

OFFICE OF PARLIAMENTARY COUNSEL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

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 program and, subject to government priorities, assist private members with their legislative requirements. OPC does not interpret, nor does it provide advice on, 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.

As a result of decisions made by the Council of Australian Governments (COAG) and the Standing Committee of Attorneys-General (SCAG), additional drafting is required in the areas of personal property securities; consumer credit; weights and measures; water; occupational health and safety; organ and tissue donation; and housing.

Commencing in the 2009–10 Budget, OPC will receive an additional \$3.7m over four years for the increased legislative drafting requirements arising from the COAG and SCAG initiatives. The strategy for the 2009–10 Budget year and the forward years is to use these funds to provide additional drafting resources for both the initial legislative drafting and ongoing maintenance of that legislation.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Agency resource statement—Budget estimates for 2009–10 as at Budget, May 2009

	Estimate of prior year amounts available in 2009–10 (\$'000)	+ Proposed at Budget 2009–10 (\$'000)	= Total estimate 2009–10 (\$'000)	Actual available appropriation 2008–09 (\$'000)
ORDINARY ANNUAL SERVICES				
Departmental				
Prior year departmental appropriation	4,381 ³	–	4,381	–
Departmental appropriation	–	9,986 ¹	9,986	9,363
S 31 relevant agency receipts	–	111 ²	111	95
Total ordinary annual services	4,381	10,097	14,478	9,458
Total net resourcing for agency	4,381	10,097	14,478	9,458

All figures are GST exclusive.

1. Appropriation Bill (No. 1) 2009–10.
2. Section 31 relevant agency receipts—estimate.
3. Estimated adjusted balance carried forward from previous year for annual appropriations.

1.3 BUDGET MEASURES

Budget measures relating to OPC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2009–10 Budget measures

	Program	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)
EXPENSE MEASURES						
Office of Parliamentary Counsel—additional resourcing						
Departmental expenses	1.1	–	516	1,040	1,050	1,061
Total expense measures						
Departmental		–	516	1,040	1,050	1,061
Total		–	516	1,040	1,050	1,061

Prepared on a Government Finance Statistics (fiscal) basis.

1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009–10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. Figure 2 outlines the transition from the 2008–09 Budget year (as at Additional Estimates), which was presented in outputs and output groups, to the program reporting framework used for the 2009–10 Budget. The table also captures revisions made to OPC’s outcome statement under the Operation Sunlight Outcome Statements Review.

Figure 2: Transition table

2008–09 Budget year	2009–10 Budget year
<p>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</p>	<p>Outcome 1: Laws that give legal effect to the intended policy and form a coherent and readable body of Commonwealth legislation through the drafting of Bills and amendments for passage by the Commonwealth Parliament</p>
<p>Output 1: Legislation P1.1</p>	<p>Program 1.1: Legislative drafting</p>
<p>Output 2: Program and project management P1.1</p>	<p>Departmental items:</p> <p>Legislation O1</p>
<p>Output 3: Legislative drafting capability P1.1</p>	<p>Program and project management O2</p>
<p>Output 4: Standardisation and quality control of legislation P1.1</p>	<p>Legislative drafting capability O3</p> <p>Standardisation and quality control of legislation O4</p>

Note: P = Program, O = Output.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Agencies deliver programs, which are the government actions taken to deliver the stated outcomes. Agencies 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, specifying the performance indicators and targets used to assess and monitor the performance of OPC in achieving government outcomes.

Outcome 1: Laws that give legal effect to the intended policy and form a coherent and readable body of Commonwealth legislation through the drafting of Bills and amendments for passage by the Commonwealth Parliament

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 budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses and resources for Outcome 1

	2008–09	
Outcome 1: Laws that give legal effect to the intended policy and form a coherent and readable body of Commonwealth legislation through the drafting of Bills and amendments for passage by the Commonwealth Parliament	Estimated actual expenses (\$'000)	2009–10 Estimated expenses (\$'000)
Program 1.1: Legislative drafting		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,363	9,986
Revenues from independent sources (Section 31)	95	111
Expenses not requiring appropriation in the Budget year ¹	24	24
Total expenses for Outcome 1	9,482	10,121
	2008–09	2009–10
Average staffing level (number)	48	51

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

1. Resources received free of charge.

Contributions to Outcome 1

Program 1.1: Legislative drafting

Program objective

To enable the government to carry out its legislative program and, subject to government priorities, to assist private members with their legislative requirements, by drafting Bills and amendments of Bills and supplying them to the Parliament.

Program 1.1 expenses

The increase in total program expenses for 2009–10 and the forward estimate years is primarily attributable to additional funding for the new Budget measure. Commencing in 2009–10 OPC will receive \$3.667m over four years, providing for one drafting team in 2009–10 and two drafting teams by 2010–11 to address the increased drafting demands arising from the COAG and SCAG initiatives.

(\$'000)	2008–09 Revised budget	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Annual departmental expenses					
Legislation	6,337	6,765	7,142	7,202	7,256
Program and project management	567	606	640	645	650
Legislative drafting capability	1,608	1,716	1,812	1,827	1,841
Standardisation and quality control of legislation	946	1,010	1,066	1,075	1,083
Expenses not requiring appropriation in the Budget year	24	24	24	24	24
Total program expenses	9,482	10,121	10,684	10,773	10,854

Program 1.1 deliverables

Legislation

- 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.

Program and project management

- Drafting work is allocated in accordance with the priorities set by the Parliamentary Business Committee, and legislative projects are managed, so as to make optimum use of drafting resources.

Legislative drafting capability

- 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.

Standardisation and quality control of legislation

- Drafting standards and conventions are applied consistently to all Bills.
- A Statute Law Revision Bill is prepared to correct technical errors and to remove Acts that no longer have any operation.

	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Deliverables					
Average rating (rating scale 1-5) received on client survey forms for overall satisfaction with the drafting process and draft Bill	≥4	≥4	≥4	≥4	≥4
Number of legislation process courses conducted during the year	≥10	≥10	≥10	≥10	≥10

Program 1.1 key performance indicators

Legislation – availability of Bills for parliamentary consideration

- Bills are drafted in accordance with government priorities, and supplied to Parliament in accordance with applicable deadlines.
- Private members' Bills are drafted where resources permit.
- Bills reflect sponsors' policy intentions and are legally effective.

Standardisation and quality control of legislation – condition of statute book

- Drafting standards and conventions are applied consistently to all Bills.

Key performance indicators	2008–09 Revised budget	2009–10 Budget target	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Proportion of client surveys that indicate Bills reflect sponsors' policy intentions and are legally effective	100%	100%	100%	100%	100%
Proportion of Bills where drafting standards and conventions are applied consistently	100%	100%	100%	100%	100%

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements that provide a comprehensive snapshot of agency finances for the Budget year 2009–10. It explains how Budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

OPC has no administered funds.

3.1.2 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 3.1.2 shows that there are no expected additions or reductions for the accounts used by OPC.

Table 3.1.2: Estimates of special account cash flows and balances

		Opening balance 2009–10	Receipts 2009–10	Payments 2009–10	Adjustments 2009–10	Closing balance 2009–10
		2008–09	2008–09	2008–09	2008–09	2008–09
	Outcome	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Other Trust Moneys—	1	–	–	–	–	–
s 20 FMA Act (D)	1	–	–	–	–	–
Services for Other Governments and Non- agency Bodies—	1	–	–	–	–	–
s 20 FMA Act (D)	1	–	–	–	–	–
Total special accounts 2009–10 Budget estimate		–	–	–	–	–
Total special accounts 2008–09 estimate actual		–	–	–	–	–

(D) = Departmental.

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

3.1.3 Australian Government Indigenous Expenditure

OPC has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in 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 budgeting for a break-even result in 2009–10 and for the forward estimate years. This is consistent with the estimated result for 2009–10 in the 2008–09 Budget.

OPC will receive an additional \$0.516m in 2009–10, of the \$3.667m to be received over four years, for the new Budget measure for increased drafting demands.

Total estimated income and expenses in 2009–10 are \$10.121m, an increase of \$0.560m from the 2008–09 Budget estimate of \$9.561m. The increase is primarily due to the additional funding for the new Budget measure, resulting in an increase in employee expenses.

Balance sheet

For 2009–10, OPC's net asset position of \$3.279m is lower, by \$0.213m, than the 2008–09 Budget estimate of \$3.492m. This reduction is primarily due to higher employee and other provisions.

For 2009–10, financial assets represent 80% 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 2009–10, the estimated liability of \$2.435m represents 85% of total liabilities. The liability is higher than the 2008–09 Budget estimate of \$2.189m primarily as a result of lower than expected government bond rates.

3.2.3 Budgeted financial statements tables

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
EXPENSES					
Employee benefits	7,051	7,708	8,198	8,302	8,333
Suppliers	2,100	2,015	2,102	2,118	2,141
Depreciation and amortisation	331	398	384	353	380
Total expenses	9,482	10,121	10,684	10,773	10,854
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	95	111	114	118	121
Total revenue	95	111	114	118	121
Gains					
Other gains	24	24	24	24	24
Total gains	24	24	24	24	24
Total own-source income	119	135	138	142	145
Net cost of (contribution by) services	(9,363)	(9,986)	(10,546)	(10,631)	(10,709)
Appropriation revenue	9,363	9,986	10,546	10,631	10,709
Surplus (deficit)	–	–	–	–	–
Surplus (deficit) attributable to the Australian Government	–	–	–	–	–

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	64	183	181	191	164
Trade and other receivables	4,392	4,751	5,253	5,455	5,707
Total financial assets	4,456	4,934	5,434	5,646	5,871
Non-financial assets					
Land and buildings	488	338	188	37	37
Infrastructure, plant and equipment	761	683	510	633	575
Intangibles	130	84	54	26	26
Other	140	110	112	114	114
Total non-financial assets	1,519	1,215	864	810	752
Total assets	5,975	6,149	6,298	6,456	6,623
LIABILITIES					
Provisions					
Employees	2,259	2,435	2,581	2,736	2,900
Other	340	340	340	340	340
Total provisions	2,599	2,775	2,921	3,076	3,240
Payables					
Suppliers	57	55	57	58	60
Other	40	40	41	43	44
Total payables	97	95	98	101	104
Total liabilities	2,696	2,870	3,019	3,177	3,344
Net assets	3,279	3,279	3,279	3,279	3,279
EQUITY*					
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	1,484	1,484	1,484	1,484	1,484
Total parent entity interest	3,279	3,279	3,279	3,279	3,279
Total equity	3,279	3,279	3,279	3,279	3,279
Current assets	139	257	257	269	245
Non-current assets	5,836	5,892	6,041	6,187	6,378
Current liabilities	662	704	743	785	829
Non-current liabilities	2,034	2,166	2,276	2,392	2,515

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

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	114	122	171	130	133
Appropriations	9,003	9,626	10,046	10,431	10,459
Other	259	208	193	193	197
Total cash received	9,376	9,956	10,410	10,754	10,789
Cash used					
Employees	6,773	7,537	8,052	8,147	8,169
Suppliers	2,304	2,184	2,329	2,300	2,325
Total cash used	9,077	9,721	10,381	10,447	10,494
Net cash from (used by) operating activities	299	235	29	307	295
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	334	116	31	297	322
Total cash used	334	116	31	297	322
Net cash from (used by) investing activities	(334)	(116)	(31)	(297)	(322)
Net increase (decrease) in cash held	(35)	119	(2)	10	(27)
Cash at beginning of reporting period	99	64	183	181	191
Cash at end of reporting period	64	183	181	191	164

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity—summary of
movement (Budget year 2009–10)**

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2009				
Balance carried forward from previous period	1,484	681	1,114	3,279
Income and expenses				
Surplus (deficit) for the period	–	–	–	–
Total income and expenses	–	–	–	–
Estimated closing balance as at 30 June 2010	1,484	681	1,114	3,279

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
CAPITAL APPROPRIATIONS					
Total capital appropriations	–	–	–	–	–
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ¹	334	116	31	297	322
TOTAL	334	116	31	297	322

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

- annual and prior year appropriations
- s 31 relevant agency receipts, and
- proceeds from the sale of assets.

Table 3.2.6: Statement of departmental asset movements (2009–10)

	Buildings (\$'000)	Other infrastructure, plant & equipment (\$'000)	Intangibles (\$'000)	Total (\$'000)
As at 1 July 2009				
Gross book value	790	1,094	189	2,073
Accumulated depreciation/amortisation	302	333	59	694
Opening net book balance	488	761	130	2,767
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	–	123	1	124
Sub-total	–	123	1	2,891
Other movements				
Depreciation/amortisation expense	150	201	47	398
As at 30 June 2010				
Gross book value	790	1,217	190	2,197
Accumulated depreciation/amortisation	452	534	106	1,092
Closing net book balance	338	683	84	3,289

Prepared on Australian Accounting Standards basis.

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 from departmental programs are recognised as revenue.

Employee expenses

Employee expenses consist of salaries, superannuation and leave entitlements.

Supplier expenses

Supplier expenses consist 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.