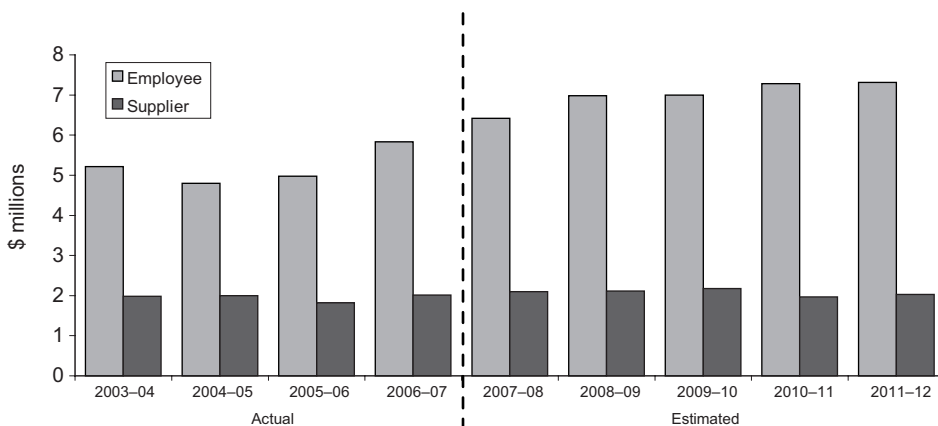
Total expenses for 2008–09 are estimated to be \$9.477m. This amount has not materially changed from that published in the 2007–08 PB Statements.

Chart 3.2.2.1: Total departmental expenses



Employee expenses are expected to continue to rise at a consistent rate. This rise is primarily attributable to an expected small increase in the number of drafters and salary movements under OPC's Australian workplace agreements and Remuneration Tribunal determinations. Supplier expenses are expected to remain reasonably constant.

Chart 3.2.2.2: Comparison of employee and supplier expenses



Balance sheet

For 2008–09, OPC’s net asset position of \$3.492m is lower than that published in the 2007–08 PB Statements by \$0.410m. This reduction is primarily due to higher employee provisions and the initial recognition of a make-good liability at 30 June 2007.

For 2008–09, financial assets represent 76% of total assets. These funds have been set aside for future asset replacement, including an office relocation and/or fit-out due in 2012 and repayment of employee liabilities as and when they fall due.

OPC’s primary liability continues to be accrued employee entitlements. For 2008–09, the estimated liability of \$2.065m represents 84% of total liabilities. The liability is higher than that published in the 2007–08 PB Statements due to the higher than expected retention of staff.

The challenge for OPC for the forward years is to maintain the high standard of legislative drafting capability.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
INCOME					
Revenue					
Revenue from government	9,339	9,363	9,444	9,520	9,606
Goods and services	79	90	93	95	98
Total revenue	9,418	9,453	9,537	9,615	9,704
Gains					
Other	24	24	24	24	24
Total gains	24	24	24	24	24
Total income	9,442	9,477	9,561	9,639	9,728
EXPENSES					
Employees	6,419	6,979	6,999	7,283	7,314
Suppliers	2,096	2,112	2,176	1,970	2,028
Depreciation and amortisation	381	386	386	386	386
Total expenses	8,896	9,477	9,561	9,639	9,728
Surplus (deficit) attributable to the Australian Government	546	–	–	–	–

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	67	527	140	179	131
Trade and other receivables	3,935	3,938	4,741	5,143	5,295
Total financial assets	4,002	4,465	4,881	5,322	5,426
Non-financial assets					
Land and buildings	639	489	339	189	39
Infrastructure, plant and equipment	844	725	602	464	701
Intangibles	98	93	65	37	9
Other	163	172	185	194	174
Total non-financial assets	1,744	1,479	1,191	884	923
Total assets	5,746	5,944	6,072	6,206	6,349
LIABILITIES					
Provisions					
Employees	1,881	2,065	2,189	2,320	2,459
Other	280	280	280	280	280
Total provisions	2,161	2,345	2,469	2,600	2,739
Payables					
Suppliers	63	74	76	79	81
Other	30	33	35	35	37
Total payables	93	107	111	114	118
Total liabilities	2,254	2,452	2,580	2,714	2,857
Net assets	3,492	3,492	3,492	3,492	3,492
EQUITY¹					
Parent entity interest					
Contributed equity	1,114	1,114	1,114	1,114	1,114
Reserves	681	681	681	681	681
Retained surpluses or accumulated deficits	1,697	1,697	1,697	1,697	1,697
Total parent entity interest	3,492	3,492	3,492	3,492	3,492
Total equity	3,492	3,492	3,492	3,492	3,492
Current assets	304	776	404	455	390
Non-current assets	5,442	5,168	5,668	5,751	5,959
Current liabilities	563	623	657	694	732
Non-current liabilities	1,691	1,829	1,923	2,020	2,125

Note:

1. Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	87	99	102	105	108
Appropriations	8,687	9,363	8,644	9,120	9,456
Other	302	208	209	192	235
Total cash received	9,076	9,670	8,955	9,417	9,799
Cash used					
Employees	6,322	6,794	6,874	7,153	7,175
Suppliers	2,317	2,315	2,391	2,163	2,227
Total cash used	8,639	9,109	9,265	9,316	9,402
Net cash from (used by) operating activities	437	561	(310)	101	397
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	427	101	77	62	445
Total cash used	427	101	77	62	445
Net cash from (used by) investing activities	(427)	(101)	(77)	(62)	(445)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	30	–	–	–	–
Total cash received	30	–	–	–	–
Net cash from (used by) financing activities	30	–	–	–	–
Net increase (decrease) in cash held	40	460	(387)	39	(48)
Cash at the beginning of the reporting period	27	67	527	140	179
Cash at the end of the reporting period	67	527	140	179	131

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2008–09)

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2008				
Balance carried forward from previous period	1,697	681	1,114	3,492
Income and expenses				
Net operating result	–	–	–	–
Total income and expenses	–	–	–	–
Estimated closing balance as at 30 June 2009	1,697	681	1,114	3,492

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders, Australian Accounting Standards, Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to the Statements of Accounting Concepts.

Revenue from government

Appropriations for departmental outputs are recognised as revenue.

Employee expenses

Employee expenses consist of salaries, superannuation and leave entitlements.

Supplier expenses

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

Cash

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

Receivables

Receivables include both trade and appropriation. Appropriation receivables are appropriations controlled by OPC but held in the Official Public Account to be drawn as required.

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 that 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 trade creditor and accrued supplier expenses.

Other payables consist of unearned income from training courses.

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

Other provisions consist of a make-good provision for the office accommodation.