



# Parliamentary Counsel's Office

## 2014–15 ANNUAL REPORT



# PARLIAMENTARY COUNSEL'S OFFICE ANNUAL REPORT 2014–15

## Contact details

Parliamentary Counsel's Office  
Level 23, AMP Centre  
50 Bridge Street  
Sydney NSW 2000

GPO Box 4191  
Sydney NSW 2001

T (02) 9321 3333  
F (02) 9232 4796  
E [parliamentary.counsel@pco.nsw.gov.au](mailto:parliamentary.counsel@pco.nsw.gov.au)

## Websites

[www.pco.nsw.gov.au](http://www.pco.nsw.gov.au)  
[www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)

## Business hours

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Monday to Friday



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## Parliamentary Counsel's letter to the Premier

Dear Premier

I am pleased to forward to you the 2014–15 Annual Report for the Parliamentary Counsel's Office for presentation to Parliament.

This report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* and includes the financial statements prepared in accordance with the *Public Finance and Audit Act 1983*.

Yours sincerely



Don Colagiuri SC  
Parliamentary Counsel

Dated: 30 October 2015

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## New South Wales Parliamentary Counsel's Office

Parliamentary Counsel's Office

### From the Parliamentary Counsel

In 2014–15 the Parliamentary Counsel's Office (PCO) continued to deliver the legislative drafting and publishing services required for the Government's legislative agenda and for the legislative agenda of non-government Members of Parliament. The drafting process continues to be challenged by the increased pace of legislative reform and increased community and stakeholder consultation. PCO has responded by maintaining its focus on the timely delivery of efficient and high-quality drafting and publishing services.

The general election in 2015 resulted in a seasonal decrease in drafting demand, which is the usual pattern for that part of the election cycle. As in previous election years, PCO took this opportunity to progress several major projects. This included the Senior Executive review and implementation of the *Government Sector Employment Act 2013* within PCO; work to improve the NSW legislation website for use on mobile devices; and a major knowledge management project, which will more effectively capture legislative drafting, technical and corporate knowledge and ensure PCO can maintain its high level of service into the future.

I would like to acknowledge and thank all the staff of PCO for their tireless work and outstanding professionalism over the past year.

Don Colagiuri SC  
Parliamentary Counsel

## About us

The Parliamentary Counsel's Office is a Public Service executive agency that provides the Government with a comprehensive and integrated range of high quality services for drafting and developing legislation, publishing legislation and providing advice and information about legislation to government. PCO also provides drafting services to non-government Members of Parliament. PCO provides public access to legislation through the authorised NSW legislation website [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au).

The modern PCO evolved directly from the drafting institution established in New South Wales 137 years ago. The appointment of the first permanent Parliamentary Draftsman was made on 1 June 1878. In 1970 the Parliamentary Draftsman became known as the Parliamentary Counsel.

The position was responsible to the Attorney General until 1991. In 1991, PCO became a separate Administrative Office reporting to the Premier through the Director-General of The Cabinet Office. In March 2006, PCO was merged with The Cabinet Office but retained its status as a separate Office managed by the Parliamentary Counsel. In April 2007, PCO became a separate office within the Department of Premier and Cabinet (DPC) following the merger of the Premier's Department and The Cabinet Office.

On 24 February 2014, with the commencement of the *Government Sector Employment Act 2013*, PCO became a Public Service executive agency related to the DPC.

### **Chronology of Parliamentary Draftsmen/Parliamentary Counsel 1878 to present**

Don Colagiuri (2001 to present)

Dennis Robert Murphy (1982-2001)

Henry Edwin Rossiter (1971-1982)

Edwin Sidney Bishop (1953-1971)

Edward Bernard Cahalan (1935-1953)

Allan Hammill Uther (1922-1935)

Cecil Edward Weigall (1921-1922)

George Washington Waddell (1919-1921)

John Leo Watkins (1892-1919)

Alexander Oliver (1878-1892)

### **Chronology of Parliamentary Draftsmen 1856 to 1877**

George Milner Stephen (1875-1877)

Charles James Manning (1870-1875)

William Hattam Wilkinson (1865-1870)

Alexander Oliver (1865-1874)

Frederick Meymott (1856-1859)

Charles Knight Murray (1856-1865)

Edward Wise (1856)

Robert MacIntosh Isaacs (1856)

## Our functions and services

### Legislative drafting and publishing services

PCO operates the following 5 programs that provide drafting and publishing services to stakeholders:

- Government Bills and Amendments in Committee, including the provision of publishing support to Parliament.
- Statutory Instruments.
- Environmental Planning Instruments.
- Non-government Bills and Amendments in Committee.
- Australasian Parliamentary Counsel's Committee (PCC) drafting, including national and uniform laws and the provision of secretariat functions for the Committee.

### Public access to legislation

PCO operates the following 4 programs that provide public access to legislation and information about legislation:

- NSW legislation website, which provides for the official publication of NSW legislation.
- Official Notification of Statutory Instruments and the Government Gazette.
- The Legislation Database, which is an up-to-date and historical collection of NSW legislation.
- A Legislation Information Service that responds to telephone and email inquiries about the status of legislation.
- Publication of the Annual Volumes of Acts and distribution to subscribers.

### Our clients and stakeholders

The principal client of PCO is the Government, including Ministers of the Crown and Government agencies. Our other stakeholders include Parliament, individual Members of Parliament and the public.

PCO is a vital link in the legislative process, working with Cabinet, Parliament and officers from Government agencies to meet the Parliamentary program and the subordinate legislation program. PCO also works with other organisations to promote uniform legislation and plain language, and to further refine the content, appearance and availability of legislation.

### Our mission

To provide the Government and other stakeholders with a comprehensive and integrated range of high quality services for the drafting and development of legislation, the publication of legislation, and the giving of advice and information about legislation.



## Section 1 2014–15 performance

### Overview

PCO has continued to deliver its program outcomes throughout 2014–15, and the service measures and results of each program are detailed in the *Key results of programs* section of this report. Performance statistics for each program for the year are included in this report together with comparative statistics for previous years where applicable. The key achievements of PCO's programs are summarised below.

#### Delivering legislative drafting services

PCO has continued to meet the demands of the NSW Government's legislative program by completing the required volume of draft legislation during 2014–15, often to short deadlines. All Bills were drafted and published for introduction to Parliament within the required timeframes. PCO exceeded targets throughout this period, particularly in the turnaround times for drafting statutory instruments and environmental planning instruments. The general election held in March 2015 resulted in a reduced number of Bills introduced to Parliament, which is the usual trend in an election year.

#### Providing access to legislation

PCO continued to provide free public access to an authoritative, up-to-date collection of NSW legislation through its legislation website, [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au), which includes the database maintained by PCO and notification and gazettal of new instruments and notices. PCO handled a high volume of material during 2014–15 and exceeded the target of updating the NSW legislation website within 3 working days of any relevant change, with most updates provided within 1 working day.

Public access developments that occurred during the year include:

- Completing Phase 1 of a software development project to improve accessibility of the NSW legislation website on mobile devices and disability access. Enhanced accessibility on mobile devices is required because of their increasing use by the legal profession and public generally.
- Taking on responsibility for the ongoing production and distribution of printed Annual Volumes of Acts.
- Further streamlining the layout and compilation process for the publication of the Government Gazette.

#### PCO system developments and projects

PCO strives to improve its internal systems to ensure it continues to deliver a high standard of legislative drafting and publishing services into the future. During 2014–15, development work was undertaken for a new version of the drafting tool (FrameMaker), which was launched early in the 2015-16 year.

#### Other developments

PCO took advantage of the reduced demand for legislative drafting and publishing in the caretaker election period to undertake a range of activities, including:

- Conducting a review of PCC activities, including systems for cross-jurisdictional communications and secretariat functions (which are provided by NSW PCO).
- Progressing PCO's Knowledge Management Program, including the writing of content and the building of a wiki-style tool for sharing professional knowledge.
- Reviewing the Senior Executive structure and undertaking the GSE Act transition of executives.
- Furthering PCO's transition to a Public Service executive agency by finalising a range of policies and procedures for local application that replace the policies of PCO's former parent department (DPC).

## Key results of programs

### Business Plan and results 2014–15

PCO has an annual Business Plan that sets out the programs it provides. The Business Plan includes performance measures, responsibility and time frames, and is subject to monthly internal reporting.

#### Delivering legislative drafting services for New South Wales

<b>Program 1</b>	Government Bill Drafting and Publishing
<b>Program 2</b>	Statutory Instrument Drafting and Publishing
<b>Program 3</b>	Environmental Planning Instrument Drafting and Publishing
<b>Program 4</b>	Non-government Bill Drafting and Publishing
<b>Program 5</b>	Australasian Parliamentary Counsel's Committee Drafting Program

#### Providing the public and government with access to and information about legislation

<b>Program 6</b>	NSW Legislation Website
<b>Program 7</b>	Notification of Statutory Instruments and publication of the Government Gazette
<b>Program 8</b>	Legislation Database
<b>Program 9</b>	Legislation Information Service

#### Office-wide services and projects

<b>Program 10</b>	Knowledge Management
<b>Program 11</b>	Legislative Systems Maintenance, Development and Projects
<b>Program 12</b>	Cross Program Monitoring and Corporate Governance Activities

## Delivering legislative drafting services for New South Wales

### Program 1—Government Bill Drafting and Publishing

PCO's main function is to draft and publish Bills and Amendments in Committee in accordance with the timeframes and standards required by the Government's parliamentary program. PCO also provides advice on legislative proposals as part of this Program.

Where practicable, Bill drafting work is done on a collegiate basis. Draft Bills continue to be scrutinised by a group of the most senior drafters and all Bills receive comprehensive editorial, legal, and quality assurance checks.

The Cabinet Standing Committee on Legislation streamlines the process of finalising and programming the introduction of Government Bills. The Parliamentary Counsel attended 27 meetings of the committee during the year and briefed it on Bills on the Committee's agenda and on the status of draft Bills generally.

PCO, as a service to Parliament, publishes Bills and republishes amended Bills for all stages of the Parliamentary process and provides electronic copies for publication on the Parliament House website. PCO provides Parliament with version-controlled artwork for bulk printing of introduced or republished Bills for Members of Parliament and prints the vellums for assent by the Governor.

The **service measure** for this Program is:

- to meet drafting and publishing volumes and deadlines as set by the Government to the quality standard expected and provide support for the Bill passage process.

#### 2014–15 performance

This year, a total of 59 Government Bills were introduced and 1 Bill was prepared for public consultation. The reduced number of Bills introduced in 2014–15 reflects the reduced parliamentary sitting periods during an election year. For reasons of confidentiality only those Bills introduced into Parliament or formally exposed are reported. At 30 June 2015, a number of Bills were completed but not proceeded with or were in the course of preparation.

	2010–11	2011–12	2012–13	2013–14	2014–15
Bills introduced	98	99	109	105	59
Pages*	2,800	2,945	3,650	3,028	1,453
Bills exposed	3	2	6	3	3
Pages	139	86	423	137	67
Amendments in Committee	96	59	67	107	107

\*Note: In 2013–14 the printed page size was changed from B5 to A4 enabling more text on each page. As a result, the overall number of pages reduced by 20–25%. The equivalent B5 page count for 2014–15 is approximately 1,816.

## Statute Law Revision

The Statute Law Revision Program is a sub-program of the Bill drafting and publishing program. The Statute Law Revision Program has been an effective and economical means of making minor amendments and removing unnecessary laws. The program, which has run for almost 30 years, has three aspects:

- Making minor, non-controversial amendments, sponsored by Ministers.
- Making amendments of a purely statute law revision nature, sponsored by PCO.
- Repealing Acts and instruments that are redundant or of no practical utility.

The **service measure** for this sub-program is:

- to manage the drafting and publishing for the Statute Law Revision Program to the standard and timetable set by the Government.

### 2014–15 performance

Two Statute Law Bills were introduced and passed. These Bills amended 257 Acts and instruments and repealed 16 Acts and instruments.

## Program 2—Statutory Instrument Drafting and Publishing

PCO is responsible for the drafting and publishing of a range of statutory instruments to the standard and timetable requested by the Government. Statutory instruments drafted under this Program include regulations, rules, orders and proclamations. The Program extends to the provision of source data for the official publication of instruments once they have been made by the Governor or other official or body. In addition, PCO provides advice on instrument proposals as part of this Program. The Staged Repeal of Subordinate Legislation Program is a sub-program.

The statutory instruments drafted by PCO also include the Uniform Civil Procedure Rules and specific rules of court for the Supreme Court and other courts and tribunals.

PCO also continued to operate the centralised scheme for notifying Parliament of regulations and other statutory instruments that require tabling. Under the scheme, PCO identifies and provides to Parliament those instruments that are required to be tabled in Parliament and which either House of Parliament may disallow.

The **service measure** for this Program is:

- to draft, publish and provide opinions (where required) on 70% of statutory instruments within 20 working days of receipt of instructions.

## 2014–15 performance

PCO achieved turnaround times well above the established target, with 85 per cent of statutory instruments completed within 20 working days in 2014–15.

	2010–11	2011–12	2012–13	2013–14	2014–15
Number completed by PCO	761	639	724	790	675
Percentage within 10 days or less	57	61	63	70	64
Percentage within 11–20 days	21	21	20	20	21
Percentage within 21–40 days	14	15	12	7	12
Percentage after 40 days	9	4	5	3	4

## Staged Repeal of Subordinate Legislation

The *Subordinate Legislation Act 1989* provides for the staged repeal of statutory rules following the fifth anniversary of their date of publication. PCO manages this sub-program, including co-ordinating the work of relevant agencies and drafting new instruments made under the sub-program. Stage 24 of the program was completed on 1 September 2014.

The **service measure** for this sub-program is:

- to manage the drafting and publishing of instruments under the Staged Repeal of Subordinate Legislation Program in accordance with the requirements of the *Subordinate Legislation Act 1989*.

## 2014–15 performance

Instruments dealt with by Stage 24	No.
Total instruments dealt with under this stage	137
Instruments dealt with that were granted postponements of repeal in previous stages	92
<b>Outcome of Stage 24</b>	
Instruments granted postponement of repeal in this stage by section 11 order	81
Instruments that had their staged repeal date extended by other amending legislation	6
Instruments repealed under the Act by a replacement instrument or under another Act	43
Number of new instruments drafted and made under this stage	41
<b>Outcome of all stages since 1990</b>	
Number of instruments as at 1.7.1990	976
Number of instruments as at 1.9.2015	341
Number of pages as at 1.7.1990	15,075
Number of pages as at 1.9.2015	7,686

## Program 3—Environmental Planning Instrument Drafting and Publishing

PCO is responsible for the drafting and publishing of Environmental Planning Instruments (EPIs) to the standard and timetable requested by the Government. Statutory instruments drafted under this Program include state environmental planning policies (SEPPs) and local environmental plans (LEPs). The Program extends to the provision of source data for the official publication of instruments once they have been made by the Minister or by the local council under delegation. In addition, PCO provides advice on proposals as part of this Program. The EPI Modernisation Program is a sub-program.

The **service measure** for this Program is:

- to draft, publish and provide opinions (where required) on 70% of environmental planning instruments within 20 working days of receipt of instructions.

### 2014–15 performance

PCO achieved turnaround times well above the established target, with 92 per cent of EPIs completed within 20 working days in 2014–15.

	2010–11	2011–12	2012–13	2013–14	2014–15
Number completed by PCO	565	606	740	947	823
Percentage within 10 days or less	72	83	78	69	76
Percentage within 11–20 days	25	12	16	21	16
Percentage within 21–40 days	2	4	5	7	5
Percentage after 40 days	1	1	1	3	3

### Environmental Planning Instruments Modernisation

The rollout of standard instrument LEPs for each local government area (LGA) continued and the program is now almost complete, with almost all LGAs having a comprehensive standard instrument LEP in place.

The **service measure** for this sub-program is:

- to manage the drafting and publishing of instruments under the EPI Modernisation sub-program in accordance with deadlines and priorities negotiated with the Department of Planning and Environment.

## 2014–15 performance

	2010–11	2011–12	2012–13	2013–14	2014–15
Number of principal standard instrument LEPs officially made under section 33A	17	34	50	39	10
Number of other principal LEPs officially made that reflect current standard instrument template	0	2	0	2	0

PCO provides a service (on behalf of the Department of Planning and Environment) for hosting zoomable maps prepared by local councils via the NSW legislation website. In 2014–15, PCO processed 915 sets of maps, with an average of 25 maps per set.

## Program 4—Non-government Bill Drafting and Publishing

PCO provides a drafting service for non-government Members of Parliament. PCO drafts non-government Bills and Amendments in Committee as requested in accordance with the *Arrangements for the drafting of non-Government legislation* as agreed to by the Government. This is subject to the Government’s legislative priorities and the availability of resources.

The **service measure** for this Program is:

- to meet drafting and publishing volumes for non-government and private members as negotiated with the member and in accordance with Government arrangements for non-government drafting.

## 2014–15 performance

	2010–11	2011–12	2012–13	2013–14	2014–15
Non-government Bills introduced	18	17	16	22	20
Pages*	229	185	207	225	218
Non-government Amendments in Committee	180	384	231	269	267

\*Note: In 2013–14 the printed page size was changed from B5 to A4 enabling more text on each page. As a result, the overall number of pages reduced by 20–25%. The equivalent B5 page numbers for 2013–14 is approximately 281.

## Program 5—Parliamentary Counsel’s Committee Drafting Program

The Australasian Parliamentary Counsel’s Committee is a committee representing the legislative drafting offices in Australia and New Zealand and consists of the heads of those legislative drafting offices. The Committee provides a forum for the preparation of national uniform legislation and for discussion about the development of legislation and the management of those drafting offices.

The NSW Parliamentary Counsel is the current secretary/chair of the PCC and is responsible for the provision of secretariat functions and for co-ordination of the Committee's work.

The Committee holds a triennial Drafting Conference for drafting staff in Australia, New Zealand and the region. The Committee also holds an annual IT and Business Forum for drafting offices to exchange information on the development of legislative drafting and publishing systems, including the delivery of legislative information to the public.

The **service measure** for this Program is:

- manage the secretariat of the PCC and prepare or comment on draft uniform legislation in accordance with the required timetable.

### 2014–15 performance

In 2014–15 PCC completed and worked on a range of drafting projects to implement decisions of the Council of Australian Governments (COAG) and various national Ministerial Councils. In 2014–15 the committee met formally on 3 occasions with most business conducted electronically.

The NSW PCO maintains a website ([www.pcc.gov.au](http://www.pcc.gov.au)) relating to the work of PCC, including the protocol for the drafting of uniform legislation.

Given most business is now conducted electronically, the NSW PCO commissioned a study in 2014–15 to review secretariat operations and find the most effective tool to facilitate document exchange, project tracking and discussion forums. A new national system has been approved by PCC members and is to be implemented in 2015–16.

## Access to and information about legislation

### Program 6—NSW Legislation Website

PCO provides free access to an authoritative, up-to-date collection of NSW legislation through its legislation website, [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au).

The website contains “In Force” legislation, “As Made” legislation, historical and other significant versions of legislation, Gazettes, Bills and Information Tables in an easily accessible and searchable format.

PCO undertakes an ongoing review of the website and makes improvements as resources allow. The NSW legislation website delivers the following features:

- Dynamic up-to-date collection of In Force NSW Acts and subordinate legislation, including EPIs. This collection, in HTML format, is authorised under the *Interpretation Act 1987* as correct.
- Official online notification of the making of new statutory instruments, including EPIs.



- Official publication of the Government Gazette.
- Superseded and repealed versions of legislation to provide point in time access and searches (in HTML format and also authorised under the *Interpretation Act 1987*).
- Static archival collection of Acts dating back to 1824 and a range of subordinate legislation.
- Consultation drafts of Bills and copies of Bills (including explanatory notes) at all stages of the Parliamentary process and amendments in committee.
- Information tables about legislation.
- RSS feeds for users to monitor legislation.

The **service measures** for this Program are:

- maintain the reliable, accurate and timely functioning and updating of the website,
- monitor and maintain the website to ensure accessibility and usefulness.

### 2014–15 performance

During 2014–15, there were no outages on the website, which continued to deliver accurate current and point-in-time access to legislation and information about legislation. During 2014–15 the average number of successful hits per day to the website was 2.82 million.

In response to user feedback, the following refinements were made to the website:

- an expanding and collapsing table of contents is now available on each legislative title to facilitate navigation,
- PDFs available on the website are now unlocked, in order to increase functionality for users by enabling them to edit and reproduce the material.

In addition, scoping and systems requirements work was undertaken for enhancements that would improve the accessibility and functionality of the website on mobile devices. This project was initiated by PCO in recognition of the general shift in workplace practices from desktop computers to mobile devices. The project will increase the ease of access to legislation for the public and the legal profession by providing better functionality for smaller devices including formatting, sizing and searching capabilities. It will also further improve accessibility for users with disabilities. PCO hopes to complete the project in the first half of 2015–16.

## Program 7—Notifications of Statutory Instruments and Publication of the Government Gazette

Since 2009 PCO has provided official notification of the making of new statutory instruments on the NSW legislation website. Previously, these instruments were published in the printed Government Gazette.

From 1 January 2014 PCO assumed responsibility for producing and publishing the Government Gazette. Since that time it has been published solely online on the NSW legislation website. The subscription service for printed Gazettes has been discontinued.

The **service measures** for this Program are:

- publish new statutory instruments and new EPIs on the NSW legislation website on a cumulative basis each week, including urgent publications,
- publish Government Gazettes on the NSW legislation website on a cumulative basis each week, including urgent publications,
- compile and distribute the weekly email of statutory instruments, Gazettes and legislative events.

## 2014–15 performance

### Official online notification of statutory instruments

	2010–11	2011–12	2012–13	2013–14	2014–15
<b>Statutory instruments</b> (excluding EPIs)					
Number officially made	506	436	469	420	428
Pages*	4,582	3,301	4,260	2,607	3,147
<b>EPIs</b>					
Number officially made	220	235	241	350	363
Pages*	3,037	5,383	7,136	6,218	2,319

\*Note: In 2013–14 the printed page size was changed from B5 to A4 enabling more text on each page. As a result, the overall number of pages reduced by 20–25%.

### Government Gazette

Gazettes are published on the NSW legislation website on Fridays and on other days, as and when required. 127 Government Gazettes were produced from 1 July 2014 to 30 June 2015.

The search facility for the online Government Gazette includes the ability to search across multiple Gazettes from 2001. Other Gazette content is accessible through links, including an archive of previous Government Gazettes and Gazette Indexes. The Government Gazette search tool also searches across all statutory instruments and environmental planning instruments published since 2001.

Government Gazettes are published online in the form of a single numbered Gazette per PDF file, which can be downloaded and printed.

	2014–15
<b>Government Gazettes</b>	
Number	127
Pages	4,322



## Weekly email service and RSS feeds

In association with the online publication of instruments and the Gazette, PCO provides a weekly email service that lists and links instruments officially notified on the website and the Gazette, and other legislation events (such as Bills introduced and passed). As expected, the number of subscribers declined following the introduction of RSS feeds the previous year. The RSS feeds provide more timely and tailored information about legislation without the need for PCO to manually maintain mailing lists. As at 30 June 2015 there were 2,570 email subscribers, decreased from 2,970 last year.

## Program 8—Legislation Database

The NSW legislation website provides public access to the Legislation Database, which is compiled in conjunction with PCO's publishing activities. NSW Acts and principal statutory instruments, including EPIs, are captured on a systematic basis, updated when amended and stored in Standard Generalised Markup Language (SGML) format. All superseded versions are preserved to provide a point-in-time repository. The SGML collection (including In Force PDFs) represents 24.6 gigabytes of data.

The following table shows the number of current, historical and repealed SGML versions maintained on the NSW legislation website (figures are rounded).

	2010–11	2011–12	2012–13	2013–14	2014–15
Acts	10,000	11,500	12,300	13,100	13,700
Statutory Instruments (excluding EPIs)	5,000	5,900	6,400	6,900	7,300
EPIs	3,000	3,600	4,100	4,700	5,100

PCO continued to make source data from the database available to government departments, commercial publishers, the Australasian Legal Information Institute (AustLII) and the Judicial Commission in XML format.

PCO aims to capture all new Acts and instruments in SGML, and update Acts and instruments when amended, within 3 working days. In 2014–15, 100 per cent of updates were completed within this turnaround time (mostly within 1 working day).

PCO has a number of service measures to monitor the accuracy and integrity of the database and these are monitored on a weekly basis.

The **service measures** for this Program are:

- capture all new Acts within 3 working days of authorisation by Parliamentary officers following assent,
- capture all new principal statutory instruments, including EPIs, within 3 working days of publication,
- capture other new instruments that are not drafted by the Office within 6 weeks of publication,

- update Database within 3 working days of any amendment commencing or other activity.

### 2014–15 performance

	2010–11	2011–12	2012–13	2013–14	2014–15
New Acts captured	101	99	98	102	65
New principal statutory instruments and EPIs captured	118	78	114	97	75
Amendments incorporated (creating a new version)	1,313	1,325	1,409	1,720	1,548
Other updates made	2,224	2,236	2,253	2,465	2,063

## Program 9—Legislation Information Service

PCO provides a telephone and email service to respond to public inquiries about the status of NSW legislation and related matters. The service does not provide legal advice.

The **service measure** for this Program is:

- respond to all telephone and email inquiries with accurate, up-to-date information or by referral to a more appropriate source.

### 2014–15 performance

	2010–11	2011–12	2012–13	2013–14	2014–15
Phone inquiries responded to	1,661	1,858	1,835	1,654	1,449
Email inquiries responded to	786	547	395	364	302

## Office-wide services and projects

### Program 10—Knowledge Management

PCO commenced the development of a formal Knowledge Management Program in 2013-14 to facilitate knowledge transfer and sharing within PCO and to ensure knowledge retention. The aim of the Program is to ensure consistency and the maintenance of standards in the drafting and publishing of NSW legislation for coming decades. The Program is also proactively addressing the identified risk at PCO of knowledge being lost with retirements and staff movements.

The **service measure** for this Program is:

- develop a knowledge management process and supporting system, including the backcapture of information into that system,

- develop staff and foster professional knowledge sharing, including providing training programs for junior drafting and publications staff.

### 2014–15 performance

PCO's Knowledge Management Committee continued its task of overseeing the delivery of a new knowledge management system. This program includes the provision of an interactive wiki-style tool to enable staff to store and share professional drafting and publishing knowledge, both formal and informal. The wiki tool, to be known as *Gulbarra* (meaning "to know" in Wiradjuri), is due to be launched by October 2015. *Gulbarra* will be the primary tool for intra-office communications and for capturing and sharing information.

Activities over the year included:

- completing a stocktake of information resources,
- the writing and review of articles by staff from across the office,
- the assessment of various wikis and templates and refinement of the chosen template,
- development of business rules, content architecture and a build plan,
- the conversion and loading of content.

## Program 11—Legislative Systems Maintenance, Development and Projects

PCO's legislative systems consist of the hardware, specialist applications and networks that support the delivery of legislative drafting and publishing services, including the delivery of public access to legislation. The main systems are completely integrated and consist of the highly customised FrameMaker drafting and publishing tool, the bespoke LEGIS document management system, and the public-facing NSW legislation website.

The **service measure** for this Program is:

- Timely maintenance and support for legislative drafting and publishing systems (including hardware, software and networking),
- New and enhanced systems are implemented in accordance with relevant project plans.

### 2014–15 performance

During 2014–15 there were no unplanned outages to IT and communications systems and there were no outages that prevented staff from undertaking their day-to-day operations. Staff using remote VPN access to PCO systems also had no unplanned outages to services that prevented their daily operations. Maintenance and support procedures continued to be refined in response to changing technology. Specific system developments and projects during the year included:

- Customisation and testing of the FrameMaker11 application to enable rollout of this new version of PCO's core drafting and publishing tool in early 2015–16.

- The development of detailed systems requirements and completion of “proof of concept” work to enable improved accessibility and functionality of the NSW legislation website for use on mobile devices. It is planned to launch the revised website in early 2015–16.
- Development of the expandable/collapsible table of contents for the NSW legislation website to facilitate easier navigation.
- Development of a wiki tool as a definitive information resource for legislative systems procedures and knowledge exchange.
- The introduction of voice recognition software for use by staff with injuries or disabilities.

## Program 12—Cross Program Monitoring and Corporate Governance Activities

This program includes overall financial and personnel management, governance and compliance activities, facilities management and management of PCO’s external relationships.

The **service measures** for this Program are:

- recurrent and capital expenditure is within budget.
- staff development and performance management is undertaken and recruitment and workforce plans are in operation,
- external relations with the wider legal community, including the judiciary, instructing officers, general counsel and legal branches is managed and international drafting support is fostered,
- there is timely compliance with public sector and corporate compliance reporting and activities,
- office accommodation and related services are well maintained and meet the operational needs of the office.

### 2014–15 performance

This Program covers matters that are addressed in sections 2–4 of this Annual Report.

## Management review

PCO has an extensive process for the continual monitoring and review of its operations to ensure that it meets its service measures and continues to deliver high quality drafting and publishing services for NSW.

### Achieving service measures

PCO uses the following mechanisms to ensure it achieves its service measures:

- Formulation and publication of an annual Business Plan detailing the projects and service measures for the coming financial year.
- Monthly review of progress against the Plan by collation of statistics and data for the Monthly Report for review by the Parliamentary Counsel and other senior executives.
- Purpose-built reporting tools within LEGIS to enable drafting program managers to monitor the progress of projects against agreed turnaround times.
- Weekly meetings between the Parliamentary Counsel and Director, Governance and Operations to discuss priorities, the legislative timetable, staffing and Office resources, legislative compliance requirements and to identify any emerging issues.
- Monthly meeting of the Business Process Committee, which has oversight of business process and systems development, including the maintenance and enhancement of processes and systems. The Committee sets priorities for new projects and monitors current projects and operational matters. The Committee includes senior staff from all work areas across PCO and provides a key forum for the exchange of information across operational areas.

### Providing reviews of drafting to ensure quality standards

To ensure the highest levels of quality in terms of professional standards, accuracy and consistency, PCO has the following comprehensive review and quality control process:

- Multiple checking processes—there is a tiered process for legal and editorial checking for all draft legislation.
- Bill Review Group—this Group reviews draft Bills and any other critical instruments. It is comprised of the most senior drafters at PCO. Using their extensive knowledge and experience, the Group identifies any legal drafting, policy, language or consistency issues in draft Bills or critical instruments.
- Quality Assurance Manager—independently monitors all legislative publications produced by PCO to ensure that quality is consistent and standards are maintained and conducts the final quality check of all draft Bills before they are printed for Parliament.

### Participating in forums for feedback and benchmarking

PCO also engages in the following review activities:

- The NSW Parliamentary Counsel is the Secretary/Chair of the PCC, which provides a forum for benchmarking activities with other Australasian jurisdictions.
- Representatives from PCO attend the annual PCC IT and Business Forum, which provides an effective mechanism for exchanging technical and operational information, seeking solutions to common problems and evaluating new and emerging technology in the legislative drafting and publishing fields.

- Drafters from PCO attend the PCC Drafting Conference, which is held every three years and provides a forum for drafters to exchange ideas, keep up to date on the latest drafting developments and learn from the experience of other jurisdictions. Junior drafters are particularly encouraged to attend this conference to complement their on-the-job training.
- PCO is also active in developing the legislative drafting profession internationally through ongoing involvement in the Commonwealth Association of Legislative Counsel. The NSW Parliamentary Counsel was elected to the Governing Council of the Association in 2013.

## Challenges

The main challenges being addressed by PCO are outlined below.

- An ongoing challenge for PCO is the management of externally driven drafting workloads. PCO's drafting services are largely demand-driven according to the Government's legislative agenda and that of non-government members. As a result, PCO has to manage fluctuating and varying drafting requirements. In addition to balancing workloads, this can make meaningful service measures problematic, as PCO often cannot control its work flow in terms of volume and qualitative complexity. PCO manages this challenge by maintaining a multi-skilled staff who can work across all programs, utilising contract drafters where necessary and maintaining good working relationships and clear communication lines with key client agencies.
- Succession planning across all areas of the Office is a further challenge, particularly as the lead time in training effective drafters is in the order of seven years and there is a world-wide shortage in this highly specialised field. The need to recruit and retain skilled drafters for future years remains critical. PCO undertakes regular entry-level recruitment, provides tailored in-house training and prevents knowledge loss through the Knowledge Management Program. PCO also uses flexible work practices to accommodate parental leave and other career breaks, which assists in retaining specialist staff in the long term.
- New government staffing practices were introduced in 2014–15 with the commencement of the *Government Sector Employment Act 2013* (GSE Act). During 2014–15 PCO reviewed its Senior Executive structure and completed its transition under the GSE Act. The GSE transition date for PCO was 28 March 2015.
- The establishment of PCO as an executive agency in 2014 presents a challenge due to PCO's small size and limited number of administrative staff, who have been progressively implementing the necessary governance and policy framework. In addition to the Audit and Risk Committee, PCO also networks closely with ServiceFirst, DPC and other cluster agencies to ensure governance requirements are met.



## Projects and planning

- In 2015–16 work will continue on the implementation of the GSE Act, including:
  - the last phase of the Senior Executive restructure with recruitment action to fill the remaining three senior executive roles,
  - the ongoing review of documentation, including role descriptions, performance development material and recruitment material for GSE Act requirements and the Capability Framework,
  - the ongoing review of internal policies to meet compliance and auditing requirements now that PCO is an executive agency.
- The outsourcing of ServiceFirst will also impact PCO and requires careful risk management to ensure the change occurs smoothly. PCO was involved in preparatory work relating to this project in 2014–15 and this involvement will increase as the project nears completion at the end of 2015.
- The Gulbarra wiki will be further developed and the backcapture of information into that system will continue in the lead-up to the launch of this knowledge management tool. The Knowledge Management Committee will then turn its focus to the ongoing maintenance of Gulbarra and the development of training networks and professional development activities to further enhance knowledge acquisition.
- The enhancement of systems and refinement of in-house processes will continue including:
  - improvements to navigation and accessibility on the NSW legislation website and improved accessibility on mobile devices,
  - implementation of a cross-jurisdictional system to improve the exchange of information for PCC drafting and benchmarking projects,
  - improvements in network connectivity and preparation for relocation of servers to the government data centre by 2017,
  - the enhancement of in-house procedures and tools to increase efficiency, including investigating electronic checking tools,
  - investigating streamlined procedures for the lodgment and publication of notices in the Government Gazette.

## Section 2 Human resources

### Structure and organisation

PCO is a Public Service executive agency in the Premier and Cabinet cluster and is responsible to the Premier. The Parliamentary Counsel is the Agency Head.

As at 30 June 2015, PCO employed 51 staff, with an equivalent full-time staff of 44.3. Approximately half the staff are legislative drafters. The executive staff and legal officers are principally involved in the drafting and development of legislation and in providing the range of legal and administrative services associated with these activities. The balance of PCO staff includes editorial, publishing, IT, administrative and support staff who are multi-skilled and cross-trained to work across all publications areas as workload demands require.

In addition, PCO engages 4 contract drafters who are very experienced former employed drafters from a range of Australian jurisdictions. They work on a project basis, providing PCO with increased flexibility to meet peak drafting demands.

### Staff profile

The following table shows the number of PCO staff by employment category and gender over five years.

PCO staff by employment category and gender†										
As at	30 June 2011		30 June 2012		30 June 2013		30 June 2014		30 June 2015	
Gender	M	F	M	F	M	F	M	F	M	F
Permanent full-time	8	9	7	17	7	18	11	15	9	19
Permanent part-time	-	9	-	9	-	7	1	7	1	8
Temporary full-time	-	5	1	2	1	3	2	2	-	2
Temporary part-time	-	-	1	2	1	--	1	-	-	-
Senior Executive	6	4	6	4	6	3	6	3	7	3
On long term leave without pay	-	2	-	1	-	1	-	5*	-	2 <sup>#</sup>
<b>Total by gender</b>	<b>14</b>	<b>38</b>	<b>15</b>	<b>35</b>	<b>15</b>	<b>32</b>	<b>21</b>	<b>32</b>	<b>17</b>	<b>34</b>
<b>Total</b>	<b>52</b>		<b>50</b>		<b>47</b>		<b>53</b>		<b>51</b>	

#### Notes

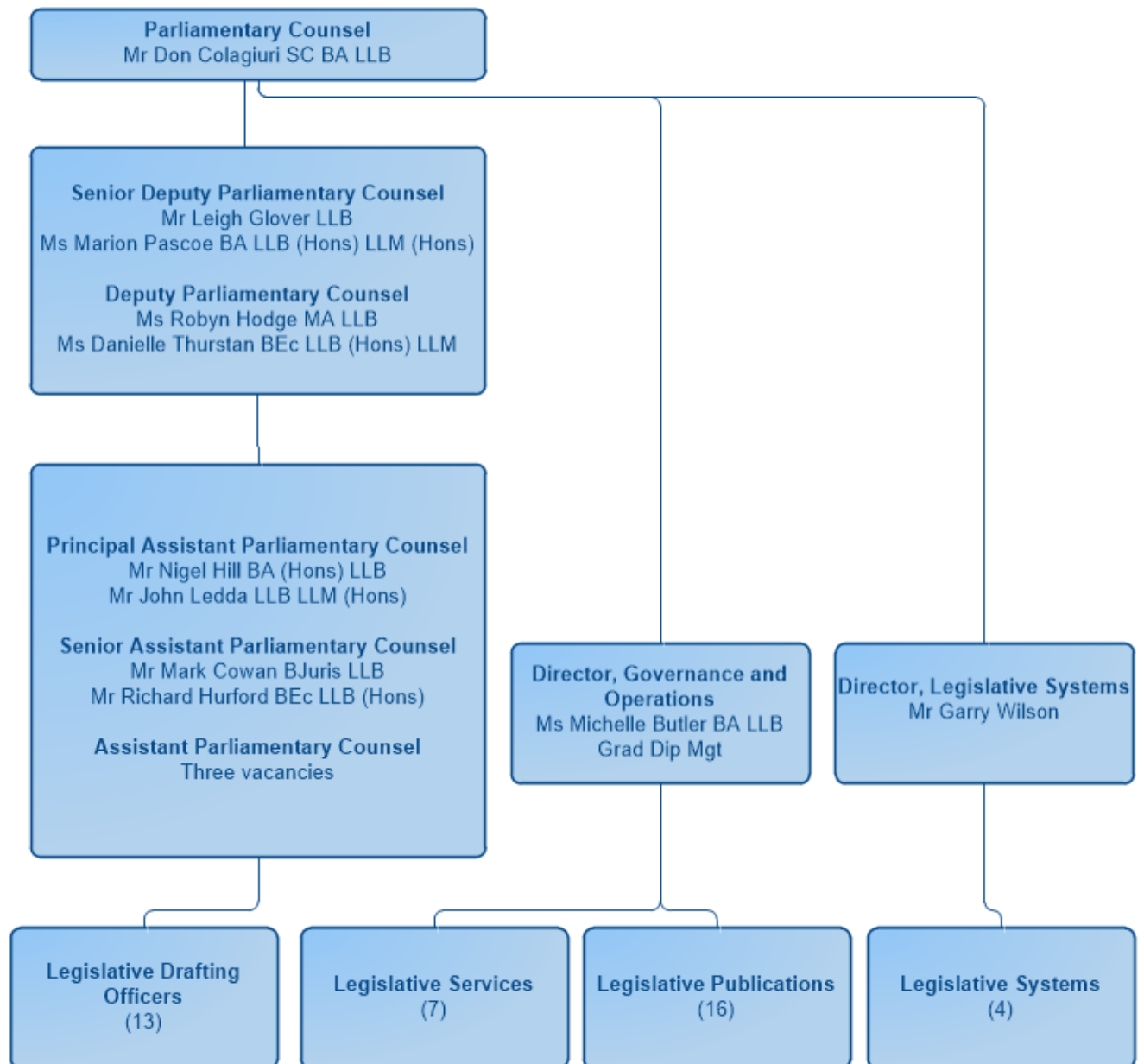
†Excludes contract drafters engaged on a project-by-project basis.

\* Several staff on long-term leave without pay on 30 June 2014 had historically been on a mixture of full-time and part-time arrangements before departure on leave. It was therefore difficult to clearly classify them as either full-time or temporary employees as at that date.

<sup>#</sup> Includes one Senior Executive.

## Organisation chart

As at 30 June 2015



## Workforce diversity

PCO is committed to promoting workforce diversity in employment and eliminating discrimination. All data shown in the tables below has been sourced from the Public Service Commission's Workforce Profile and are based on the *Headcount of Non-casual Employees* at the Census Date.

### Representation of diversity groups at PCO

<b>Gender</b>	<b>No.</b>	<b>%</b>
All Genders	53	
Male	18	33.96
Female	35	66.04
<b>EEO Survey Response Rate</b>	<b>No.</b>	<b>%</b>
<b>EEO Survey Response rate</b>		<b>84.31</b>
Non-casual employees	51	
Respondents to EEO survey	43	
<b>Disability</b>		<b>No.</b>
<b>Total EEO respondent to Disability</b>		41
<b>Total disabilities</b>		4
Disability requiring adjustment at work		1
Disability requiring no adjustment at work		3
Disability where adjustment is not recorded		-
No disability		37
Withdrawn		-
Missing		10
<b>Ethnicity</b>		<b>No.</b>
<b>Total EEO respondent to Ethnicity</b>		41
Person from a Racial, Ethnic or Ethno-Religious Minority		11
Person not from a Racial, Ethnic or Ethno-Religious Minority Group		30
Withdrawn		-
Missing		10
<b>Language</b>		<b>No.</b>
<b>Total EEO respondent to Language</b>		42
Other language		8
English		34
Withdrawn		-
Missing		9
<b>Aboriginal and Torres Strait Islander</b>		<b>No.</b>
<b>Total EEO respondent to ATSI</b>		43
Aboriginal and Torres Strait Islander		1
Aboriginal		1
Torres Strait Islander		-
Not Aboriginal and Torres Strait Islander		42
Withdrawn		-
Missing		10

## Staffing, policies and practices

PCO is committed to complying with legislative requirements and NSW public sector policies and procedures. PCO regularly reviews, updates and develops new policies to improve its governance and performance and this program has been expanded since PCO became an executive agency in 2014. PCO released several updated policies during the 2014–15 year and the review program is continuing. Policies and procedures are available electronically for all PCO staff.

### Learning and development

PCO is committed to developing its staff and recognises the need to plan effectively for resourcing its future workforce. PCO has developed a Workforce Plan that captures PCO's approach to matching its workforce requirements to business objectives. The plan enables PCO to have the right people in the right place to deliver successful outcomes for its internal and external stakeholders.

Appropriate training is integral to the development and maintenance of professional standards and quality control processes. Training for legislative drafters is carried out at two levels:

- Junior officers work under the supervision of a senior officer, which allows for training, mentoring, coaching and knowledge transfer on a one-to-one basis.
- Formal training is also made available to drafters through participation in external drafting conferences, an in-house Continuing Legal Education (CLE) program, and meetings involving structured reading and discussion. This CLE program meets the ongoing requirements for lawyers and is approved by the NSW Bar Association and the Law Society of NSW.

PCO aims to provide all drafting and publishing staff with skills and experience across all program areas to meet the varying peak periods for each drafting and publishing program. This requires a broad training program for staff, which includes specialist areas such as EPI drafting, database management, editorial and publishing skills, as well as training in new areas of technology. A range of in-house training activities were run in 2014–15 to address these specialist areas and work commenced on an overarching training network to provide a more co-ordinated approach to specialist in-house training delivery.

Individuals undertaking relevant study to further develop their skills were assisted with study leave in 2014–15.



## Performance development

All staff are subject to formal performance management systems, involving performance agreements and progress and annual reviews. The systems are kept under review and all staff are informed of any new developments. A major review of the system was undertaken in 2014–15, with a new system to be released in 2015–16 that meets all GSE Act requirements.

## Exceptional movements in wages, salaries or allowances

There were no exceptional movements in wages, salaries or allowances. A salary increase of 2.27 per cent was paid to Clerks and Senior Officers in accordance with the *Crown Employees (Public Sector – Salaries 2008) Award*. The Statutory and Other Offices Remuneration Tribunal determined a performance-based increase of 1.88 per cent for Senior Executive officers, effective from 1 July 2014. All increases were subject to satisfactory assessment of performance. No adjustments were made to the recruitment and retention allowances.

Remuneration for all senior executive appointments made during the GSE Act implementation in March 2015 was within the discretionary range for each role as determined by independent role evaluation and in accordance with Public Sector Commission guidelines on the matter.

## Senior management including remuneration

In accordance with *Public Service Commission Circular 2014–09*, the following information is provided about Senior Executives at PCO, noting that a person temporarily assigned to a senior executive role or in a higher band at the end of the reporting year is taken to be employed in that role and band. One temporary assignment was in place as at 30 June 2015.

Senior Executives by Band and Gender			
Band	Male	Female	As at 30 June 2015
Band 4	-	-	-
Band 3	1	-	1
Band 2	2 <sup>#</sup>	2 <sup>#</sup>	4
Band 1	4 <sup>#</sup>	1	5
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>10</b>

<sup>#</sup> One Band 1 executive (male) was acting in a Band 2 role for another executive (female) who was on an extended period of leave at 30 June 2015. Three Band 1 roles are currently vacant. There are 14 senior executive roles in total.

Senior Executives by Band and Remuneration*		
Band	Range* (\$)	Average remuneration* 2014–15 (\$)
Band 4	422,501–488,100	-
Band 3	299,751–422,500	473,443
Band 2	238,301–299,750	292,700
Band 1	167,100–238,300	204,160

\* Includes Recruitment Allowances

In 2014–15, a total of 35.26% of PCO's employee-related expenditure was related to senior executives.

## Section 3 Corporate governance

As a public sector organisation, PCO complies with government policies and reporting requirements. PCO meets external governance and compliance for business performance. This section outlines PCO's key corporate services and governance functions, statutory reporting requirements and audit and risk management reporting.

PCO falls within the provisions of clause 14 of the *Annual Reports (Departments) Regulation 2015*, which provides an exemption for small departments to report annually on certain matters. In accordance with that exemption, the following matters will be formally reported in PCO's annual report on a triennial basis (with the next full report due in 2015–16):

- Work force diversity.
- Disability inclusion action plans.
- Multicultural policies and services program.
- Work health and safety.

However, some information has been provided about these areas in this report.

### Audit and risk management

In accordance with Treasury Circular TC 09/08 *Internal Audit and Risk Management Policy*, the Parliamentary Counsel is required to provide an annual statement attesting to compliance with the core requirements of Treasury Policy Paper TPP 09/05 *Internal Audit and Risk Management Policy for the NSW Public Sector*.

TC 09/08 also provides that Department heads may consider other strategies to achieve the Policy's core requirements such as establishing, through central agency coordination, a cluster-based, sharing arrangement for internal audit governance and resourcing. During 2014–15, PCO had a shared Audit and Risk Committee arrangement in place with DPC.

PCO has its own Internal Audit Program but also co-ordinates this program with DPC's Internal Audit Program to share resources and reduce audit expenses where possible.

**Internal Audit and Risk Management Statement for the  
2014–2015 Financial Year for the Parliamentary Counsel’s Office**

I, Don Colagiuri, am of the opinion that the Parliamentary Counsel's Office has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, Don Colagiuri, am of the opinion that the Audit and Risk Committee is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Arthur Butler (Jan. 2014 – Dec. 2017)
- Independent Member, Bruce Turner (Jan. 2014 – Dec. 2017)
- Independent Member, Gerardine Brus (Oct. 2013 – Oct. 2017)

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Department of Premier and Cabinet
- Parliamentary Counsel’s Office

These processes provide a level of assurance that enables the senior management of the Parliamentary Counsel's Office to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury on behalf of the Treasurer.



Don Colagiuri  
Parliamentary Counsel

Date: 28 September 2015

## Consumer response

PCO is committed to providing quality customer services through courteous and prompt assistance. During the reporting period PCO did not receive any formal complaints. Complimentary feedback was regularly received from instructing departments and users of the NSW legislation website.

The Business Process Committee considers any feedback or suggestions received in relation to systems and feedback. In 2014–15, the Committee considered issues raised with the printing of legislation not available in PDF, the user experience of the NSW legislation website homepage and accessibility of the Government Gazette on the website.



During 2015–16 PCO will be developing complaint handling guidelines that will be made available on our website. Options available to the public to obtain or request information, or to provide feedback, include telephone enquiries and email, with relevant contact details available on PCO’s websites. PCO is also considering other more formal feedback options in relation to the provision of drafting and other services.

## Digital Information Security Policy

A department head is required to attest annually to the adequacy of its digital information and information systems security.

### Digital Information Security Statement for the 2014–2015 Financial Year for the Parliamentary Counsel’s Office

I, Don Colagiuri, am of the opinion that the controls in place to mitigate identified risks to the digital information and digital information systems of the Parliamentary Counsel’s Office (PCO) are adequate, taking into account the business requirements of the PCO.

PCO has in place the separate components making up an Information Security Management System (ISMS) and meets the relevant requirements of the Digital Information Security Policy for the NSW Public Sector. The overarching documentation that will complete the ISMS is expected to be finalised in 2015–16.



Don Colagiuri  
Parliamentary Counsel

Date: 28 September 2015

## Government information

To promote open, accountable, fair and effective government in NSW, members of the public have a right to access government information. PCO is continually aiming to increase access to legislation and information about legislation for lawyers, researchers and other users of legislation.

The *Government Information (Public Access) Act 2009* (GIPA Act) provides for public access to government-held information and the proactive public release of government information. This right is restricted only when there is an overriding public interest against disclosing the particular information.

PCO’s *Government Information (Public Access) Policy* is published on PCO’s corporate website. It is noted that many of the documents kept by PCO cannot be released as they are Cabinet documents or documents attracting legal professional privilege and there is an overriding public interest against disclosing these documents to the public.

### **Review and proactive release of information program**

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months. PCO has assessed and released the following documents to the public:

#### **Policies and information publications**

- *PCO's Code of Conduct.*
- *Manual for the Drafting of Non-Government Legislation.*
- Policies relating to plain language and gender-neutral expression.

#### **Information sheets**

- *Automatic Parliamentary Tabling Scheme.*
- *Notification of Statutory Instruments (including Environmental Planning Instruments).*
- *Online Gazettal.*
- *Online notification of delegated Local Environmental Planning Instruments.*
- *Council information for delegated plan-making.*
- *Staged Repeal of Statutory Rules.*
- *Notification of miscellaneous statutory instruments that were not drafted by PCO.*
- *Technical requirements for the publishing of miscellaneous statutory instruments.*

#### **Circulars and memoranda (available on [www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au))**

- *NSW Legislation website: Authorisation of Online Legislation and Online Notification of New Statutory Instruments (Ministerial Memorandum M2009-02, 23 January 2009).*
- *On-Line Access to NSW Legislation (Premier's Department Circular C2002-38, 29 July 2002.)*

Except where otherwise noted, these documents are available to the public on PCO's corporate website, [www.pco.nsw.gov.au](http://www.pco.nsw.gov.au), or may be obtained by contacting PCO by telephone or email.

#### **Release of information in 2014-15**

- PCO's program for the proactive release of information involves increasing the availability of historical information about legislation on the NSW legislation website.
- PCO also reviews any information sought and released pursuant to GIPA access applications received over the financial year to determine whether it should be released to the public generally, as well as to the applicant. During the reporting period, no requests were received.

## Number of access applications received, refused and statistical information

Clauses 7 (b) and (c) of the *Government Information (Public Access) Regulation 2009* (GIPAR) require agencies to report on the number of applications received and refused respectively:

GIPA Act Applications 2014–15	No.
Number of access applications received—clause 7 (b) GIPAR	0
Number of refused applications for Schedule 1 information—clause 7 (c) GIPAR	0

Under GIPAR clause 7 (d), statistical information is required to be provided about access applications in the format set out in Schedule 2 to GIPAR. As no applications were received, no statistics are provided.

## Privacy Management Plan

Clause 6 of the *Annual Reports (Departments) Regulation 2015* requires a statement of the action taken by PCO in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (the PPIP Act), and statistical details of any review conducted by or on behalf of PCO under Part 5 of that Act.

Due to the small size of PCO, it has adopted the Privacy Management Plan of DPC. Staff are able to access the Plan via a link on PCO's intranet. PCO's corporate website contains a Privacy Notice advising that personal information will be handled in accordance with the PPIP Act.

No internal reviews were conducted by or on behalf of PCO under Part 5 of the PPIP Act during 2014–15.

## Public interest disclosures

The *Public Interest Disclosures Act 1994*, section 31, requires each public authority to prepare an annual report on its obligations under the Act.

In accordance with clause 4 of the *Public Interest Disclosures Regulation 2011*, the following information is provided on public interest disclosures for the period 1 July 2014 to 30 June 2015:

Public Interest Disclosures 2014–15	No.
Public interest disclosures made by public officials in performing their day to day functions	0
Public interest disclosures not covered by the above that are made under a statutory or other legal obligation	0
All other public interest disclosures	0
Number of public interest disclosures relating to possible or alleged:	
• corrupt conduct	0
• maladministration	0
• serious and substantial waste of public money	0
• government information contraventions	0
• local government pecuniary interest contraventions	0
Total number of public interest disclosures received	0

PCO developed a new *Public Interest Disclosures Policy* in 2014–15, which was released on 4 July 2015 and complements PCO’s internal reporting policy. Actions taken to ensure staff awareness of the policy and the protections under the Act are:

- The policy is available on PCO’s intranet.
- The policy is included in the staff induction kit.
- Reference to the *Public Interest Disclosures Act 1994* is included in other PCO policies.

Section 6CA of the *Public Interest Disclosures Act 1994* requires each public authority to provide a report for each six month period to the Ombudsman on its compliance with that Act. PCO reported to the Ombudsman that there were no disclosures throughout this period.

## Workforce diversity

PCO is committed to the NSW Government’s goals of a workplace culture displaying fair practices and behaviours, and improved employment access and participation for diversity groups. Workforce diversity includes diversity of the workforce in respect of gender, cultural and linguistic background, Aboriginal people, people with a disability, mature workers, young people and carers.

The Parliamentary Counsel is responsible for ensuring workforce diversity and that it is integrated into workforce planning at PCO.

PCO implements the principles of equity and diversity by:

- providing an environment where staff can share their views with other staff,
- ensuring all policies and procedures comply with and support equity standards,
- encouraging staff to balance work and family commitments through the use of flexible work practices, including part-time work and working from home, and
- promoting diversity principles during staff induction.

PCO currently adopts the Equity and Diversity policies of DPC as applicable to PCO but is developing its own equity and diversity policies for release in 2015–16. PCO will be formally reporting triennially on this matter as it is a small agency.

The following information is provided about some of the diversity groups:

## Aboriginal employment

PCO aims to improve Aboriginal employment, access and workforce participation but, due to the small size of PCO, there are limited opportunities to do this. During 2014–15 an indigenous drafting officer from PCO participated in the Indigenous Leadership Program run by the Public Service Commission. The officer was also a mentor to a cadet in the Department of Premier and Cabinet’s indigenous cadetship program and continues to be actively involved in assisting indigenous staff within the sector.

PCO will be formally reporting triennially on this matter as it is a small agency.

## Disability Inclusion Action Plan

PCO is not required to have a Disability Inclusion Action Plan, as defined in the *Disability Inclusion Act 2014*, as it is an executive agency related to a Department rather than a Department.

However, PCO currently has practices in place to ensure that people with disabilities are catered for in its operations and service deliveries, including:

- **Building access**—there is disabled access, including lifts and bathrooms for the disabled.
- **Workplace adjustments**—workplace adjustments and flexible working arrangements are provided for employees with disabilities.
- **Accessible web design**—PCO’s websites and intranet have been developed to ensure content is available to the widest possible audience, including readers using assistive technology or accessibility features. By adhering to guidelines for accessible web design, PCO acknowledges the diversity of communication methods, available technologies and abilities of internet users in the community. PCO strives to maintain conformance to W3C’s *Web Content Accessibility Guidelines* (WCAG). PCO undertook “proof of concept” work to improve website accessibility including the removal of frames. This is expected to be delivered in early 2015-16 in conjunction with the release of mobile-responsive websites.
- **Provision of legislation for the visually impaired**—access keys are available on the NSW legislation website to enable vision impaired users to skip directly to relevant content areas on a page. Copies of legislation in electronic format are also provided on request, at no cost, for the visually impaired and the visually impaired can also access legislation in PDF format using the accessibility tools in software products.
- **Assistance for hearing and speech impaired persons**—customers and staff can access PCO services using the National Relay Service (NRS). PCO staff utilise the NRS to contact clients who use the TTY service.
- **Recruitment information**—PCO’s Guide for Job Applicants encourages suitably qualified applicants who have a disability to apply and to discuss any special requirements with the contact officer for the particular role.
- **Plain legal language**—the use and application of plain legal language to drafting (including the preparation of any new legislation relating to disability) optimises access to legislation by all users, including those with a disability.

## Multicultural policies and services

Due to being part of DPC in recent years, PCO has adopted DPC’s Multicultural Policies and Services Plan as applicable to PCO. PCO is developing its own Multicultural Policies and Services Plan for release during 2015–16. PCO will be reporting triennially on the Plan as it is a small agency.

PCO supports the principles of multiculturalism and currently has practices and policies in place that will be reflected in the Plan. These include ensuring the promotion of plain language, awareness of cross-cultural issues arising in drafting, facilitating easy access to legislation, promoting a culturally diverse workforce and accommodating cultural requirements in the workplace where possible. PCO has not entered into any agreements with Multicultural NSW under the *Multicultural NSW Act 2000*.

## Work health and safety

PCO is committed to ensuring the health and safety of workers engaged in carrying out the work of PCO and of visitors to the premises. PCO places a strong emphasis on the prevention of accidents and injuries, the early notification of injuries and the supportive management of claims to facilitate a speedy return to work. There were no workers' compensation claims in 2014–15.

The Work Health and Safety Committee meets quarterly and reviews the measures taken to ensure Work Health and Safety (WHS) practices are appropriate. The Committee reports to staff. During the reporting year an extensive review and update was undertaken of PCO's WHS policies, procedures and forms. They were reviewed and endorsed by the WHS Committee prior to circulation to staff for comment. The policies were approved and released in early July 2015. Elections were subsequently held for staff representatives on the WHS Committee.

PCO continued to ensure the safety of staff by training staff in emergency evacuation exercises and first aid. Two evacuation exercises took place within the reporting period. Specific training was provided for Fire Wardens and First Aid Officers. Four workspace assessments of individual workspaces were conducted in 2014–15 and necessary adjustments made. Standing desks were trialled and provided to eligible staff. PCO has Printing Room Safety Guidelines for its print room.

PCO facilitates corporate wellbeing activities. It encourages participation in the Global Corporate Challenge (GCC), a workplace health and wellness program aimed at changing the behaviour and improving the health of employees around the world by promoting 10,000 steps per day. 21 employees took part in the 2015 GCC, including the Parliamentary Counsel and 4 other executives. The Office also provides a free counselling service to all employees and immediate family through Converge International.

PCO provides staff with annual influenza vaccinations with 22 staff vaccinated in April 2015.

PCO will be formally reporting triennially on this matter as it is a small agency.

## Section 4 Administration, Funding and Expenditure

### Account payment performance

#### Aged analysis at the end of each quarter (all suppliers)

Quarter	Current (within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
September 2014	93,218	-	-	77	-
December 2014	143,694	-	1,486	-1,015	-
March 2015	94,150	-	-1,530	-	-842
June 2015	6,407	-	-2,802	-2,698	-

#### Accounts due or paid within each quarter

ALL SUPPLIERS				
Measure	September 2014	December 2014	March 2015	June 2015
Number of accounts due for payment	70	118	98	144
Number of accounts paid on time	68	111	92	128
Actual percentage of accounts paid on time (based on number of accounts)	97.14%	94.07%	93.88%	88.89%
Dollar amount of accounts due for payment	195,708	563,355	463,903	660,507
Dollar amount of accounts paid on time	194,725	425,654	371,360	632,427
Actual percentage of accounts paid on time (based on dollars)	99.50%	75.56%	80.05%	95.75%

SMALL BUSINESS SUPPLIERS				
Measure	September 2014	December 2014	March 2015	June 2015
Number of accounts due for payment	0	1	0	0
Number of accounts paid on time	0	1	0	0
Actual percentage of accounts paid on time (based on number of accounts)	-	100%	-	-
Dollar amount of accounts due for payment	-	377	-	-
Dollar amount of accounts paid on time	-	377	-	-
Actual percentage of accounts paid on time (based on dollars)	-	100%	-	-
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

## **Budget performance**

The net cost of services at 30 June 2015 was over budget by \$119,538 due to small overspends in Employee Related expenses and Other Operating expenses. Some additional expenses were balanced by additional revenue arising from those activities. Depreciation expenses were under budget and revenue from sales and other project activities were above budget.

## **Consultants**

No consultants were engaged by PCO during the 2014–15 year.

## **Controlled entities and subsidiaries**

PCO has no other entities under its control and no public sector subsidiaries.

## **Corporate services**

PCO carries out many of its corporate support functions but the high volume services such as payroll, personnel records and payment of accounts and some specialised personnel and financial management services have been outsourced since 1 July 1996. The current provider is ServiceFirst under a service partnership arrangement.

## **Credit card certification**

PCO's credit card policy and procedures outline conditions for eligibility, usage and management of PCO's credit card. These are consistent with NSW Government policy as outlined in relevant Treasury Circulars and Treasurer's Directions.

The Parliamentary Counsel certifies that credit card use in PCO has been in accordance with government requirements.

## **Insurance**

In 2014–15 PCO had insurance cover for all major assets and significant risks through the NSW Government self-insurance scheme (the NSW TMF). This included full workers compensation, motor vehicle accident, property, liability and miscellaneous insurance cover.



## Legislation administered by PCO

The Parliamentary Counsel has general administration of the *Interpretation Act 1987* to ensure that it is sufficiently robust to support the drafting of legislation. The NSW legislation website is established under Part 6A of the *Interpretation Act 1987* as the official NSW Government site for the official online publication of legislation and, following amendments to that Part in 2013, the Government Gazette.

PCO also has general administration of the *Subordinate Legislation Act 1989*, which deals with the making of statutory rules and the issue of opinions by the Parliamentary Counsel that proposed statutory rules may legally be made. The Act also provides for the staged repeal of statutory rules following the fifth anniversary of their date of publication. PCO manages this Staged Repeal Sub-program including drafting new instruments made under the Program.

## Overseas visits

No overseas visits were undertaken by PCO staff during the 2014–15 year.

## Section 5 Financial Statements

# INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

### Parliamentary Counsel's Office

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Parliamentary Counsel's Office (the Office), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

### The Parliamentary Counsel's Responsibility for the Financial Statements

The Parliamentary Counsel is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Parliamentary Counsel determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Office, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Office
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis  
Director, Financial Audit Services

21 September 2015  
SYDNEY

# STATUTORY AUDIT REPORT



Mr Don Colagiuri  
Parliamentary Counsel  
Parliamentary Counsel's Office  
Level 23, AMP Centre  
50 Bridge Street  
SYDNEY NSW 2000

Contact: Caroline Karakatsanis  
Phone no: 9275 7143  
Our ref: D1526574/0746

21 September 2015

Dear Mr Colagiuri

## STATUTORY AUDIT REPORT

for the year ended

Parliamentary Counsel's Office

I have audited the financial statements of Parliamentary Counsel's Office (the Office) as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2015, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Office. The PF&A Act requires that I send this report to the Office, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Office's financial statements. I enclose the Independent Auditor's Report, together with the Office's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all matters you may find of governance interest. Therefore, other governance matters may exist, which have not been reported to you.

My audit is continuous. If I identify further significant matters, I will report these to you immediately.

### Audit Result

I expressed an unmodified opinion on the Office's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

## Misstatements in the Financial Statements

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes will be reported in the Statutory Audit Report
- the Auditing Standards require me to bring matters of governance interest and significant misstatements identified during the audit to the attention of those charged with governance
- where misstatements resulted from, or were not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Office, I will report these in accordance with my statutory obligations.

The financial statements contained misstatements which are listed in the attached Appendix. The Appendix explains the nature and impact of the misstatements in the Office's financial statements.

- Table One reports significant corrected misstatements individually greater than \$14,500.
- Table Two reports significant uncorrected misstatements individually greater than \$14,500.
- Table Three reports the effect on the reported operating result of misstatements individually greater than \$14,500 that have not been corrected in the period in which they occurred.

## Compliance with Legislative Requirements

My audit procedures are targeted specifically towards forming an opinion on the Office's financial statements. This includes testing whether the Office has complied with legislative requirements that may materially impact on the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

## Quality and Timeliness of Financial Reporting

Treasury Circular TC 15/02 'Mandatory Early Close Procedures for 2014-15' required the Office to prepare certain aspects of the financial statements before year-end and provide the outcomes to the audit team. Treasury Circular TC 15/11 'Agency guidelines for the 2014-15 Mandatory Annual Returns to Treasury' required the Office to submit its year-end information to Treasury and its financial statements to the Audit Office on 27 July 2015.

The Office completed the mandatory early close procedures set out in TC 15/02 and supplied the outcomes to the Audit Office within the specified timeframe. The Office also submitted financial information to Treasury and the financial statements and supporting working papers to the Audit Office by the due dates.

## Auditor-General's Report to Parliament

Volume Five of the 2015 Auditor-General's Report to Parliament will incorporate the results of the audit.

## Acknowledgment

I thank the Office's staff for their courtesy and assistance.

Yours sincerely



Caroline Karakatsanis  
Director, Financial Audit Services



## APPENDIX

### Table One: Corrected Monetary Misstatements and Disclosure Deficiencies

#### Corrected Monetary Misstatements

The audit team did not detect any corrected monetary misstatements in the financial statements.

#### Corrected Disclosure Deficiencies

The Office has corrected minor disclosure changes identified in the financial statements. The audit team agrees with management's determination and confirms this treatment complies with Australian Accounting Standards.

### Table Two: Uncorrected Monetary Misstatements and Disclosure Deficiencies

#### Uncorrected Monetary Misstatements

The audit team did not detect any monetary misstatements that remain uncorrected in the financial statements.

#### Uncorrected Disclosure Deficiencies

The audit team did not detect any disclosure deficiencies that remain uncorrected in the financial statements.

### Table Three: Effect of Misstatements on the Reported Operating Result

To fully understand the Office's current year's financial result, those charged with governance should consider the impact of misstatements from previous years corrected in the current period and current period errors that remain uncorrected.

This table illustrates the effect of significant misstatements individually greater than \$14,500 that have not been corrected in the period in which they occurred.

Description and Effect	Net Income (Increase)/ Decrease \$'000
Operating Result as reported	(62)
Prior year transactions recorded in the current year's operating result*	(24)
Current year misstatements that have not been corrected	Nil
<b>Adjusted current year Operating Result</b>	<b>(86)</b>

\* This includes:

- misstatements reported in previous years corrected in the current year's operating result

# STATEMENT BY THE PARLIAMENTARY COUNSEL PURSUANT TO THE *PUBLIC FINANCE AND AUDIT ACT 1983*



New South Wales

## PARLIAMENTARY COUNSEL'S OFFICE

### Statement by the Parliamentary Counsel as head of the Parliamentary Counsel's Office

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state to the best of my knowledge and belief that:

- a) The accompanying financial statements in respect of the period ended 30 June 2015 have been prepared in accordance with applicable Australian Accounting Standards, the provisions of the *Public Finance and Audit Act 1983*, applicable clauses of the Public Finance and Audit Regulation 2015 and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies;
- b) The statements exhibit a true and fair view of the financial position of the Parliamentary Counsel's Office as at 30 June 2015, and transactions for the period then ended; and
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'Don Colagiuri'.

Don Colagiuri  
Parliamentary Counsel  
17 September 2015

**Parliamentary Counsel's Office**  
**Financial Statements**  
**for the year ended 30 June 2015**



**Parliamentary Counsel's Office**  
**Statement of comprehensive income**  
**for the year ended 30 June 2015**

	Actual	Budget	Actual
Notes	2015	2015	24 Feb to 30 June 2014
	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Employee related expenses	2(a) 7,679	7,301	2,877
Other operating expenses	2(b) 1,668	1,566	550
Depreciation and amortisation	2(c) 308	429	94
Finance costs	2(d) 4	-	2
	<u>9,659</u>	<u>9,296</u>	<u>3,523</u>
<b>Total expenses excluding losses</b>			
<b>Revenue</b>			
Recurrent grants received from principal department	3(a) 8,843	8,660	3,444
Capital grants from principal department	3(a) 80	80	20
Sale of goods and services	3(b) 206	179	41
Investment revenue	3(c) 11	-	-
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d) 559	222	136
	<u>9,699</u>	<u>9,141</u>	<u>3,641</u>
<b>Total Revenue</b>			
<b>Other gains / (losses)</b>	4 22	-	-
	<u>62</u>	<u>(155)</u>	<u>118</u>
<b>Net result</b>			
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>62</u>	<u>(155)</u>	<u>118</u>

The accompanying notes form part of these financial statements.

**Parliamentary Counsel's Office**  
**Statement of financial position**  
**as at 30 June 2015**

	Actual 30 June 2015 \$'000	Budget 30 June 2015 \$'000	Actual 30 June 2014 \$'000
Notes			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5      723	736	1
Receivables	6      59	-	394
<b>Total Current Assets</b>	<u>782</u>	<u>736</u>	<u>395</u>
<b>Non-Current Assets</b>			
Property plant and equipment			
Plant and Equipment	7      497	249	672
Intangible assets	8      330	234	383
<b>Total Non-Current Assets</b>	<u>827</u>	<u>483</u>	<u>1,055</u>
<b>Total Assets</b>	<u>1,609</u>	<u>1,219</u>	<u>1,450</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10      266	473	163
Provisions	11      811	636	812
<b>Total Current Liabilities</b>	<u>1,077</u>	<u>1,109</u>	<u>975</u>
<b>Non-Current Liabilities</b>			
Provisions	11      263	269	268
<b>Total Non-Current Liabilities</b>	<u>263</u>	<u>269</u>	<u>268</u>
<b>Total Liabilities</b>	<u>1,340</u>	<u>1,378</u>	<u>1,243</u>
<b>Net Assets</b>	<u>269</u>	<u>(159)</u>	<u>207</u>
<b>EQUITY</b>			
Accumulated funds	<u>269</u>	<u>(159)</u>	<u>207</u>
<b>Total Equity</b>	<u>269</u>	<u>(159)</u>	<u>207</u>

The accompanying notes form part of these financial statements.

**Parliamentary Counsel's Office  
Statement of changes in equity  
for the year ended 30 June 2015**

	Accumulated Funds \$'000	Total \$'000
	Notes	
<b>Balance at 1 July 2014</b>	207	207
<b>Net result for the year</b>	<u>62</u>	<u>62</u>
<b>Other comprehensive income:</b>		
<b>Total other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>62</u>	<u>62</u>
<b>Balance at 30 June 2015</b>	<u>269</u>	<u>269</u>
<b>Balance at 23 February 2014</b>	-	-
<b>Net result for the period</b>	<u>118</u>	<u>118</u>
<b>Other comprehensive income:</b>		
<b>Total other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>118</u>	<u>118</u>
<b>Transaction with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers	12 <u>89</u>	<u>89</u>
<b>Balance at 30 June 2014</b>	<u>207</u>	<u>207</u>

**Parliamentary Counsel's Office  
Statement of cash flows  
for the year ended 30 June 2015**

	Actual	Budget	Actual
Notes	2015 \$'000	2015 \$'000	24 Feb to 30 June 2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related	(7,375)	(7,059)	(3,143)
Other	(1,800)	(1,093)	(528)
<b>Total Payments</b>	<b>(9,175)</b>	<b>(8,152)</b>	<b>(3,671)</b>
<b>Receipts</b>			
Recurrent grants from principal department	8,843	8,660	3,444
Capital grants from principal department (excluding equity appropriations)	80	80	20
Reimbursements from the Crown Entity	333	-	-
Sale of goods and services	717	179	26
Interest received	4	-	-
<b>Total Receipts</b>	<b>9,977</b>	<b>8,919</b>	<b>3,490</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>802</b>	<b>767</b>	<b>(181)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of plant and equipment	(37)	(60)	(41)
Purchases of intangible assets	(43)	(20)	(153)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(80)</b>	<b>(80)</b>	<b>(194)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>			
Opening cash and cash equivalents	722	687	(375)
Cash transferred in / (out) as a result of administrative restructuring	1	49	-
Payable by Department of Premier and Cabinet	-	-	1
	-	-	375
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>723</b>	<b>736</b>	<b>1</b>

Cash flow movements shown for the period 23 February 2014 to 30 June 2014 were processed through the Department of Premier and Cabinet's bank account, as Parliamentary Counsel's Office did not have an operating bank account until 1 July 2014.

The accompanying notes form part of these financial statements.

## 1 Summary of Significant Accounting Policies

### (a) Reporting entity

The Parliamentary Counsel's Office (The Agency) is a NSW government agency. The Agency is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

Following the issuing of *Administrative Arrangements Order 2014* commencing 24th February 2014, the Parliamentary Counsel's Office transferred out of the Department of Premier and Cabinet to become an executive agency. The previous year financial statements reflect the balances transferred from the Department of Premier and Cabinet and the transactions subsequent to 24 February 2014.

These financial statements for the period ended 30 June 2015 have been authorised for issue by the Parliamentary Counsel on 17 September 2015.

### (b) Basis of preparation

The Agency's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* (PF&AA) and Public Finance and Audit Regulation 2015; and
- the Financial Reporting Directions published in the Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Plant and equipment and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Insurance

The Agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

### (e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

## 1 Summary of Significant Accounting Policies (cont'd)

### (f) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### (i) Recurrent and capital grants from principal department

Except as specified below, recurrent and capital grants from the principal department are generally recognised as income when the agency obtains control over the assets comprising the grants / contributions. Control over grants and contributions are normally obtained upon the receipt of cash. Recurrent and capital grants from the principal department are not recognised as revenue in the following circumstances:

- Unspent recurrent and capital grants from the principal department are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund via the principal department.

#### (ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

#### (iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

#### (iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### (g) Assets

#### (i) Acquisitions of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(k)).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

#### (ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

**1 Summary of Significant Accounting Policies (cont'd)**

(g) Assets (cont'd)

(iii) Revaluation of plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment.

Plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

(iv) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the agency.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

<b>Depreciation Rates</b>	<b>2015 % Rate</b>
<i>Plant &amp; Equipment</i>	
Office furniture and fittings	10
Computer equipment	25
General plant and equipment	14
<i>Amortisation of intangible assets</i>	
The following amortisation rates have been adopted:	
Software	20 to 33
Leasehold improvements - over the remaining period of the lease	

(vi) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

## 1 Summary of Significant Accounting Policies (cont'd)

### (g) Assets (cont'd)

#### (vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

#### (viii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

#### (ix) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards. No finance leases have been entered into.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

#### (x) Intangible assets

The Agency recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Agency's intangible assets are amortised using the straight line method over a period of 3 to 5 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

#### (xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.



## 1 Summary of Significant Accounting Policies (cont'd)

### (h) Liabilities

#### (i) Payables

These amounts represent liabilities for goods and services provided to the Agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (ii) Employee benefits and other provisions

##### (a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits*, (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

##### (b) Long service leave and superannuation

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The agency accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15-09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

##### (c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

## 1 Summary of Significant Accounting Policies (cont'd)

### (h) Liabilities (cont'd)

#### (iii) Other Provisions

Other provisions exist when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 3.01% (2014: 3.54%), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

#### (i) Fair value hierarchy

A number of the entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 9 and Note 17 for further disclosures regarding fair value measurements of financial and non-financial assets.

#### (j) Equity and reserves

##### (i) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

#### (k) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor government department immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

## 1 Summary of Significant Accounting Policies (cont'd)

### (l) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 15.

### (m) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

### (n) Changes in accounting policy, including new or revised Australian Accounting Standards

#### (i) Effective for the first time in 2014-15

The accounting policies applied in 2014-15 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2014-15:

- \* AASB 10 Consolidated Financial Statements (NFP entities only)
- \* AASB 1031 Materiality
- \* AASB 1055 Budgetary Reporting
- \* AASB 2013-1 regarding Relocation of Budgetary Reporting Requirements
- \* AASB 2013-8 regarding Australian Implementation Guidance for NFP Entities – Control & Structured Entities
- \* AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C).

The impact of these Standards in the period of initial application is not considered material.

#### (ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 15-03)

- \* AASB 9, AASB 2010-7, AASB 2013-9 (Part C), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments
- \* AASB 14 and AASB 2014-1 (Part D) regarding Regulatory Deferral Accounts
- \* AASB 15 and AASB 2014-5 regarding Revenue from Contracts with Customers
- \* AASB 1056 Superannuation Entities
- \* AASB 2014-3 regarding accounting for acquisitions of interests in joint operations
- \* AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- \* AASB 2014-6 regarding bearer plants
- \* AASB 2014-9 regarding equity method in separate financial statements
- \* AASB 2014-10 regarding sale or contribution of assets between and investor and its associate or joint venture
- \* AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- \* AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- \* AASB 2015-3 regarding materiality

The Agency anticipates that the adoption of these Standards in the period of initial application will have no material impact on the financial statements.

(o) Revision of Estimate

As a result of a recent actuarial valuation of long service leave performed by Treasury's actuary (advised in NSWTC 15-09), the Department has adjusted the superannuation on-cost for 2014-15. The on-cost factor applied to the superannuation is changed to 1.2% (2013-14: 2.4%) for defined benefit superannuation balances and 3.8% (2013-14: 3.15%) for defined contribution superannuation balances. Noted below are the impacts of the changes on the 2014-15 financial statements:

- Decrease in employee related expenses by \$13,000
- Decrease in revenue (liabilities assumed by the Crown) by \$29,000
- An increase in the provision by \$15,000 (current) and \$1,000 (non-current) for defined contribution superannuation on-cost.

**Parliamentary Counsel's Office  
Notes to the financial statements  
for the year ended 30 June 2015**

**2 Expenses Excluding Losses**

	30 June 2015 \$000	24 Feb to 30 June 2014 \$000
(a) Employee related expenses		
Salaries and wages (including annual leave)	6,396	2,265
Superannuation - defined benefit plans	116	45
Superannuation - defined contribution plans	283	83
Long service leave	464	137
Payroll tax and fringe benefits tax	413	152
Agency contractors	7	195
	<u>7,679</u>	<u>2,877</u>

	30 June 2015 \$000	24 Feb to 30 June 2014 \$000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of financial statements *	26	-
Corporate services	203	40
Contractor - projects	31	-
Fees for services rendered	46	23
Motor vehicle expenses	46	2
Operating lease rental expense - minimum lease payments	708	249
Telephone and communication costs	13	5
Stores and minor assets	8	4
Training (staff development)	11	5
Travel costs	13	8
Other occupancy costs	329	101
Information dissemination	90	21
Maintenance	136	4
Other expenses	8	88
	<u>1,668</u>	<u>550</u>
<i>* Reconciliation - Total maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	136	4
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>136</u>	<u>4</u>

\*Auditors remuneration in 2014 of \$27k was paid by Department of Premier and Cabinet.

	30 June 2015 \$000	24 Feb to 30 June 2014 \$000
(c) Depreciation and amortisation expense		
Depreciation		
Plant and Equipment	54	17
Total Depreciation	<u>54</u>	<u>17</u>

Amortisation		
Leasehold improvements	125	39
Intangible assets	129	38
Total Amortisation	<u>254</u>	<u>77</u>
Total depreciation and amortisation	<u>308</u>	<u>94</u>

	24 Feb to
<b>30 June</b>	<b>30 June</b>
<b>2015</b>	<b>2014</b>
<b>\$'000</b>	<b>\$'000</b>

(d) Finance costs

Unwinding of discount rate on make good provision	4	2
	<u>4</u>	<u>2</u>

**Parliamentary Counsel's Office  
Notes to the financial statements  
for the year ended 30 June 2015**

**3 Revenue**

	24 Feb to
<b>30 June</b>	<b>30 June</b>
<b>2015</b>	<b>2014</b>
<b>\$'000</b>	<b>\$'000</b>

(a) Recurrent and capital grants from principal department

**Recurrent grants from principal department**

Recurrent grants from principal department (per Statement of comprehensive income)	<u>8,843</u>	3,444
	<u>8,843</u>	<u>3,444</u>

**Capital grants from principal department**

Capital grants from principal department (per Statement of comprehensive income)	<u>80</u>	20
	<u>80</u>	<u>20</u>

	24 Feb to
<b>30 June</b>	<b>30 June</b>
<b>2015</b>	<b>2014</b>
<b>\$'000</b>	<b>\$'000</b>

(b) Sale of goods and services

Sale of publications	11	-
Other	195	41
	<u>206</u>	<u>41</u>

	24 Feb to
<b>30 June</b>	<b>30 June</b>
<b>2015</b>	<b>2014</b>
<b>\$'000</b>	<b>\$'000</b>

(c) Investment revenue

Interest revenue from financial assets not at fair value through profit or loss	<u>11</u>	-
	<u>11</u>	-

	24 Feb to
<b>30 June</b>	<b>30 June</b>
<b>2015</b>	<b>2014</b>
<b>\$'000</b>	<b>\$'000</b>

(d) Acceptance by the Crown Entity of employee benefits and other liabilities  
Superannuation - defined benefit

	116	45
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Long service leave	437	89
Payroll tax on superannuation	<u>6</u>	<u>2</u>
	<u>559</u>	136

**4 Other gains / (losses)**

	30 June 2015 \$'000	24 Feb to 30 June 2014 \$'000
Gain from reduction in provision for restoration costs	<u>22</u>	-
	<u>22</u>	-

**5 Current Assets - Cash and Cash Equivalents**

	<b>30 June 2015 \$'000</b>	<b>30 June 2014 \$'000</b>
Cash at bank and on hand	<u><b>723</b></u>	<u><b>1</b></u>

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	<u><b>723</b></u>	<u><b>1</b></u>
Closing cash and cash equivalents (per statement of cash flows)	<u><b>723</b></u>	<u><b>1</b></u>

Refer Note 17 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

**6 Current Assets - Receivables**

	<b>30 June 2015 \$'000</b>	<b>30 June 2014 \$'000</b>
Sale of goods and services	<b>33</b>	<b>8</b>
Goods and Services Tax recoverable from ATO	<b>16</b>	<b>-</b>
Accrued income	<b>3</b>	<b>380</b>
Other receivables	<u><b>7</b></u>	<u><b>6</b></u>
	<u><b>59</b></u>	<u><b>394</b></u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

**7 Non-Current Assets – Plant and Equipment**

	Plant and Equipment \$'000	Total \$'000
<b>At 1 July 2014 - fair value</b>		
Gross carrying amount	1,628	1,628
Accumulated depreciation and impairment	(956)	(956)
Net carrying amount	672	672
<b>At 30 June 2015 - fair value</b>		
Gross carrying amount	1,632	1,632
Accumulated depreciation and impairment	(1,135)	(1,135)
Net carrying amount	497	497

**Reconciliation**

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and Equipment \$'000	Total \$'000
<b>Year ended 30 June 2015</b>		
Net carrying amount at start of period	672	672
Additions	37	37
Reclassification	(33)	(33)
Depreciation expense	(179)	(179)
Net carrying amount at end of the period	497	497

	Plant and Equipment \$'000	Total \$'000
<b>At 24 February 2014 - fair value</b>		
Gross carrying amount	-	-
Accumulated depreciation and impairment	-	-
Net carrying amount	-	-
<b>At 30 June 2014 - fair value</b>		
Gross carrying amount	1,628	1,628
Accumulated depreciation and impairment	(956)	(956)
Net carrying amount	672	672

**Reconciliation**

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the previous reporting period is set out below.

	Plant and Equipment \$'000	Total \$'000
<b>Period ended 30 June 2014</b>		
Net carrying amount at start of period	-	-
Additions	41	41
Acquisitions through administrative restructures	687	687
Depreciation expense	(56)	(56)
Net carrying amount at end of year	672	672



**8 Intangible Assets**

	<b>Software \$'000</b>	<b>Total \$'000</b>
<b>At 1 July 2014</b>		
Cost (gross carrying amount)	533	533
Accumulated amortisation and impairment	(150)	(150)
Net carrying amount	383	383
<b>At 30 June 2015</b>		
Cost (gross carrying amount)	608	608
Accumulated amortisation and impairment	(278)	(278)
Net carrying amount	330	330
<b>Year ended 30 June 2015</b>		
Net carrying amount at start of period	383	383
Additions	43	43
Reclassification	33	33
Amortisation (recognised in "depreciation and amortisation")	(129)	(129)
Net carrying amount at end of period	330	330
	<b>Software \$'000</b>	<b>Total \$'000</b>
<b>At 24 February 2014</b>		
Cost (gross carrying amount)	-	-
Accumulated amortisation and impairment	-	-
Net carrying amount	-	-
<b>At 30 June 2014</b>		
Cost (gross carrying amount)	533	533
Accumulated amortisation and impairment	(150)	(150)
Net carrying amount	383	383
<b>Period ended 30 June 2014</b>		
Net carrying amount at start of year	-	-
Additions	153	153
Acquisitions through administrative restructures	268	268
Amortisation (recognised in "depreciation and amortisation")	(38)	(38)
Net carrying amount at end of year	383	383

**9 Fair value measurement of non-financial assets**

**(a) Fair value hierarchy**

2015

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Plant and equipment (Note 7)</b>				
Plant and equipment	-	497	-	497
	-	497	-	497

2014

<b>Plant and equipment (Note 7)</b>				
Plant and equipment	-	672	-	672
	-	672	-	672

There were no transfers between Level 1 or 2 during the period.

**(b) Valuation techniques, inputs and processes**

For non-specialised assets with short useful lives, AASB 13 allows recognition at depreciated historical cost as an acceptable surrogate for fair value as differences are considered immaterial. Thus the values considered above are fair value for Plant & Equipment and Leasehold Improvements. The Agency has allocated these types of equipment to level 2 based on the fact that once these items are in use, level 2 is considered more appropriate as an indirect observable market is available.

**10 Current Liabilities – Payables**

	30 June 2015 \$'000	30 June 2014 \$'000
Accrued salaries, wages and on-costs	201	141
Creditors	65	22
	266	163

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 17.

**11 Current / Non-Current Liabilities – Provisions**

	30 June 2015 \$'000	30 June 2014 \$'000
<b>Current</b>		
<b>Employee related benefits and on-costs</b>		
Annual leave	459	485
Long service leave on-costs	205	185
Payroll tax	147	142
	<b>811</b>	<b>812</b>
<b>Non-current</b>		
<b>Employee related benefits and on-costs</b>		
Long service leave on- costs	18	10
Payroll tax	11	6
<b>Other Provisions</b>		
Restoration costs *	234	252
	<b>263</b>	<b>268</b>
<b>Total Provisions</b>	<b>1,074</b>	<b>1,080</b>
	<b>2015</b> <b>\$'000</b>	<b>2014</b> <b>\$'000</b>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions - current	811	812
Provisions - non-current	29	16
Accrued salaries, wages and on-costs (Note 10)	201	141
	<b>1,041</b>	<b>969</b>

\*The Agency has an obligation for restoration costs at the end of its leases at 50 Bridge Street (30 November 2018). The net present value at 30 June 2015 of these restoration costs was calculated using the March 2015 CPI rate and the 30 June 2015 Australian Government 10 year bond rate.

**Movements in provisions (other than employee benefits)**

Movements in each class of provision during the financial year, other than employee benefits are set out below:

	Restoration costs \$'000	Total \$'000
<b>2015</b>		
Carrying amount at the beginning of financial year	252	252
Unwinding/change in the discount rate	(18)	(18)
<b>Carrying amount at end of financial year</b>	<b>234</b>	<b>234</b>

**12 Increase / Decrease in Net Assets from Equity Transfers**

**TRANFERS IN / OUT YEAR ENDED 30 JUNE 2015**

Nil

**TRANSFERS IN YEAR ENDED 30 JUNE 2014**

Following the issuing of *Administrative Arrangements Order 2014* commencing 24th February 2014, the Parliamentary Counsel's Office transferred out of the Department of Premier and Cabinet to become an executive agency.

	<b>Period ended Actual 23 February 2014 \$'000</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	1
Receivables	4
<b>Total current assets</b>	5
<b>Non-current assets</b>	
Plant and equipment	
- Plant and Equipment	687
Total Plant and equipment	687
Intangible assets	268
<b>Total non-current assets</b>	955
<b>Total Assets</b>	960
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Payables	-
Provisions	610
<b>Total current liabilities</b>	610
<b>Non-current liabilities</b>	
Provisions	261
<b>Total non-current liabilities</b>	261
<b>Total liabilities</b>	871
<b>Net Assets</b>	89
 <b>Increase in net assets from equity transfer</b>	 89

**13 Commitments for Expenditure**

	2015 \$'000	2014 \$'000
<b>(a) Operating Lease Commitments</b>		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	1,096	1,183
Later than one year and not later than five years	2,611	3,744
Later than five years	-	-
Total (including GST)	<b>3,707</b>	<b>4,927</b>

\* The operating lease commitments relate to leasing of office space and motor vehicles. The expenditure above include input tax credits of \$337k (2014: \$448k) that are expected to be recoverable from the Australian Taxation Office.

**14 Contingent Liabilities and Contingent Assets**

**Contingent liabilities**

The Agency is not aware of any contingent liabilities associated with its operations.

**Contingent assets**

The Agency is not aware of any contingent assets associated with its operations.

**15 Budget Review**

**Net result**

The net result is impacted by the Acceptance by the Crown Entity of employee benefits and other liabilities, which were \$337K than budget.

Expenses were 4% over budget due to additional expenses associated with becoming an executive agency, the taking over of the publication of Annual Volumes of legislation, and additional contract drafters costs associated with drafting uniform legislation. Some additional expenses were reimbursed from clients, resulting in revenue from sales above budget.

Depreciation was under budget by 28%, reflecting the alignment of leasehold fit out depreciation to life of lease.

**Assets and liabilities**

The variation in assets against budget reflects lower depreciation and asset acquisition, including assets purchased at the end of 2013–14 after the 2014–15 budget was finalised. Variation in liabilities reflects the timing of payables and increased provision for employee benefits and on costs.

**Cash flows**

Cash flows from operating activities were \$35K higher than budget due to increased revenue receipts and reimbursements from the Crown Entity.

**16 Reconciliation of Cash Flows from Operating Activities to Net Result**

	2015	2014
	\$'000	\$'000
Net cash used on operating activities	802	(181)
Acceptance by the Crown Entity of employee benefits and other liabilities	-	136
Net adjustments for equity transfer	-	617
Depreciation and amortisation	(308)	(94)
Finance costs	(4)	-
Decrease / (increase) in provisions	(12)	(772)
Increase / (decrease) in receivables	(335)	575
(Increase) / decrease in creditors	(103)	(163)
Other gains / (losses)	22	-
Net Result	62	118

**17 Financial Instruments**

The Agency's principal financial instruments are outlined below. These financial instruments arise directly from the Agency's operations or are required to finance the Agency's operations. The Agency does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Agency's main risks arising from financial instruments are outlined below, together with the Agency's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Parliamentary Counsel has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Agency, to set risk limits and controls and to monitor risks.

**(a) Financial instrument categories**

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2015	2014
			\$'000	\$'000
Cash and cash equivalents	5	N/A	723	1
Receivables <sup>1</sup>	6	Receivables (at amortised cost)	43	394
<b>Financial Liabilities</b>				
Class:	Note	Category	Carrying Amount	Carrying Amount
			2015	2014
			\$'000	\$'000
Payables <sup>2</sup>	10	Financial liabilities measured at amortised cost	241	163

**Notes**

<sup>1</sup>Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

<sup>2</sup>Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

## 17 Financial Instruments (cont'd)

### (b) Credit Risk

Credit risk arises when there is the possibility of the Agency's debtors defaulting on their contractual obligations, resulting in a financial loss to the Agency. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Agency, including cash, receivables and authority deposits. No collateral is held by the Agency. The Agency has not granted any financial guarantees.

#### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

#### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 14 or 30 day terms.

The Agency is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2015: \$3k; 2014: \$0k) and not less than 3 months past due (2015: \$2k; 2014: \$0k) are not considered impaired and together these represent 61.2% of the total trade debtors. Most of the Agency's debtors have a AAA credit rating. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the statement of financial position.

	Total <sup>1,2</sup>	\$'000 Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
<b>2015</b>			
< 3 months overdue	3	3	-
3 months – 6 months overdue	1	1	-
> 6 months overdue	3	3	-
<b>2014</b>			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

#### Notes

<sup>1</sup>Each column in the table reports "gross receivables".

<sup>2</sup>The ageing analysis excludes receivables that are not past due and not impaired. Therefore the "total" will not reconcile to the receivables total recognised in the statement of financial position.

**17 Financial Instruments (cont'd)**

**(c) Liquidity risk**

Liquidity risk is the risk that the Agency will be unable to meet its payment obligations when they fall due. The Agency continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Minister may automatically pay the supplier simple interest. There was no interest for late payments applied during the period (2014 - Nil).

The table below summarises the maturity profile of the Parliamentary Counsel's Office's financial liabilities, together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

	Nominal Amount	\$'000		Maturity Dates		
		Interest Rate Exposure		< 1 yr	1-5 yrs	> 5 yrs
		Non-interest bearing				
<b>2015</b>						
<i>Payables:</i>						
Accrued salaries, wages and on-costs	177	177	177	-	-	
Creditors	64	64	64	-	-	
<b>Total</b>	<b>241</b>	<b>241</b>	<b>241</b>	<b>-</b>	<b>-</b>	

	Nominal Amount	\$'000		Maturity Dates		
		Interest Rate Exposure		< 1 yr	1-5 yrs	> 5 yrs
		Non-interest bearing				
<b>2014</b>						
<i>Payables:</i>						
Accrued salaries, wages and on-costs	141	141	141	-	-	
Creditors	22	22	22	-	-	
<b>Total</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>-</b>	<b>-</b>	

Notes:

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.



## **17 Financial Instruments (cont'd)**

### **(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Agency has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Agency operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

#### **Interest rate risk**

Exposure to interest rate risk arises primarily through the Agency's interest bearing liabilities. The Agency does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Agency's exposure to interest rate risk is set out below.

		- 1%		1%	
	Carrying Amount	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Consolidated 2015</b>					
<i>Financial assets</i>					
Cash and cash equivalents	723	(7)	(7)	7	7
Receivables	43	-	-	-	-
<i>Financial liabilities</i>					
Payables	241	2	2	(2)	(2)
<b>2014</b>					
<i>Financial assets</i>					
Cash and cash equivalents	1	-	-	-	-
Receivables	394	(4)	(4)	4	4
<i>Financial liabilities</i>					
Payables	163	(2)	(2)	2	2

### **(e) Fair value measurement**

#### **(i) Fair value compared to carrying amount**

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of all of the financial instruments. There are no financial instruments where the fair value differs from the carrying amount.

## **18 Events after the Reporting Period**

No events have occurred subsequent to balance date which will materially affect the financial statements.

### **End of audited financial statements**

## Abbreviations used in this report

AustLII—Australasian Legal Information Institute

DPC—Department of Premier and Cabinet

EEO—Equal Employment Opportunity

EPI—Environmental Planning Instrument

GIPA—*Government Information (Public Access) Act 2009*

GIPAR—*Government Information (Public Access) Regulation 2009*

GSE—*Government Sector Employment Act 2013*

HTML—HyperText Markup language

LEP—Local Environmental Plan

PCC—Australasian Parliamentary Counsel’s Committee

PCO—Parliamentary Counsel’s Office

PPIP—*Privacy and Personal Information Protection Act 1998*

SC—Senior Counsel

SES—Senior Executive Service

SGML—Standard Generalised Markup Language

WHS—Work Health and Safety

XML—Extensible Markup Language

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