



ANNUAL REPORT 2015-2016

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COUNSEL'S
OFFICE**



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PARLIAMENTARY COUNSEL'S LETTER TO THE PREMIER

Dear Premier

I am pleased to forward to you the 2015–16 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: 26 October 2016



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FROM THE PARLIAMENTARY COUNSEL

In 2015–16 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 evolve to meet the challenges of 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.

During 2015–16, PCO completed the transition required by the *Government Sector Employment Act 2013*, with the last group of Senior Executive roles being filled in 2016 and the implementation of new capability-based and management practices within PCO. The year also saw a major relaunch of the NSW legislation website in response to stakeholder feedback to enable use on mobile devices. PCO also continued to develop its knowledge management program with the launch of PCO’s interactive wiki (called “Gulbarra”), which more effectively captures specialist legislative drafting, technical and corporate knowledge and has resulted in increased staff engagement across the Office.

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

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.

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.

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 became a separate office within The Cabinet Office and in April 2007 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.

OUR FUNCTIONS AND SERVICES

Delivering legislative drafting services for New South Wales

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

Program 1—Government Bills and Amendments in Committee, including the provision of publishing support to Parliament.

Program 2—Statutory Instruments.

Program 3—Environmental Planning Instruments.

Program 4—Non-government Bills and Amendments in Committee.

Program 5—Australasian Parliamentary Counsel’s Committee (PCC) drafting, including national and uniform laws and the provision of secretariat functions for the Committee.

Providing the public and Government with access to and information about legislation

PCO operates the following 5 programs that provide public access to legislation and information about legislation:

Program 6—NSW legislation website, which provides for the official publication of NSW legislation.

Program 7—Official Notification of Statutory Instruments and the Government Gazette.

Program 8—The Legislation Database, which is an up-to-date and historical collection of NSW legislation.

Program 9—A Legislation Information Service that responds to telephone and email inquiries about the status of legislation.

Program 10—Publication of the Annual Volumes of Acts and distribution to subscribers.

Office-wide services and projects

Program 11—Knowledge Management

Program 12—Legislative Systems Maintenance, Development and Projects

Program 13—Cross-Program Monitoring and Corporate Governance Activities

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, the judiciary and the wider legal profession, 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.

PERFORMANCE 2015–2016

Overview

PCO has continued to deliver its program outcomes throughout 2015–16, and the service measures and results of each program are detailed in this report. Performance statistics for each program for the year are included 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 2015–16, often to short deadlines. All legislation was drafted and published for introduction in to Parliament or presentation to the Governor within the required timeframes. PCO exceeded targets throughout this period, particularly in the turnaround times for drafting statutory instruments and environmental planning instruments.

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, which includes the database maintained by PCO and notification and gazettal of new instruments and notices. PCO handled a high volume of material during 2015–16 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.

The main public access development that occurred during the year was the redevelopment of the NSW legislation website to make it easier to use on mobile devices and to address accessibility issues. PCO also continued to back-capture more historical information about legislation and made it available on the NSW legislation website.

Other 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. The following developments and projects took place in 2015–16:

- Conducting a review of Australasian Parliamentary Counsel's Committee (PCC) activities, and the implementation of a cross-jurisdictional system to improve the exchange of information for PCC drafting and benchmarking projects.
- Progressing PCO's Knowledge Management Program, including the launch of Gulbarra, a wiki-style tool for sharing professional knowledge
- ICT Improvements in network connectivity and preparation for relocation of servers to the government data centre by 2017.
- Implementation of the last phase of the Senior Executive restructure by filling 3 vacant Senior Executive roles and the development of a GSE-compliant performance development system to be rolled out to staff in early 2016–17.

Key results of programs

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

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 22 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.

As a service to Parliament, PCO 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.*

2015–16 performance

This year, a total of 87 Government Bills were introduced and 4 Bills were prepared for public consultation. For reasons of confidentiality only those Bills introduced into Parliament or formally exposed are reported. At 30 June 2016, a number of Bills were completed but not proceeded with or were in the course of preparation.

Bills drafted this year included a number of very large and complex Bills, or packages of Bills, that required considerable drafting effort over a long period of time—for example, the Biosecurity Bill, the Strata Management and Development package of Bills, and the Mining and Petroleum package of Bills. Legislation drafted for public consultation included the large and complex Biodiversity legislation. Despite the large number of complex Bills and rewrites of Acts requiring intensive drafting and publishing work, PCO was also able to remain responsive to changes in government priorities by drafting a large number of Bills within very short timeframes to ensure they were available for introduction into Parliament when required.

	2011–12	2012–13	2013–14	2014–15	2015–16
Bills introduced	99	109	105	59	87
Pages*	2,945	3,650	3,028	1,453	2,380
Bills exposed	2	6	3	3	4
Pages	86	423	137	67	441
Amendments in Committee	59	67	107	107	54

* **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 2015–16 is approximately 2,975.

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 sub-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.*

2015–16 performance

Two Statute Law Bills were introduced and passed. These Bills amended 309 Acts and instruments and repealed 10 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 also includes the Uniform Civil Procedure Rules and specific rules of court for the Supreme Court and other courts and tribunals. In addition, PCO provides advice on instrument proposals as part of this Program. The Staged Repeal of Subordinate Legislation Program is a sub-program.

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.*

2015–16 performance

The number of instruments finalised was higher than in previous years. PCO achieved turnaround times well above the established target, with 81% of statutory instruments completed within 20 working days in 2015–16.

	2011–12	2012–13	2013–14	2014–15	2015–16
Number completed by PCO	639	724	790	675	797
Percentage within 10 days or less	61	63	70	64	61
Percentage within 11–20 days	21	20	20	21	20
Percentage within 21–40 days	15	12	7	12	11
Percentage after 40 days	4	5	3	4	8

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 25 of the sub-program was completed on 1 September 2015.

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.*

2015–16 performance

Instruments dealt with by Stage 25	No
Total instruments dealt with under this stage	137
Instruments dealt with that were granted postponements of repeal in previous stages	92
Outcome of Stage 25	
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
Outcome of all stages since 1990	
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 (EPs) 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.*

2015–16 performance

PCO achieved turnaround times well above the established target, with 92% of EPIs completed within 20 working days in 2015–16. The lower number of instruments finalised this year, compared with prior years, reflects the impact of the Standard Instrument Program under which a new primary planning instrument for all local government areas was developed. These standard LEPs contain a mix of local provisions and provisions that are standard across all LEPs. This has reduced the volume of individual instruments requiring amendment.

	2011–12	2012–13	2013–14	2014–15	2015–16
Number completed by PCO	606	740	947	823	634
Percentage within 10 days or less	83	78	69	76	75
Percentage within 11–20 days	12	16	21	16	18
Percentage within 21–40 days	4	5	7	5	5
Percentage after 40 days	1	1	3	3	2

Environmental Planning Instruments Modernisation

This sub-program includes the rollout of standard instrument LEPs for each local government area and the modernisation of SEPPs.

The service measure for this sub-program is:

- *To report annually on the program of modernisation.*

2015–16 performance

The initial Standard Instrument LEP program has now been completed, but further work may be required following the amalgamation of local councils. The first stage of SEPP consolidations and repeals was completed and published on the NSW legislation website on 10 June 2016. The program of review and consolidation is ongoing.

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.*

2015–16 performance

The volume of non-government drafting was higher than in previous years, reflecting the impact of the parliamentary cycle and the revised make-up of the opposition and cross-benches in the year after an election.

	2011–12	2012–13	2013–14	2014–15	2015–16
Non-government Bills introduced	17	16	22	20	27
Pages *	185	207	225	218	301
Non-government Amendments in Committee	384	231	269	267	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%. The equivalent B5 page count for 2015–16 is approximately 376.

Program 5—Australasian Parliamentary Counsel’s Committee Drafting Program

The Australasian Parliamentary Counsel’s Committee (PCC) represents 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 of 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 Drafting Conference every 2 to 3 years to enable drafters to learn from and network with drafters from other jurisdictions. 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. Drafting offices from Australia, New Zealand and other Asia-Pacific jurisdictions are also invited to participate in both these events.

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

The service measure for this Program is:

- *To participate in the Parliamentary Counsel’s Committee (PCC) and prepare draft uniform legislation in accordance with the timetable and standards set by the PCC.*

2015–16 performance

In 2015–16 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 2015–16 the Committee met formally on 2 occasions, with most business conducted electronically.

The annual IT and Business Forum was held in Canberra and hosted by the Commonwealth Office of the Parliamentary Counsel.

In 2015–16, the PCC members approved the transition to the Govdex platform, which is the secure online collaboration software provided by the Australian Government for inter-jurisdictional collaboration and information exchange. The NSW PCO developed a PCC community within Govdex, which will be launched in the first quarter of 2016–17 to enable the exchange of drafts and comments on PCC projects under development and the benchmarking of other operational and management activities.

Providing the public and Government with 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. The website contains “In Force” legislation, “As Made” legislation, historical versions and other information about legislation in an easily accessible and searchable format. The website delivers the following features:

- Dynamic up-to-date collection of In Force NSW Acts and subordinate legislation, including EPs. 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 EPs.
- 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.
- Legislation feeds (RSS feeds) for users to monitor legislation.

The service measures for this Program are:

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

2015–16 performance

The NSW legislation website continued to deliver accurate current and point-in-time access to legislation and information about legislation with a continuing pattern of high usage.

In response to user feedback, the website was relaunched to provide improved accessibility for 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 has increased 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 also provided improved accessibility for users with disabilities.

During 2015–16, there was one outage for approximately 1.5 hours when the website was partially unavailable. Although users were able to access the website and static pages on the website, they were unable to access the dynamic legislative content. The outage was due to issues with the servers, and the underlying problem has been remedied.

Program 7—Notification 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 the subscription service for printed Gazettes has been discontinued, and the Gazettes are now published on the NSW legislation website in the form of a single numbered Gazette per PDF file, which can be downloaded and printed. Gazettes are published online on Fridays, and on other days as and when required.

The NSW legislation website also includes a separate search facility that enables searching across multiple Gazettes and other notified statutory instruments from 2001 onwards. Other Gazette content is accessible through links, including an archive of previous Gazettes and Gazette Indexes.

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 in the Gazette, and other legislation events (such as Bills introduced and passed).

The service measures for this Program are:

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

2015–16 performance

Official online notification of statutory instruments

	2011–12	2012–13	2013–14	2014–15	2015–16
Statutory instruments (excluding EPIs)					
Number officially made	436	469	420	428	419
Pages *	3,301	4,260	2,607	3,147	2,427
EPIs					
Number officially made	235	241	350	363	385
Pages *	5,383	7,136	6,218	2,319	1,307

* **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 Gazettes

	2014–15	2015–16
Number	127	120
Pages	4,322	4,150

Weekly email service and legislation feeds

As expected, the number of subscribers declined following the introduction of legislation feeds (utilising RSS feeds) in recent years. The legislation feeds provide more timely and tailored information about legislation without the need for PCO to manually maintain mailing lists. As at 30 June 2016 there were 2,240 email subscribers, a reduction of 330 since the previous year.

Program 8—Legislation Database

The Legislation Database is compiled in conjunction with PCO's publishing activities and is made available to the public via the NSW legislation website. 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 27.4 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).

	2011–12	2012–13	2013–14	2014–15	2015–16
Acts	11,500	12,300	13,100	13,700	14,500
Statutory instruments (excluding EPIs)	5,900	6,400	6,900	7,300	7,800
EPIs	3,600	4,100	4,700	5,100	5,900

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.

The service measures for this Program are:

- to capture all new Acts within 3 working days of authorisation by Parliamentary officers following assent,
- to capture all new principal statutory instruments, including EPIs, within 3 working days of publication,
- to capture other new instruments that are not drafted by the Office within 6 weeks of publication,
- to update the database within 3 working days of any amendment commencing or other activity.

2015–16 performance

In 2015–16, 100% of updates were completed within this turnaround time (mostly within 1 working day). Multiple checking processes ensured that quality remained high and the content was generally error-free.

	2011–12	2012–13	2013–14	2014–15	2015–16
New Acts captured	99	98	102	65	87
New principal statutory instruments and EPIs captured	78	114	97	75	63
Amendments incorporated (creating a new version)	1,325	1,409	1,720	1,548	1,780
Other updates made	2,236	2,253	2,465	2,063	2,008

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 or statutory interpretation.

The service measure for this Program is:

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

2015–16 performance

	2011–12	2012–13	2013–14	2014–15	2015–16
Phone inquiries responded to	1,858	1,835	1,654	1,449	1,562
Email inquiries responded to	547	395	364	302	282

Program 10—Annual Volumes of Acts

PCO is responsible for the compilation, printing and distribution of the Annual Volumes of Acts, including managing the subscription service.

The service measure for this Program is:

- *to accurately compile and to print and distribute volumes to subscribers in a timely manner.*

2015–16 performance

This was the first full year that PCO managed this process. The targets set for this Program were that the artwork for the prior year be compiled within 6 weeks of the commencement of the calendar year and that the volumes be printed and dispatched to subscribers by 30 June. This year the artwork for Acts passed by Parliament in 2015 was completed on 14 January 2016. The volumes for that year were dispatched to subscribers in August 2016. The processes involved in printing and dispatch were more complicated than expected and, as a result, the procedures are being reviewed and streamlined for future years.

Office-wide services and projects

Program 11—Knowledge Management

PCO continued to develop its formal Knowledge Management Program, which commenced in 2013–14. The aim of the Program is to facilitate knowledge transfer and sharing within PCO, ensure knowledge retention, and ensure consistency and the maintenance of standards in the drafting and publishing

of NSW legislation for coming decades. The Program is proactively addressing the identified risk at PCO of knowledge being lost with retirements and staff movements.

The service measures for this Program are:

- *to provide a knowledge management process and supporting system, including the ongoing capture and review of information,*
- *to develop staff and foster professional knowledge sharing, including providing training programs for junior drafting and publications staff.*

2015–16 performance

PCO's Knowledge Management Committee continued its task of overseeing the delivery of a new knowledge management system.

An initial aim of this Program was the provision of an interactive wiki-style tool to enable staff to store and share professional drafting and publishing knowledge, both formal and informal. In October 2015 the wiki tool, Gulbarra (meaning "to know" in Wiradjuri), was launched and replaced PCO's static Intranet. Gulbarra is the primary tool for intra-office communications and for capturing and sharing information. All PCO staff were involved in this project to some extent, which has resulted in improved staff engagement across all areas.

Activities over the year included:

- the writing and review of articles by staff from across the office and monitoring progress of the content master lists for all knowledge material,
- the development of business rules for the use of Gulbarra,
- the training of all PCO staff on use of Gulbarra, including adding, converting and uploading content, starting discussion forums and posting comments,
- extensive testing of the new system prior to launch,
- monitoring of usage of Gulbarra to identify opportunities for improvement,
- monitoring and sponsoring training and professional development activities, which are reported in more detail in Section 2 of this report.

Program 12—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 measures for this Program are:

- *to provide timely maintenance and support for legislative drafting and publishing systems (including hardware, software and networking),*
- *to ensure that new and enhanced systems are implemented in accordance with the relevant project plan.*

2015–16 performance

During 2015–16 there were no unplanned outages to IT and communications systems, including remote VPN access, that prevented staff from undertaking their day-to-day operations. One minor outage impacted public access to the NSW legislation website—users could access the static pages on the website but were unable to access the dynamic legislative content for 1.5 hours.

Major projects undertaken for 2015–16 included:

- successful migration of corporate and relevant ICT services to GovConnectNSW as part of the ServiceFirst Outsourcing Project,
- preparation work in readiness for the virtualisation and migration of servers to the Government Data Centre in 2016–17,
- preparation for upgrade of the drafting and publishing application (FrameMaker) to the next version,
- delivery of improved accessibility and functionality of the NSW legislation, PCO and PCC corporate websites for mobile devices,
- development and refinement of the PCC community within Govdex to enable document exchange and collaboration between jurisdictions on PCC projects.

Other system developments and projects undertaken in 2015–16:

- continuing inter-departmental discussions for the further integration of the NSW legislation website with other government and public services,
- minor refinements to document management (LEGIS), publishing and website applications,
- ongoing refinements to the current drafting application (FrameMaker).

Program 13—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 are 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, are 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.

2015–16 performance

This Program covers matters that are addressed on pages 28–49 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 that 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, and legislative compliance requirements and to identify any emerging issues.
- Regular meetings of the Parliamentary Counsel, the four Deputy Parliamentary Counsel and the Director, Governance and Operations, to discuss drafting priorities and other operational matters.
- Monthly meeting of the Business Process Committee, which has oversight of business process and systems development. The Committee sets priorities for new projects and monitors current projects and operational matters. It 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 composed 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 and critical instruments.
- **Quality Assurance Manager**—the 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 Australasian Parliamentary Counsel’s Committee (PCC), which provides a forum for benchmarking activities with drafting offices in 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 2 to 3 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.
- The Director, Governance and Operations, and the Director, Legislative Systems, represent PCO at a range of forums within the DPC Cluster, within the GovConnectNSW client base, and in the wider public sector to ensure that PCO is kept abreast of corporate and governance practices and other sector-wide initiatives.
- PCO works co-operatively with other small NSW government agencies to share ideas and resources and to collaborate where possible.

Challenges

The main challenges addressed by PCO in 2015–16 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. As well as the challenge of balancing workloads, this can make meaningful service measures problematic, as PCO often cannot control its workflow 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, given the age-profile of the Office and the fact that there is a worldwide shortage of experienced specialist legislative drafters. The lead-in time for training effective drafters is 5 to 7 years and the training of legislative editorial specialists takes 1 to 2 years. The need to recruit and retain skilled drafters and editorial specialists 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.
- The establishment of PCO as an executive agency in 2014 and the move to an outsourced service provider, GovConnectNSW, in December 2015 continue to present challenges due to PCO's small size and small number of administrative staff. New systems, procedures and policies have been progressively implemented. In addition to the Audit and Risk Committee, PCO also networks closely with GovConnectNSW, DPC and other cluster agencies to maximise service delivery and ensure that governance and compliance requirements are met. In late 2015, PCO engaged a dedicated Finance Officer to assist in meeting these challenges and entered into a collaborative arrangement to share that resource with another small agency facing similar challenges.

Forward projects and planning

The challenges facing PCO have led to the following major projects being planned for 2016–17:

- The relocation of the Office to new premises—the building currently occupied by PCO is being redeveloped and the landlord is seeking early departure by all tenants in 2017. This is a major challenge for PCO, given the very tight rental market and the specific accommodation required to enable PCO to meet its service delivery obligations. A small project team is working closely with Government Property NSW to address this challenge.

- The relocation of servers to the Government Data Centre—this will enable PCO to comply with the sector-wide requirement that all agencies locate their servers in one of the Government Data Centres by August 2017. PCO is taking this opportunity to virtualise its servers and improve disaster recovery options. Funding has been secured for 2016–17 and the planning is advanced.
- The Gazette Portal project—a working group has been established to look at options for streamlining Gazette and Notification processes to make preparation and lodgment of notices easier for agencies, to ensure that notices contain all the information and metadata needed to enable searching and access by future users of legislation, and to streamline in-house production processes, which currently require considerable manual intervention prior to publishing. This project has the working title of “Gazette Portal” and will contribute to the sector-wide aim of digitising government services. The project will involve considerable consultation with stakeholders and will take 2–3 years to complete.
- The rollout of a new Performance Development System that complies with the GSE Act—the system was substantially designed and documented in 2015–16 and planning has commenced for the rollout to all employees in late 2016, which will be critical to the success of this initiative. This will include the rewriting of any role descriptions that are not yet in the new GSE format, the development of tracking and record-keeping systems, and delivery of practical training for all employees and supervisors, particularly in the area of having meaningful performance discussions.
- The rollout of a co-ordinated, office-wide training system—this complements the work done on performance development and builds on work done in 2015–16 on formal training networks and specialist training needs. It will help PCO to meet its succession planning and business continuity challenges. The training needs of all areas—drafting, editorial, technical and management—are being assessed and integrated into an overarching system to maximise internal training resources, speed up training delivery and better identify training gaps. Any training system will rely heavily on information available in Gulbarra, which still contains some knowledge gaps as the back-capture of data continues, and the Knowledge Management Committee will continue to drive the back-capture and further development of knowledge content for Gulbarra.

HUMAN RESOURCES

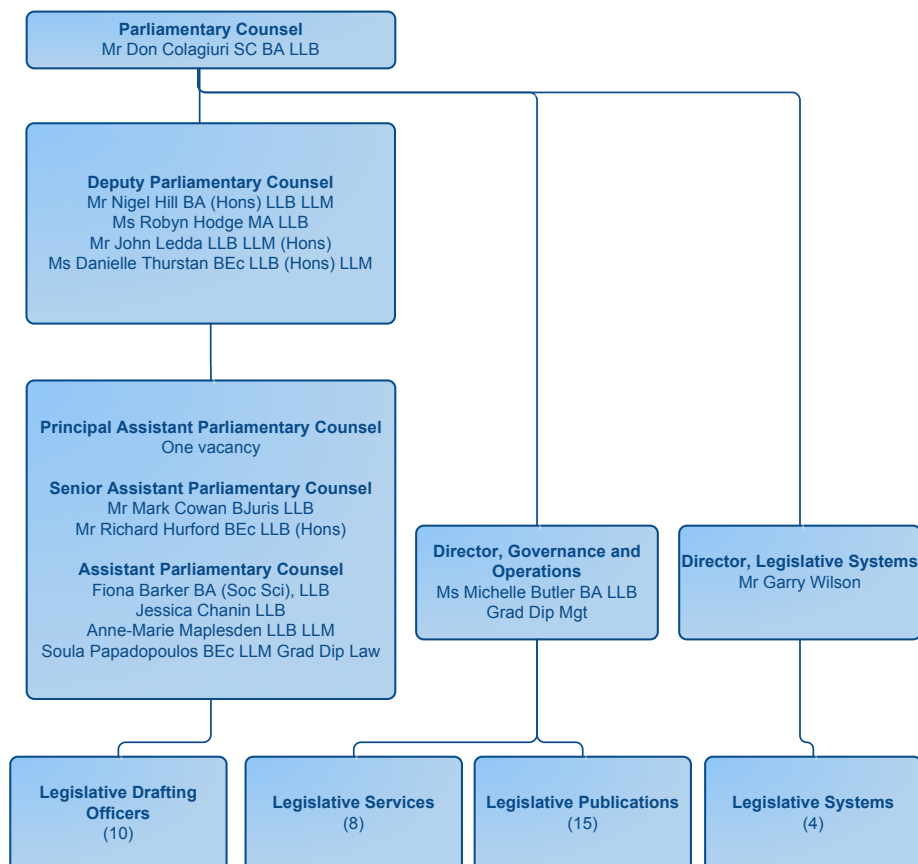
Structure and organisation

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 2016, PCO employed 50 staff, with an equivalent full-time staff of 45.5. Approximately half of PCO's employees 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 trained to work across all publications areas as workload demands require.

In addition, PCO engaged 6 contract drafters who are very experienced former drafters from a range of Australian jurisdictions. They work part-time on a project basis, providing PCO with increased flexibility to meet peak drafting demands.

Organisation chart (as at 30 June 2016)



Staff profile

The following table shows the number of PCO staff by employment category and gender over the past 5 years (excluding contract drafters engaged on a project basis).

As at	30 June 2012		30 June 2013		30 June 2014		30 June 2015		30 June 2016	
	M	F	M	F	M	F	M	F	M	F
Permanent full-time	7	17	7	18	11	15	9	19	8	18
Permanent part-time	—	9	—	7	1	7	1	8	—	8
Temporary full-time	1	2	1	3	2	2	—	2	—	2
Temporary part-time	1	2	1	—	1	—	—	—	—	—
Senior Executive	6	4	6	3	6	3	7	3	6	6
On long-term leave without pay	—	1	—	1	—	5	—	2 [#]	—	2 [#]
Total by gender	15	35	15	32	21	32	17	34	14	36
Total	50		47		53		51		50	

Includes one Senior Executive

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 2015–16 year and the review program is continuing. Policies and procedures are available electronically for all PCO staff to access and form part of PCO's induction program for new employees.

Workforce planning

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 place to deliver successful outcomes for its internal and external stakeholders. The plan considers a range of recruitment, training and staff resourcing matters.

Training and development

Appropriate training is integral to the development and maintenance of professional standards and quality control processes. 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 and to provide variation of work for employees.

In 2015–16 PCO commenced a major review of the delivery of training and the refinement of overall development pathways for PCO's employees and managers. PCO currently provides a mix of formal training and on-the-job training. For legislative drafters this includes the following:

- 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 Professional Development (CPD) program, and meetings involving structured reading and discussion. This CPD program meets the ongoing requirements for lawyers of the rules of the NSW Bar Association and the Law Society of NSW respectively.

For editorial, technical and support staff the training program includes:

- formal in-house training in the applications, publishing style and procedures, and specialist editorial skills used in the legislative drafting and publishing environment,
- exposure to as many publishing programs and other support activities as possible as part of everyday work allocation, as well as formal staff rotations, temporary assignment opportunities and involvement in Office projects and committees.

In addition, individuals undertaking relevant external study to further develop their skills were assisted with study leave. In 2015–16 this included employees undertaking formal studies in law, information technology and financial accounting.

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 has been undertaken and a new system developed that meets all GSE Act requirements. That system is due to be implemented in the first quarter of 2016–17.

Exceptional movements in wages, salaries or allowances

There were no exceptional movements in wages, salaries or allowances. A salary increase of 2.5% was paid to clerical and legal staff in accordance with the *Crown Employees (Public Sector—Salaries 2008) Award*. The Statutory and Other Offices

Remuneration Tribunal determined a performance-based increase of 2.5% for Senior Executive officers, effective from 1 July 2015. All increases were subject to satisfactory assessment of performance.

Senior Executives

In accordance with Public Service Commission Circular 2014–09, the following information is provided about Senior Executives at PCO.

Senior Executives by Band and Gender				
Band	2014–15		2015–16	
	Male	Female	Male	Female
Band 4	—	—	1	—
Band 3	1	—	—	—
Band 2	2 #	2 #	2	2
Band 1	4 #	1	3	5
Totals	7	3	6	7
	10 #		13 *	

2014–15—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 were vacant.

* 2015–16—One Band 1 role is currently vacant. There are 14 Senior Executive roles in total.

Senior Executives by Band and Remuneration (at 30 June)			
Band	Range (\$)	Average remuneration	
		2014–15 (\$) *	2015–16 (\$)
Band 4	441,201–509,750	—	484,204
Band 3	313,051–441,200	473,443	—
Band 2	248,851–313,050	292,700	287,000
Band 1	174,500–248,850	204,160	191,814

* Includes Recruitment Allowances

% Expenditure	2014–15	2015–16
% of PCO's employee-related expenditure related to senior executives.	35.26	40.47

Workforce diversity

PCO is committed to promoting workforce diversity in employment and is focused on established diversity groups—Aboriginal people, women, people with a disability, and people from culturally and linguistically diverse backgrounds. PCO remains committed to establishing and continually developing a workforce that draws on the diversity of the people of NSW and recognises that a diverse workforce provides opportunities for improving service delivery. 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.

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

During the year, PCO took a number of steps to develop and retain a diverse workforce, including fully implementing the capability framework in its role descriptions, recruitment processes and performance management system.

PCO implements the principles of equity and diversity by:

- providing an environment where staff can share their views with other staff,
- ensuring that 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 2016–17. As PCO is a small agency, it is only required to report on workforce diversity on a triennial basis. However, PCO has provided an annual performance report in its last 2 annual reports.

The representation and distribution of workforce diversity groups at PCO as at 30 June 2016 are provided in the tables below. All data in these tables has been sourced from the Public Service Commission's Workforce Profile.

Table 1: Trends in the Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark/ Target (%)	2014 (%)	2015 (%)	2016 (%)
Women	50.0	60.4	66.7	72.0
Aboriginal People and Torres Strait Islanders	2.6	2.2	2.3	2.2
People whose First Language Spoken as a Child was not English	19.0	18.9	17.7	26.5
People with a Disability	N/A	8.5	8.1	11.3

Workforce Diversity Group	Benchmark/ Target (%)	2014 (%)	2015 (%)	2016 (%)
People with a Disability Requiring Work-Related Adjustment	1.5	1.9	2.0	4.0

Table 2: Trends in the Distribution of Workforce Diversity Groups

Workforce Diversity Group	Benchmark/ Target (%)	2014 (%)	2015 (%)	2016 (%)
Women	100	93	N/A	N/A
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	N/A	N/A	N/A
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Women

PCO exceeded the benchmark figure for representation of women in the workforce by 22% and increased its representation by over 5% from the previous year.

Aboriginal People and Torres Strait Islanders

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. As such, PCO was slightly under the benchmark target for this diversity group. However, during the last 3 years 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 DPC's Indigenous cadetship program and continues to be actively involved in assisting Indigenous staff within the sector.

People whose first language spoken as a child was not English

During 2015–16, there was a more than 8% increase in people whose first language spoken as a child was not English.

Due to being part of DPC in recent years, PCO had adopted DPC's Multicultural Policies and Services Plan as applicable to PCO. PCO supports the principles of multiculturalism and has practices and policies in place that reflect this. 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*. PCO now incorporates its Multicultural Policies and Services Plan into its workforce diversity strategies. PCO is developing an equity and diversity policy for release in 2016–17 and it will incorporate PCO's multicultural strategies. These include continued awareness and accommodation of cross-cultural issues in drafting and promoting and facilitating a culturally diverse workforce through recruitment and workplace arrangements.

People with a disability, including those requiring work-related adjustment

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 people with a disability.

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

- Building access—there is disabled access, including lifts and bathrooms for the disabled.
- Workplace adjustments—workplace adjustments, including specialist equipment, and flexible working arrangements are provided for employees with disabilities.
- Accessible web design—PCO's websites and intranet have been developed to ensure that 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. PCO relaunched the NSW legislation website in early 2016, having removed frames and other features that had made it difficult in the past for people with disabilities to use.
- 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 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 a teletypewriter (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 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.

CORPORATE GOVERNANCE

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

Triennial reporting of certain matters

PCO falls within the exemption provisions of clause 14 of the *Annual Reports (Departments) Regulation 2015*, which provides for small departments to report triennially rather than annually on certain matters. 2015–16 is PCO's triennial reporting year. The areas required to be reported on this year include:

- Workforce diversity—see Human Resources
- Disability inclusion action plans—see Human Resources
- Multicultural policies and services program—see Human Resources
- Work health and safety—see below.

However, it is noted that performance reports have been included in the PCO's last 2 annual reports on the above areas.

Audit and risk management

PCO maintains a Risk Management Policy and Framework, under which risks are identified, assessed and treated as required. Risks and any relevant treatment plans are recorded in PCO's Risk Register, which is regularly reviewed. Responsibility for risk treatment activities is assigned to particular senior executives and activities are regularly monitored by PCO management to ensure that risks are being appropriately managed.

Treasury Policy Paper (TPP) 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector requires that agencies include a statement attesting to their compliance with that TPP in their annual reports. The Parliamentary Counsel's attestation is shown below.

Internal Audit and Risk Management Attestation Statement for the 2015–2016 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 compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Risk Management Framework

- | | | |
|-----|---|-----------|
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency. | Compliant |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009. | Compliant |

Internal Audit Function

- | | | |
|-----|---|-----------|
| 2.1 | An internal audit function has been established and maintained. | Compliant |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing. | Compliant |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the “model charter”. | Compliant |

Audit and Risk Committee

- | | | |
|-----|--|-----------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established (shared arrangement with Department of Premier and Cabinet). | Compliant |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency’s governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the “model charter”. | Compliant |

Membership

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)



Don Colagiuri
Parliamentary Counsel

Date: 5 September 2016

Contact Officer:

Michelle Butler
Director, Governance and Operations
Ph 9321 3381

Insurance

In 2015–16 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 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 sub-program.

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 2015–16, the Committee considered issues raised regarding the accessibility and useability of the website on mobile devices, the availability of easy-to-print legislation in PDF, the user experience of the NSW legislation website homepage, and the accessibility of Gazette notices and similar legislative material in one location. In response to this feedback, the following projects were commenced or completed in 2015–16:

- a project was completed to make the website mobile responsive and to address accessibility concerns,
- a project commenced to increase the availability of PDFs of legislation and information about legislation to enable easier printing from the NSW legislation website, which will be implemented in 2016,
- a review was undertaken with a view to refreshing the NSW legislation website homepage,
- a working group was established to look at options for streamlining Gazette and Notification processes—see the Gazette Portal project outlined in Human Resources.

Options available to the public to obtain or request information, or to provide feedback, include telephone inquiries 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. The Parliamentary Counsel's attestation is shown below.

Digital Information Security Statement for the 2015–2016 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 being developed and will be audited in 2017.



Don Colagiuri
Parliamentary Counsel

Date: 5 September 2016

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 and is available on PCO's corporate website. This right is restricted only when there is an overriding public interest against disclosing the particular information. 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. In addition to the current and historical legislation of NSW, the following documents have already been made available 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 Gazetta
- 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):

- 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, or may be obtained by contacting PCO by telephone or email.

Release of information in 2015-16

PCO's program for the proactive release of information involves increasing the availability of historical information about legislation on the NSW legislation website. In 2015-16, this included adding more historical versions of Explanatory Notes for Bills introduced to Parliament in the 1990s. A project was also commenced in conjunction with the Australian Legal Information

Institute (AustLII) to digitise some of PCO's older historical collections of legislative information, with a view to making these collections publicly available in 2016–17. PCO reviewed the other information it holds and no further material was deemed suitable for release.

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. No information of this type was publicly released in 2015–16.

Number of access applications received and, refused and statistical information

Clause 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. PCO has reported this information to the Information Commissioner via the GIPA online reporting tool.

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.

Table A: Number of applications by type of applicant and outcome *

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	1	0	0	0	0	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications *	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used *
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner *	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	1	1
Total	0	1	1

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

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. The Director, Governance and Operations, is PCO's Privacy Contact Officer. PCO's corporate website contains a Privacy Notice advising that personal information will be handled in accordance with the PPIP Act.

It is noted that PCO's business operations do not require significant interaction with the general public. As a result, most of the personal information held by PCO relates to its employees. Information about how PCO handles the personal information of its employees is provided to new employees as part of their induction program and is also accessible to staff on Gulbarra.

No internal reviews were conducted by or on behalf of PCO under Part 5 of the PPIP Act during 2015–16.

Public interest disclosures

Section 31 of the *Public Interest Disclosures Act 1994* 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 2015 to 30 June 2016:

Public Interest Disclosures 2015–16

	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

A new Public Interest Disclosures Policy was released on 4 July 2015 and complements PCO's internal reporting policy.

Section 6CA of the *Public Interest Disclosures Act 1994* requires each public authority to provide a report for each 6 month period to the Ombudsman on its compliance with that Act. PCO reported to the Ombudsman that there were no disclosures during 2015–16.

Work health and safety

PCO is committed to ensuring the health and safety of those engaged in 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 2015–16.

	2013–14	2014–15	2015–16
Details of injuries and prosecutions under the <i>Work Health and Safety Act 2011</i>	0	0	0

The Work Health and Safety Committee meets quarterly and reviews the measures taken to ensure that Work Health and Safety (WHS) practices are appropriate. The Committee reports to staff. PCO's WHS policies, procedures and forms were approved and released in early July 2015. Elections were subsequently held for staff representatives on the WHS Committee. An election was held in June 2016 following a resignation, and 2 Committee members attended WHS Committee training.

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 2015–16 and necessary adjustments made. Standing desks were provided to staff with specific needs. PCO's Printing Room Safety Guidelines were reviewed and updated. The Working from Home Guidelines and Agreement were reviewed during the period, including consideration of any WHS aspects of those arrangements.

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. Twenty-one employees took part in the 2016 GCC, including the Parliamentary Counsel and 3 other Senior Executives.

The Office also provides a free counselling service to all employees and immediate family through Converge International. Computer software, Workrave, was made available to staff to assist with the recovery and prevention of Repetitive Strain Injury. The program monitors activity and reminds the user to take breaks.

PCO provides staff with annual influenza vaccinations, with 30 staff vaccinated in April 2016.

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 2015	14,115	—	—	—	—
December 2015	97,108	—	24,633	15,971	2,528
March 2016	24,490	—	8,548	4,331	31,975
June 2016	13,107	—	1,672	6,137	—

Accounts due or paid within each quarter

All Suppliers

Measure	September 2015	December 2015	March 2016	June 2016
Number of accounts due for payment	135	85	109	131
Number of accounts paid on time	102	78	73	113
Actual percentage of accounts paid on time (based on number of accounts)	75.56%	91.76%	66.97%	86.25%
Dollar amount of accounts due for payment	560,489	237,117	992,266	704,022
Dollar amount of accounts paid on time	470,435	229,015	365,573	678,494
Actual percentage of accounts paid on time (based on dollars)	83.93%	96.58%	36.84%	96.37%

Small Business Suppliers

Measure	September 2015	December 2015	March 2016	June 2016
Number of accounts due for payment	0	0	0	0
Number of accounts paid on time	0	0	0	0
Actual percentage of accounts paid on time (based on number of accounts)	0	0	0	0
Dollar amount of accounts due for payment	0	0	0	0
Dollar amount of accounts paid on time	0	0	0	0
Actual percentage of accounts paid on time (based on dollars)	0	0	0	0
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Budget performance

The net cost of services at 30 June 2016 was over budget by approximately \$120,000, primarily due to higher than expected long service leave provisions, which were impacted by the internal promotion to Senior Executive roles of several long-term employees carrying large long service leave balances that had to be recalculated at the higher salary level. There were small underspends in other operating expenses and slightly higher revenue from the collection of lodgment fees for Gazette notices.

Consultants

No consultants were engaged by PCO during the 2015–16 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 have been outsourced since 1 July 1996. During 2015–16 the ServiceFirst Outsourcing Project, driven by the Department of Finance, Services and Innovation, saw a change in service providers. The government-operated ServiceFirst was replaced by an outsourced arrangement to GovConnectNSW, which consists of 2 private providers, Unisys (providing ICT and Service Desk) and Infosys (providing finance and human resources services). PCO is not a direct party to this contract but is a beneficiary agency under the contract. A service level agreement is in place as part of that contract and those same service levels apply to beneficiary agencies.

PCO followed the lead of the Department of Premier and Cabinet and took this opportunity to bring its financial management reporting activities in-house. A former ServiceFirst employee was engaged to assist with this work. PCO employees were actively involved in the transition process to ensure a smooth transition. Service levels did drop in the early transition period but this was not unexpected. Service levels are gradually improving as the private providers gain more knowledge of public sector procedures and requirements.

PCO has not yet received accurate volumetrics or costings as these have only been provided at the principal agency level and not the beneficiary agency level. It is therefore difficult to fully assess the impact of this change.

Purchasing card certification

PCO's purchasing card policy and procedures outline conditions for eligibility, usage and management of purchasing cards held by PCO employees. 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.

Overseas visits

No overseas visits were undertaken by PCO staff during the 2015–16 year.

FINANCIAL STATEMENTS

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

Parliamentary Counsel's Office

To Members of the New South Wales Parliament

Opinion

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 2016, 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.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2016, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Office in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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

Parliamentary Counsel's Responsibility for the Financial Statements

The Parliamentary Counsel is responsible for preparing 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 determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Counsel must assess the Office's ability to continue as a going concern unless the Office's operations will cease as a result of an administrative restructure. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Caroline Karakatsanis
Director, Financial Audit Services

22 September 2016
SYDNEY

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 year ended 30 June 2016 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 NSW General Government Sector Entities;
- b) The statements exhibit a true and fair view of the financial position of the Parliamentary Counsel's Office as at 30 June 2016, and transactions for the year 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 SC
Parliamentary Counsel

21 September 2016

Statement of Comprehensive Income for the year ended 30 June 2016

		Actual	Budget	Actual
		2016	2016	2015
	Notes	\$000	\$000	\$000
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	7,518	7,383	7,679
Other operating expenses	2(b)	1,712	1,774	1,668
Depreciation and amortisation expense	2(c)	295	297	308
Finance costs	2(d)	7	-----	4
Total expenses excluding losses		9,532	9,454	9,659
Revenue				
Recurrent grants from principal department	3(a)	8,404	8,404	8,843
Capital grants from principal department	3(a)	80	80	80
Sale of goods and services	3(b)	138	168	206
Investment revenue	3(c)	-----	-----	11
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	503	238	559
Total revenue		9,125	8,890	9,699
Other gains / (losses)	4	(3)	-----	22
Net Result		(410)	(564)	62
Total comprehensive income		(410)	(564)	62

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2016

	Notes	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
Assets				
Current assets				
Cash and cash equivalents	5	511	217	723
Receivables	6	47	28	59
Total current assets		558	245	782
Non-Current Assets				
Property, plant and equipment				
- Plant and equipment	7	332	368	497
Intangible assets	8	280	227	330
Total non-current assets		612	595	827
Total assets		1,170	840	1,609
Liabilities				
Current Liabilities				
Payables	9	153	228	266
Provisions	10	884	650	811
Total Current Liabilities		1,037	878	1,077
Non-Current Liabilities				
Provisions	10	274	262	263
Total Non-Current Liabilities		274	262	263
Total Liabilities		1,311	1,140	1,340
Net Assets		(141)	(300)	269
Equity				
Accumulated Funds		(141)	(300)	269
Total Equity		(141)	(300)	269

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2016

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2015		269	269
Net Result for the year		(410)	(410)
Other Comprehensive Income:			
Net Increase/(Decrease) in Property, Plant & Equipment		-----	-----
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		(410)	(410)
Balance at 30 June 2016		(141)	(141)

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2014		207	207
Net Result for the year		62	62
Other Comprehensive Income:			
Net Increase/(Decrease) in Property, Plant & Equipment		-----	-----
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		62	62
Balance at 30 June 2015		269	269

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2016

		Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
	Notes			
Cash flows from operating activities				
Payments				
Employee related		(7,514)	(7,203)	(7,375)
Other		(1,810)	(1,969)	(1,800)
Total payments		(9,324)	(9,172)	(9,175)
Receipts				
Recurrent grants from principal department		8,404	8,404	8,843
Capital grants from principal department (excluding equity appropriation)		80	80	80
Reimbursements from the Crown Entity		388	-----	333
Sale of goods and services		313	168	717
Interest received		7	-----	4
Other		-----	195	-----
Total receipts		9,192	8,847	9,977
Net cash flows from operating activities	14	(132)	(325)	802
Cash flows from investing activities				
Purchases of plant and equipment		-----	-----	(37)
Purchases of intangible assets		(80)	(80)	(43)
Net cash flow from investing activities		(80)	(80)	(80)
Net increase/(decrease) in cash		(212)	(405)	722
Opening cash and cash equivalents		723	622	1
Closing cash and cash equivalents	5	511	217	723

The accompanying notes form part of these financial statements.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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.

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Parliamentary Counsel on 21 September 2016.

(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* and *Public Finance and Audit Regulation 2015*,
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

The Agency's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations. The Agency held cash on hand and at bank as at 30 June 2016 of \$511,000. As at 30 June 2016 the Agency had a net working capital deficit of \$479,000. The Agency receives a grant from the Department of Premier and Cabinet which is sufficient to fund its ongoing operations.

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

1 Summary of Significant Accounting Policies

(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.

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

(iii) Revaluation of property, 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 property, 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 property, 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.

Depreciation Rates

Category of Assets	Depreciation Rates
<i>Plant and 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	14% to 33%
Leasehold improvements (over the period of the lease)	

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

(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.

(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 7 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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

1 Summary of Significant Accounting Policies

(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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

1 Summary of Significant Accounting Policies

(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 1.57% (2015: 3.01%), 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.

(j) Equity and reserves

(i) Accumulated Funds

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

(k) 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 13.

(l) 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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

1 Summary of Significant Accounting Policies

(m) Changes in Accounting Policy, including new or revised Australian Accounting Standards

The accounting policies applied in 2015-16 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 twelve months to 30 June 2016:

- AASB 2014-1 (Part D)
- AASB 2015-3 regarding withdrawal of AASB 1031 *Materiality*
- AASB 2015-4 regarding amendments to AASB 128 *Investments in Associates and Joint Ventures* relating to financial reporting requirements for Australian groups with a foreign parent

The above standards have all been fully compiled into their respective standards, with the exception of AASB 2014-1 (Part E).

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

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 16 02):

- AASB 9 and AASB 2014-7 regarding financial instruments
- AASB 14 and AASB 2014-1 (Part E) regarding Regulatory Deferral Accounts
- AASB 15, AASB 2014-5 and AASB 2015-8 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 and AASB 2015-10 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 initiative)
- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*
- AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

2 Expenses Excluding Losses

	2016 \$000	2015 \$000
(a) Employee related expenses		
Salaries and wages (including annual leave)	6,276	6,396
Superannuation - defined benefit plans	85	116
Superannuation - defined contribution plans	302	283
Long Service Leave	420	464
Workers' Compensation Insurance	20	----
Payroll tax and fringe benefits tax	415	413
Agency contractors	-	7
	7,518	7,679

	2016 \$000	2015 \$000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of financial statements	31	26
Corporate services	200	203
Contractors - projects	----	31
Fees for services rendered	76	46
Insurance	12	----
Motor vehicle expenses	38	46
Operating lease rental expense - minimum lease payments	709	708
Telephone and communication costs	14	13
Stores and minor assets	10	8
Training (staff development)	9	11
Travel costs	12	13
Other occupancy costs	315	329
Information dissemination	94	90
Maintenance	141	136
Other Expenses	51	8
	1,712	1,668
<u>Total maintenance costs</u>		
Maintenance expense - contracted labour and other (non-employee related), as above	141	136
Employee related maintenance expense included in Note 2(a)	----	----
Total maintenance expenses included in Note 2(a) + 2(b)	141	136

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

	2016	2015
	\$000	\$000
(c) Depreciation and amortisation expense		
<u>Depreciation</u>		
Plant and equipment	49	54
<u>Amortisation</u>		
Leasehold improvements	116	125
Intangible assets	130	129
	295	308

	2016	2015
	\$000	\$000
(d) Finance costs		
Unwinding of discount rate on make good provision	7	4
	7	4

3 Revenue

	2016	2015
	\$000	\$000
(a) Recurrent and capital grants from principal department		
Recurrent grants from principal department		
Recurrent grants from principal department (per Statement of comprehensive income)	8,404	8,843
	8,404	8,843
Capital grants from principal department		
Total capital drawdowns from principal department (per Statement of comprehensive income)	80	80
	80	80

	2016	2015
	\$000	\$000
(b) Sale of goods and services		
Government Gazette Notices	104	67
Sale of publications	34	45
Other	----	94
	138	206

	2016	2015
	\$000	\$000
(c) Investment revenue		
Interest revenue from financial assets not at fair value through profit and loss	----	11
	----	11

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

	2016	2015
	\$000	\$000
(d) Acceptance by the Crown Entity of employee benefits and other liabilities		
Superannuation - defined benefit	85	116
Long service leave	414	437
Payroll tax on superannuation	4	6
	503	559

4 Other gains / (losses)

	2016	2015
	\$000	\$000
Gain/(Loss) from movement in provision for restoration costs	(3)	22
	(3)	22

5 Current Assets - Cash and cash equivalents

	2016	2015
	\$000	\$000
Cash at bank and on hand	511	723
	511	723

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

Cash and cash equivalents 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:

	2016	2015
	\$000	\$000
Cash and cash equivalents (per statement of financial position)	511	723
Closing cash and cash equivalents (per statement of cash flows)	511	723

Refer Note 15 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

6 Current Assets - Receivables

	2016	2015
	\$000	\$000
Sale of goods and services	21	33
Goods and Services Tax recoverable from ATO	25	16
Accrued income	1	3
Other receivables	-----	7
	47	59

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

7 Non-Current Assets - Property, plant and equipment

	Plant and Equipment	Total
	\$000	\$000
At 1 July 2015 - fair value		
Gross carrying amount	1,632	1,632
Accumulated depreciation and impairment	(1,135)	(1,135)
Net carrying amount	497	497
At 30 June 2016 - fair value		
Gross carrying amount	1,626	1,626
Accumulated depreciation and impairment	(1,294)	(1,294)
Net Carrying Amount	332	332

Reconciliation

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

	Plant and Equipment	Total
	\$000	\$000
Year ended 30 June 2016		
Net carrying amount at start of year	497	497
Depreciation and amortisation expense	(165)	(165)
Net carrying amount at end of year	332	332

	Plant and Equipment	Total
	\$000	\$000
At 1 July 2014 - fair value		
Gross carrying amount	1,628	1,628
Accumulated depreciation and impairment	(956)	(956)
Net Carrying Amount	672	672
At 30 June 2015 - fair value		
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 property, plant & equipment at the beginning & end of the reporting period is set out below.

	Plant and Equipment	Total
	\$000	\$000
Year ended 30 June 2015		
Net carrying amount at start of year	672	672
Additions	37	37
Reclassifications	(33)	(33)
Depreciation and amortisation expense	(179)	(179)
Net carrying amount at end of year	497	497

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

8 Intangible assets

	Software \$000	Total \$000
At 1 July 2015		
Cost (gross carrying amount)	608	608
Accumulated amortisation and impairment	(278)	(278)
Net Carrying Amount	330	330
At 30 June 2016		
Cost (gross carrying amount)	688	688
Accumulated amortisation and impairment	(408)	(408)
Net Carrying Amount	280	280
Year ended 30 June 2016		
Net carrying amount at start of year	330	330
Additions	80	80
Amortisation (recognised in "Depreciation and amortisation")	(130)	(130)
Net carrying amount at end of year	280	280

	Software \$000	Total \$000
At 1 July 2014 - fair value		
Cost (gross carrying amount)	533	533
Accumulated amortisation and impairment	(150)	(150)
Net Carrying Amount	383	383
At 30 June 2015 - fair value		
Cost (gross carrying amount)	608	608
Accumulated amortisation and impairment	(278)	(278)
Net Carrying Amount	330	330
Year ended 30 June 2015		
Net carrying amount at start of year	383	383
Additions	43	43
Reclassification	33	33
Amortisation (recognised in "depreciation and amortisation")	(129)	(129)
Net carrying amount at end of year	330	330

9 Current Liability - Payables

	2016 \$000	2015 \$000
Accrued salaries, wages and on-costs	9	201
Creditors	144	65
	153	266

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 15.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

10 Current / Non-Current Liabilities - Provisions

	2016 \$000	2015 \$000
Current Provisions		
Annual Leave including on-costs	521	459
Long Service Leave on-costs	210	205
Payroll Tax	153	147
Current Employee benefits and related on-cost provisions	884	811
Restoration costs	-----	-----
Total Current Provisions	884	811
Non-current Provisions		
Long service leave on-costs	18	18
Payroll Tax	11	11
Non-current Employee benefits and related on-cost provisions	29	29
Restoration costs	245	234
Total Non-current Provisions	274	263
Employee Benefits and related on-costs	913	840
Restoration costs	245	234
Total Provisions	1,158	1,074

	2016 \$000	2015 \$000
Aggregate employee benefits and related on-costs		
Provisions - current	884	811
Provisions - non-current	29	29
Accrued salaries, wages and on-costs (Note 9).	9	201
	922	1,041

The Agency's liability for long service leave is assumed by the Crown Entity. However the Agency has an obligation to meet the long service related on-cost.

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:

	2016 \$000	2015 \$000
Provision for Restoration Costs		
Carrying amount at the beginning of financial year	234	252
Unwinding /change in discount rate	10	(18)
Carrying amount at the end of financial year	244	234

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

11 Commitments for Expenditure

	2016 \$000	2015 \$000
Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	1,105	1,096
Later than one year and not later than five years	1,560	2,611
Later than five years	-----	-----
Total (including GST)	2,665	3,707

The operating lease commitments relate to leasing of office space and motor vehicles. The expenditure above includes input tax credits of \$242k (2015: \$337k) that are expected to be recoverable from the ATO.

12 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.

13 Budget Review

Net Result

The net result was a \$410k loss compared to a budgeted loss of \$564k (\$154k or 27.30% less than budget).

Total expenses excluding losses were \$9,532k compared to a budget of \$9,454k (\$78k or 0.83% over budget) due to employee related expenses being \$7,518k compared to a budget of \$7,383k (\$135k or 1.83% over budget), primarily due to long service leave expense. This is offset by Acceptance by the Crown Entity of employee benefits and other liabilities, resulting in revenue from Acceptance by the Crown Entity of employee benefits and other liabilities being \$503k compared to a budget of \$238k (\$265k or 111.34% above budget).

Assets and Liabilities

Totals assets as at 30 June 2016 were \$1,170k against a budget of \$840k (\$330k or 39.29% over budget) due to cash and cash equivalents \$511k compared to a budget of \$217k (\$294K or 135.48% higher than budget). Total liabilities were \$1,311k compared to a budget of \$1,140k (\$171k or 15% higher than budget) due to the provision for employee benefits and on costs being \$884k compared to a budget of \$650k (\$234K or 36% higher than budget).

Cash Flows

Net cash flows from operating activities were a \$132k outflow compared to a budgeted outflow of \$325k (\$193K or 59.38% less than budget) due to reimbursements from the Crown Entity being \$388k compared to a budget of zero (\$388k over budget) and sale of goods and services being \$313k compared to a budget of \$168k (\$145k or 86.31% higher than budget). Closing cash and cash equivalents were \$511k compared to a budget of \$217k (\$294k or 135.48% higher than budget). Accruals paid in July 2016 will reduce cash at bank.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

14 Reconciliation of Cash Flows From Operating Activities to Net Result

	2016 \$000	2015 \$000
Net cash used on operating activities	(132)	802
Depreciation and amortisation	(295)	(308)
Finance Costs	(7)	(4)
Decrease/(increase) in provisions	(74)	(12)
Increase/(decrease) in receivables	(11)	(335)
(Increase)/decrease in creditors	112	(103)
Other gain/(loss)	(3)	22
Net result	(410)	62

15 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:			2016 \$000	2015 \$000
Cash and cash equivalents	5	Not applicable	511	723
Receivables ¹	6	Loans and receivables (at amortised cost)	22	43

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:			2016 \$000	2015 \$000
Payables ²	9	Financial liabilities measured at amortised cost	151	241

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

15 Financial Instruments

(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.

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 (2016: \$9k; 2015: \$3k) and not less than 3 months past due (2016: \$8k; 2015: \$3k) are not considered impaired and together these represent 83.4% of the total trade debtors. Most of the Agency's debtors have a AAA credit rating.

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.

	\$000		
	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
2016			
< 3 months overdue	8	8	----
3 months - 6 months overdue	----	----	----
> 6 months overdue	3	3	----
2015			
< 3 months overdue	3	3	----
3 months - 6 months overdue	1	1	----
> 6 months overdue	3	3	----

Notes

- Each column in the table reports "gross receivables".
- 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.

(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 (2015 Nil).

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

15 Financial Instruments

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

	\$'000							
	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 years	> 5 yrs
2016								
Payables:								
Accrued salaries, wages and on-costs		7	----	----	7	7	----	----
Creditors		144	----	----	144	144	----	----
Total		151	----	----	151	151	----	----
2015								
Payables:								
Accrued salaries, wages and on-costs		177	----	----	177	177	----	----
Creditors		64	----	----	64	64	----	----
Total		241	----	----	241	241	----	----

(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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016 (cont'd)

15 Financial Instruments

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.

Consolidated	Carrying Amount	Profit	-1%	Equity	Profit	1%	Equity
		\$'000		\$'000	\$'000		\$'000
2016							
<i>Financial assets</i>							
Cash and cash equivalents	511	(5)		(5)	5		5
Receivables	22	0		0	0		0
<i>Financial liabilities</i>							
Payables	151	2		2	(2)		(2)
2015							
<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)

(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.

16 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

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
SEPP—State Environmental Planning Policy
SGML—Standard Generalised Markup Language
WHS—Work Health and Safety
XML—Extensible Markup Language

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