



# Annual Report 2021–22

NSW Parliamentary  
Counsel's Office

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[www.pco.nsw.gov.au](http://www.pco.nsw.gov.au) (Parliamentary Counsel's Office)

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

[www.pcc.gov.au](http://www.pcc.gov.au) (Australasian Parliamentary Counsel's Committee)

## Business hours

8:30am–5:00pm  
Monday to Friday

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View or download this report from the Parliamentary Counsel's Office corporate website:

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

Cover image courtesy of Destination NSW – the 'Our Connected City' installation illuminating the Sydney Harbour Bridge during Vivid Sydney 2022.



# Parliamentary Counsel's Office

The Hon Dominic Perrottet MP  
Premier and Member for Epping  
52 Martin Place  
Sydney NSW 2000

Dear Premier

I am pleased to forward to you the 2021–22 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 *Government Sector Audit Act 1983*.

Yours sincerely



ANNETTE O'CALLAGHAN  
Parliamentary Counsel  
10 October 2022



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# Who we are

Image courtesy of Destination NSW — moon rising over the outback near Broken Hill.

## FROM THE PARLIAMENTARY COUNSEL

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I am exceptionally proud of my team's ability to produce legislation of a high standard in tight timeframes and to provide timely and effective access to that legislation.

As the 2021–22 financial year opened, the Parliamentary Counsel's Office (PCO) was in the midst of a very high COVID-associated workload. Our team drafted and published 196 COVID-related instruments during the period, bringing the total number of COVID-related instruments to almost 400. We were unique among Australian jurisdictions in providing consolidated versions of amended public health orders on the NSW legislation website, resources which are still being heavily used as the impact of the orders is considered by the justice system.

### Supporting the work of Parliament

The volume of Government bills introduced in the 2021–22 financial year was consistent with the previous financial year despite the pandemic-related suspension of sitting weeks in August and September 2021. Significant Government drafting projects during the period included sexual consent reforms, improved protections for people making public interest disclosures and legislation to reduce the use of plastic items in NSW. This report includes case studies for each of these legislative projects.

PCO's program of non-Government work has grown steadily over the last few election cycles with the increase in the size of the NSW cross bench. The last financial year was particularly notable for the passing of 2 private members' bills, drafted by PCO. Mr Shoebridge's *Constitution Amendment (Virtual Attendance) Bill 2022* passed in March, ensuring Parliament will be able to sit virtually during a public health crisis or natural disaster. Mr Greenwich's *Voluntary Assisted Dying Bill 2022* was a 2-year project for PCO, generating much debate and multiple sets of amendments before passing in May 2022.

### Key partners

While the PCO team worked closely with NSW Health and the Department of Premier and Cabinet on COVID-related instruments, other clusters also maintained ambitious legislative agendas during 2021–22. The Department of Communities and Justice, the Department of Planning and Environment (DPE) and the Department of Customer Service each introduced 8 or more bills during the period and continued to be important instructing partners for PCO.

Our environmental planning instruments program, in partnership with DPE and councils, continues to generate a high volume of work, with close to 500 instruments drafted in the 2021–22 financial year. This year PCO also completed a significant project to consolidate 45 existing State Environmental Planning Policies into just 11 policies, a high priority for the Minister.

### Looking forward

We're anticipating an extended parliamentary hiatus as the NSW State election approaches in March 2023. While the other work of the Office will continue, we also plan to use this period to complete the transition to our new ADaPT system. The ADaPT system will streamline our drafting and publishing processes enhancing our support of Parliament and increasing the speed and efficiency with which legislation is published in NSW.

The PCO team has shown enormous resilience and professionalism, producing high-quality work in challenging circumstances. We look forward to continuing to contribute to a NSW statute book of the highest standard.



ANNETTE O'CALLAGHAN  
Parliamentary Counsel





## ABOUT US

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The Parliamentary Counsel's Office (PCO) is a Public Service executive agency and part of the Department of Premier and Cabinet cluster.

We're staffed by approximately 50 highly professional and committed employees who are a mix of lawyers, editors, publishing and IT specialists and executive support staff.

We draft and produce legislative instruments for the State and provide the public with access to legislation through the authorised NSW legislation website:

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

PCO is a vital link in the legislative process, working with Cabinet, Parliament and officers from Government agencies to meet the needs of the parliamentary program. We aim to provide the Government with a comprehensive range of high-quality services for drafting and developing legislation and to provide public access to the authorised legislation of NSW. We work collaboratively with a range of stakeholders to make legislation that is fit for purpose and constitutionally sound.

### Our history

PCO was established in 1878 with the appointment of the first Parliamentary Draftsman in NSW. In 1970 the Parliamentary Draftsman became known as the Parliamentary Counsel.

The Parliamentary Counsel reported to the Attorney General until 1991, when PCO became a separate Administrative Office reporting to the Premier via the Director-General of the Cabinet Office.

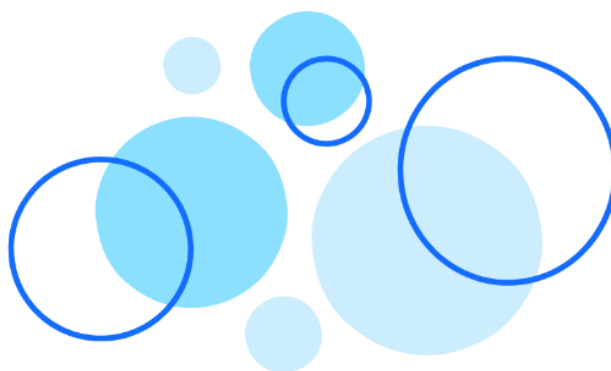
In 2006, PCO became a separate office within the Cabinet Office and in 2007 a separate office within the Department of Premier and Cabinet (DPC) following the merger of the Premier's Department and the Cabinet Office.

PCO became a Public Service executive agency within the DPC cluster in 2014 with the commencement of the *Government Sector Employment Act 2013*.

### Legislation administered

PCO does not directly administer legislation. However, we support the Premier in the 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 the *Interpretation Act 1987*, Part 6A as the official NSW Government site for the authorised online publication of legislation and the Government Gazette.

PCO also supports the Premier in the administration of the *Subordinate Legislation Act 1989*, which deals with the making of statutory rules and the issue of opinions by the Parliamentary Counsel on which 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 program, including drafting new instruments made under that program.





# ABOUT US

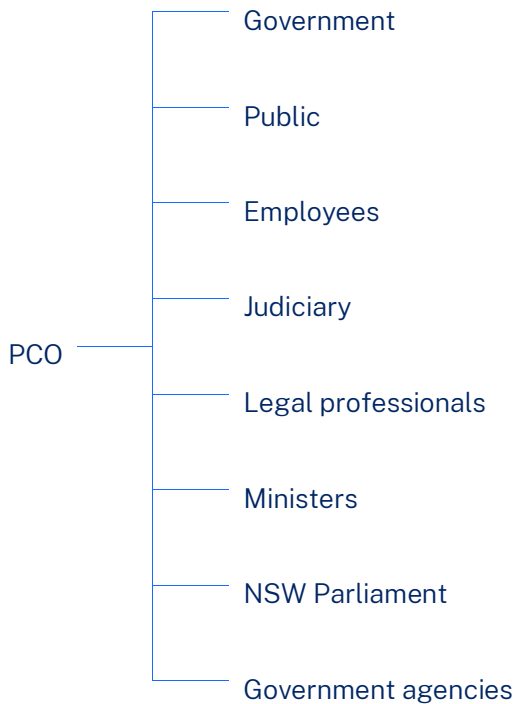
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## Our purpose

Our purpose is to provide —

- high-quality legislative drafting services for NSW
- optimal access to, and information about, legislation
- an inclusive and supportive workplace for staff.

## Key stakeholders



Our primary stakeholder is the NSW Government.

We support the implementation of the Premier's and Government's priorities.

We work closely with stakeholders at a range of Government agencies to deliver best-practice legislation for NSW.

## Services

- We deliver Government Bills and Amendments in Committee according to the drafting and production volumes and deadlines as set by the Government.
- We maintain a continually evolving and relevant statute book by drafting, amending and repealing instruments to the standard and timetable set by the Government.
- We support non-Government members by drafting Bills and Amendments in Committee in accordance with the Government's policy on non-Government drafting.
- We publish the official notification of new legislation on the legislation website.
- We publish notices in the Government Gazette on the legislation website in the timeframes required.
- We participate in drafting uniform legislation for Australia through the Australasian Parliamentary Counsel's Committee and provide the secretariat function that coordinates the work of that Committee.
- We provide the public and Government with access to legislation by updating, maintaining and continually enhancing the NSW legislation website.
- We provide information about NSW legislation through the Legislation Information Service and the legislation website.
- We support the Government by maintaining a robust corporate governance framework to ensure implementation of sector-wide policies and accountability for resources.

# ABOUT US

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## Leadership



### **Annette O'Callaghan, Parliamentary Counsel**

Annette runs PCO's Government Bills Program and is also the Secretary of the Australasian Parliamentary Counsel's Committee. Prior to joining PCO, she was the Queensland Parliamentary Counsel. She began her legislative drafting career in 1993 and has worked as a legislative drafter in New South Wales, Queensland and Victoria.

Qualifications: LLB



### **Mark Cowan, Deputy Parliamentary Counsel**

Mark leads a team of legislative drafters and assists the Parliamentary Counsel in managing PCO's Government Bills program. He joined the office as a legislative drafter in 2001.

Qualifications: LLB, BJuris



### **Richard Hurford, Deputy Parliamentary Counsel**

Richard leads a team of legislative drafters and is responsible for PCO's non-Government Bills program. He joined the office as a legislative drafter in 1997.

Qualifications: B.Ec, LLB (Hons)



### **Stacey Talbot, Strategist – ICT**

Stacey's key responsibilities include developing PCO's ICT strategic roadmap, aligning technological vision with business strategy and leading critical ICT projects, including the current ADaPT Project.

Qualifications: BA, GradDipPsych



### **Mark Reid, A/Director, Corporate Services**

Mark leads the Corporate Services team, assisting the Parliamentary Counsel to optimise PCO resources while complying with legislative frameworks. Mark joined PCO as Chief Finance Officer in April 2022.

Qualifications: CA, EMPA, B.Ec, B.Mus



### **Belinda Brown, A/Director, Legislation Editing and Access Team**

Belinda leads the ICT team and the legislative access function in the Legislation Editing and Access team, and assists the Strategist – ICT with the ADaPT Project. Belinda joined PCO as a production editor in 2004.

Qualifications: BA (Hons)



### **Jacqui Houston, A/Director, Legislation Editing and Access Team**

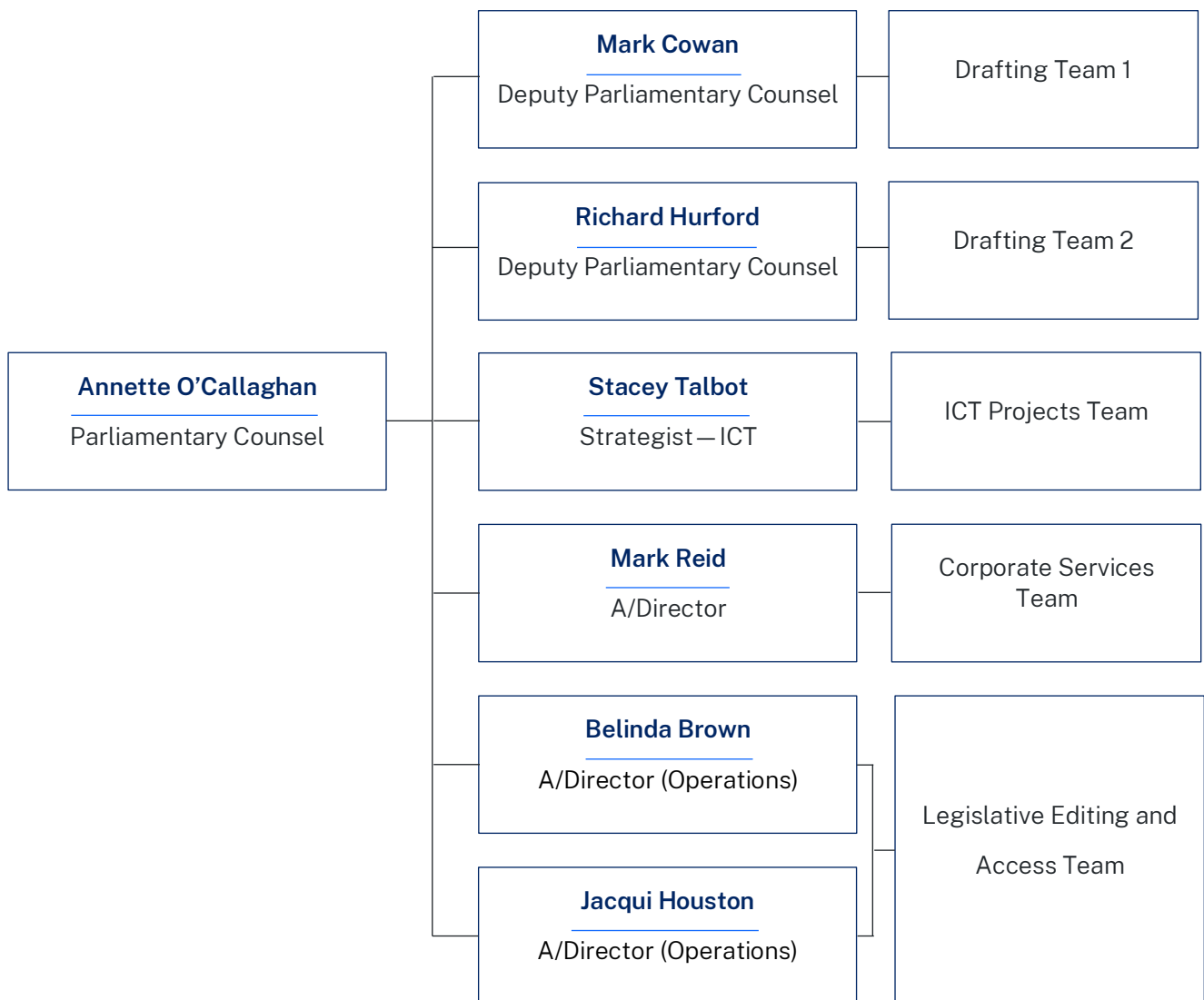
Jacqui leads the editorial and parliamentary program in the Legislation Editing and Access team. Jacqui joined PCO as a legislative publications officer in 2012.

Qualifications: BLJSt

# ABOUT US

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## Organisation chart







# Our work

Image courtesy of Destination NSW — sun setting over Norah Head Lighthouse, Norah Head.

## 2021-22 HIGHLIGHTS

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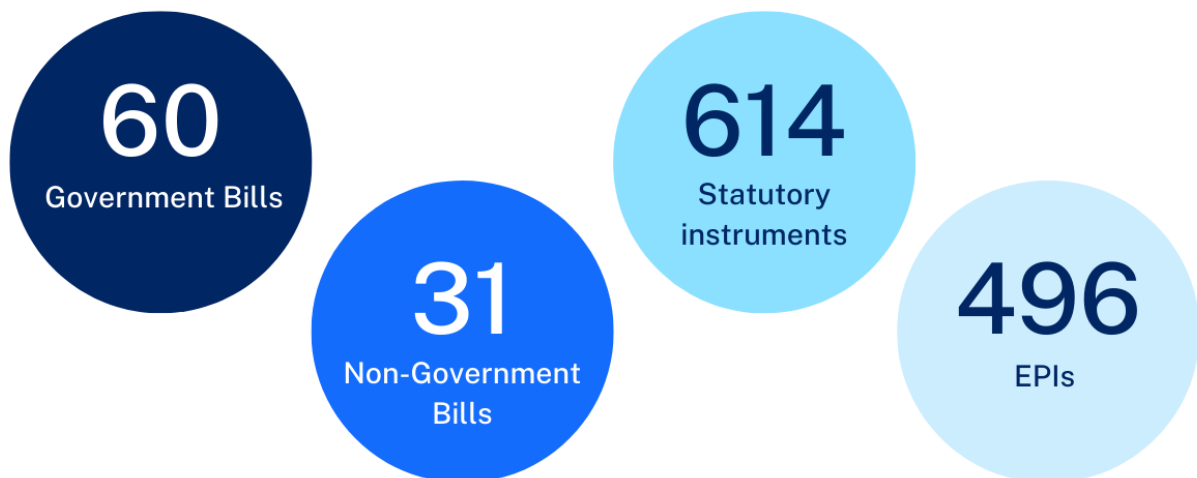
### Our people

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### Drafting for NSW

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

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**311,000**  
Average number of users per month

**2,090,000**  
Average number of page views per month



# DRAFTING LEGISLATION FOR NSW

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## Significant drafting projects: a selection



### Improved protections for people making public interest disclosures

The [\*Public Interest Disclosures Act 2022\*](#) repeals and replaces the *Public Interest Disclosures Act 1994* in response to the 'Review of the *Public Interest Disclosures Act 1994*' by the Parliamentary Committee on the Ombudsman, the LECC and the Crime Commission. It is also a response to the Report on the 'Inquiry into protections for people who make voluntary disclosures to the ICAC' by the Joint Committee on the ICAC.

NSW Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts, Don Harwin, introduced the legislation in October 2021.

The Act aims to improve protections for persons who make public interest disclosures and provides for the making of and dealing with the disclosures. The Act

makes it an offence for a person to take detrimental action against a person for making a public interest disclosure and provides for compensation where this occurs. Additionally, a person making a public interest disclosure is protected from civil and criminal liability and any disciplinary action.

This Act also requires NSW agencies to adopt a public interest disclosure policy, to provide training to certain persons and ensure all public officials associated with an agency are aware of public interest disclosure procedures.

The Act passed Parliament on 29 March 2022 and was assented on 13 April 2022. It will commence in November 2023 or on an earlier day or days to be appointed by proclamation.





### Strengthening the law in relation to sexual offending

The [\*Crimes Legislation Amendment \(Sexual Consent Reforms\) Act 2021\*](#) amended the *Crimes Act 1900* to update the language of provisions relating to sexual offences. It also amended the *Criminal Procedure Act 1986* in relation to directions judges may give to juries about consent and for other purposes.

NSW Attorney General, Mark Speakman, introduced the legislation in October 2021 in response to an extensive review of the law of consent by the NSW Law Reform Commission. The Commission's report, delivered in 2020, made 44 recommendations for change, 40 of which were for legislative amendments. The report also contained draft amending legislation to implement the recommendations. The amending legislation was drafted by the Parliamentary Counsel's Office in conjunction with the NSW Law Reform Commission.

The Commission consulted widely in preparing its report, receiving almost 200 submissions relating to the report and 3,900 responses to an online survey. In addition, more than 20 targeted stakeholders, including service providers, the legal profession, experts and academics, were consulted during the drafting of the legislation.

The amendments recognise that every person has a right to choose whether to participate in a sexual activity, and consent to a sexual activity must not be presumed. It acknowledges that consensual sexual activity involves ongoing and mutual communication, decision-making and free and voluntary agreement between the persons participating in the sexual activity.

The Act received assent on 8 December 2021 and the legislation commenced in June 2022.

## DRAFTING LEGISLATION FOR NSW

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### Principles of a circular economy introduced in NSW legislation

The [\*Plastic Reduction and Circular Economy Act 2021\*](#) prohibits problematic or unnecessary plastic items, such as plastic straws and cutlery, sets design standards for certain items and establishes a product stewardship framework for brand owners of regulated products.

For the first time in New South Wales legislation, this Act explicitly promotes and supports the principles of a circular economy. This includes valuing resources and minimising the use of virgin materials by ensuring materials continue to circulate in the economy, keeping resources in use, designing out waste, pollution and resource inefficiency, and managing resources and systems in an ecologically sustainable way.

The Act also enables the Minister for Environment and Heritage to prohibit problematic or unnecessary plastic items and makes it an offence to supply a prohibited item to another person within

New South Wales. The Act prohibits lightweight plastic bags from 30 June 2022 and also prohibits plastic single-use straws, stirrers, cutlery, cotton buds, plates, bowls and expanded polystyrene food service items from 1 November 2022.

The Act enables design standards to be mandated for certain products for environmental, human health or economic purposes for the first time in Australia. The first design standard, commencing on 1 November 2022, prohibits the use of microbeads in rinse-off personal care products such as shampoo and conditioner, face masks and face wash, hair dye, toothpaste and body wash products, including exfoliants. Other design standards may be prescribed by regulations made under the Act.

The Act received assent on 29 November 2021.



### NSW legalises voluntary assisted dying

In 2022, NSW became the last Australian state to legalise voluntary assisted dying (VAD). The [Voluntary Assisted Dying Act 2022](#) establishes a procedure for and regulates access to VAD for eligible terminally ill people. It also establishes the Voluntary Assisted Dying Board and provides for the appointment of members and functions of the Board.

The Parliament of NSW last debated VAD in 2017 when National Party MLC Trevor Khan's Bill was narrowly voted down. In October 2021, Member for Sydney, Alex Greenwich, introduced the *Voluntary Assisted Dying Bill 2021* in the Legislative Assembly. The Bill had 28 co-sponsors from across almost all political parties, a record number of co-sponsors for a Bill in the Parliament of NSW.

The Act sets out in detail the eligibility criteria for accessing VAD, the steps a person must take before they can get access, protections for health care workers,

including the right to conscientiously object, and the rights and responsibilities of organisations that refuse to provide VAD services.

The Bill attracted significant debate in both Houses, generating 47 separate sets of amendments from members of all parties as well as independents. This volume of amendments made the Bill one of the most significant drafting projects PCO has undertaken in recent years.

VAD remains illegal in the Northern Territory and the Australian Capital Territory where Commonwealth laws prevent the Territories from legislating on VAD. A private member's bill to overturn the 25-year-old ban on territories legislating on euthanasia was introduced in the Commonwealth House of Representatives in August 2022.

The NSW Act received assent on 27 May 2022 and will commence in November 2023.



## DRAFTING LEGISLATION FOR NSW



### Remote attendance during public emergencies

The [\*Constitution Amendment \(Virtual Attendance\) Act 2022\*](#) amends the *Constitution Act 1902* to overcome obstacles to parliamentary sittings during the COVID-19 pandemic. The Act enables members of Parliament to attend and vote at meetings of Houses of Parliament remotely in certain circumstances.

David Shoebridge, MLC (now Senator Shoebridge) introduced the legislation in October 2021 following the COVID-19 lockdowns in 2020 and 2021. His stated aim was to create a legal framework to improve the democratic and representative functions of the Parliament during times of crisis.

The Act amends provisions in the *Constitution Act 1902* relating to quorums and voting. It provides that, in ascertaining a

quorum and in voting on a matter in a House of Parliament, a member is taken to be present at a meeting of a House of Parliament if the member attends using an audio visual link. This Act includes the safeguard that the virtual attendance provisions only operate if the Presiding Officer of the House has declared that a public emergency exists and a majority of the Members of the House have requested remote attendance. A public emergency is defined as including a public health crisis, natural disaster, major accident, civil disturbance or act of terrorism.

The Act passed Parliament on 31 March 2022 and was assented on 13 April 2022. It was the first piece of legislation to have passed both Houses of Parliament under the name of The Greens.

# DRAFTING LEGISLATION FOR NSW

## Government Bill drafting and production

PCO prepares Bills and Amendments in Committee to the time frames and standards required by the Government’s parliamentary program. We also provide advice to the Government on legislative proposals.

The Parliamentary Counsel works closely with the Premier’s Office to ensure Bills are ready for introduction when required and reports on the progress of draft Bills. She attends Legislation Committee meetings and works with the Cabinet Secretary to ensure Bills conform with the relevant Cabinet approvals.

Draft Bills are reviewed by senior drafters and receive comprehensive editorial, legal and quality assurance checks. As a service to Parliament, we produce “print-ready” versions of Bills and amended Bills for all stages reported.

### 2021–22 performance

*We aim to meet drafting and production volumes to the standard and timetable set by the Government and to provide support for the Bill passage process.*

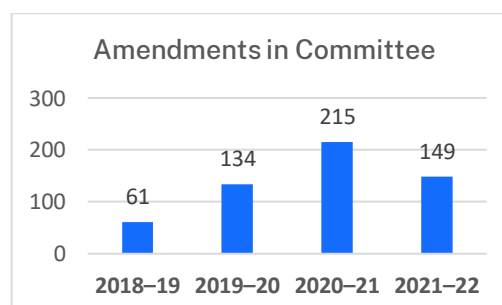
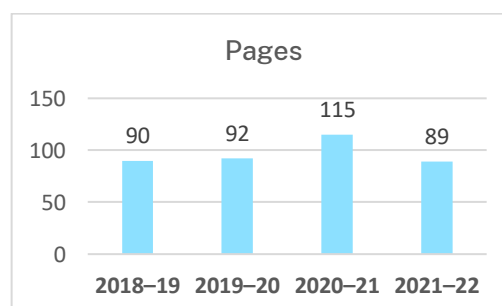
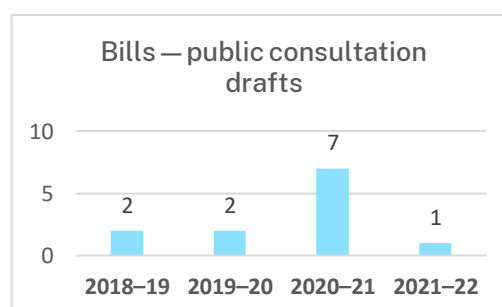
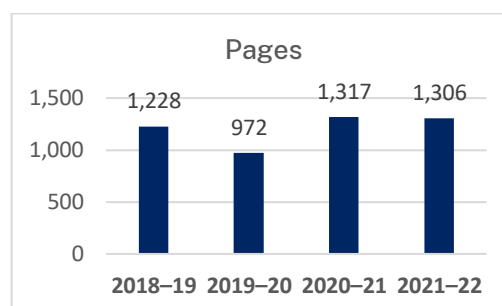
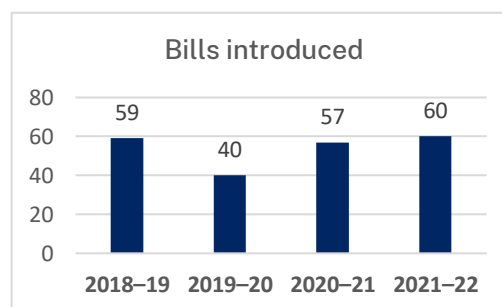
This year, a total of 60 Government Bills were introduced and 1 Bill was prepared for public consultation.<sup>1</sup>

### Statute Law Revision

The Statute Law Revision sub-program is an efficient way of making minor amendments to legislation and removing redundant laws. It 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.

One Statute Law Bill, the *Statute Law (Miscellaneous Provisions) Bill 2022*, was introduced during 2021–22, amending 37 Acts and instruments.



<sup>1</sup> For reasons of confidentiality, only those Bills introduced into Parliament or formally exposed are reported.

# DRAFTING LEGISLATION FOR NSW

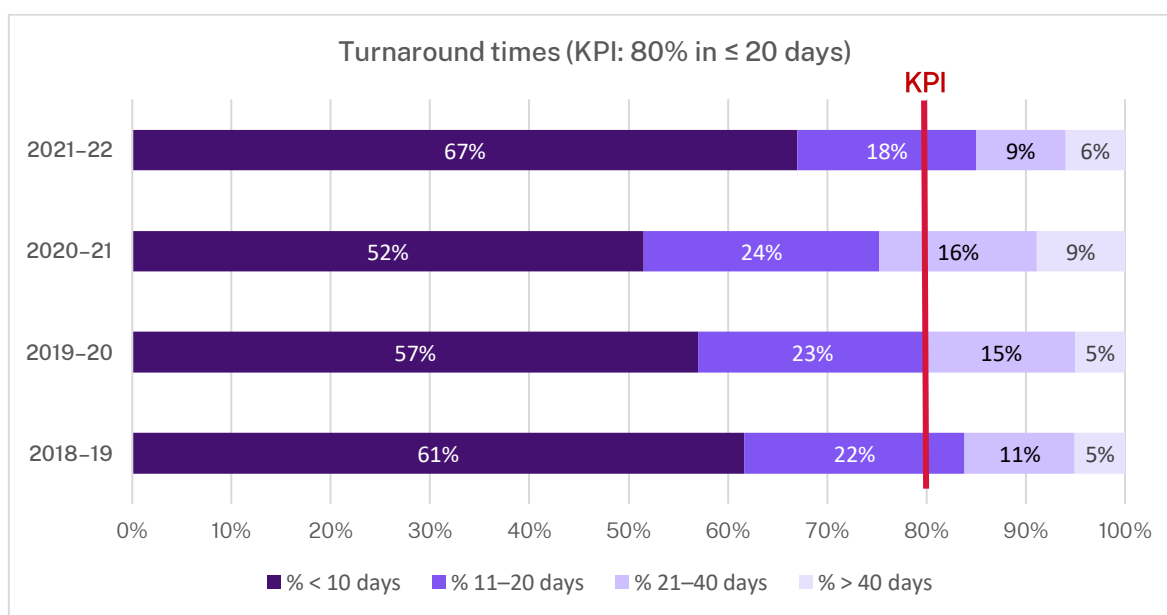
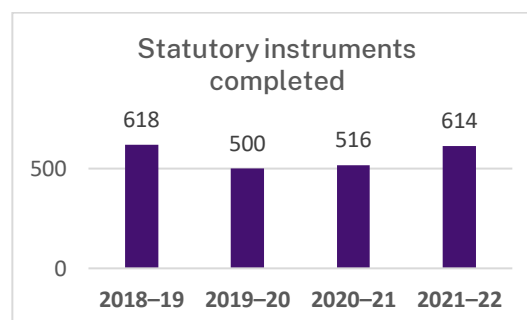
## Statutory instruments

PCO drafts regulations, rules, orders and proclamations as well as the Uniform Civil Procedure Rules and specific rules of court for the Supreme Court and other courts and tribunals. The Staged Repeal program is part of this service.

PCO met the target for turnaround time in 2021–22, with 85% of statutory instruments completed within 20 working days.

### 2021–22 performance

*We aim to draft, publish and provide opinions (where required) on 80% of statutory instruments within 20 working days of receipt of instructions.*



## 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. The 2020-21 stage of the sub-program was completed on 1 September 2021. Of 148 instruments reviewed under the program, 3 were repealed, 29 were remade and 116 were postponed.

# DRAFTING LEGISLATION FOR NSW

## Environmental planning instruments

PCO drafts environmental planning instruments (EPIs) and publishes them on the NSW legislation website. EPIs are made under the *Environmental Planning and Assessment Act 1979*, which is administered by the Minister for Planning (the Minister). There are 2 types of EPIs— State environmental planning policies (SEPPs) and local environmental planning instruments (LEPs).

SEPPs are made by the Governor and can apply to the whole of the State or a particular area of the State. LEPs are made by the Minister or, if authorised by the Minister, the individual council for the local area. Each LEP generally applies to a local government area.

PCO drafts all SEPPs and most LEPs in NSW, based on instructions received from the Department of Planning and Environment (DPE) on behalf of the Minister. If the Minister authorises a council to make an LEP, PCO receives instructions to draft the LEP directly from the council. Once a SEPP or LEP is made, PCO is responsible for

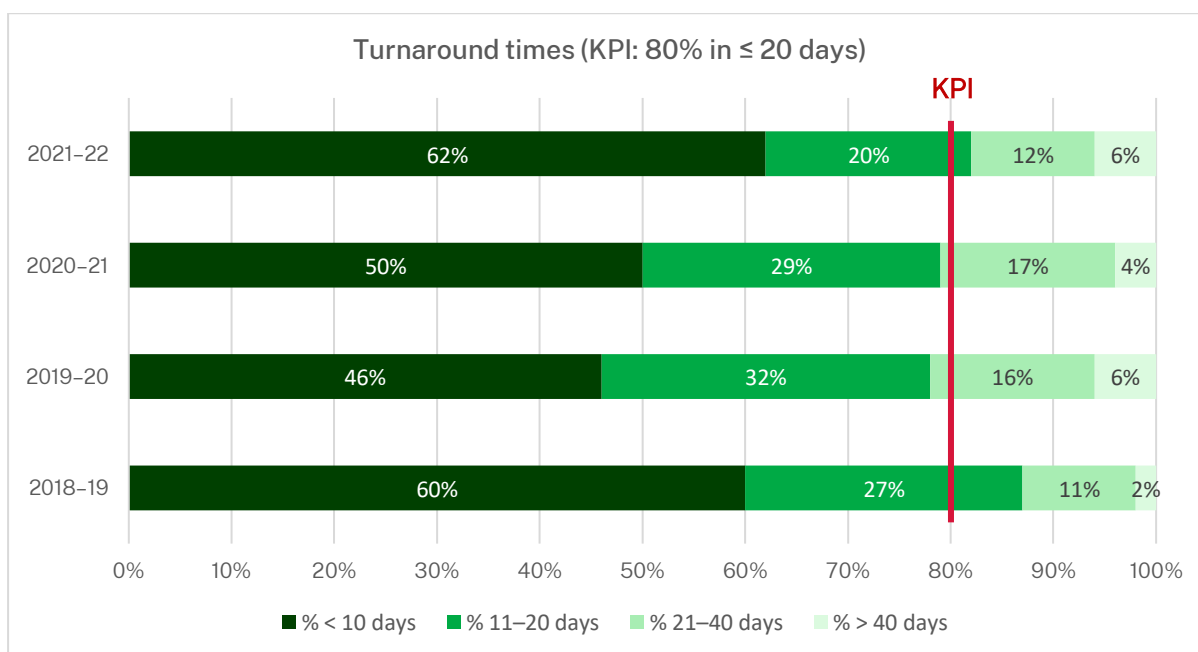
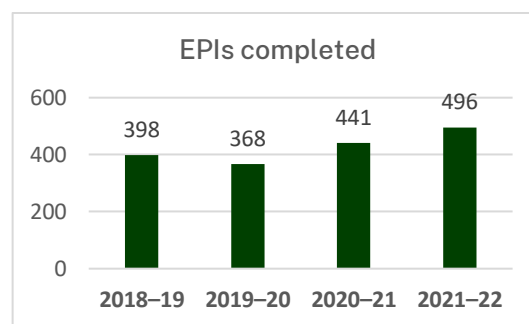
publishing the instrument on the NSW legislation website.

Most SEPPs and LEPs drafted by PCO are amending instruments. That is, they amend an existing SEPP or LEP.

### 2021–22 performance

*We aim to draft, publish and provide opinions (where required) on 80% of EPIs within 20 working days of receipt of instructions.*

PCO met the target for turnaround time in 2021–22, with 82% of EPIs completed within 20 working days.





# DRAFTING LEGISLATION FOR NSW

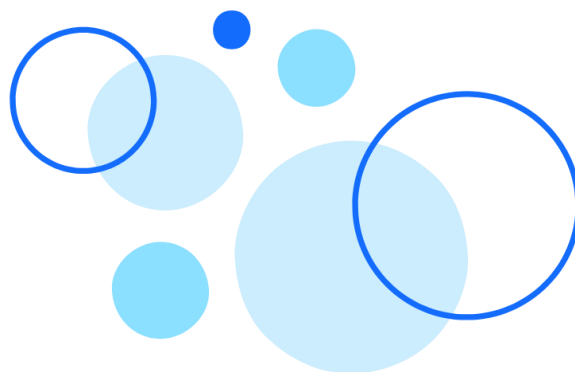
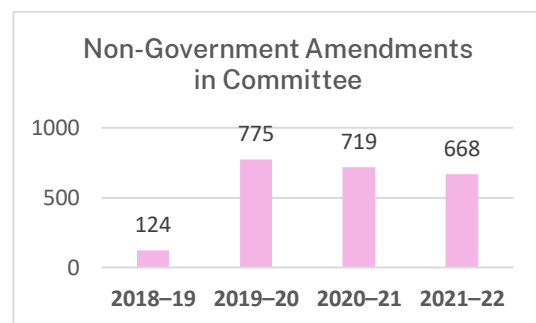
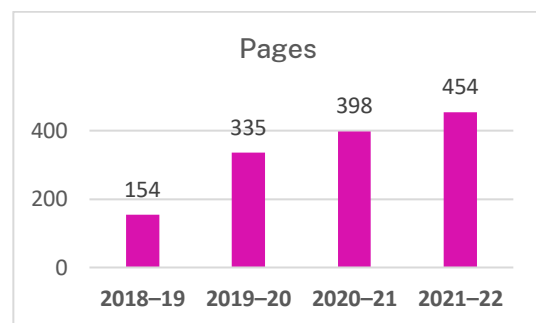
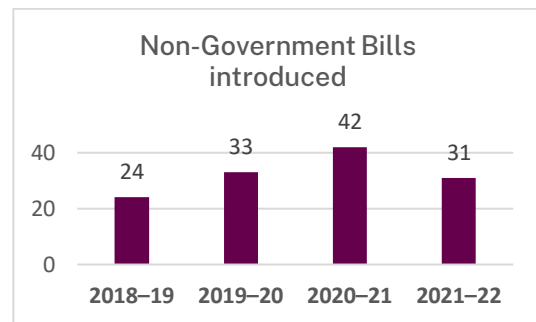
## Non-Government drafting

PCO drafts Bills and Amendments in Committee for non-Government Members of Parliament as requested, in accordance with the arrangements agreed to by the Government. This is subject to the Government's legislative priorities and the availability of resources.

### 2021–22 performance

*We aim to meet drafting and production volumes for non-Government and private members as negotiated with the member and in accordance with Government arrangements for non-Government drafting.*

The volume of non-Government drafting work in 2021–22 has continued to be a substantial part of the Office's output. The increase in Bill work for non-Government members (as measured in number of Bills and number of pages produced), and in the drafting of Amendments in Committee, when compared with the 56th Parliament (2015–2019) has continued into 2021–22.



# DRAFTING LEGISLATION FOR NSW

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## Australasian Parliamentary Counsel's Committee drafting program

### What is PCC?

The Australasian Parliamentary Counsel's Committee (PCC) comprises the heads of Australian and New Zealand drafting offices. PCC coordinates the drafting of legislation that applies in Australian jurisdictions and New Zealand. PCC meets quarterly, allowing the heads of Australian and New Zealand drafting offices to share information about drafting legislation and managing drafting offices. PCC also facilitates:

- Drafting conferences, which include seminars about specific aspects of legislative drafting, to give drafters from Australian, New Zealand and Asia-Pacific jurisdictions an opportunity to network and learn from one another, and
- IT, publishing and office systems forums, which allow Australian, New Zealand and Asia-Pacific drafting offices to exchange information about systems common to drafting offices, including systems for drafting legislation and systems that allow the public to access legislation.

More information about the work of PCC, the national uniform legislation drafted by PCC and the protocol for drafting national uniform legislation is available at [www.pcc.gov.au](http://www.pcc.gov.au).

### NSW PCO's role in PCC

For several years, the NSW Parliamentary Counsel has been the PCC Secretary, responsible for coordinating PCC's work. A junior drafter at NSW PCO provides

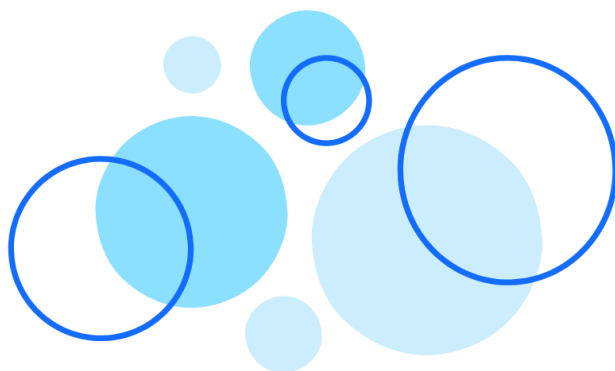
secretariat support to PCC, including by—

- keeping records of PCC meetings,
- liaising with instructors and drafters about PCC drafting projects, and
- updating the internal PCC Portal, used by drafters in Australian and New Zealand drafting offices to circulate and comment on PCC drafting projects, and the public PCC website.

NSW PCO also drafts a significant number of PCC drafting projects and regularly provides comments on PCC drafting projects being drafted by other jurisdictions.

### 2021–22 performance

- PCC held four meetings in 2021–22: three ordinary quarterly meetings and one out-of-session meeting to discuss a PCC drafting project.
- In 2021–22, PCC completed several drafting projects, including the *Health Practitioner Regulation National Law Amendment Bill 2022*, the *Model Work Health and Safety Legislation Amendment 2022* and several amendments to the *Australian Road Rules*. NSW PCO drafted a significant number of the drafting projects completed by PCC in 2021–22 and provided comments on the drafting projects drafted by other jurisdictions.
- PCC arranged an IT forum, which was held in late July 2022.
- In 2021–22, NSW PCO worked on redesigning the public PCC website. The website is expected to be released in late 2022.



# DRAFTING LEGISLATION FOR NSW

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## Engagement

### Instructor training

PCO provides a range of drafting services across multiple legislative drafting programs. Instructors work with drafters to produce exceptional legislation for NSW, following strict drafting practices.

The instructor training program consists of a series of short drafter-led training sessions held by the PCO aimed at improving how we and instructing agencies work together. The training is provided for staff of the NSW government agencies who instruct us on the drafting of Bills, regulations and other statutory instruments and environmental planning instruments.

The sessions include an overview of the drafting process from the legislative drafter's perspective and tips on how to effectively instruct PCO throughout the process. The sessions also provide an opportunity for drafters and instructors to meet, ask questions and discuss matters of common interest.

Instructors are invited to share insights into the policy process from their perspective, which assists the drafting team to respond better to the needs of our clients. Attendees are provided with a summary of the session content after the session.

COVID restrictions through the year shifted our focus to online sessions. The online format allowed us to continue the program and meet our instructors' training needs in a COVID-safe way. We held online training sessions for instructors across the government sector in July 2021, December 2021 and April 2022.

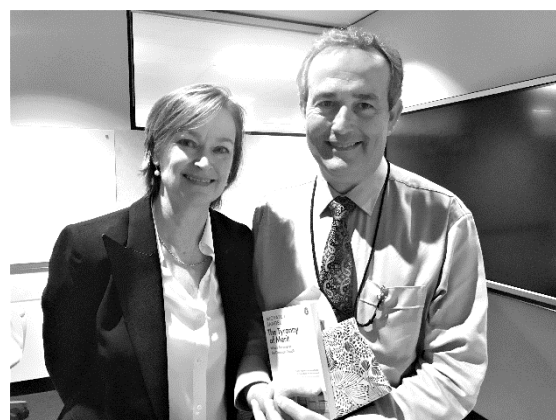
In November 2021 we held a tailored session online for colleagues at the Department of Communities and Justice. In March 2022 we held a session online for colleagues at the Department of Customer Service, Better Regulation Division.

### Speaking engagements

Annette O'Callaghan chaired the "Parliamentary Law: Insights from the Experts" seminar for Legalwise in November 2021. She also presented at the "Administration in an emergency: lessons learned from the past 2 years" session for the Australian Institute of Administrative Law in June 2022.

### Internal engagement

Justice Jacqueline Gleeson visited PCO in November 2021. She shared insights from her career and participated in an interesting discussion ranging from the merits of plain English drafting to the differences between the US and Australian judiciary.



Justice Jacqueline Gleeson with former Deputy Parliamentary Counsel John Ledda.

### Social media

PCO reaches a broad audience through social media, including staff, prospective employees, instructors, MPs and other key stakeholders.

We made 93 LinkedIn posts during the 2021–22 financial year achieving an average engagement rate of 5.22%. We ended the period with 1,175 followers, an increase of 512 from the previous period.

We tweeted 174 times during the period, achieving an average engagement rate of 4.05%. We ended the period with 211 followers, an increase of 146 from the previous period.

## MAKING LEGISLATION ACCESSIBLE IN NSW

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### ADaPT project



Work continued on PCO's ADaPT project in 2021–22. This project involves a major upgrade to the office's legislative drafting and publishing environment. The enhanced environment will support end-to-end XML-based document flows, 'in target document' marked-up changes for amended legislation and automated work processes, including the consolidation of legislative amendments.

Key deliverables from the project include —

- a refresh of the FrameMaker-based legislative authoring environment to support XML
- upgrading the current legislation database document and workflow management environment, LEGIS, to manage draft and published documents as XML rather than SGML
- additional database repositories within the LEGIS infrastructure to support process automation and separate legislative drafting and publishing tasks — a Published Document Repository and Commencements Database

- development of change-tracking and automatic amendment wording generation functionality for legislative drafting processes
- automating the consolidation of amendments once the amending legislation has commenced.

Configuration and testing of the first three deliverables were a key focus of work during the year.

This project was scheduled for completion in mid-2022; however, extended COVID-19 related lockdowns in NSW, Victoria and Queensland during 2021–22 and staff changes at PCO during the period impacted the project timetable and pushed the completion date into the 2022-23 financial year.

Benefits from the project include a clearer representation of legislative changes to support policy assessment and debate and automation of current resource-intensive manual work processes to support fast and accurate updates to the NSW legislation website.



# MAKING LEGISLATION ACCESSIBLE IN NSW

## NSW legislation website and database

PCO provides free public access to an authorised, up-to-date collection of NSW legislation through the NSW legislation website. The website collections include In Force and Repealed legislation, including point-in-time historical versions of those titles, As Made legislation, and other information about legislation in an easily accessible and searchable format. Website features include —

- a dynamic up-to-date collection of In Force and Repealed NSW Acts and subordinate legislation, including EPIs. This collection is authorised under the *Interpretation Act 1987* as correct and is presented in Hypertext Markup Language (HTML) format but is also downloadable in PDF and Extensible Markup Language (XML) formats
- official online notification of the making of new statutory instruments, including EPIs
- official publication of the NSW Government Gazette online
- superseded and repealed versions of legislation to provide point-in-time access (in HTML format but also downloadable in PDF and XML format and authorised under the *Interpretation Act 1987*)

- a 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
- a COVID-19 legislation page providing links in one place to all NSW COVID-related legislation, including up-to-date versions of all public health orders and point-in-time access to versions no longer in force.

The legislation website is based on a comprehensive database that captures NSW Acts and principal statutory instruments, which is updated when laws are amended. The database is currently compiled and stored in Standard Generalized Markup Language (SGML) format. All superseded versions are preserved to provide a point-in-time repository.

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

	2018–19	2019–20	2020–21	2021–22
Acts	16,960	17,400	17,800	<b>18,300</b>
Statutory instruments (excl. EPIs)	9,200	9,600	10,000	<b>10,500</b>
EPIs	8,250	9,100	10,100	<b>11,400</b>

# MAKING LEGISLATION ACCESSIBLE IN NSW

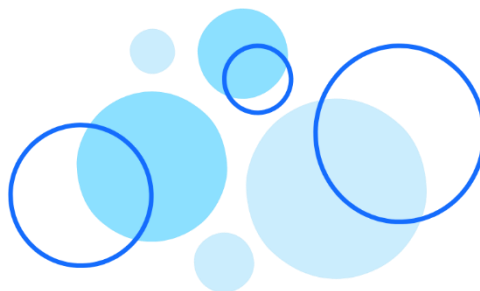
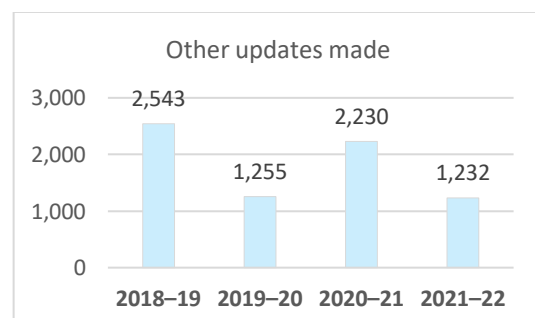
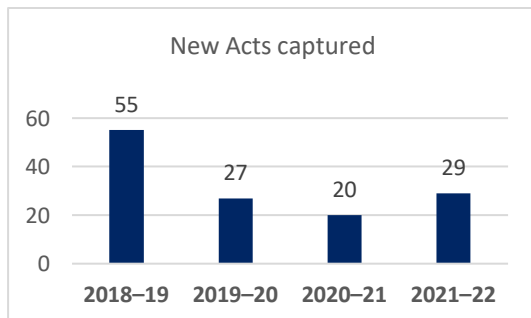
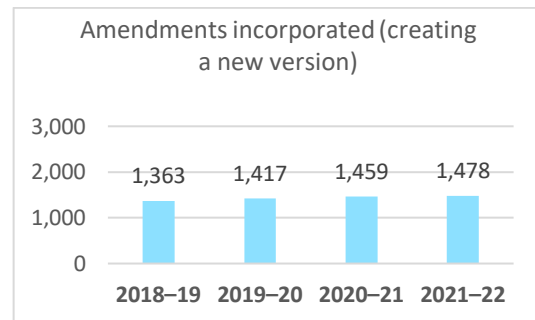
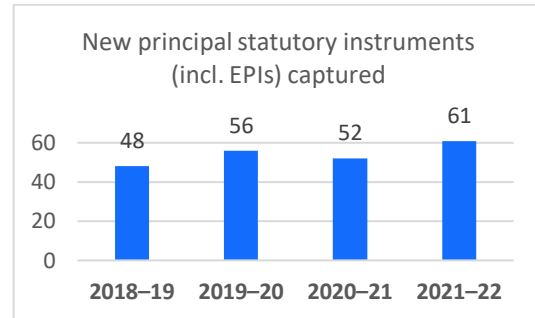
## 2021–22 performance

We aim to –

- maintain the reliable, accurate and timely functioning and updating of the website
- monitor and maintain the website to ensure accessibility and usefulness
- capture all new principal Acts within 3 working days of authorisation by parliamentary officers following assent <sup>2</sup>
- capture all new principal statutory instruments, including EPIs, within 3 working days of publication
- update the database within 3 working days of any amendment commencing or other activity.

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

A website feedback email box is in operation for the website offering a response service for questions and problems and a mechanism for capturing website development suggestions.



<sup>2</sup> From 1 July 2020, PCO no longer captured amending Acts in the In Force collection.

# MAKING LEGISLATION ACCESSIBLE IN NSW

## Publication of orders and notifications

PCO provides official notification on the NSW legislation website of the making of new statutory instruments. We also produce and publish the NSW Government Gazette on the same website.

The legislation website has search functionality to enable filtered searching across specific types of legislation, including As Made (notified) instruments from 1990.

The website also has a comprehensive 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.

RSS feeds further enhance public access for those users monitoring particular types of legislation.

Gazette notices are lodged via a portal and published in subject category volumes, as nominated by the person lodging the notice.



## 2021–22 performance

We aim to –

- publish new statutory instruments, including EPIs, on the NSW legislation website on a cumulative basis each week, including urgent publications
- publish government gazettes on the NSW legislation website on a cumulative basis each week, including urgent publications.

The table below shows a significant increase in the number of pages for statutory instruments and EPIs made during 2021–22. This reflects large statutory instruments remade under the *Subordinate Legislation Act 1989*, including the *Environmental Planning and Assessment Regulation 2021* (208 pages), the *Local Government (General) Regulation 2021* (237 pages), the *Protection of the Environment Operations (General) Regulation 2021* (134 pages) and the *Road Transport (General) Regulation 2021* (121 pages). Five principal standard instrument local environmental plans, each in excess of 100 pages, were also published on the legislation website.

COVID-19 legislation continued to contribute to large figures for Government Gazettes published during 2021–22 as public health orders were remade and restrictions later eased.

Statutory instruments (excl. EPIs)	2018–19	2019–20	2020–21	2021–22
Number officially made	455	460	417	<b>385</b>
Pages	2,778	4,036	3,166	<b>4,060</b>
<b>EPIs</b>				
Number officially made	356	315	365	<b>387</b>
Pages	1,056	1,211	1,373	<b>2,197</b>
<b>Government Gazettes</b>				
Number	150	256	552	<b>655</b>
Pages	8,495	7,127	7,155	<b>8,954</b>

# MAKING LEGISLATION ACCESSIBLE IN NSW

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## Maintaining and developing legislative systems

PCO's integrated legislative system comprises the highly customised FrameMaker drafting and publishing tool, the bespoke LEGIS document management system and the public-facing NSW legislation website.

### 2021–22 performance

*We aim to —*

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

Continued work on the ADaPT project — a major upgrade of PCO's legislative drafting and publishing system — was the focus of system development work in 2021–22 (see ADaPT section, p 25).

In 2021–22, PCO worked on the final phase of the Government Gazette streamlining project — a NSW Government Gazette standalone website that holds all gazette data currently on the NSW legislation website. The website was expected to launch in November 2021. Due to ongoing technical development issues and the pressure of other project work on resources, this was put on hold. The launch of the standalone gazette website is forecast for 2023.

Features of the gazette website will include:

- a layout specially developed to meet the needs of gazette clients and users
- self-publishing of notices (via the lodgement form users are already used to)
- a live feed on the Home page to easily confirm a notice has successfully published

- granular options for browsing to notices, including subject category pages
- enhanced display of notices in web pages (with PDF download also available)
- improved and expanded search functionality with multiple filtering options
- multiple user-help options
- no restriction on the size of PDF notices (though they must still be searchable).

## Providing information about legislation

PCO's Website Help and Website Feedback services assist with enquiries by telephone and email about the status of NSW legislation and using the legislation website. We can provide referrals to other organisations but cannot provide legal advice or statutory interpretation.

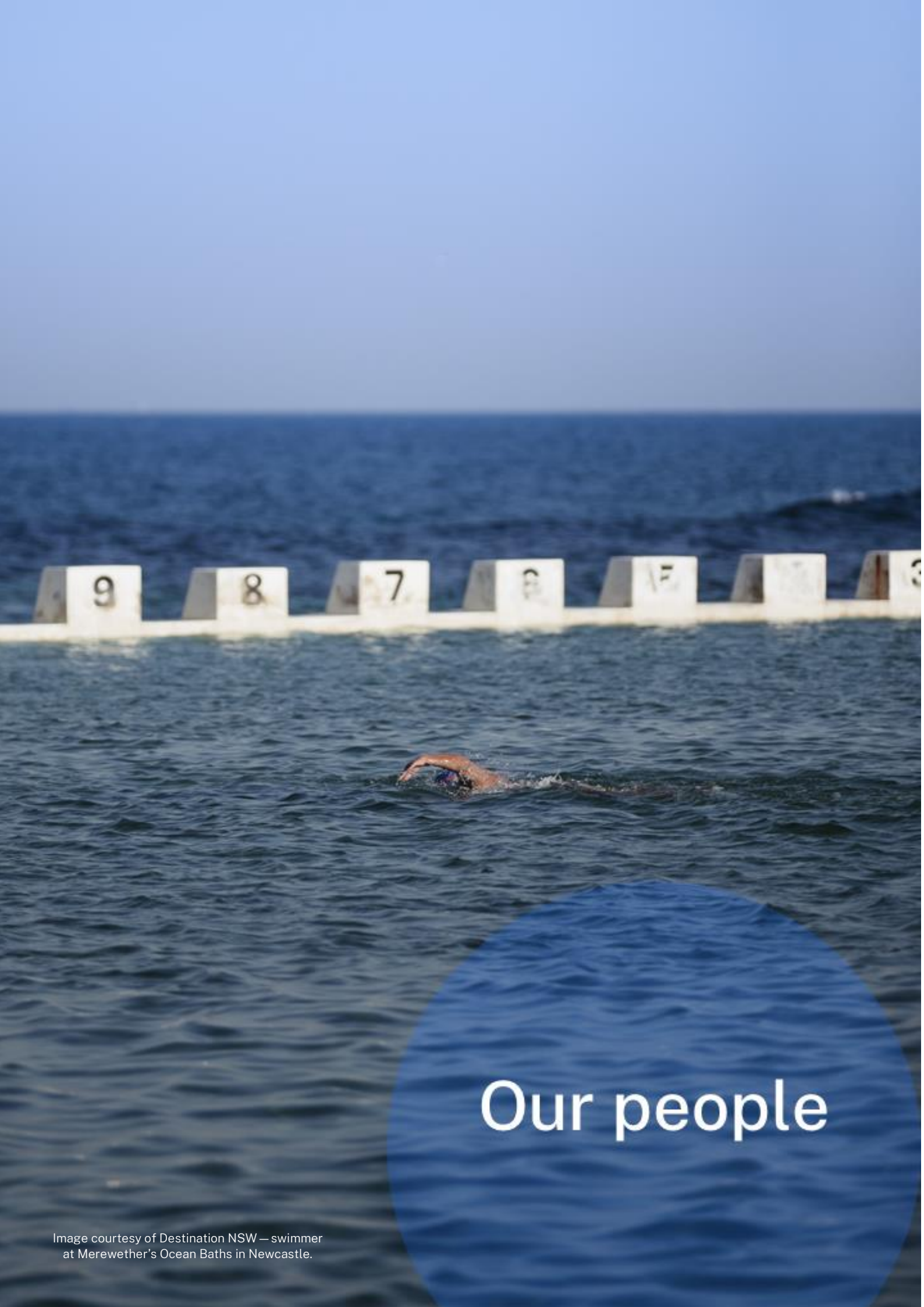
### 2021–22 performance

*We aim to respond within 2 hours to all telephone and email inquiries with accurate, up-to-date information or referral to a more appropriate source.*

The Website Help and Website Feedback teams offer a guaranteed 2-hour response time to voicemail messages or emails received during business hours. This response window allows time for comprehensive research and provision of tailored advice to customers or on-referral to other agencies if appropriate. We have a set of template responses to ensure a consistent approach and quality of information, which is expanded as required.

In the 2021–22 financial year, the Legislation Information Service team responded to **211** voicemail messages and **914** emails.





# Our people

Image courtesy of Destination NSW — swimmer at Merewether's Ocean Baths in Newcastle.

## HUMAN RESOURCES

### Officers and employees by category

As at 30 June 2022, PCO employed 42 staff (full-time equivalent). 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. Publishing and editorial staff are multi-skilled and trained to work across all production areas.

#### PCO staff by employment category and gender\*

	As at:		30 June 2018		30 June 2019		30 June 2020		30 June 2021		30 June 2022	
	Gender:	M	F	M	F	M	F	M	F	M	F	
Permanent full-time		8	17	7	19	9	19	14	27	14	20	
Permanent part-time		0	10	0	5	0	7	0	7	1	3	
Temporary full-time		1	2	0	7	2	5	3	5	6	6	
Temporary part-time		0	0	0	2	0	2	1	1	1	0	
Senior executives		4	7	6	7	6	8	7	8	7	7	
On long-term leave without pay		0	0	1	2	0	3	0	1	0	0	
<b>Total by gender</b>		<b>13</b>	<b>36</b>	<b>14</b>	<b>42</b>	<b>17</b>	<b>44</b>	<b>25</b>	<b>49</b>	<b>29</b>	<b>36</b>	
<b>Total</b>		<b>49</b>		<b>56</b>		<b>61</b>		<b>74</b>		<b>65</b>		

\*Excludes contract drafters engaged on a project basis.

### 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 2019) Award*.

### Personnel policies and practices

All staff are subject to formal performance management involving performance agreements with progress and annual reviews. PCO's performance management framework is based around three key themes – ongoing conversations, no surprises and collegiate feedback.

This framework outlines the responsibilities of employees and managers and emphasises the importance of collegiate feedback when assessing an employee's performance, recognising that most PCO employees work across multiple business programs and report to multiple managers. Collegiate feedback also enables peers and employees to provide feedback on colleagues and supervisors, if desired.

In 2022, we engaged a consultant to develop a work level guide and template performance plans for the different grades within our drafting teams. Our intention is to develop a new framework that will enable drafters and their supervisors to benchmark drafting work. The templated plans will also assist in streamlining the performance planning and development process.

## DIVERSITY AND INCLUSION

### Trends in the distribution of equal employment opportunity (EEO) groups

EEO Group	Benchmark/ target	2020	2021	2022
Source: Public Service Commission Workforce Profile Data				
Women <sup>1</sup>	50%	72.1%	65.9%	56.9%
Aboriginal People and Torres Strait Islanders <sup>2</sup>	3%	3.9%	0%	0%
People whose first language spoken as a child was not English <sup>3</sup>	23.2%	20.5%	14.9%	13.7%
People with a disability <sup>4</sup>	5.6%	10.6%	6.38%	9.8%
People with a disability requiring work-related adjustment <sup>5</sup>	NA	1.6%	6.38%	9.8%

Notes on trends in the representation of EEO groups –

**1:** The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

**2:** The NSW Public Sector Aboriginal Employment Strategy 2019-25 sets a target of 3% Aboriginal employment at each grade of the public sector by 2025.

**3:** A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

**4:** The NSW Premier's Priorities aim to have 5.6% of government sector roles held by people with a disability by 2025.

**5:** Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for people with a disability requiring work-related adjustment.

EEO Group	Benchmark/ target	2020	2021	2022
Source: Public Service Commission Workforce Profile Data				
Women	100	NA	NA	NA
Aboriginal People and Torres Strait Islanders	100	NA	NA	NA
People whose first language spoken as a child was not English	100	NA	NA	NA
People with a disability	100	NA	NA	NA
People with a disability requiring work-related adjustment	100	NA	NA	NA

**Note 1:** A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

**Note 2:** The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

# DIVERSITY AND INCLUSION

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## Workforce diversity strategies

We incorporate our Multicultural Policies and Services Plan into our Diversity and Inclusion Policy and Plan. This plan includes the following objectives —

- Provide services to support a diverse community.
- Attract and recruit a diverse workforce.
- Retain and develop a diverse workforce.
- Provide support for targeted diversity workgroups.

We're meeting these objectives by —

- providing an environment where staff are comfortable sharing their views
- promoting diversity principles during staff induction
- ensuring all policies and procedures comply with and support equity standards
- referencing the capability framework in role descriptions, recruitment processes and our performance management system
- offering flexible work options (including part-time work and working from home)
- Acknowledging and celebrating key events such as Mardi Gras, Harmony Day and NAIDOC week.

PCO staff are covered under the Department of Premier and Cabinet's Flexible Working Hours Agreement (September 2021). The agreement supports flexible working and provides advice and direction for managing working hours.

PCO has not entered into any agreements with Multicultural NSW under the *Multicultural NSW Act 2000*.

### Multicultural strategies proposed for the 2022-23 financial year

PCO plans to consult with legal organisations working closely with CALD communities with a view to developing online resources to help these communities access and understand legislation on the NSW legislation website.

## Disability inclusion action plans

As an executive agency, PCO is not required to have a Disability Inclusion Action Plan, as defined in the *Disability Inclusion Act 2014*. We are, however, committed to a workplace of improved employment access and participation for people with a disability.

This commitment includes —

- facilitating building access, including lifts and bathrooms for people with a disability
- prioritising workplace adjustments, including specialist equipment and flexible working arrangements for employees with disabilities
- utilising plain-language drafting to optimise access to legislation for all users
- providing accessible web design — PCO's websites and intranet adhere to guidelines for accessible web design (including W3C's Web Content Accessibility Guidelines) to ensure that content is available to the widest possible audience, including those using assistive technology or accessibility features
- consulting with visually impaired users on the development of the legislation website to ensure improved interaction with the available assistive technologies and avoid the need for access keys
- providing copies of legislation in electronic format to the visually impaired on request and at no cost (the visually impaired can also access legislation in PDF using accessibility tools)
- facilitating access to PCO services for hearing and speech impaired persons through the National Relay Service
- while undertaking recruitment, encouraging suitably qualified applicants who have a disability to apply and to discuss any specific requirements with the contact officer for the role.

## DEVELOPMENT

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### Learning and development

We aim to provide our drafting and publishing staff with the skills and experience to work across all program areas managed by PCO. This helps us to manage the varying peaks in demand for our services and also provides diverse work for staff.

We provide a mix of formal and on-the-job training for legislative drafters, editorial, technical and support staff. Our own subject-matter experts contribute to the design and delivery of training programs. Training provided in the 2021–22 period includes —

- **Direct supervision:** Senior officers supervise junior officers, providing training, mentoring, coaching and knowledge transfer on a one-to-one basis.
- **Seminars, workshops and courses:** Formal training is provided, both in-house and externally.
- **Professional meetings:** Staff attend meetings of the Supreme Court, the PCO Consultative Group and similar organisations to discuss statutory interpretation and legislative drafting practices.
- **Leadership development:** Senior leaders receive leadership training and coaching.
- **Sector-wide training activities:** Staff attend training to keep up with changes in finance, HR, IT and compliance areas.
- **Study leave:** Individuals undertaking external study to develop their skills are assisted with study leave.

We also support the following programs and development opportunities —

- **NSW Government Graduate Program:** PCO participated in the program with one graduate from the 2022 program.
- **Practical Legal Training (PLT):** PCO supported Practical Legal Training courses for one officer during the period.
- **Secondments:** Two PCO staff members were seconded to another agency during the period.

We continue to focus on retaining organisational knowledge through close mentoring of developing drafters. We also offer flexible working arrangements to accommodate parental leave and other career breaks, which assists in retaining specialist staff in the long term.

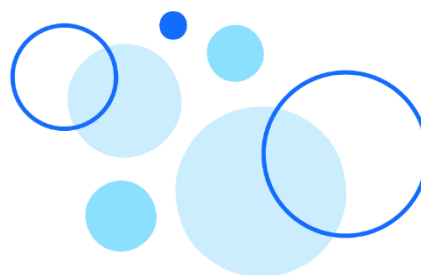
### PMES Survey

The People Matter Employee Survey (PMES) gives NSW public sector employees an opportunity to have a say on workplace issues and practices, highlighting what agencies are getting right and what needs more attention.

In 2021, PCO improved on its 2020 results across all categories of the survey. At 73%, our engagement score put us in the top 30% of agencies in the NSW public sector.

We scored particularly highly for pay, customer service, job purpose and enrichment. Areas warranting attention included grievance handling, communication, change management and action on survey results.

PCO's policy on grievance and dispute resolution was updated and made available in early 2022. We continue to work on improving communication and change management and addressing our survey results.





## NUMBERS AND REMUNERATION OF SENIOR EXECUTIVES

The following information is provided in accordance with the Public Service Commission Circular 2014-09.

### Senior executives by band and gender

Gender:	2020-21		2021-22	
	M	F	M	F
Band 4	-	-	-	-
Band 3	-	1	-	1
Band 2	3	-	3	-
Band 1	4	7	4	6
<b>Total by gender</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>7</b>
<b>Total</b>	<b>15</b>		<b>14</b>	

### Senior executives by band and remuneration\*

	Range (\$)	Average remuneration	
		2020-21 (\$)	2021-22 (\$)
Band 4	487,051-562,650	-	-
Band 3	345,551-487,050	451,769	463,063
Band 2	274,701-345,550	309,902	341,271
Band 1	192,600-274,700	223,876	235,107

\*Remuneration figures do not include long-service leave payments.

### Percentage of PCO's employee-related expenditure related to senior executives

2019-20	2020-21	2021-22
39.54%	37.88%	36.04%



# Appendices

Image courtesy of Destination NSW — aerial overlooking Canoe Pool, Newcastle.

## PAYMENT OF ACCOUNTS

### 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
Sept 2021	4,869	78,819	0	-2,012	6,497
Dec 2021	0	-88,002	0	0	4,485
Mar 2022	122,346	0	0	0	4,485
Jun 2022	103,051	0	0	0	-1,104

### Accounts due or paid within each quarter (all suppliers)

Measure	Sept 2021	Dec 2021	Mar 2022	Jun 2022
Number of accounts due for payment	60	43	95	90
Number of accounts paid on time	41	28	48	90
Actual percentage of accounts paid on time (based on number of accounts)	68%	65%	51%	100%
Dollar amount of accounts due for payment	546,336	391,581	408,302	589,335
Dollar amount of accounts paid on time	422,160	317,691	157,945	589,335
Actual percentage of accounts paid on time (based on dollars)	77%	81%	39%	100%

### Small business suppliers

Measure	Sept 2021	Dec 2021	Mar 2022	Jun 2022
Number of accounts due for payment	0	0	0	1
Number of accounts paid on time	0	0	0	1
Actual percentage of accounts paid on time (based on number of accounts)	0%	0%	0%	100%
Dollar amount of accounts due for payment	0	0	0	1,334
Dollar amount of accounts paid on time	0	0	0	1,334
Actual percentage of accounts paid on time (based on dollars)	0%	0%	0%	100%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0



## CONSULTANTS

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Consultants were engaged by PCO during 2021–22 for a total value of \$26,486 as follows—

### Under \$50,000

Three consultants were engaged by PCO during 2021–22, with the total cost for the four engagements being \$26,486.

### Over \$50,000

PCO did not engage any consultants for over \$50,000.

## PROMOTION

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### Overseas visits

PCO occasionally funds overseas visits for its staff for the purposes of knowledge development, benchmarking and keeping abreast of global best practice in drafting. There were no overseas visits undertaken by PCO staff during 2021–22.

## CONSUMER RESPONSE

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PCO is committed to providing courteous and prompt assistance to clients and members of the public. During the reporting period, we did not receive any formal complaints. Options available to the public to obtain or request information, or to provide feedback, include telephone enquiries and email, with relevant contact details available on PCO's websites.

The Parliamentary Counsel considers any feedback in relation to drafting and publishing services and implements changes as required. The ADaPT project team considers any feedback or suggestions received throughout the year in relation to systems and processes.

## RISK MANAGEMENT AND INSURANCE ACTIVITIES

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### 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 our Risk Register, which is regularly reviewed.

Responsibility for risk treatment activities is assigned to specific senior executives and activities are regularly monitored by PCO management.

### Insurance

In 2021–22, 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, property, public liability and miscellaneous insurance cover.

## Internal audit and risk management policy attestation

# Parliamentary Counsel's Office

### Internal Audit and Risk Management Attestation Statement for the 2021–22 Financial Year for the Parliamentary Counsel's Office

I, Annette O'Callaghan, am of the opinion that the Parliamentary Counsel's Office has internal audit and risk management processes in operation that are compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

#### Risk Management Framework

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- |     |   |           |
|-----|---|-----------|
| 1.1 | The agency head shall accept ultimate responsibility and accountability for risk management in the agency.  | Compliant |
| 1.2 | The agency head shall establish and maintain a risk management framework that is appropriate for the agency. The agency head shall ensure the framework is consistent with AS ISO 31000:2018. | Compliant |

#### Internal Audit Function

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- |     |  |           |
|-----|--|-----------|
| 2.1 | The agency head shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.                                | Compliant |
| 2.2 | The agency head shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing. | Compliant |
| 2.3 | The agency head shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.                              | Compliant |

#### Audit and Risk Committee

---

- |     |   |           |
|-----|---|-----------|
| 3.1 | The agency head shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.2 | The agency head shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.   | Compliant |

#### Membership

The independent chair and members of the Audit and Risk Committee are:

- Independent Chair, Marcia Doherty (October 2021, term expires October 2024)
- Independent Member, Garry Dinnie (October 2017, term expires March 2024)
- Independent Member, Christine Feldmanis (December 2017, term expires November 2023)

#### Shared Arrangements

I, Annette O'Callaghan, advise that the Parliamentary Counsel's Office has entered an approved shared arrangement with the Department of Premier and Cabinet, State Archives and Records Authority and Greater Sydney Commission. This arrangement includes a common Audit and Risk Committee and shared internal audit resources.



ANNETTE O'CALLAGHAN  
Parliamentary Counsel  
4 September 2022

Contact Officer:

Mark Reid  
A/Director, Corporate Services  
T: (02) 9289 1863





# WORK HEALTH AND SAFETY

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## Statement of performance

PCO is committed to ensuring the health and safety of staff and visitors to our office.

Our Work Health and Safety Committee meets quarterly to ensure that our work health and safety (WHS) practices are appropriate. The minutes of Committee meetings are made available to all staff.

Emergency management and after-hours access procedures are kept updated on Gulbarra. Regular training is provided for fire wardens and first aid officers, and we participate in building emergency evacuation exercises.

Work health and safety was a key consideration in the design of our current premises. We conduct assessments of individual workspaces for all staff when they start with PCO, and we provide ergonomic furniture. We conduct regular ergonomic assessments for staff and new starters.

The following WHS policy and procedures are currently in place at PCO –

- Work Health and Safety Policy
- Work Health and Safety Strategic Plan and Procedures
- Work Health and Safety Management Report, including a WHS training register.

PCO also facilitates the following corporate wellbeing activities –

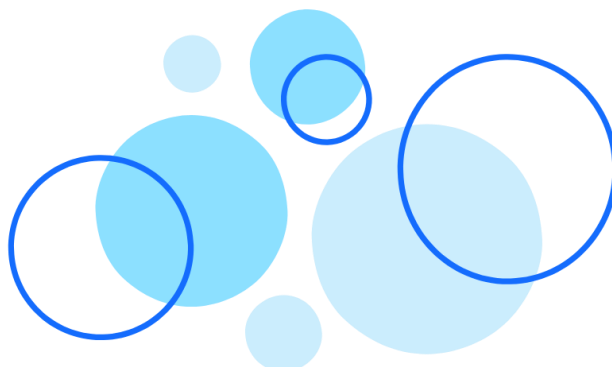
- Ergonomic assessments for workstations – 19 staff had their workstations assessed in May 2022.
- Annual influenza vaccinations – 22 staff were vaccinated in May 2022.
- Skin checks – 18 staff received a free skin check in June 2022.
- Free counselling for all employees and immediate family is provided through Converge International.

## Injuries and prosecutions under the *Work Health and Safety Act 2011*

We place 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 2021–22.

### Details of injuries and prosecutions under the *Work Health and Safety Act 2011*

2019–20	2020–21	2021–22
1	0	0



## PRIVACY AND PERSONAL INFORMATION

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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.

PCO has a Privacy Management Plan that is published to PCO staff on the office intranet site (Gulbarra) and is available on [www.pco.nsw.gov.au](http://www.pco.nsw.gov.au). The plan, which was reviewed in March 2022, has two purposes—

1. to demonstrate to members of the public how PCO upholds and respects the privacy of clients, staff and others about whom personal information is held
2. to act as a reference tool for employees to explain how PCO may best meet its privacy obligations under the PPIP Act and the *Health Records and Information Privacy Act 2002* (NSW).

During 2021–22, the Executive Director was PCO’s Privacy Officer. PCO’s corporate website contains a Privacy Notice advising that personal information will be handled in accordance with the PPIP Act.

PCO’s business operations do not require significant interaction with the 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 accessible to staff on Gulbarra.

No internal reviews were conducted by or on behalf of PCO under Part 5 of the PPIP Act during the 2021–22 financial year.

## EXTERNAL COSTS INCURRED IN PRODUCTION OF REPORT

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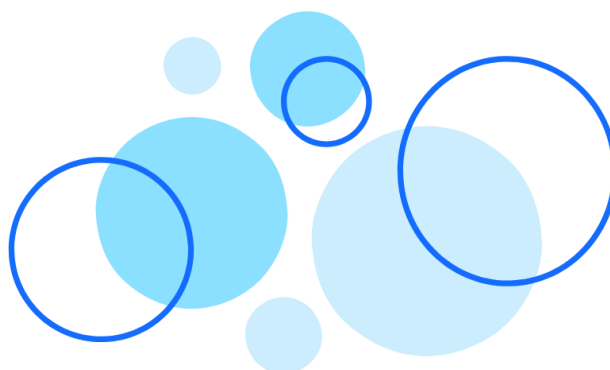
There were no external costs recorded for producing this annual report.

## EXEMPTIONS

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### 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. The 2021–22 financial year is a triennial reporting year for PCO. We do typically choose, however, to report annually on these areas and routinely include them in our annual reports.



## GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

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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. PCO maintains a page on <https://pco.nsw.gov.au> dedicated to information the Act requires to be made available. This right of access is restricted only when there is an overriding public interest against disclosing the information. PCO cannot release Cabinet documents and certain documents covered by legal professional privilege because 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 and PCO complied with this requirement in 2021–22. In addition to the current and historical legislation of NSW, the following documents are made available to the public –

- a range of corporate publications and policies, such as previous Annual Reports and the Code of Conduct
- information sheets, manuals and circulars about the process for the making of legislation
- a series of drafting practice documents that provide insight into drafting matters such as the use of plain language, gender neutral language and the use of savings and transitional provisions in legislation.

### Release of information in 2021–22

PCO's program for the proactive release of information involves increasing the availability of legislation and information about legislation on the NSW legislation website and/or the PCO corporate website. During 2021–22, the following material was made available –

- All new legislative material relevant to the statute book of NSW was added to the legislation website in accordance with the *Interpretation Act 1987*. The In Force versions of this material continue to be available as downloadable XML or PDF files so they can be easily re-used by publishers and other users of legislation.
- Additional functionality supporting point-in-time searches of legislation and downloading of XML files, including bulk downloads, was added to the website providing improved access to legislation.

PCO also reviews any information sought and released pursuant to GIPA access applications received over the reporting year to determine whether the information should be released to the public generally, as well as to the applicant. PCO received no applications in 2021–22.

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

Clause 8(b) and (c) of the *Government Information (Public Access) Regulation 2018* (GIPAR) requires 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.

GIPA Act applications 2021–22	No.
Number of access applications received – clause 8(b) of GIPAR	0
Number of refused applications for Schedule 1 information – clause 8(c) of GIPAR	0

Under GIPAR, clause 8(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	-	-	-	-	-	-	-	-
Members of Parliament	-	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not-for-profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	-	-	-	-
Members of the public (other)	-	-	-	-	-	-	-	-

\* More than one decision can be made about an access application. If so, each such decision must be recorded. 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*	-	-	-	-	-	-	-	-
Access applications (other than personal information applications)	-	-	-	-	-	-	-	-
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

\* 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	Number 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
<b>Total number of invalid applications received</b>	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 the Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
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
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	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 the 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)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>0</b>

**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 the Act	0	0	0
Review by NCAT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* 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	0
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

## 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 2021 to 30 June 2022 –

Public interest disclosures 2021–22	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
<b>Total number of public interest disclosures received</b>	<b>0</b>

PCO has a Public Interest Disclosures Policy that is available to all staff. Relevant officers have attended a Public Interest Disclosure Management workshop conducted by the NSW Ombudsman's office.

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 2021–22.

# CYBER SECURITY POLICY (CSP) ATTESTATION

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## Parliamentary Counsel's Office

### Cyber Security Annual Attestation Statement for the 2021–22 Financial Year for Parliamentary Counsel's Office

I, Annette O'Callaghan, am of the opinion that the Parliamentary Counsel's Office is actively managing cyber security risks in a manner consistent with the guidance set out in the NSW Government Cyber Security Policy (the Policy). The Parliamentary Counsel's Office is, however, not fully compliant with all the requirements of that Policy. This is in part due to continued disruption as a result of the COVID-19 pandemic and the associated increase in drafting and publishing workloads, as well as significant changes in staffing in the ICT function over the reporting period.

Governance is in place to assess and manage the cyber security maturity and initiatives of the Office. Key risks have been assessed and are currently being managed within the constraints of the existing resources and capabilities of the office. A key focus has been on developing a range of policies and playbooks to support compliance and effective response to issues. The intention is to finalise this framework in the 2022-23 reporting period.

The Parliamentary Counsel's Office is continuing to document and develop the full program of work that will be needed to achieve greater maturity against the requirements in the Policy and the ACSC Essential Eight. A small number of mandatory requirements within the maturity model have a 2022-23 target maturity level below threshold. Residual risks will be tracked and managed. The Office also intends to engage external expertise to assist with a roadmap to support maturity uplift and will invest in additional resources to support this work.



ANNETTE O'CALLAGHAN  
Parliamentary Counsel  
27 October 2022

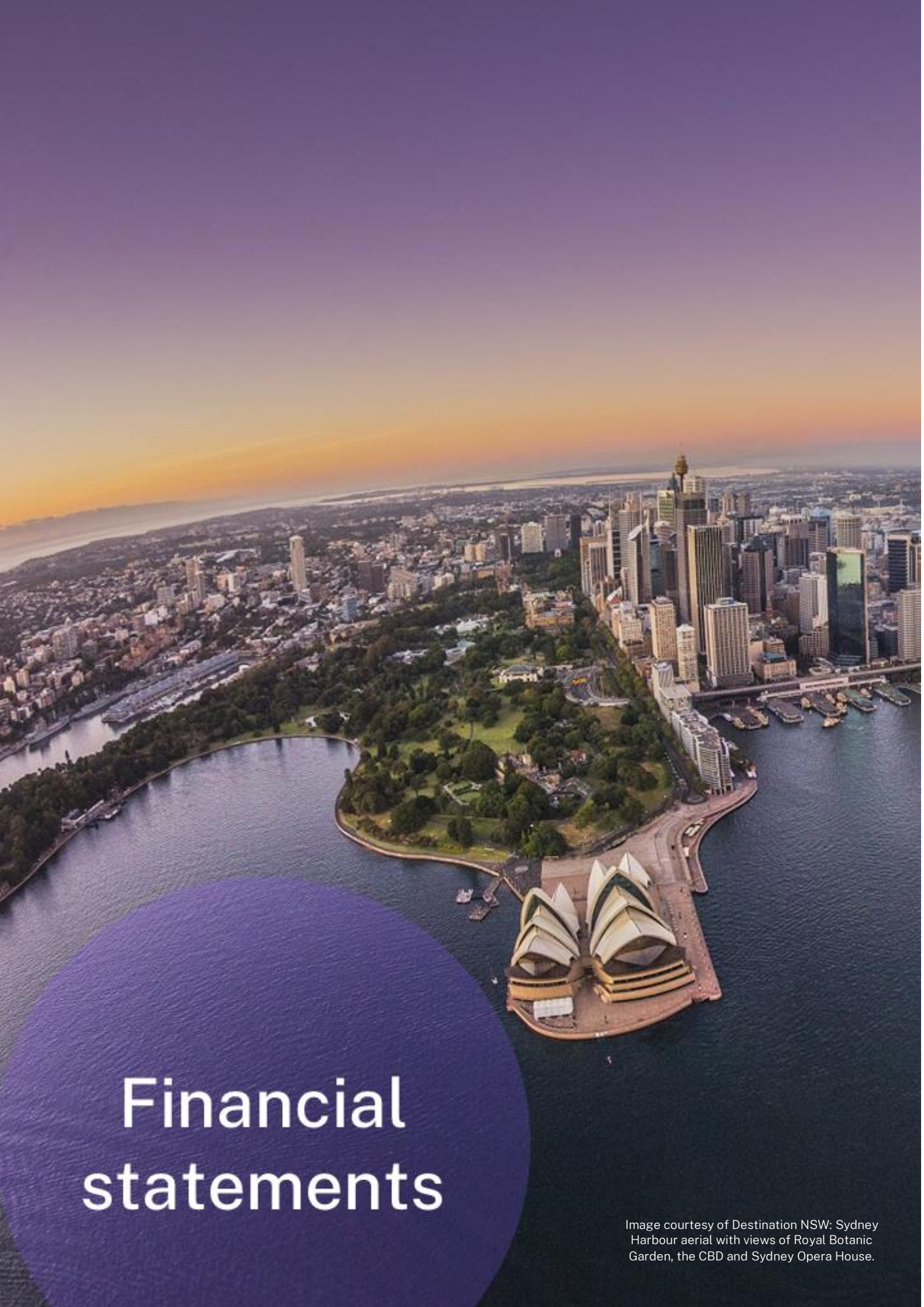
## ANNUAL REPORT COMPLIANCE REQUIREMENTS INDEX

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# Financial statements

Image courtesy of Destination NSW: Sydney Harbour aerial with views of Royal Botanic Garden, the CBD and Sydney Opera House.



## 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 the Parliamentary Counsel's Office (the Office), which comprises the Statement by the Parliamentary Counsel, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Office's financial position, financial performance and cash flows.

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 the standards are 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 requirements of the:

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

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing non-audit services.

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

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

The Parliamentary Counsel is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Parliamentary Counsel's responsibility also includes such internal control as the Parliamentary Counsel determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Counsel is responsible for assessing the Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities 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
- 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 description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor 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
- about any other information which may have been hyperlinked to/from the financial statements.



David Daniels  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

28 September 2022  
SYDNEY

**Financial Statements**

**of**

**Parliamentary Counsel's Office**

**for the year ended 30 June 2022**

## Parliamentary Counsel's Office

### Statement by the Parliamentary Counsel as head of the Parliamentary Counsel's Office for the year ended 30 June 2022

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'), I state

- a) these financial statements have been prepared in accordance with:
  - Australian Accounting Standards (which includes Australian Accounting interpretations);
  - applicable requirements of the Act, the Government Sector Finance Regulation 2018; and
  - Treasurer's directions issued under the Act.
- b) these financial statements present fairly the Parliamentary Counsel's Office's financial position as at 30 June 2022 and the financial performance and cash flows for the year then ended; and
- c) there are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



**Annette O'Callaghan**  
Parliamentary Counsel

26 September 2022



**Mark Reid**  
Director, Corporate Services

26 September 2022





**Parliamentary Counsel's Office**  
**Statement of Comprehensive Income**  
for the year ended 30 June 2022

	Notes	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000
<b>Continuing operations</b>				
<b>Expenses excluding losses</b>				
Employee-related expenses	2(a)	7,202	9,134	8,914
Other operating expenses	2(b)	1,129	715	1,118
Depreciation and amortisation expense	2(c)	933	1,449	1,169
Finance costs	2(d)	7	127	129
<b>Total expenses excluding losses</b>		<b>9,271</b>	<b>11,425</b>	<b>11,330</b>
<b>Revenue</b>				
Recurrent grants from principal department	3(a)	10,178	10,092	10,624
Capital grants from principal department	3(a)	150	250	250
Sale of goods and services	3(b)	72	8	66
Acceptance by the Crown of employee benefits and other liabilities	3(c)	(463)	410	38
<b>Total revenue</b>		<b>9,937</b>	<b>10,760</b>	<b>10,978</b>
<b>Operating result</b>		<b>666</b>	<b>(665)</b>	<b>(352)</b>
Gain / (loss) on disposal	4	(2)	----	(1)
Other gains / (losses)	5	408	----	563
<b>Net Result</b>		<b>1,072</b>	<b>(665)</b>	<b>210</b>
Other comprehensive income		----	----	----
<b>Total Comprehensive Income(loss)</b>		<b>1,072</b>	<b>(665)</b>	<b>210</b>

The accompanying notes form part of these financial statements.

**Parliamentary Counsel's Office**  
**Statement of Financial Position**  
as at 30 June 2022

	Notes	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	1,544	358	1,215
Receivables	7	79	188	88
<b>Total current assets</b>		<b>1,623</b>	<b>546</b>	<b>1,303</b>
<b>Non-Current assets</b>				
Property, plant and equipment				
- Plant and equipment	8	662	709	1,043
Right-of-use assets	9	----	4,912	870
Intangible assets	10	837	1,227	655
<b>Total Non-Current assets</b>		<b>1,499</b>	<b>6,848</b>	<b>2,568</b>
<b>Total Assets</b>		<b>3,122</b>	<b>7,394</b>	<b>3,871</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	11	585	321	727
Borrowings - Current Lease liabilities	12	----	744	884
Provisions - employee benefits and related on-costs	13	1,076	1,045	1,016
Other provisions	14	309	99	----
<b>Total Current Liabilities</b>		<b>1,970</b>	<b>2,209</b>	<b>2,627</b>
<b>Non-current Liabilities</b>				
Borrowings - Non-Current Lease liabilities	12	----	6,077	864
Provisions - employee benefits and related on-costs	13	23	52	33
Other provisions	14	----	300	291
<b>Total Non-Current liabilities</b>		<b>23</b>	<b>6,429</b>	<b>1,188</b>
<b>Total Liabilities</b>		<b>1,993</b>	<b>8,638</b>	<b>3,815</b>
<b>Net Assets</b>		<b>1,129</b>	<b>(1,244)</b>	<b>56</b>
<b>Equity</b>				
Accumulated Funds		1,129	(1,244)	56
<b>Total Equity</b>		<b>1,129</b>	<b>(1,244)</b>	<b>56</b>

The accompanying notes form part of these financial statements.

**Parliamentary Counsel's Office**  
**Statement of Changes in Equity**  
for the year ended 30 June 2022

	Notes	Accumulated Funds \$000	Total \$000
<b>Balance at 1 July 2021</b>		56	56
<b>Net Result for the year</b>		1,072	1,072
<b>Other comprehensive income:</b>			
Net Increase/(Decrease) in Property, Plant & Equipment		----	----
<b>Total other comprehensive income</b>		----	----
<b>Total comprehensive income for the year</b>		1,072	1,072
<b>Balance at 30 June 2022</b>		1,128	1,128

	Notes	Accumulated Funds \$000	Total \$000
<b>Balance at 1 July 2020</b>		(154)	(154)
<b>Net Result for the year</b>		210	210
<b>Other comprehensive income:</b>			
Net Increase/(Decrease) in Property, Plant & Equipment		----	----
<b>Total other comprehensive income</b>		----	----
<b>Total comprehensive income for the year</b>		210	210
<b>Balance at 30 June 2021</b>		56	56

The accompanying notes form part of these financial statements.

**Parliamentary Counsel's Office**  
**Statement of Cash Flows**  
for the year ended 30 June 2022

	Notes	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000
<b>Cash flows from operating activities</b>				
<b>Payments</b>				
Employee related		(7,749)	(8,724)	(9,484)
Finance Costs		(6)	(123)	(129)
Other <sup>(a)</sup>		(1,538)	(724)	(1,100)
<b>Total payments</b>		<b>(9,293)</b>	<b>(9,571)</b>	<b>(10,713)</b>
<b>Receipts</b>				
Recurrent grants from principal department		10,178	10,092	10,624
Capital grants from principal department (excluding equity appropriation)		150	250	250
Reimbursements from the Crown Entity		191	----	589
Sale of goods and services		78	8	47
Other		234	7	215
<b>Total receipts</b>		<b>10,831</b>	<b>10,357</b>	<b>11,725</b>
<b>Net cash flows from operating activities</b>	17	<b>1,538</b>	<b>786</b>	<b>1,012</b>
<b>Cash flows from investing activities</b>				
Purchases of plant and equipment		(21)	(80)	(30)
Purchases of intangible assets		(297)	(758)	(358)
<b>Net cash flow from investing activities</b>		<b>(318)</b>	<b>(838)</b>	<b>(388)</b>
<b>Cash flows from Financing activities</b>				
Payment of principal portion of lease liabilities		(891)	(474)	(733)
<b>Net cash flow from Financing activities</b>		<b>(891)</b>	<b>(474)</b>	<b>(733)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>329</b>	<b>(526)</b>	<b>(109)</b>
Opening cash and cash equivalents		1,215	884	1,324
<b>Closing cash and cash equivalents</b>	6	<b>1,544</b>	<b>358</b>	<b>1,215</b>

<sup>(a)</sup> GST payments and receipts were reported on a net basis in the 2021 Financial Statements. These amounts have been restated for 2021 to reflect gross GST payments and receipts.

The accompanying notes form part of these financial statements.

## 1 Summary of Significant Accounting Policies

### (a) Reporting entity

The Parliamentary Counsel's Office (the Agency) is an executive agency related to the Department of Premier and Cabinet (the principal department). The Agency is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Agency is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2022 have been authorised for issue by the Parliamentary Counsel on 26 September 2022.

### (b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018 (GSF Act)*- and the Government Sector Finance Regulation 2018, and
- Treasurer's Directions issued under the GSF Act.

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 at bank as at 30 June 2022 of \$1,544,000 (2021: \$1,215,000). As at 30 June 2022 the Agency had a net working capital deficit of \$347,000 (2021: \$1,324,000). The Department of Premier and Cabinet and NSW Treasury continue to fund the Agency through the annual budget process.

Plant and equipment and financial assets at fair value through profit or loss and available for sale are measured at fair value. Other financial statement 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) Impact of COVID-19 on Financial Reporting for 2021-22

The effect of Covid-19 on the financial position and performance of the Agency has been considered in the preparation of these financial statements. During the last 24 months the global COVID-19 pandemic heavily influenced the legislative program for NSW which impacted the Agency's drafting commitments significantly. In a rapidly changing public health, social and economic policy context, a significant number of complex and important drafting projects relating to key pandemic issues were delivered by the office to support the Government and front-line agencies in their response to the pandemic, particularly through drafting and publishing of public health orders. In addition, the COVID-19 pandemic has impacted upon the labour market, resulting in some delays in the recruitment of suitably qualified staff. This is reflected in the variances between actual results and the original budget estimates.

### (d) Statement of compliance

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

### (d) 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 Statement of Cash Flow on a gross basis. However, the GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### (f) Comparative information

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



## 1 Summary of Significant Accounting Policies (continued)

### (g) Equity and reserves

#### *Accumulated Funds*

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

### (h) Fair value hierarchy

A number of the Agency's accounting policies and disclosures require the measurement of fair value 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 Agency 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 Agency can access at the measurement
- 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 Agency recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### (i) Superannuation on annual leave loading

The Agency has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period. This position will be re-assessed in future reporting periods as new information comes to light on this matter.

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

#### (i) Effective for the first time in 2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year. The Agency has not applied any accounting standards for the first time in 2021-22.

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

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 22-07):

- AASB 2020-1 *Amendment to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendment to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as current or Non- Current- Deferral of Effective Date*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7a *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7b *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

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

## 2 Expenses Excluding Losses

### (a) Employee-related expenses

	2022	2021
	\$000	\$000
Salaries and wages (including annual leave)	6,793	7,779
Superannuation - defined benefit plans	30	55
Superannuation - defined contribution plans	356	404
Long Service Leave	(566)	(47)
Workers' Compensation Insurance	42	50
Payroll tax and fringe benefits tax	345	391
Agency contractors	202	282
	<b>7,202</b>	<b>8,914</b>

### (b) Other operating expenses

	2022	2021
	\$000	\$000
Auditor's remuneration - audit of financial statements <sup>a)</sup>	14	36
Corporate Services provided through GovConnect	383	394
Fees for services rendered	252	82
Insurance	27	24
Consultants	26	42
Operating lease rental expense, not included in lease liabilities	70	70
Telephone and communication costs	1	3
Stores and minor assets	3	6
Training (staff development)	108	40
Travel costs	----	16
Other occupancy costs	12	19
Information dissemination	8	14
Maintenance	133	193
Other Expenses	93	179
	<b>1,129</b>	<b>1,118</b>
<u>Total maintenance costs</u>		
Maintenance expense - contracted labour and other (non-employee related), as above	<b>133</b>	<b>193</b>
<b>Total maintenance expenses included in Note 2(a) and 2(b)</b>	<b>133</b>	<b>193</b>

a) Total Auditor's remuneration for the audit of 2021-22 financial statements is \$32,600. The variance relates to the amount yet to be incurred.

## Recognition and measurement

### 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.

**2 Expenses Excluding Losses (continued)**

**(c) Depreciation and amortisation expense**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<u>Depreciation</u>		
Plant and equipment	116	138
Right-of-use assets	439	657
<u>Amortisation</u>		
Leasehold improvements	284	284
Intangible assets	94	90
	<b>933</b>	<b>1,169</b>

**(d) Finance costs**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Interest Expense from lease liabilities	7	128
Unwinding of discount rate on make good provision	----	1
	<b>7</b>	<b>129</b>

### 3 Revenue

#### Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*.

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

	2022 \$000	2021 \$000
<b>Recurrent grants from principal department (per Statement of comprehensive income)</b>		
Recurrent grants from principal department	10,178	10,624
<b>Capital grants from principal department</b>		
Total capital drawdowns from principal department (per Statement of comprehensive income)	150	250
<b>Total recurrent and capital grants from principal department</b>	<b>10,328</b>	<b>10,874</b>

The *Appropriation Act 2021 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of \$2.966 billion to the Premier out of the Consolidated Fund for the services of the Department of the Premier and Cabinet for the year 2021-22. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of the Department of the Premier and Cabinet and entities that it is administratively responsible for, including the Parliamentary Counsel's Office.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the Government Sector Finance Act 2018, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of the Parliamentary Counsel's Office for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of the Department of the Premier and Cabinet. It has been prepared on the basis of aggregating the spending authorities of both the Premier for the services of the Department of the Premier and Cabinet and the responsible Ministers for the services of the entities the Department of the Premier and Cabinet is administratively responsible for that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The Parliamentary Counsel's Office's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for financial year 2021-22 and financial year 2020-21, authorising officers of the Parliamentary Counsel's Office to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Parliamentary Counsel's Office. However, as it relates to expenditure in reliance on a sum appropriated through an annual *Appropriations Act*, the delegation/sub-delegations are referable to the overall authority to spend set out in the relevant *Appropriations Act*. The individual transaction limits have been properly observed. The information in relation to the limit from the *Appropriations Act* is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Department of the Premier and Cabinet.

#### (b) Sale of goods and services

	2022 \$000	2021 \$000
Revenue from drafting services	72	66
	<b>72</b>	<b>66</b>

#### Recognition and measurement

##### Rendering of services

Revenue from rendering of services is recognised when the Agency satisfies the performance obligation by transferring the promised services. Payments are typically due 30 days from an invoice being raised.

### 3 Revenue (continued)

#### (c) Acceptance by the Crown of employee benefits and other liabilities

	2022 \$000	2021 \$000
Superannuation - defined benefit	28	53
Long service leave	(492)	(17)
Payroll tax on superannuation	1	2
	<b>(463)</b>	<b>38</b>

### 4 Gain / (loss) on disposal

	2022 \$000	2021 \$000
Proceeds from Disposal	----	----
Written down value of asset disposed	(2)	(1)
	<b>(2)</b>	<b>(1)</b>

### 5 Other gains / (losses)

	2022 \$000	2021 \$000
Gain / (loss) from movement in provision for restoration costs	(18)	9
Impairment of Right of use asset (refer Note 9)	----	554
Derecognition of right-of-use assets and lease liabilities with Property NSW*	426	----
	<b>408</b>	<b>563</b>

\* The net gains/(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022. Refer Note 9 for further details on the derecognition.

The net gain/(loss) from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	2022 \$000
<b>Right-of-use asset</b>	
Gross carrying value	2,430
Less: accumulated depreciation and accumulated impairment provision	(1,999)
Net book value	431
<b>Amortised balance of incentives received</b>	0
<b>Lease Liability</b>	857
<b>Net Gains / (Losses)</b>	<b>426</b>

### Recognition and measurement

Impairment losses may arise on non-financial assets held by the Agency from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Receivables - Note 7
- Property, plant and equipment - Note 8
- Leases - Note 9
- Intangible Assets - Note 10



**6 Current Assets - Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank and on hand	1,544	1,215
	<b>1,544</b>	<b>1,215</b>

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

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

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents (per statement of financial position)	1,544	1,215
<b>Closing cash and cash equivalents (per statement of cash flows)</b>	<b>1,544</b>	<b>1,215</b>

Refer Note 18 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

**7 Current Assets - Receivables**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Sale of goods and services	2	1
Goods and Services Tax recoverable from ATO	38	36
Accrued income	21	29
Prepayments	18	22
	<b>79</b>	<b>88</b>

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

**Recognition and measurement**

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

**Subsequent measurement**

The Agency holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

**Impairment**

The Agency recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Agency expects to receive, discounted at the original effective interest rate. For trade receivables, the Agency applies a simplified approach in calculating ECLs. The Agency recognises a loss allowance based on lifetime ECLs at each reporting date. The Agency has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

## 8 Property, plant and equipment

	Plant and Equipment \$000	Total \$000
<b>At 1 July 2021 - fair value</b>		
Gross carrying amount	2,492	2,492
Accumulated depreciation and impairment	(1,449)	(1,449)
<b>Net carrying amount</b>	<b>1,043</b>	<b>1,043</b>
<b>At 30 June 2022 - fair value</b>		
Gross carrying amount	2,509	2,509
Accumulated depreciation and impairment	(1,847)	(1,847)
<b>Net carrying amount</b>	<b>662</b>	<b>662</b>
<b>Reconciliation</b>		
<b><u>Year ended 30 June 2022</u></b>		
Net carrying amount at start of year	1,043	1,043
Additions	21	21
Disposals	(2)	(2)
Depreciation on assets disposed off (added back)	----	----
Depreciation and amortisation expense	(400)	(400)
<b>Net carrying amount at end of year</b>	<b>662</b>	<b>662</b>
<b><u>At 1 July 2020 - fair value</u></b>		
Gross carrying amount	2,527	2,527
Accumulated depreciation and impairment	(1,090)	(1,090)
<b>Net carrying amount</b>	<b>1,437</b>	<b>1,437</b>
<b><u>At 30 June 2021 - fair value</u></b>		
Gross carrying amount	2,492	2,492
Accumulated depreciation and impairment	(1,449)	(1,449)
<b>Net carrying amount</b>	<b>1,043</b>	<b>1,043</b>
<b>Reconciliation</b>		
<b><u>Year ended 30 June 2021</u></b>		
Net carrying amount at start of year	1,437	1,437
Additions	30	30
Disposals	----	----
Depreciation on assets disposed off (added back)	(1)	(1)
Depreciation and amortisation expense	(423)	(423)
<b>Net carrying amount at end of year</b>	<b>1,043</b>	<b>1,043</b>

## 8 Property, plant and equipment (continued)

### Recognition and measurement

#### Acquisitions of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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. the deferred payment amount is effectively discounted over the period of credit.

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

The following depreciation rates have been adopted:

Category of Assets	Depreciation Rates (2020-21)	Depreciation Rates (2021-22)
<i>Plant and equipment</i>		
Office furniture and fittings	10%	10%
Computer equipment	25%	25%
General plant and equipment	14%	14%
Leasehold improvements	over the period of the remaining lease	over the period of the remaining lease
Right of use leases asset	over the period of the remaining lease	over the period of the remaining lease
<i>Amortisation of intangible assets</i>		
Software	25% except for: LEGIS - 14.29% LEGIS Website - 14.29%	25% except for: LEGIS - 14.29% LEGIS Website - 14.29%

## **8 Property, plant and equipment (continued)**

### **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 21-09). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The Agency has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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.

### **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. However, the right-of-use assets are subject to impairment. The Agency assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Agency estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. As a not-for-profit entity, the Agency recognises an impairment loss in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

## 9 Leases

The Agency has only one lease contract in place, for its current office premises at 60-70 Elizabeth Street Sydney. The lease contract is for 6 years and finishes on 1 June 2023. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Agency does not provide residual value guarantees in relation to leases.

During the financial year ended 30 June 2022, the Agency has accepted the changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the "substitution right" clause for PNSW to relocate the Agency during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in "Other Gains/(Losses) (refer to Note 5). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

### i) Right-of-use assets

Prior to the changes in the office accommodation arrangements with PNSW, the Agency recognised right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Agency assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Agency estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

### ii) Lease liabilities

Prior to the changes in the office accommodation arrangements with PNSW, the Agency recognised lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Agency; and
- payments of penalties for terminating the lease, if the lease term reflects the Agency exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Agency's leases, the lessee's incremental borrowing rate is used, and is the rate that the Agency would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



## 9 Leases (continued)

### Right-of-use assets under leases

The following table presents right-of-use assets that are shown in the statement of financial position.

	Right-of-use asset \$000	Total \$000
<b>Balance at 1 July 2021</b>		
Gross carrying amount	870	870
Depreciation Expense	(439)	(439)
Derecognition of right-of-use-asset	(431)	(431)
<b>Balance at 30 June 2022</b>	<b>-----</b>	<b>-----</b>
<b>Balance at 1 July 2020</b>		
Gross carrying amount	6,789	6,789
Remeasurement during the year	(5,816)	(5,816)
Depreciation Expense	(657)	(657)
Impairment gain as at 30 June 2021	554	554
<b>Balance at 30 June 2021</b>	<b>870</b>	<b>870</b>

### Lease liabilities

The following table presents liabilities under leases:

	2022 \$000	2021 \$000
<b>Balance at 1 July 2021</b>		
Remeasurement during the year	1,748	8,297
Interest expenses	-----	(5,816)
Payments	7	128
Derecognition of lease liabilities	(898)	(861)
	(857)	-----
<b>Balance at 30 June 2022</b>	<b>-----</b>	<b>1,748</b>

The following amounts were recognised in the Statement of Comprehensive income for the year ended 30 June 2022 in respect of leases where the Agency is the lessee:

	2022 \$000	2021 \$000
Depreciation expense of right-of-use assets	439	657
Interest Expenses on lease liabilities	7	128
Variable lease payments, not included in the measurement of lease liabilities	70	70
Impairment of right-of-use asset	-----	(554)
Gains or losses arising from derecognising the right-of-use assets and lease liabilities with Property NSW	(426)	-----
<b>Total amount recognised in the Statement of Comprehensive income</b>	<b>90</b>	<b>301</b>

The Agency had total cash outflows for leases of \$897k as of 30 June 2022 (FY 2020-21:\$931k)

## 10 Intangible assets

	Software at cost \$000	Total \$000
<b>At 1 July 2021</b>		
Cost (gross carrying amount)	971	971
Accumulated amortisation and impairment	(316)	(316)
<b>Net carrying amount</b>	<b>655</b>	<b>655</b>
<b>At 30 June 2022</b>		
Cost (gross carrying amount)	1,246	1,246
Accumulated amortisation and impairment	(409)	(409)
<b>Net carrying amount</b>	<b>837</b>	<b>837</b>
<b>Year ended 30 June 2022</b>		
Net carrying amount at start of year	655	655
Additions	275	275
Amortisation (recognised in "Depreciation and amortisation")	(94)	(94)
<b>Net carrying amount at end of year</b>	<b>837</b>	<b>837</b>
<b>At 1 July 2020 - fair value</b>		
Cost (gross carrying amount)	1,111	1,111
Accumulated amortisation and impairment	(724)	(724)
<b>Net carrying amount</b>	<b>387</b>	<b>387</b>
<b>At 30 June 2021 - fair value</b>		
Cost (gross carrying amount)	971	971
Accumulated amortisation and impairment	(316)	(316)
<b>Net carrying amount</b>	<b>655</b>	<b>655</b>
<b>Year ended 30 June 2021</b>		
Net carrying amount at start of year	387	387
Additions	358	358
Amortisation (recognised in "Depreciation and amortisation")	(90)	(90)
<b>Net carrying amount at end of year</b>	<b>655</b>	<b>655</b>

### Recognition and measurement

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 is met.

The useful lives of intangible assets are assessed to be finite. The Agency's intangible assets are amortised using the straight line method over a period of 4 to 7 years.

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.

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 the recoverable amount and the reduction is recognised as an impairment loss.

### 11 Current Liabilities - Payables

	2022	2021
	\$000	\$000
Accrued salaries, wages and on-costs	140	123
Creditors	445	604
	<b>585</b>	<b>727</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 18.

#### Recognition and measurement

Payables represent liabilities for goods and services provided to the Agency and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

### 12 Current / Non-Current Liabilities - Borrowings

	2022	2021
	\$000	\$000
Current Lease Liability	0	884
Non-Current Lease Liability	0	864
	-----	<b>1,748</b>

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 18.

#### Recognition and measurement

The Agency's lease liabilities for 2021 include borrowings. Refer to Note 9 for further information on the lease liabilities derecognised as a result of changes in the office accommodation arrangements with PNSW.

### 13 Current / Non-Current Liabilities - Employee benefits and related on-costs

	2022	2021
	\$000	\$000
<b>Current Provisions</b>		
Annual leave including on-costs	754	620
Long service leave including on-costs	153	220
Payroll Tax	169	176
<b>Current Employee benefits and related on-cost provisions</b>	<b>1,076</b>	<b>1,016</b>
<b>Non-Current provisions</b>		
Long service leave including on-costs	15	22
Payroll Tax	8	11
<b>Non-Current employee benefits and related on-cost provisions</b>	<b>23</b>	<b>33</b>
<b>Total provisions</b>	<b>1,099</b>	<b>1,049</b>
	2022	2021
	\$000	\$000
<b>Aggregate employee benefits and related on-costs</b>		
Provisions - current	1,076	1,016
Provisions - non-current	23	33
Accrued salaries, wages and on-costs (Note 11)	140	123
	<b>1,239</b>	<b>1,172</b>

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-costs.

Based on annual leave provision data showing 7 employees with more than 30 days annual leave as at 30 June 2022, it is estimated that \$41k of the accrued annual leave with associated on-costs would be settled after the next 12 months.

#### Recognition and measurement

##### Employee benefits and other provisions

##### **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 amount 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 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Agency has assessed the actuarial advice based on the Agency'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.

##### **Long service leave and superannuation**

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. 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 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 21-03) 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.

### 13 Current / Non-Current Liabilities - Employee benefits and related on-costs (continued)

#### Recognition and measurement (continued)

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

##### Long service leave and superannuation

During financial year 2021-22 the actuarial review of the Agency's long service leave provision provided a negative adjustment of \$597,000 to the present value of long service leave. This resulted in the Agency having a negative balance in long service leave expense, with a corresponding reduction in Crown accepted revenue.

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.

##### 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.

### 14 Current / Non-Current Liabilities - Other provisions

	2022 \$000	2021 \$000
<b>Other provisions - Current</b>		
Restoration costs	309	----
<b>Total current provisions</b>	<b>309</b>	<b>----</b>
<b>Other provisions - Non-Current</b>		
Restoration costs	----	291
<b>Total Non-Current provisions</b>	<b>----</b>	<b>291</b>
<b>Total provisions</b>	<b>309</b>	<b>291</b>

#### 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:

	2022 \$000	2021 \$000
<b>Provision for restoration costs</b>		
<b>Carrying amount at the beginning of financial year</b>	291	299
Write back provision on 60 Elizabeth Street	18	(9)
Additional provisions recognised for 60 Elizabeth Street	----	1
<b>Carrying amount at the end of financial year</b>	<b>309</b>	<b>291</b>

#### Recognition and measurement (continued)

##### Other provisions

Other provisions exist when the Agency 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 Agency has a detailed formal plan and the Agency 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 2.38% (2021: 0.06%), 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.

## **15 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.

## **16 Budget Review**

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.

### **Net Result:**

The net result is a gain of \$1,072,000 against a budgeted deficit of \$665,000. This improvement is primarily a result of lower than expected employee-related expenses throughout the year, reduced depreciation and amortisation expenses, and the gain resulting from the disposal of the right of use asset and associated lease liabilities on 30 June 2022.

Employee-related expenses are \$1.9 million lower than originally budgeted. A significant amount of this variance reflects the revaluation of the Agency's long service leave liabilities by the Crown Entity, which resulted in a reduction in employee-related expenses of \$597,000 against a budgeted increase in expenses. Ongoing challenges in filling several positions across the Agency in key drafting and corporate services positions have also contributed to the underspend in employee-related expenses, reflecting tight labour-market conditions. The lower depreciation and amortisation expenses against the original budget reflects the impact of management's reassessment of the office lease extension in late 2020-21 and the delay in commencement (and therefore depreciation) of a self-funded capital project to update key software used in the production and management of legislation.

Higher than budgeted operating costs reflect higher costs across a range of operational areas including one-off records' management costs, additional IT maintenance costs associated with specialised software, and several smaller discreet projects undertaken to enhance corporate planning.

### **Assets and liabilities:**

The PCO's current assets are \$1,623,000 against a budget of \$546,000. A significant proportion of this is reserved to complete the self-funded capital project to update key software that was approved in October 2020. Treasury have approved a carry forward of \$469,000 to complete this and undertake other minor capital works that were delayed in the 2021-22 year due to resourcing issues and other disruptions caused by COVID-19.

Total assets are \$3,123,000 against a budget of \$7,394,000. This variance is largely due to the inclusion in the original budgeted estimates of the right of use asset for PCO's lease, which was revalued too late to be updated in the 2021-22 budget estimates, and has now been disposed of as outlined in Note 9.

### **Cash flows:**

Net cash flows from operating activities is a surplus of \$1,538,000 against a budgeted surplus of \$786,000. This is largely a result of lower than budgeted employee-related expenditure as outlined above. Total payments and total receipts from operating activities have been restated for the 2021 year to reflect gross payments and refunds of GST.

The cash outflow from investing activities is \$318,000 against a budget of \$838,000, primarily reflecting the delay in the commencement of the self-funded capital project as outlined above.



## 17 Reconciliation of Cash Flows From Operating Activities to Net Result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income is as follows:

	2022	2021
	\$000	\$000
Net cash used on operating activities	1,538	1,012
Depreciation and amortisation	(933)	(1,169)
Allowance for Impairment	-----	554
Finance Costs	-----	(1)
Decrease/(increase) in provisions	(66)	86
Increase/(decrease) in receivables	(10)	(18)
(Increase)/decrease in creditors	120	(262)
Gain /(loss) on disposal	(2)	8
Other gain/(loss)	426	-----
<b>Net result<sup>a)</sup></b>	<b>1,072</b>	<b>210</b>

a) Total does not add due to rounding

## 18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Department determines the classification of its financial assets and liabilities at initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

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 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

Class	Note	Category	Carrying Amount	
			2022	2021
Financial Assets			\$000	\$000
Cash and cash equivalents	6	Amortised cost	1,544	1,215
Receivables <sup>1</sup>	7	Amortised cost	23	30

Class	Note	Category	Carrying Amount	
			2022	2021
Financial Liabilities			\$000	\$000
Payables <sup>2</sup>	11	Financial liabilities measured at amortised cost	557	695
Borrowings	12	Financial liabilities measured at amortised cost	0	1,748

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)

## 18 Financial Instruments (continued)

### (b) Credit Risk

Credit risk arises when there is a 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 that are known to be uncollectible are written off. The expected loss rates are based on historical observed loss rates.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 180 days past due

The Agency applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance for trade debtors as at 30 June 2022 and 30 June 2021 was determined as follows:

	30 June 2022					Total
	\$000					
	Current	<30 days	30-60 days	61-90 days	>91Days	
Expected credit loss rate	0%	0%	0%	0%	0.0%	0%
Estimated total gross carrying amount	0	0	0	0	2	2
Expected credit loss	0	0	0	0	0	0

	30 June 2021					Total
	\$000					
		<30 days	30-60 days	61-90 days	>91Days	
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount	----	----	----	----	1	1
Expected credit loss	0	0	0	0	0	0

Note: The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore the "total" will not reconcile to the receivables total in Note 7.

The Agency is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2022 and 30 June 2021. Most of the Agency's debtors have a AAA credit rating.

## 18 Financial Instruments (continued)

### (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 (that 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. However, as part of the Government's COVID-19 response, all suppliers are temporarily being paid immediately on receipt of a correctly rendered invoice. 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 (2021: Nil).

The table below summarises the maturity profile of the Agency'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
<b>2022</b>								
Payables:								
Accrued salaries, wages and on-costs		117	----	----	117	117	----	----
Creditors		440	----	----	440	440	----	----
Borrowings:								
Lease liabilities	0.51%	----	----	----	----	----	----	----
<b>Total</b>		<b>557</b>	<b>----</b>	<b>----</b>	<b>557</b>	<b>557</b>	<b>----</b>	<b>----</b>
<b>2021</b>								
Payables:								
Accrued salaries, wages and on-costs		94	----	----	94	94	----	----
Creditors		601	----	----	601	601	----	----
Borrowings:								
Lease liabilities	0.51%	1,751	----	----	----	820	931	----
<b>Total</b>		<b>2,446</b>	<b>----</b>	<b>----</b>	<b>695</b>	<b>1,515</b>	<b>931</b>	<b>----</b>

Notes: The amount disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Agency can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amount disclosed in the statement of financial position.

## 18 Financial Instruments (continued)

### (d) Market risk

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

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

### Interest rate risk

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

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

Consolidated	Carrying Amount	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2022</b>					
Financial assets:					
Cash and cash equivalents	1,544	(15)	(15)	15	15
Receivables	23	0	0	0	0
Financial liabilities:					
Payables	557	6	6	(6)	(6)
Borrowings	0	0	0	0	0
<b>2021</b>					
Financial assets:					
Cash and cash equivalents	1,215	(12)	(12)	12	12
Receivables	30	0	0	0	0
Financial liabilities:					
Payables	695	7	7	(7)	(7)
Borrowings	1,751	18	18	(18)	(18)

### (e) Fair value measurement

#### 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.

### 19 Related Party Disclosures

The Agency's key management personnel compensation is as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Salaries	472	457
Other long-term employee benefits	21	18
<b>Total remuneration</b>	<b>493</b>	<b>475</b>

During the year, the Agency did not enter into any transactions with the key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, no key management personnel services were provided by a separate management entity.

### 20 Events After the Reporting Period

The Agency is not aware of any events after the reporting period which would have a material impact on these financial statements.

**End of audited financial statements**