

*Report of the*

*Parliamentary Counsel Office  
Te Tari Tohutohu Pāremata*

*for the year ended  
30 June 2003*

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*The Attorney-General*

*I am pleased to present to you the Report of the Parliamentary  
Counsel Office for the year ended 30 June 2003.*

A handwritten signature in blue ink, appearing to read 'G. Tanner', written in a cursive style.

*George Tanner, QC  
Chief Parliamentary Counsel*

## INTRODUCTION



This is the report for the Parliamentary Counsel Office (PCO) for the 2002/03 year. The report is in 3 sections. The first section contains a brief description of the work of the PCO. It also addresses the significant issues for the Office in the year under review. The second section reports on the performance of the PCO against the Strategic Result Areas identified in the PCO's Business Plan for the year. The third section contains the audited financial statements and auditor's report for the 2002/03 year.

### *Role of the PCO*

The Statement of Intent for the PCO for the 2003/04 year describes the outcome of the Office as contributing to parliamentary democracy under the rule of law by supporting Parliament and the Executive in their law-making roles and contributing to the Government's objectives by—

- drafting changes in the law that are necessary to implement Government policies
- making the law accessible to the public.

The PCO is a statutory office of Parliament. It carries out 2 principal statutory functions. These functions are reflected in the PCO's output classes: Law Drafting Services and Access to Legislation. Under the output class Law Drafting Services, the PCO drafts Government Bills for introduction into Parliament and drafts amendments to Bills during their passage through Parliament. The PCO drafts some Members' Bills at the direction of the Attorney-General in cases where there is a high probability that the Bill will receive sufficient support in Parliament to become law. The PCO also provides legislative drafting advice to the promoters of Private Bills and Local Bills.

*... contributing to parliamentary democracy under the rule of law by supporting Parliament and the Executive in their law-making roles ...*

The PCO drafts the Statutory Regulations made by the Governor-General by Order in Council. It also drafts other executive legislation made by Ministers of the Crown and others under powers delegated by statute.

Under the output class Access to Legislation, the PCO publishes in printed form official versions of Acts of Parliament, Statutory Regulations, and reprints of Acts of Parliament and some Statutory Regulations. The PCO also publishes and supplies printed copies of Bills and Supplementary Order Papers (SOPs) to the House. The PCO makes this material available for public sale and on subscription. It also provides, through an arrangement with a commercial publisher, access to up-to-date unofficial versions of legislation free via the Internet.

The legislative framework for the PCO is described in more detail in the Appendices to this report.

The PCO has a mission statement and a vision statement. The PCO produced an annual Business Plan for the year under review. It also produced a Departmental Forecast Report for

the 2002/03 year. The operations of the PCO are reported against the Business Plan and the Departmental Forecast Report. For the 2003/04 year and subsequent years, the PCO is required to have a Statement of Intent. The Statement of Intent amalgamates into a single document the Business Plan and the former Departmental Forecast Report. The Business Plan component covers a 3-year horizon. Subsequent reports will evaluate the work of the PCO against this single planning document. The mission and vision statements are set out in the Appendices to this report.

Matters of particular significance in the year under review were as follows:

- The number of Acts, Bills, and Statutory Regulations drafted was in line with expectations. The total number of pages of Acts passed (2 779) was the third highest for any year. The PCO drafted over 6 000 pages of published legislation.
- The PCO received additional funding in Output Class 1 to enable it to maintain and enhance its drafting capability and to improve the professional development of staff.
- The implementation of the Public Access to Legislation (PAL) Project continued. A Prepublication Unit and a Reprints Unit were established. At the end of the year under review, the PAL Project faced commercial and technical issues that were being addressed.
- An interim website of up-to-date legislation was made available free via the Internet under an arrangement with a private sector legal publisher, Brookers. This is not an official version. It is the first time access to up-to-date electronic legislation has been made publicly available free in New Zealand. It is updated monthly. The number of visitors to the website has steadily increased to reach 101 000 per month in June 2003, reflecting the level of public response to the facility.
- The PCO took over responsibility from the Office of the Clerk for legislative printing, including printing Bills for introduction and subsequent versions of Bills amended during their passage in Parliament.

*An interim website of up-to-date legislation was made available free via the Internet ...*

### ***Drafting Bills on the Government's legislation programme***

At the end of each calendar year, the Government seeks submissions from Ministers and their departments to include Bills in the legislation programme for the next year. Those submissions, or "bids", are then allocated a priority on the Government's legislation programme by Cabinet in accordance with 5 categories. Those categories are—

- 1 Bills that must be passed as a matter of law
- 2 Bills that must be passed
- 3 Bills to be passed if possible
- 4 Bills to proceed to a select committee
- 5 Bills for which instructions are to be provided to the Parliamentary Counsel Office.

The legislation programme determines the priority accorded by the PCO to the drafting of Government Bills. It also assists departments in allocating resources to the development of the policy to which Bills will ultimately give effect. Bills in Category 1 are those that must be passed to ensure continuity of supply (such as the Annual Appropriation and Imprest Supply Bills and the Bill that prescribes the annual rates of income tax) and those confirming or validating important delegated legislation that would otherwise lapse. Bills in Category 2 are those that the Government requires to be drafted and passed for legal or other reasons that reflect the importance the Government attaches to the implementation of particular policies. Bills are included in Category 3 also as a measure of their significance. Bills in the remaining categories have lesser significance and will be drafted subject to the drafting of Bills with higher priorities.

The PCO drafts all Bills in Category 1 and as many Category 2 and 3 Bills for which it receives instructions. The drafting of Bills in Categories 4 and 5 is dependent on the PCO receiving instructions from departments and on the time and resources available.

The legislation programme changes constantly during the year. Bills are added to the programme to deal with new political or legal issues that arise. The proportion of new Bills added to a legislation programme can be significant: in 1997 it was 50%, and in 1999 it was 30%. The Weathertight Homes Resolution Services Bill is a particular example that illustrates the point. The Bill was drafted, introduced, and enacted in 2002 in response to a crisis in the residential home building industry. It is not unusual for work on a particular Bill to be suspended in order to draft a Bill that is given a high priority by the Government. The PCO, like the legislative drafting offices in other countries, has to be sufficiently well resourced to be able to draft not just the Bills on the legislation programme at the beginning of the year, but also those Bills that get added to the programme with high priorities. The resourcing of the PCO is discussed later in this report.

### *The drafting of delegated legislation*

*Previous reports have tended to say little about delegated legislation.*

Previous reports have tended to say little about delegated legislation. Most of the focus has been on the drafting of Bills. The PCO estimates that about 60% of its drafting resources is committed to the drafting of primary legislation, that is, Bills that become Acts of Parliament, and that about 40% of its resources is applied to the drafting of delegated legislation, principally Statutory Regulations.

Unlike the legislation programme for Bills, there is no equivalent programme for Statutory Regulations. The PCO is, however, able to anticipate to some extent the requirements that will be placed on it to draft Statutory Regulations through liaison with departments and with the knowledge it has of requirements and patterns in previous years.

Delegated legislation, or executive legislation as it is sometimes called, is an important part of most legislative regimes. Few statutes do not provide for the making of Statutory Regulations

or some other form of delegated legislation. Statutory Regulations are the principal form of delegated legislation. They are, in most cases, made by the Governor-General by Order in Council following consideration by Cabinet. Some instruments are Statutory Regulations even though they are not described as such and are made by another person or body. Examples include certain notices given by Ministers of the Crown, exemptions under the Securities Act 1978 granted by the Securities Commission and exemptions under the Takeovers Act 1993 granted by the Takeovers Panel, Orders in Council that bring Acts of Parliament into force, and rules of court. The PCO drafts all Statutory Regulations that are published in the annual Statutory Regulations series. It expects to draft between 300 and 400 Statutory Regulations in a calendar year. As the Table on page 66 indicates, that number has been exceeded in recent years. This number of Statutory Regulations does not represent an attempt by the Government to use delegated legislation to provide legislative solutions to issues that it is unable to have dealt with by statute law but rather, the number reflects the increasing complexity of modern society where the range of matters for which legislation in some form is required is constantly increasing.

Acts of Parliament deal with matters of higher policy, including significant changes to existing policy, and matters that materially impact on individual rights and liberties. Statutory Regulations typically deal with the detailed implementation of the policy contained in statutes. That is not always the case. Some statutes contain very wide regulation-making powers.

In general, Statutory Regulations tend to be uncontroversial and do not attract the high level of public attention that many Bills do. Nevertheless, delegated legislation can have a more direct impact on the citizen than the statute under which it is made. It is often difficult for the framers and drafters of legislation to draw the boundary between primary and delegated legislation. Statutory Regulations are not subject to parliamentary and public scrutiny before they are made in the same way that Bills are. They are essentially the work of the executive branch of government.

Statutory Regulations are, however, subject to scrutiny by the Regulations Review Committee of Parliament. The committee reviews all Statutory Regulations and considers complaints about them from the public. The Committee may draw the attention of the House to Statutory Regulations that are considered to breach any of the grounds stated in Standing Order 382. Statutory Regulations are also subject to disallowance under the Regulations (Disallowance) Act 1989. These are powerful safeguards. The courts provide another important safeguard on the exercise of delegated law-making power. Delegated legislation may be struck down by the courts on a number of grounds.

As with primary legislation, delegated legislation is based on sound legal principles, consistent with the New Zealand Bill of Rights, effective, and accessible. For these reasons, Statutory Regulations are drafted by the PCO with the same degree of professional skill and care required for primary legislation.

*Statutory Regulations typically deal with the detailed implementation of the policy contained in statutes.*



The commencement of a new Act of Parliament may require the drafting of several different sets of Statutory Regulations.

The drafting of Statutory Regulations may take place over a number of years. The Family Courts Rules 2002 took 5 years to draft, and involved up to 5 drafters.

*Delegated legislation deals with as wide a range of subjects as primary legislation does.*

Delegated legislation deals with as wide a range of subjects as primary legislation does. Some is comparatively minor, such as prescribing fees and forms. Other delegated legislation deals with important matters, such as rules governing foreign investment, immigration, securities trading, and measures to give effect to resolutions of the United Nations Security Council under the United Nations Act 1946 that require the imposition of sanctions and related measures.

The drafting of the rules of procedure for New Zealand's courts is undertaken by the PCO. The High Court Rules were enacted as a schedule of the Judicature Act 1908. They were drafted by a former Chief Parliamentary Counsel, Walter Iles, CMG, QC. Under section 51C of the Judicature Act 1908, amendments to the High Court Rules are made by the Governor-General by Order in Council with the concurrence of the Chief Justice and 2 other members of the Rules Committee, of whom at least 1 is a High Court Judge. The rules that govern the civil and criminal procedure of the Court of Appeal are made in the same manner as for the High Court Rules and there is a similar procedure for the rules that apply in the District Courts.

The Rules Committee is chaired by a High Court Judge, and includes among its members the Chief Justice, High Court and District Court Judges, the Solicitor-General, senior legal practitioners, and a representative of the Department for Courts. The Chief Parliamentary Counsel is not a member of the Rules Committee, but attends its regular meetings along with other counsel. Rule changes deal with all aspects of the practice and procedure of the Court of Appeal, the High Court, and the District Courts.

In the year under review, new rules were made for the High Court and District Courts relating to the payment of disbursements in court proceedings, the representation of incapacitated persons, and the discontinuance of proceedings. At the same time, substantial work has been done on revising the rules applying in the High Court relating to the discovery of documents, interlocutory proceedings, and appeals to the High Court from District Courts and tribunals, and incorporating much of the current case management practice direction into the rules.

The drafting of these rules may be regarded by some as specialised and possibly arcane. It is, however, important work in assisting in improving access to justice and the efficient operation of the courts. The PCO drafts the rules for other courts, including the Family Courts Rules 2002, the Employment Court Regulations 2000, and the Maori Land Court Rules 1994.

The Table on pages 17 to 26 lists some of the significant Statutory Regulations drafted by the PCO in the period under review.

*The impact of the Public Access to Legislation (PAL) Project*

The Public Access to Legislation (PAL) Project aims to integrate systems and processes for the drafting of legislation as well as the publication of legislation in both printed and electronic form. An important outcome of the project is for the Crown to own and maintain an electronic database of legislation that is made publicly available free via the Internet.

Stage 1 of the project involved initial scoping, identification of user requirements and functional specifications, and product selection. Stage 1 was completed in December 2001. Work on Stage 2 of the project commenced in April 2002. The PCO entered into a contract with Unisys New Zealand for the implementation of both stages of the project.

The PAL Project has again placed significant demands on the PCO during the course of the year. These demands were exacerbated when the new PAL systems were not able to be commissioned on the planned go-live date of 17 February 2003. The work undertaken on the project, and the consequences of the delays in the project, are described in more detail in the section of this report dealing with Strategic Result Area 2 (Ready Access to New Zealand Legislation).

While the early part of the project principally involved the PAL Project team, the later stages of the project have impacted on the whole office. This is particularly true of the effort required to gear up for the planned go-live date. A number of drafting and support staff were involved in testing work in the second half of 2002 and early 2003, and all drafting and support staff were trained in the new systems in December 2002 and January 2003.

The contribution required from staff has been particularly challenging because of the need to balance the demands of the PAL Project with the need to maintain business as usual. It was originally planned to take advantage of the anticipated slowdown in legislative output during the 2002 election period. Detailed planning for Stage 2, therefore, proceeded on the assumption that the general election would be held towards the end of the last Parliament, in October/November 2002, thus making resources available over that period for user acceptance testing of the new systems, the training of drafters and support staff, and the migration of work in progress (including Bills before the House) into the new systems.

The holding of an early general election on 27 July 2002 meant that the implementation of the Government's post-election legislation programme in the latter half of 2002 made heavy demands on PCO drafters and support staff, and Office of the Clerk staff, particularly in the lead-up to Christmas.

Pressures were also placed on drafting resources as a result of the secondment of a PCO drafter to work full-time on the development of user acceptance testing scripts and to manage user acceptance testing. The recruitment of 2 members of the Information Services Team to head the Prepublication Unit and the Reprints Unit placed additional demands on support services. The need to respond to queries and comments arising out of the availability of the interim website of legislation, and increased interest in the legislative process and the work of the PCO, has added to those demands.

*The PAL Project has again placed significant demands on the PCO during the course of the year.*

The consequences of the delay in the completion of the PAL Project have also been significant and given rise to much additional work. This work has included—

- reporting to Ministers and liaising with officials in the central agencies
- dealing with significant contractual, legal, financial, and technical issues
- assisting with an independent evaluation of the project plan
- reassigning staff engaged to work in particular areas to other areas of work
- arranging for an independent technical review
- putting in place alternative interim arrangements for prepublication and the provision of electronic access to legislation
- managing relationships with legal publishers and others affected by the project delay
- providing appropriate public information about the project delay and responding to media inquiries.

While it may be said that these are matters that can inevitably be expected to arise when a major or complex information technology (IT) project encounters difficulties, it is nevertheless the case that they have increased the workload of key staff who are already carrying significant project and other responsibilities. An additional consequence of the project delay is that these staff members will have to spend a longer period away from their normal work as drafters, information systems specialists, or other respective roles.

*Efficient access to legislation is an important component of the basic infrastructure of a modern society.*

Efficient access to legislation is an important component of the basic infrastructure of a modern society. Significant improvements in the provision of timely public access to up-to-date legislation in both printed and electronic form cannot be achieved without harnessing modern technology in the drafting, publishing, and reprinting processes. In doing so, New Zealand is moving in the same direction as a number of other countries.

### **Resourcing issues**

Recruiting and retaining well-qualified lawyers with an interest in, and aptitude for, legislative drafting has been identified as a critical issue for the PCO in successive annual reports, Budget Estimates documents, and in answers to select committee estimates and financial review examination questions. It is difficult, if not impossible, to match resources to demand in a scientific way. Priorities and timetables change constantly. Governments that have ambitious legislation programmes inevitably place substantial demands on their law drafters. Demand for the drafting of Bills can, despite having a legislation programme, be unpredictable. The work involved in drafting a particular Bill or set of Statutory Regulations is affected by a number of factors. These include—

- the adequacy of the instructions
- an acceleration in a timetable

- having to deal with policy changes during the drafting process
- the need to address Bill of Rights issues
- the extent of changes made during the select committee and committee stages.

The PCO has 25 drafters. At the time of writing this report, 3 drafters are on parental leave, 1 drafter is on full-time secondment to the PAL Project, and 1 drafter is on special leave. Combined with the resignation of a drafter in February 2003, this represents a reduction in the office's capacity of about one quarter. That places an unacceptable degree of pressure on available drafting staff. The problem is exacerbated if a team of 3, 4, or 5 drafters has to be assigned to the drafting of a large and complex Bill, like the Local Government Bill, in order to meet the Government's timetable.

There can be downstream consequences. There is a risk that the internal quality assurance and peer review processes will be compromised. The drafting of other Bills or Statutory Regulations has to be suspended, with the result that they do not progress according to their original timetables, even though they may be well advanced. This can be frustrating for Ministers and departments. Most organisations would regard a reduction of around one quarter of their capability as unacceptable.

*There is a risk that the internal quality assurance and peer review processes will be compromised.*

The PCO has to be properly resourced to be able to cope with reductions in its staffing levels, for whatever reasons. Vacancies in the drafting staff cannot be filled by making temporary appointments. Legislative drafting is specialised legal work. While it may be possible to engage former drafters to work on particular projects, it is an expensive option, there are few of them, and it is dependent on their other commitments. The solution is to have a sufficient number of drafters and support staff so that the PCO can continue to meet demand, even if this means at times having excess capacity.

There has been an increase in appropriation for Output Class 1 (Law Drafting Services) of \$1.102m for 2003/04 and \$0.990m in outyears. This additional funding is to enable the PCO to recruit additional drafters, provide for remuneration and professional development of existing drafters, and recruit additional support staff. It is also designed to lessen the high drafting work load of the drafting team leaders so that they can devote more time to training new drafters, peer review, liaison with departments, and undertake some management training. In comparison with the size and level of resourcing of drafting offices in overseas jurisdictions, it could not be said that the PCO's resourcing is excessive.

Law drafting is only a part of the process of law making. High-quality legislation is dependent on a range of factors, including careful policy analysis and development, specific and comprehensive instructions, good interaction between the departmental adviser and the drafter, competent drafting, and sufficient time in which to do a professional drafting job. To some, the job of drafting legislation might be perceived as being just a mechanical or technical exercise that requires nothing more than writing down in legal form someone else's ideas. Drafters may, at times, wish that it were so. Applying the analogy to a different context,

it would be like saying that all a Judge has to do is listen to both sides of a case then make a decision.

A drafter has to understand every aspect of the policy for a Bill, however complex or technical. He or she has to have a good knowledge of the subject area of the Bill, or quickly acquire it. That may involve anything as diverse as the dynamics of the electricity, building, banking, or insurance industries, local government, the health sector, the Treaty of Waitangi claims settlement process, environmental issues, or the primary sector. Consideration of the range of matters dealt with by the legislation described on pages 17 to 26 shows the breadth of topics. A drafter must also have a complete mastery of all legislation and case law relevant to each Bill he or she drafts, any applicable international law, the Bill of Rights, and the Treaty of Waitangi.

When drafting legislation, Parliamentary Counsel are counsel to the Government and Parliament in their legislative capacities. Part of the task of the drafter is to advise on the structure of proposed legislation and the myriad of legal issues involved, as well as on procedural issues associated with its passage through Parliament.

Drafters have had to take on more of the role of departmental legal adviser than in previous years; a matter addressed in the PCO Statement of Intent for 2003/04 and the subject of inquiry by the Justice and Electoral Committee at the 2003/04 Estimates hearing. The work of the legislative drafter has become more demanding.

*Not only is there pressure on existing resources, the PCO is also unable to devote time and resources to priority projects ...*

For these reasons, the loss of a significant proportion of the PCO's capacity plus the pressures of the PAL Project present considerable difficulties. Not only is there pressure on existing resources, the PCO is also unable to devote time and resources to priority projects and strategic objectives identified in its Business Plan and Statement of Intent. These include completing a second revision of the Drafting Manual, organising structured courses for departmental officials and solicitors, and researching and adopting improved drafting techniques and practices.

The focus of the PCO has been almost entirely on meeting demand for the drafting of Bills and Statutory Regulations. The PCO was responsible in the 2002 calendar year for the drafting of over 6 000 pages of legislation. That is a significant achievement in light of resources committed to the PAL Project and the problems associated with it.

### **Concluding comments**

In the year under review, the operations of the PCO have been dominated by the PAL Project. In the first half of the year, a substantial amount of work was involved with project implementation. In the second half of the year, the focus shifted to the implications of delay of the go-live date and on the resulting technical and commercial issues. At the time of writing this report, a technical review of the project is in progress. The review is directed to

providing an independent assurance that the PAL Project systems are operationally stable, maintainable, and capable of future enhancement and development. The results of that review will influence the Government's decisions about the future of the project.

Many staff have made substantial contributions to the project in difficult circumstances. The annual report for the 2001/02 year stated that the "project continues to track according to plan, and to meet timeline and budget milestones". Clearly, that is not the situation now. The PAL Project Director, Geoff Lawn, and his team have been stretched in ways that they neither anticipated nor welcomed. They are to be commended for the professional and dedicated way in which they have worked towards resolving the problems with the project and in remaining positive about a way forward.

The work of the 3 drafting team leaders deserves particular comment. They are senior and able lawyers as well as being very fine drafters. They have the challenging task of managing the drafting work of their teams and of drafting complex legislation themselves. The fact that the PCO has achieved the legislative output referred to later in this report reflects their efforts.

The overall work of the office can be gauged from the material in the next section of this report. All the divisions in the PCO have performed most effectively. The Office has many able lawyers and specialist support staff. The work of the PCO in the year under review reflects their fine contributions. As stated at the beginning of this section, it is a contribution to an effective parliamentary democracy under the rule of law and to the law-making functions of Parliament and the Executive.

*The Office has many able lawyers and specialist support staff.*

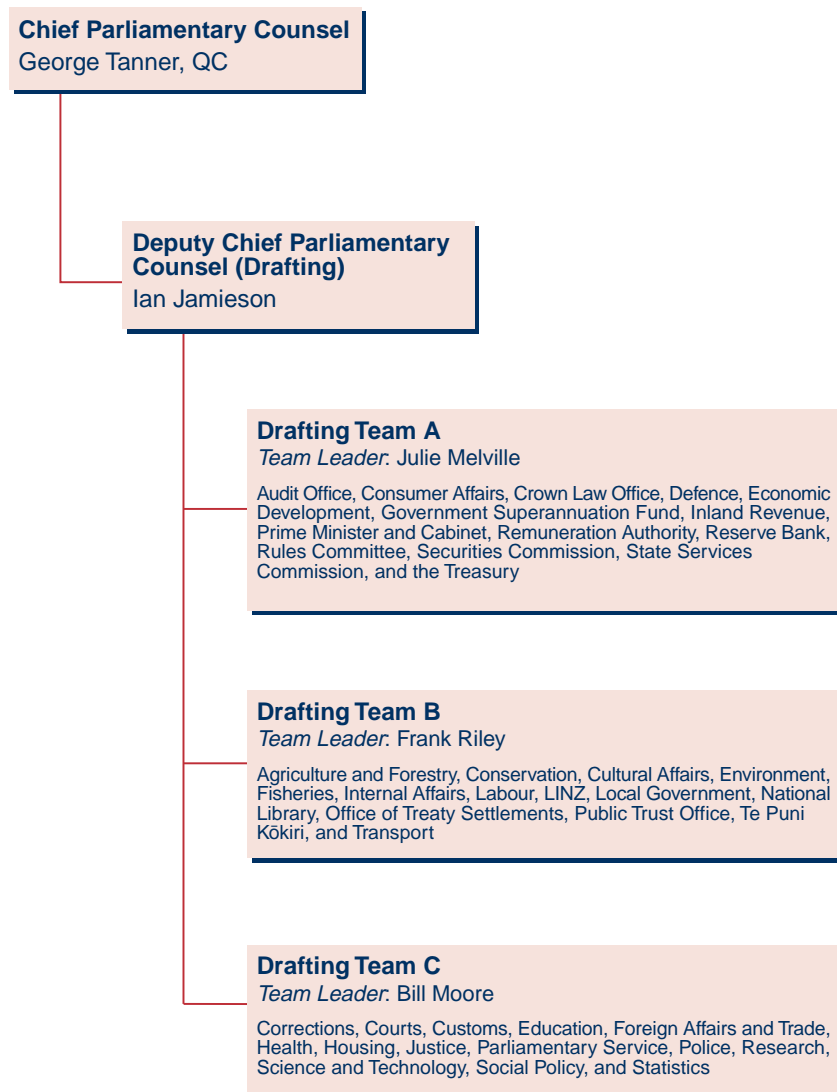
## SRA 1—BEST PRACTICE LEGISLATIVE DRAFTING SERVICES

The goals of this SRA are that—

- the Government’s drafting requirements for legislation are met
- there are closer links with other drafting offices
- the PCO is at the cutting edge of clear drafting.

### Organisational chart

Drafting services are organised in 3 drafting teams as indicated in the diagram below. The team leaders report to a Deputy Chief Parliamentary Counsel (Drafting) who has overall responsibility for the delivery of drafting services.

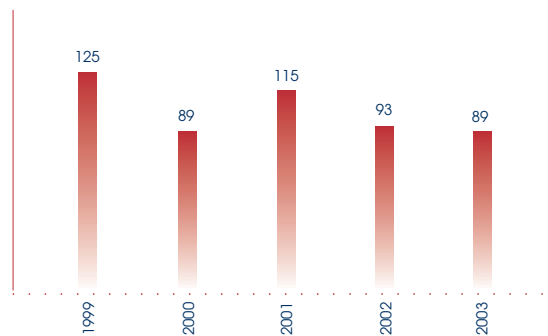


The PCO works in a demand-driven environment. Governments are driven to legislate because that is a manifestation of government in its broadest sense. Legislation is required to give effect to policies that require changes in the law. To enable it to operate effectively and achieve its strategic objective in this environment, the PCO seeks to adopt sound drafting practices that ensure that legislation is clear and effective, to operate effective quality control systems, and to have adequate drafting resources.

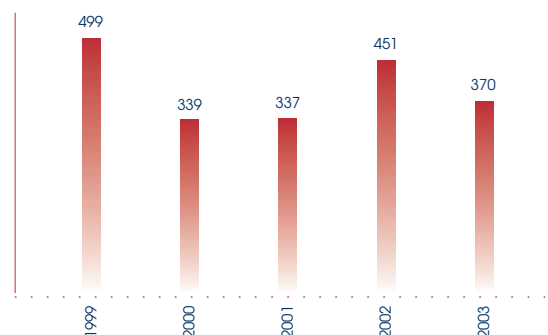
### Quantity of legislation

The quantity of legislation drafted was again considerable. The following graphs compare the number of Public Acts and the Statutory Regulations made and published in the financial years 1998 to 2003.

*Number of Public Acts Enacted  
(for the year ended 30 June)*

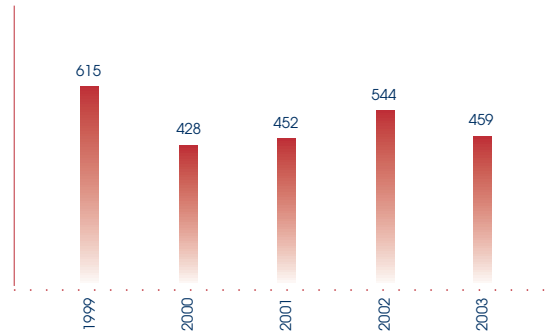


*Number of Statutory Regulations Made  
(for the year ended 30 June)*





*Number of Public Acts Passed and Statutory Regulations Made  
(for the year ended 30 June)*



### ***Significant legislation drafted***

The following list describes Acts passed and Bills introduced in the year under review. Changes have been made to the Titles and contents of some Bills during the parliamentary process since 1 July 2003.

#### **Animal Products Amendment Act 2002**

- to insert Part 5A into the principal Act to facilitate the tracing of any animal material or product intended for human or animal consumption that is derived from animals from game estates, thus helping to ensure proper treatment of the animal material or product

#### **Border Security Bill**

- to amend the Customs and Excise Act 1996 to strengthen border control security measures against terrorism and other suspicious activities relating to cross-border crime organisations
- to amend the Immigration Act 1987 to provide for commercial carriers to be required to use an approved electronic system for carrying out automated pre-boarding checks of passengers and crew intending to travel to New Zealand

#### **Business Law Reform Bill**

- to amend various business law statutes to clarify and update existing legislation, remove unnecessary compliance costs, and remove conflicts within and between existing legislation

#### **Care of Children Bill**

- to replace the Guardianship Act 1968
- to promote children’s welfare and best interests, and to facilitate their development, by helping to ensure that appropriate arrangements are in place for their guardianship and care

**Chartered Professional Engineers of New Zealand (Appeals) Regulations 2002**

- to provide for the conduct of appeals under the Chartered Professional Engineers of New Zealand Act 2002

**Chartered Professional Engineers of New Zealand Rules 2002; Chartered Professional Engineers of New Zealand Rules (No 2) 2002**

- to provide for use of the title “chartered professional engineer”
- to provide for matters relating to the registration of chartered professional engineers
- to provide for a code of ethical conduct
- to provide for a complaints and disciplinary process

**Civil Defence Emergency Management Act 2002**

- to repeal and replace the Civil Defence Act 1983
- to improve and promote the sustainable management of hazards
- to encourage and enable communities to achieve acceptable levels of risk (as that term is defined in the Act)
- to provide for planning and preparation for emergencies and for response and recovery in the event of an emergency
- to encourage the co-ordination of emergency management, planning, and activities related to civil defence emergency management

**Climate Change Response Act 2002**

- to enable New Zealand to meet its international obligations under the United Nations Framework Convention on Climate Change and the Kyoto Protocol

**Construction Contracts Act 2002**

- to reform the law relating to construction contracts and, in particular,—
  - to facilitate regular and timely payments between the parties to a construction contract
  - to provide for the speedy resolution of disputes arising under a construction contract
  - to provide remedies for the recovery of payments under a construction contract

**Consumer Credit Bill**

- to repeal and replace the Credit Contracts Act 1981, and the Hire Purchase Act 1971
- to protect the interests of consumers in connection with credit contracts and consumer leases
- to ensure that adequate information is disclosed to consumers
- to provide rules about interest charges, fees, and payments in relation to consumer credit contracts

- to prevent oppressive credit contracts and consumer leases, and oppressive conduct by creditors under credit contracts and lessors under consumer leases

**Corrections Bill**

- to replace the Penal Institutions Act 1954
- to provide a new legal framework for the corrections system, which covers the administration of custodial sentences and remands, community-based sentences, home detention, and parole
- to ensure that the community-based and custodial sentences and related orders that are imposed by the courts and the New Zealand Parole Board are administered in a safe, secure, humane, and effective manner
- to assist in the rehabilitation of offenders and their reintegration into the community through the provision of programmes and other interventions

**Counter-Terrorism Bill**

- to supplement the Terrorism Suppression Act 2002 with powers in the form of new terrorism-related offences and penalties, and a range of investigative measures designed to combat terrorism and address miscellaneous problems encountered by agencies in the investigation and enforcement of offences
- to implement in domestic law the requirements of 2 international Conventions (the Convention on the Physical Protection of Nuclear Material, and the Convention on the Marking of Plastic Explosives for the Purpose of Detection)

**Crown Organisations (Criminal Liability) Act 2002**

- to implement recommendations of the report of the Royal Commission of Inquiry into the collapse of a viewing platform at Cave Creek near Punakaiki on the West Coast (the Noble report)
- to enable the prosecution of Crown organisations for offences under the Building Act 1991 and the Health and Safety in Employment Act 1992
- to enable injunctions to be granted requiring Crown organisations to comply with the Building Act 1991

**Customs Import Prohibition (Dangerous Breeds of Dogs) Order 2003**

- to prohibit the importation of dogs of dangerous breeds (American Pit Bull Terrier, Brazilian Fila, Dogo Argentino, and Japanese Tosa)
- to prohibit the importation of the embryos and semen of dogs of dangerous breeds

**Education (School Risk Management Scheme) Regulations 2003**

- to provide for a school risk management scheme
- to indemnify state school boards of trustees against accidental loss or damage to school contents

**Electricity Amendment Regulations 2002**

- to update and simplify the principal regulations
- to improve domestic and residential safety
- to minimise compliance costs for industry and individuals
- to align Australian and New Zealand wiring practices

**Electronic Transactions Act 2002**

- to facilitate the use of electronic technology
- to reduce uncertainty regarding—
  - the legal effect of information that is in electronic form or that is communicated by electronic means
  - the time and place of dispatch and receipt of electronic communications
- to provide that certain paper-based legal requirements may be met by using electronic technology that is functionally equivalent to those legal requirements

**Families Commission Bill**

- to establish the Families Commission
- to provide an entity whose role is to act as an advocate for the interests of families
- to promote the interests of the full range of families in New Zealand and promote better understanding of family issues and needs amongst government agencies and in the wider community
- to promote, purchase, and disseminate research into family issues and contribute to policy development across the Government as a key stakeholder on family-related issues

**Family Courts Rules 2002**

- to consolidate into a single set of rules, rules of practice and procedure made under the various Acts that apply in the Family Courts
- to make it possible for proceedings in Family Courts to be dealt with as fairly, inexpensively, simply, and speedily as is consistent with justice
- to avoid unnecessary formality
- to make it possible for proceedings to be dealt with in harmony with the purpose and spirit of the family law Acts under which the proceedings arise

**Food (Safety) Regulations 2002**

- to prescribe certain food safety standards
- to make specific provisions about fluoridated water and the sale of artificial drinks and hemp seed oil

**Government Communications Security Bureau Act 2003**

- to continue the Government Communications Security Bureau and establish it as a department of State
- to specify the circumstances in which the Bureau requires an interception warrant or a computer access authorisation to intercept foreign communications
- to specify the conditions that are necessary for the issue of an interception warrant or a computer access authorisation and the matters that may be authorised by a warrant or an authorisation
- to specify the circumstances in which the Bureau may use interception devices to intercept foreign communications without a warrant or an authorisation

**High Court Amendment Rules (No 2) 2002; District Courts Amendment Rules (No 4) 2002**

- to make rules about the authority of a solicitor to file documents
- to insert a new rule about disbursements
- to replace rules about the representation of minors and mentally disordered persons
- to provide a single procedure for discontinuance

**Independent Police Complaints Authority Amendment Bill**

- to change the name of the Police Complaints Authority to the Independent Police Complaints Authority
- to increase the Authority’s membership to 3 persons
- to implement recommendations in a review of the Police Complaints Authority conducted by the Honourable Sir Rodney Gallen

**Injury Prevention, Rehabilitation, and Compensation (Code of ACC Claimants’ Rights) Notice 2002**

- to approve a Code of ACC Claimants’ Rights under the Injury Prevention, Rehabilitation, and Compensation Act 2001

**Land Transfer Regulations 2002**

- to facilitate electronic lodgement of instruments under the Land Transfer Act 1952
- to prescribe notice periods under the Act
- to prescribe rights and powers implied in easements
- to prescribe new forms
- to replace the Land Transfer Regulations 1966

**Land Transport Management Bill**

- to contribute to the aim of achieving an integrated, safe, responsive, and sustainable land transport system

- to provide an integrated approach to land transport funding and management
- to improve social and environmental responsibility in land transport funding, planning, and management
- to improve the flexibility of land transport funding, including provisions enabling new land transport infrastructure to be built on a tolled or private public partnership basis

**Land Transport (Unauthorised Street and Drag Racing) Amendment Act 2003**

- to create specific offences to combat the problem of unauthorised street racing, drag racing, wheel spinning, and similar stunts
- to provide for the seizure and impoundment of vehicles involved in offences

**Lawyers and Conveyancers Bill**

- to reform the law relating to lawyers
- to enable conveyancing to be carried out by lawyers and conveyancing practitioners
- to state fundamental obligations with which all lawyers and conveyancing practitioners must comply in providing regulated services
- to repeal the Law Practitioners Act 1982

**Local Electoral Amendment Regulations 2002**

- to set out procedures for the conduct of elections and polls under the Local Electoral Act 2001 using the Single Transferable Voting electoral system

**Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003**

- to establish and set out the functions, duties, and powers of the Māori Television Service (the Service) and Te Pūtahi Paoho
- to provide for the transfer to the Service by the Crown of the UHF right for the use and management by the Service in protecting and promoting te reo Māori me nga tikanga Māori
- to provide a process to safeguard the UHF right
- to set out the framework of accountability for the Service

**Motor Vehicle Sales Act 2003**

- to replace the Motor Vehicle Dealers Act 1975
- to promote and protect the interests of consumers in relation to motor vehicle sales

**National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003**

- to provide for the preservation, protection, development, and accessibility, as appropriate, for all the people of New Zealand, of the collections of the National Library (which includes the Alexander Turnbull Library) in a manner consistent with their status as documentary heritage and taonga

**New Organisms and Other Matters Bill**

- to streamline the approval of the genetic modification of new organisms in laboratories
- to provide for the approval of the conditional release of new organisms
- to clarify enforcement responsibilities
- to improve the operation of the Hazardous Substances and New Organisms Act 1996, and related enactments, for new organisms

**New Zealand Symphony Orchestra Bill**

- to establish the New Zealand Symphony Orchestra as a body corporate
- to set out the principal objectives, and the functions and powers, of the Orchestra
- to provide that the Orchestra must have regard to government policy on matters of general administration, subject to it being independent in all artistic matters
- to provide for the governance of the Orchestra by a board

**New Zealand Trade and Enterprise Act 2003**

- to establish a Crown entity called New Zealand Trade and Enterprise to facilitate the development and implementation of strategies, programmes, and activities for trade, industry, and regional development as directed by the Government
- to dissolve the New Zealand Trade Development Board and Industry New Zealand and transfer their assets and liabilities to New Zealand Trade and Enterprise

**Ngati Ruanui Claims Settlement Act 2003**

- to record the acknowledgements and apology given by the Crown to Ngati Ruanui in the deed of settlement dated 12 May 2001
- to give effect to certain provisions of the deed of settlement, which is a deed that settles the Ngati Ruanui historical claims

**Ngati Tama Claims Settlement Bill**

- to record the acknowledgements and apology given by the Crown to Ngati Tama in the deed of settlement dated 20 December 2001
- to give effect to certain provisions of the deed of settlement, which is a deed that settles the Ngati Tama historical claims

**Petroleum Products Specifications Regulations 2002**

- to consolidate and amend regulations relating to petroleum products
- to specify technical requirements to be met in respect of petrol and diesel supplied for use other than as an aviation fuel or for motorcar, motorcycle, and powerboat racing, and for jetboats

**Prostitution Reform Act 2003**

- to reform the law relating to the provision of sexual services

**Racing Act 2003**

- to provide effective governance arrangements for the racing industry
- to facilitate betting on galloping, harness, and greyhound races, and other sporting events
- to promote the long-term viability of New Zealand racing

**Resource Management Amendment Act 2003**

- to reform functions of local authorities in relation to preparation and approval of planning instruments, transfer of powers, and delegation of powers
- to amend the powers to waive time limits and the requirement to provide information in the resource consent application process (to reduce congestion in the courts)
- to empower the making of regulations prescribing national environmental standards
- to reform provisions governing the public notification of resource consent applications
- to reform the basis for decision-making on resource consent applications
- to reform the designation process that applies for network utility operators

**Resource Management (Forms, Fees, and Procedure) Regulations 2003**

- to prescribe forms, fees, and procedural requirements for the purposes of the Resource Management Act 1991

**Secondhand Dealers and Pawnbrokers Bill**

- to repeal and replace the Secondhand Dealers Act 1963 and the Pawnbrokers Act 1908
- to make it harder for criminals to dispose of stolen goods through secondhand dealers and pawnbrokers
- to make it easier for the police to recover stolen goods and solve property crimes

**Securities Markets Amendment Act 2002**

- to provide for appropriate continuous disclosure by public issuers of material information that is not generally available to the market
- to provide for disclosure of relevant interests by directors and officers of public issuers

**Social Security (Personal Development and Employment) Amendment Act 2002**

- to facilitate the movement of domestic purpose beneficiaries and widows' beneficiaries from reliance on benefits to employment as their parenting responsibilities and individual circumstances allow
- to introduce a requirement for those beneficiaries to prepare plans that will assist them to move towards employment and to demonstrate commitment to the goals set out in those plans
- to amend the provisions of the principal Act (the Social Security Act 1964) relating to the establishment and recovery of debts



**Social Workers Registration Act 2003**

- to protect the safety of members of the public by prescribing or providing for mechanisms to ensure the competency and accountability of social workers
- to create a framework for the registration of social workers in New Zealand
- to provide for the Board that registers social workers to promote the benefits of registration of social workers
- to enhance the professionalism of social workers

**Sport and Recreation New Zealand Act 2002**

- to promote, encourage, and support physical recreation and sport in New Zealand

**Supreme Court Bill**

- to establish the Supreme Court of New Zealand as the court of final appeal for New Zealand, and provide for its jurisdiction and related matters
- to end the bringing of appeals to the Privy Council
- to make related amendments to enactments relating to courts or judicial proceedings

**Takeovers Amendment Act 2002**

- to make various amendments to the Takeovers Act 1993, including amendments relating to the investigative and enforcement powers of the Takeovers Panel

**Te Uri o Hau Claims Settlement Act 2002**

- to record the apology given by the Crown to Te Uri o Hau in the deed of settlement executed on 13 December 2000 by the Crown and mandated negotiators for Te Uri o Hau
- to give effect to certain provisions of the deed of settlement, which is a deed that settles Te Uri o Hau historical claims

**Terrorism Suppression Act 2002**

- to make further provision in New Zealand law for the suppression of terrorism
- to make provision to implement in New Zealand law New Zealand’s obligations under—
  - the Bombings Convention
  - the Financing Convention
  - the Anti-terrorism Resolution

**Trade Marks Act 2002**

- to repeal and replace the Trade Marks Act 1953
- to more clearly define the scope of rights protected by registered trade marks
- to simplify procedures for registering a trade mark in order to reduce costs to applicants and to reduce business compliance costs generally

- to address Māori concerns relating to the registration of trade marks that contain a Māori sign, including imagery and text
- to deter counterfeit activity in relation to registered trade marks in New Zealand
- to ensure that New Zealand's trade mark regime takes account of international developments

**Victims' Rights Act 2002**

- to improve provisions for the treatment and rights of victims of offences

**Weathertight Homes Resolution Services Act 2002**

- to provide owners of dwellinghouses that are leaky buildings with access to speedy, flexible, and cost-effective procedures for assessment and resolution of claims relating to those buildings

**Wine Bill**

- to set standards for identity, truthfulness in labelling, and safety of wine
- to minimise and manage the risks to human health arising from the making of wine and ensure compliance with wine standards
- to facilitate the entry of wine into overseas markets by providing the controls and mechanisms needed to give and safeguard official assurances issued for the purpose of enabling entry into those markets
- to enable the setting of export eligibility requirements to safeguard the reputation of New Zealand wine in overseas markets.

***Local and Private legislation***

The PCO provided drafting assistance on the following local and private Bills and Acts:

**Local Bills and Acts**

- Auckland War Memorial Museum Site Empowering Bill
- Masterton District Council (Montford Trimble Foundation) Act 2003
- Palmerston North Reserves Empowering Amendment Act 2003
- Wellington City Council (Te Aro Reclamation) Amendment Bill
- Wellington City Empowering and Amendment Bill

**Private Acts**

- Anglican (Diocese of Christchurch) Church Property Trust Act 2003
- Royal New Zealand Foundation of the Blind Act 2002
- Te Whanau-a-Taupara Trust Empowering Act 2003

***Factors affecting the drafting of legislation***

The table of significant legislation does not show—

- the legislative and general legal advice given by Parliamentary Counsel to Ministers, select committees, departmental policy advisers, and other officials
- that 6 to 12 revises of a draft are common before a Bill is introduced or regulations are made
- significant pressure points in drafting, including the process of obtaining Cabinet approval, reporting back from a select committee, and passage through the committee of the whole House
- the extent of amendments prepared for a select committee or by way of Supplementary Order Paper for the committee of the whole House
- the complexity, both technical and legal, of particular legislation
- the interrelationship between legislation, the common law, and international law.

***Other work carried out by Parliamentary Counsel***

In addition to drafting, Parliamentary Counsel have also—

- provided legal advice on legislative matters
- commented on policy proposals
- contributed to the 2003 Supplement to the 2001 Edition of the Legislation Advisory Committee Guidelines on Process and Content of Legislation (the LAC Guidelines)
- carried out testing and development work for the PAL Project
- conducted in-house seminars to assist officials from departments to work more effectively with the PCO.

At the request of the Ministry of Foreign Affairs and Trade, Ross Carter presented a paper on New Zealand’s legislative responses to UN Security Council Resolution 1373 at the Pacific Island Regional Workshop on Combating Terrorism. The Workshop, held in Honolulu, Hawaii from 25 to 27 March 2002, was jointly hosted by the Governments of the United States of America, Australia, and New Zealand, and the Pacific Forum Secretariat. This has led to other drafting assistance being provided to Pacific Islands governments.

***Issues***

**Plain language drafting**

This is an on-going issue for legislative drafting offices throughout the Commonwealth and elsewhere. The PCO is committed to clear drafting (often called “plain language drafting” or “plain English drafting”) and aims to be at the cutting edge of clear drafting. Clear drafting

practices are evolving in New Zealand and compare favourably to Australian practices in terms of progress and innovation.

**Structure of Bills**

There is no absolute rule of practice as to the number of Parts into which a Bill is divided. If drafters are left to make their own decisions about the number of Parts in a Bill, the number of Parts will vary depending on the size and complexity of the Bill, and on the drafter’s own approach to structure. In some cases, the responsible Minister will express a preference.

For example,—

- the Resource Management Amendment Act 2003 has 113 sections and 2 Parts
- the National Library of New Zealand Act 2003 has 47 sections and 5 Parts
- the Land Transport (Unauthorised Street and Drag Racing) Amendment Act 2003 has 11 sections and 2 parts
- the Lawyers and Conveyancers Bill has 347 clauses and 11 Parts.

Another feature of structure is the use of subparts within Parts. For example, the Ngati Ruanui Claims Settlement Act 2003 divides Part 5 into 9 subparts.

The division of a Bill into as few Parts as possible assists the passage of the Bill through Parliament. In the committee of the whole House stage, Bills are debated Part by Part rather than clause by clause. It is an incentive for governments to have their Bills in few Parts because it reduces the overall debating time. The division of Bills into Parts can assist readers. Related provisions can be grouped together in separate Parts. And those Parts can be arranged in a logical and structured way reflecting their importance, or in some other principled way. The sensible arrangement of provisions in Bills should not, however, be compromised by the idiosyncrasies of parliamentary procedure. This is a parliamentary, rather than a governmental, problem and it ought to be addressed in that context. The structure of Bills is a subject addressed elsewhere.<sup>1</sup>

**Purpose provisions**

Purpose provisions in primary legislation are now commonplace and are sometimes complemented by overview provisions. The most common forms of purpose provisions are—

- provisions that indicate the scope of the enactment in much the same way as former Long Titles
- true purpose provisions that state policy objectives
- provisions that contain features of both of the above.

*The sensible arrangement of provisions in Bills should not, however, be compromised by the idiosyncrasies of parliamentary procedure.*

*Purpose provisions in primary legislation are now commonplace and are sometimes complemented by overview provisions.*

<sup>1</sup> See George Tanner, QC, *Confronting the Process of Statute Making*, Legal Research Foundation Seminar, The Statute: Making and Meaning, Auckland, 16 May 2002.

Particular challenges for drafters are—

- the need for accuracy. There is a danger that a court could read down a particular provision because of an inconsistency with the purpose provision
- avoiding or limiting the use of political rhetoric
- not to lose sight of a purpose provision when a Bill is amended during its passage through the House. It is sometimes necessary for a purpose provision to be consequentially amended to reflect late changes to a Bill. Failure to do so would rarely be fatal, but could be problematic.

### **Titles of Bills**

The Titles of Bills continue to attract attention during the committee of the whole House stages of Bills. Opposition parties frequently move amendments to Title clauses in Bills, and occasionally the Government does so as well. The issue usually arises with a Bill that amends an existing Act. An example of a Title of an amending Act is the Education (Tertiary Reform) Amendment Act 2002. It is usually the descriptors in parenthesis, or lack of them, that causes most of the debate.

The sort of claim often heard in the debating chamber of the House is that the Title of a particular Bill is uninformative or even misleading. Occasionally, the language is more robust and words like “deceit” and “outrage” are used during Title debates in the Chamber. A related challenge for drafters is to avoid Titles that are more political rhetoric than helpful to users of legislation.

In omnibus Bills (eg, the Border Security Bill), the Title tends to be redundant because it is usually replaced by a break-up Supplementary Order Paper that divides the Bill into separate Bills during the later part of the committee of the whole House stage of a Bill.

Some examples of Titles from the reporting period are—

- Copyright (Parallel Importation of Films and Onus of Proof) Amendment Bill
- Lawyers and Conveyancers Bill
- the Local Electoral Amendment Act 2002 (an example of the traditional, if uninformative, Title for an amending Act)
- National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003
- Social Security (Personal Development and Employment) Amendment Act 2002
- Subordinate Legislation (Confirmation and Validation) Act 2002.

## SRA 2—READY ACCESS TO NEW ZEALAND LEGISLATION

The goal of this SRA is that—

- public access is provided to up-to-date, accurate, official New Zealand legislation (including Bills) in printed and electronic form.

### Overview

This section reports on the following matters:

- the Public Access to Legislation (PAL) Project
- the establishment of a new Prepublication Unit and a new Reprints Unit
- the publication of reprints
- the establishment of new arrangements for the printing, distribution, and sale of legislation.

### Public Access to Legislation (PAL) Project

#### Objectives

The objectives of the PAL Project are:

- to make legislation available electronically and in printed form from a database owned and maintained by the Crown
- to provide access to Acts and Statutory Regulations in electronic and printed form as soon as possible after enactment or making
- to provide access to legislation with amendments incorporated as soon as possible after the legislation becomes law
- to provide electronic access to Bills at key stages during their progress through the House
- to provide free electronic access to Bills, Acts, and Statutory Regulations via the Internet
- to make it possible (in selected cases) to see the effects of proposed amendments on existing legislation
- to make it easier to see the effect of amendments to proposed legislation during its passage through the House.

*... provide free electronic access to Bills, Acts, and Statutory Regulations via the Internet ...*

The PCO is undertaking the project in collaboration with the Office of the Clerk and the Tax Drafting Unit of the Inland Revenue Department (IRD). Unisys New Zealand Ltd (Unisys) is the PCO's implementation partner for the project.

The PAL Project is being undertaken in 2 stages. Stage 1, which involved project planning, scoping and analysis, and evaluation and selection of system components, was completed in December 2001. The PCO's annual report for 2001/02 outlines the work undertaken in Stage 1, and the transition to Stage 2.

Background information about the PAL Project is available on the PCO's website at [www.pco.parliament.govt.nz/pal/](http://www.pco.parliament.govt.nz/pal/).

**Stage 2**

*As a result of technical and commercial issues, the project has been delayed, and remains uncompleted ...*

Stage 2 involves implementation of the new systems and processes to improve public access to legislation. The individual projects that make up Stage 2, which include both Unisys-led projects and PCO-led projects, are outlined in the PCO's annual report for 2001/02.

Stage 2 began in April 2002, and was scheduled for completion in early 2003. As a result of technical and commercial issues, the project has been delayed, and remains uncompleted at the end of the reporting period covered by this report. The following outlines the work undertaken during the reporting period, the issues giving rise to the delay in the project, the steps being taken to address those issues, and the consequences of the delay.

**Work undertaken in 2002/03**

Over the last 12 months, the following activities have been carried out:

- a database of New Zealand legislation (including Acts, Statutory Regulations, Provincial Acts and Ordinances, and Imperial legislation in force in New Zealand) has been acquired from Brookers, and the database repurposed into a format in which it can be integrated into the new PAL systems
- an interim website providing free public access to New Zealand legislation was launched in September 2002
- a set of Document Type Definitions (DTDs) has been developed for New Zealand legislation (including Bills), so that the unique structure of New Zealand legislation is able to be represented in a modern legislation drafting and publishing system
- an integrated system for drafting and publishing legislation in hard copy and in electronic form, including a new website to provide free public access to legislation, has been designed, built, and partly tested, but not yet commissioned
- a contract with Brookers, to maintain the new PAL legislation database in an up-to-date form as legislation is amended, is at an advanced stage of negotiation
- a contract has been concluded with Datacom Ltd to host the new PAL website of legislation
- a new Prepublication Unit (PPU) and a new Reprints Unit (RU) have been established within the PCO

- arrangements have been entered into with legal publishers to supply them with legislative data from the new PAL systems, and a self-service mechanism developed to enable them to download this material on a daily basis
- a new arrangement has been made with Securacopy for the printing, distribution, and sale of legislation
- PCO staff, IRD tax drafters, and Office of the Clerk staff have been trained in the new PAL systems.

The following comments expand on some of these items of work.

#### Interim website

Under the PCO/Unisys contract for Stage 2, Brookers (from whom an electronic database of New Zealand legislation has been acquired) undertook to host and maintain a temporary website of New Zealand legislation.

The interim website (at [www.legislation.govt.nz](http://www.legislation.govt.nz)) provides free public access to unofficial versions of New Zealand statutes (Public, Local, and Private Acts) and Statutory Regulations. Users can search and browse this material free of charge. The website is updated monthly by Brookers. If the PAL Project is completed, this website will be replaced by a PCO website that will provide free public access to New Zealand legislation, including Acts, Statutory Regulations, Bills, and Supplementary Order Papers.

The interim website was launched on 9 September 2002 by the Attorney-General, the Hon Margaret Wilson. The availability of the interim website was widely publicised.

Statistics provided by Brookers indicate that the interim website is being used extensively by a wide range of users, and that usage is steadily increasing. Overall activity almost tripled over the period 9 September 2002 to 30 June 2003. The total number of hits on the website per month increased from around 816 000 in September 2002 to over 3.6 million in June 2003, the total number of page requests per month increased from 183 000 to 585 000 over that period, and the total number of visitors to the website per month increased from nearly 36 000 to over 101 000. These statistics provide valuable information on likely demands on the new PCO legislation website. They also reflect the level of domestic and international interest in New Zealand legislation.

In the initial period after the launch of the interim website, the PCO received and responded to a large number of enquiries from members of the public about the interim website, the legislative process, or legislation-related issues. The number of enquiries has now decreased, but it is clear that, if the project proceeds, the PCO will need to put in place an ongoing procedure for dealing with public enquiries that arise out of the availability of New Zealand legislation in electronic form, and the higher profile that legislation, the legislative process, and the PCO will have as a result of the PAL Project.

*Statistics provided by Brookers indicate that the interim website is being used extensively by a wide range of users, and that usage is steadily increasing.*

*... the total number of visitors to the website per month increased from nearly 36 000 to over 101 000 ...*



**Development of new PAL website**

The principal purpose of the new PAL website, which is designed to replace the interim website, is to provide the public with access to up-to-date versions of the law, as well as Bills. However, it will need to cater for a wide variety of users of legislation, ranging from occasional users with little understanding of legislation, to specialist users, like librarians, who expect more sophisticated features and advanced searching capabilities. It is particularly challenging to strike the right balance between making the website useable for non-specialist users, while meeting the needs of more sophisticated users.

As part of developing the new PAL website, the PCO undertook some limited but valuable consultation with users of legislation. The original website designs were workshopped in May 2002 with 2 small groups: a group of public and private sector librarians, and a group comprising representatives of a range of community organisations. This consultation highlighted the fact that if the new website is to be useable by non-specialist users, a more basic approach to design and language must be taken. It also indicated that many users need to be guided through the process of locating material. As a result, the original website designs were simplified, a guided search facility was developed, and a simpler approach to browsing material was adopted.

*The website also provides an opportunity to increase public knowledge of legislation and the legislative process.*

The website also provides an opportunity to increase public knowledge of legislation and the legislative process. To this end, the PCO has developed a glossary of terms to explain some of the more basic legal terms, and a simple guide to how laws are made.

**Delays in the PAL Project**

Stage 2 of the PAL Project was scheduled to go live on 17 February 2003. In preparation for go-live, training materials for the new PAL systems were developed, and training sessions were held in December 2002 and January 2003 for PCO drafting, secretarial, IT, and PPU staff, drafting and secretarial staff from the Tax Drafting Unit of the Inland Revenue Department, and relevant Office of the Clerk staff.

However, after initial user acceptance testing undertaken in early 2003, it was decided to defer the commissioning of the new PAL systems to allow time for further testing and review. It is critical that the new systems are operating fully and reliably before they are commissioned, to ensure the guaranteed supply of legislation for Parliament and the public. The complexity of New Zealand legislation (in terms of structure and format), and the complexity of the process by which New Zealand legislation is enacted, require a highly customised and integrated authoring and publishing system to achieve the objectives of the PAL Project. This is particularly true for Bills, which pass through a number of stages at which amendments can be made and must be incorporated and identified.

Since the initial testing, the PCO and Unisys have sought to identify the work required before the new PAL systems can be brought into operation. This work centres principally on format

and layout issues, as well as a number of systems issues. Commercial issues also require resolution as a result of the delay in the implementation of the project.

In early May 2003, the Government established a process to enable decisions about the future of the project to be made. Cabinet authorised the Attorney-General, the Minister of Finance, and the Minister of State Services to oversee discussions with Unisys, and authorised officials from the Treasury and the State Services Commission to work with the PCO in discussions with Unisys and to report regularly to Ministers.

In late May 2003, as a result of issues identified during an independent review of a revised project plan for the completion of the project, Ministers directed that an independent technical review of the PAL solution be carried out. The objective of the review is to obtain independent assurance that the PAL systems will be operationally stable, maintainable, and capable of future enhancement and development. The review focuses in particular on the customisation of the individual components of the new system, and the integration of the components into the overall system.

The technical review is being undertaken by a small team from InQuirion Pty Ltd, led by Dr Timothy Arnold-Moore. Dr Arnold-Moore is a world expert in the development of legislative drafting and publishing systems, and was a major contributor to the Tasmanian EnAct system ([www.thelaw.tas.gov.au](http://www.thelaw.tas.gov.au)). Dr Arnold-Moore and other InQuirion staff have undertaken consulting assignments on legislative drafting systems in various jurisdictions, including Canada, Australia, and Papua New Guinea.

The Government has indicated that it will not make further decisions about the future of the PAL Project, including further investment in the project, until the technical review is completed and its findings considered. A final report from the technical reviewer is expected in early October 2003. Unisys is participating fully in the review.

**Consequences of delay to PAL Project**

The delay in the implementation of the PAL Project has had a number of flow-on effects, and a number of interim arrangements have had to be put in place until the future of the PAL Project is decided.

The arrangements with Legislation Direct for the provision of pre-press services were originally due to expire on 31 January 2003, since prepublication was to have been undertaken in-house by PCO from that date using the new PAL systems. The arrangements with Legislation Direct have therefore been extended, and PCO PPU staff who were recruited from Legislation Direct are being made available to Legislation Direct on a rostered basis so that the level of service required by the PCO and the Office of the Clerk is maintained. In the meantime, PCO drafters and support staff continue to use the existing WordPerfect-based drafting system, including the revision-tracking facility introduced in the 2001/02 financial year.

*The review focuses in particular on the customisation of the individual components of the new system ...*

The PCO entered into arrangements with the Carson Group for the provision of professional project management and project office services to the PCO for the duration of the PAL Project. These arrangements have also been extended.

Additional funding of \$1.044 million (GST inclusive) was provided in the 2002/03 financial year to fund the continuation of pre-press services from Legislation Direct, and continuing project management support from the Carson Group.

The delays in the PAL Project have not affected the provision of printed copies of legislation, but have obviously prevented the PCO from using the new systems to make electronic versions of legislation available to the public. Arrangements have therefore been made with Brookers to continue to host and maintain the interim website of legislation. In addition, the PCO has come to an arrangement with The Knowledge Basket to make Bills publicly available free of charge on the Knowledge Basket website ([www.knowledge-basket.co.nz/gpprint/docs/welcome.html](http://www.knowledge-basket.co.nz/gpprint/docs/welcome.html)). Only Bills introduced into Parliament since the start of 2003, and Bills that have progressed to a further stage in the legislative process since then, are available from this source.

***Establishment of new Prepublication and Reprints Units***

Two new units have been established within the PCO as part of the PAL Project.

A new Prepublication Unit will undertake the prepublication and publication functions currently undertaken by Legislation Direct. This includes ensuring that all electronic files of legislation and other PCO publications are properly structured and formatted before publication, transmitting those files to the contracted printer for publication in hard copy, and uploading those files to the new PAL website.

A new Reprints Unit will be responsible for the officialisation of the legislative database acquired from Brookers, the production of hard copy reprints of Acts and Statutory Regulations in accordance with a new reprints policy and annual reprints programme, and (when officialisation of the database of legislation has been completed) the maintenance of that database. Officialisation is the process of converting the database into the style and format in which it can be made an official source of New Zealand legislation.

***Last bound volume of reprints published***

The last bound volume in the Reprinted Statutes of New Zealand Series (Volume 42) was published in early 2003. From now on, the PCO will publish individual pamphlet copies of reprints of Acts and Statutory Regulations.

Because of the delays to the PAL Project, the PCO did not settle a formal reprints programme for the 2002/03 financial year. However, the new Reprints Unit has begun work on

*The delays in the PAL Project have not affected the provision of printed copies of legislation ...*

producing reprints in accordance with an interim reprints programme. This interim programme focuses on reprinting best-selling Acts and Statutory Regulations.

***New contract for legislative printing***

New arrangements for the printing, distribution, and sale of legislation have been made with Securacopy (a subsidiary of Blue Star Print Group). These arrangements came into force on 1 February 2003. The arrangements replace those previously in place under the parliamentary printing contract between the Blue Star Print Group, the Office of the Clerk, and the PCO. That contract, which had been in place since 1994, replaced a similar contract entered into when the Government Printing Office was sold in 1989 to the Rank Group.

The arrangements with Securacopy were intended to complement the new PAL arrangements, under which responsibility for the printing of legislation would transfer from the Office of the Clerk to the PCO, and the PCO would assume responsibility for all prepublication work on legislation for PCO, Office of the Clerk, and the Tax Drafting Unit of the Inland Revenue Department. On that basis, funding for the printing of legislation was appropriated to the PCO as from 1 February 2003. The delays to the PAL Project do not affect these new arrangements.

Changes to the Standing Orders of the House of Representatives were made in late 2002 by way of Sessional Order to reflect the change in responsibility for the printing of Bills. Responsibility for providing copies of a Bill for circulation on its introduction is now with the member in charge of the Bill. In the case of a Government Bill, this responsibility is discharged by the PCO on behalf of the Minister in charge of the Bill. In the case of a member's Bill, this responsibility is discharged by the Clerk of the House on behalf of the member, under an arrangement between the Office of the Clerk and the PCO. The PCO and the Office of the Clerk are now operating on the basis of these provisions of the Standing Orders.

As part of the new printing arrangements, Legislation Direct now provides a website that lists new legislation (Acts, Bills, Supplementary Order Papers, and Statutory Regulations) published in the current year ([www.legislationdirect.co.nz/index.htm](http://www.legislationdirect.co.nz/index.htm)). The website is updated weekly, and provides the facility to order copies of legislation online.

*... the new Reprints Unit has begun work on producing reprints in accordance with an interim reprints programme.*

**SRA 3—PROFESSIONAL SERVICES AND RELATIONSHIPS**

The goals of this strategic result area are that—

- there are more effective links with Ministers, central government agencies, select committees (including the Regulations Review Committee), and the Law Faculties at New Zealand universities

- there is an increased understanding of stakeholder needs, and increased responsiveness to them
- the awareness and understanding of the PCO's role and value is improved
- responsiveness to the Treaty of Waitangi and Māori users of legislation is improved.

### **Cambridge Conference**

In July 2002, 3 parliamentary counsel attended a conference at Peterhouse College, Cambridge, United Kingdom, on the language of the law, sponsored jointly by Clarity (an international association promoting plain legal language) and the Statute Law Society. The conference considered the use of plainer language in legislation and in legal documents of other kinds, but most of its attention was directed to the drafting of legislation.

Papers were given by drafting experts from a number of jurisdictions, including the United Kingdom, Australia, the United States, Canada, and Ireland. Each paper was followed by a discussion or workshop, and the Chief Parliamentary Counsel of New Zealand chaired one of the sessions.

The conference was both a good opportunity for legislative drafters from different jurisdictions to learn from each other of new developments and techniques and an occasion that reinforced the commitment of the participants to continue the often difficult task of trying to express complex legal propositions in language that is at once precise and plain.

### **Regulations Review Committee Digest**

*The Digest is a comprehensive analysis of the jurisprudence of Parliament's Regulations Review Committee.*

During the year, the Faculty of Law at Victoria University published the *Regulations Review Committee Digest*. Both the PCO and the Office of the Clerk assisted by providing comments and reviewing drafts. The Digest is a comprehensive analysis of the jurisprudence of Parliament's Regulations Review Committee. It outlines the principles applied by the Committee in its work of scrutinising regulations under the various grounds listed in Standing Order 382 of the Standing Orders of the House and illustrates how the Committee applies these principles in practice.

The Digest is a most valuable resource for policy makers in government, legislative drafters, and users of delegated legislation. Publication of the Digest is an important addition to the literature on legislation. The Faculty deserves to be commended for its initiative and the author, Ryan Malone, for his excellent scholarship and sheer hard work. The Digest is available on the Victoria University Law Faculty website at [www.lawschool.vuw.ac.nz](http://www.lawschool.vuw.ac.nz).

**Law School Careers Fair**

Two Parliamentary Counsel attended the Victoria University Law School’s Career Fair held in March 2003. The fair provides an informal environment in which law students receive information and materials about careers in, and the workings of, various legal organisations. The aim is to raise students’ awareness of the range of careers available to those studying law.

**Departmental survey**

The annual survey of departments and other agencies was undertaken again in June 2003. Twenty-seven departments for whom drafting was undertaken in the year were surveyed. The survey seeks answers to a range of questions to establish satisfaction levels with the drafting product and the overall level of service provided by the PCO.

Fifteen departments responded; a response rate of 55.6%. The satisfaction rate is reported in the Statement of Service Performance included in the financial statements accompanying this report.

The survey is a useful means of measuring performance, but the results can be influenced by a number of factors (not only the quality of the work of the PCO), as has been described in previous annual reports. While the results need to be viewed with caution, the responses from the departments are valuable and drafting team leaders follow up on any issues raised. The level of response to the survey was the worst since the survey began. That is unfortunate because it is one of only a few possible means available to assess the quality of the office’s work. The office is grateful to those departments and organisations that responded. The PCO intends to undertake a review of the departmental survey. An alternative system may have to be devised.

*The PCO intends to undertake a review of the departmental survey.*

**Seminars by PCO staff**

A number of staff gave presentations at seminars during the year. The Chief Parliamentary Counsel presented a paper entitled *Confronting the Process of Statute Making* at the New Zealand Legal Method Seminar, *The Statute: Making and Meaning*, in May 2003.

Bill Moore provided 2 seminars on the role of the instructor to Ministry of Health staff.

Geoff Lawn and Julia Kennedy undertook a presentation on the PAL Project at the GOVIS (Government Information Systems) conference in July 2002, and participated, with the Parliamentary Librarian and the Deputy Clerk of the House, in a forum on parliamentary information, titled *The challenge of providing seamless access to Parliamentary information*, for the annual conference of the Library and Information Association of New Zealand (LIANZA) in November 2002. They spoke again on this topic at a seminar for Wellington law

librarians and special librarians in March 2003. Geoff Lawn also presented a seminar on electronic service delivery to IPANZ (Institute of Public Administration in New Zealand) in August 2002.

PCO and Unisys staff provided a briefing on the PAL Project to the Standing Orders Committee of the House of Representatives in November 2002. The briefing included a demonstration of the new PAL website of legislation.

### *Overseas visitors*

During the year, the PCO hosted several overseas visitors wishing to learn about the PAL Project. Two Japanese legal academics, Dr Professor Makoto Ibusuki, Faculty of Law, Ritsumeikan University, Kyoto, and Professor Takato Natsui, Meiji University, Tokyo, visited the PCO in December 2002. Mr Ryuji Akimoto, Liaison Officer of the Secretary Division, General Secretariat, Supreme Court of Japan, visited the PCO in February 2003.

### *Increase in public enquiries*

One impact of the PAL Project, and the availability to the public of the interim website of legislation, has been the increase in the number of public enquiries received by the PCO. Arrangements have been entered into with the Parliamentary Librarian for all public enquiries that are emailed to the PCO to be dealt with by the Parliamentary Information Service. Enquiries that are outside the scope of the Information Service are referred back to the PCO. A new position of Communications Adviser has been established in the PCO to ensure that proper systems are in place to respond to enquiries and to develop the PCO's non-legislative publications programme, including the PCO website.

*One impact of the PAL Project, and the availability to the public of the interim website of legislation, has been the increase in the number of public enquiries received by the PCO.*

### *PCO website*

The PCO website ([www.pco.parliament.govt.nz](http://www.pco.parliament.govt.nz)) has been upgraded to comply with the State Services Commission guidelines. A search facility has been provided, the home page has been amended to include a link to the Government Web Portal, text links have been created to all sections of the website, and all publications intended for the public are created in HTML and often also in PDF.

Information provided on the website includes corporate information, updates on PCO projects, links to other drafting offices, and staff vacancies. The Client File provides information specifically tailored to those in government departments and other agencies who provide drafting instructions.

[www.pco.parliament.govt.nz/pal](http://www.pco.parliament.govt.nz/pal) is the website that is kept up-to-date for the PAL Project. The GOVIS and LIANZA presentations, referred to above, are available on this website.

**PCO Newsletter**

The *PCO Newsletter* continues to be published and is distributed to solicitors in government departments. It is now published only in electronic form and is available in the Client File section of the PCO website.

**SRA 4—PROCESS AND SYSTEM MANAGEMENT**

The goals of this SRA are that—

- the PCO workplace policies, practices, and procedures are understood by PCO staff
- technology is used effectively
- internal and external communication is improved
- the PCO complies with its legislative obligations.

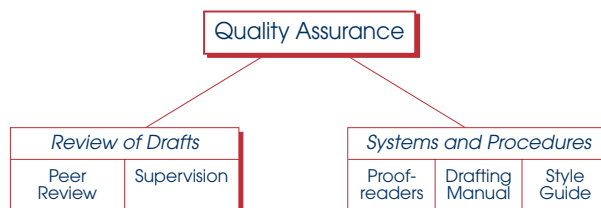
**PCO Drafting Manual and Style Guide**

These 2 important manuals are the repository of much institutional knowledge relating to legislative drafting and PCO work practices. Use of these manuals is an important component of the PCO’s quality assurance systems.

The opportunity was taken over the 2002 election period to begin a complete revision of the *PCO Drafting Manual*. The work is about 80% complete, and it is expected that the manual will be made available during the next financial year in both print and electronic form and on the PCO website.

A revision of the *PCO Style Guide* was also undertaken in the year under review, and is close to completion.

The diagram below outlines the structure of the PCO’s quality assurance system.



**Security policy**

Work on the PCO’s security policy was completed during the year. The development of the policy identified the need for a PCO Security Officer. This role is incorporated into the responsibilities of the Management Support Co-ordinator. The role of the PCO Security Officer

*Work on the PCO’s security policy was completed during the year.*



includes monitoring compliance with the standards and guidelines for physical security, keeping the policy up-to-date, co-ordinating training in the policy and procedures, and undertaking audits of the operation of the policy. As the Management Support Co-ordinator resigned during the year, the policy will be implemented when a new appointment is made.

**Information technology systems**

A major focus for the PCO IT team has been on the PAL Project. This has involved the review of a significant amount of system documentation, a test build of the entire PAL system using the system documentation, workshops, and support for the test environments. An additional staff member was recruited to the IT team to assist with helpdesk and general support issues to allow the other members of the IT team to maintain their involvement with the PAL Project.

New hardware was installed during the year, including new file servers and printers. Despite the demands of the PAL Project, the IT team has planned and progressed various other projects. These included the following:

**New document management software**

As a result of requirements for the PAL Project, the system that manages the administrative and legislation databases was replaced in August 2002 with a new content management system, Documentum. The opportunity afforded by the 2002 general election was used to roll-out the new system. This was a major exercise that involved the migration of over 50 000 documents (including all versions and security settings) from the existing system, iManage, and the provision of training and support for all staff. The roll-out was completed as planned with a seamless transition to the new system.

**Proofreading database**

This is a new database developed in Microsoft Access 2000 for the Legal Publications Officers within the Editorial Services team. It tracks information about the proofreading of each drafting assignment. It replaces a manual system of recording the number of jobs and the number of pages read by the Editorial Services team.

**PCO helpdesk**

The PCO helpdesk database was upgraded during the year. It has been converted to Microsoft Access 2000 and has links to the staff database for staff names, and cross-references to hardware and software databases.

*Three PCO staff attended the IT Forum of the Australasian Parliamentary Counsel's Committee in July 2002.*

**IT forum**

Three PCO staff attended the IT Forum of the Australasian Parliamentary Counsel's Committee in July 2002. The Forum was held in Sydney and included a demonstration of the new authoring tool that is being implemented in the New South Wales Parliamentary Counsel's Office. The PCO team gave a progress report on the PAL Project.

The Forum is attended by IT, publishing, and drafting staff from federal and state drafting offices in Australia and New Zealand, and provides a valuable opportunity to discuss and exchange ideas about the use of technology in drafting and publishing, and the production of reprints.

***Library and records systems***

Four projects initiated to strengthen the PCO management of records and the library collection were successfully completed. The project on collection development has led to the purchase of dedicated library software. The framework for a permanent records management solution has been developed with the assistance of Archives New Zealand. Four common-use sets of Statutes and Statutory Regulations have been established. It is expected that the number of sets held in drafters’ offices can now be reduced with a corresponding reduction in the costs of providing hard copy legislation.

The PCO Librarian is leading a project to establish a new catalogue of the collection that will better reflect the needs of the PCO. This will entail a reorganisation of the classification system that, with the new software, will make the collection more accessible.

**SRA 5—CAPABILITY MANAGEMENT**

The goals of this strategic result area are that—

- the core capabilities of the PCO, including the management capability of staff, are maintained and enhanced
- a challenging and rewarding work environment is provided
- the whole-of-office dynamic is enhanced.

During the year, a number of initiatives were taken to strengthen the PCO. Additional funding was obtained for the recruitment of drafters to strengthen the law drafting capability of the PCO, the Prepublication Unit and the Reprints Unit were established to undertake work that improves access to legislation, and additional support staff were recruited.

***Strengthening the Secretarial Services team***

In preparation for the implementation of the PAL Project, the Secretarial team was strengthened at the beginning of 2003. This has reduced the ratio of drafters to secretaries, and enabled secretaries to be fully involved with the user acceptance testing programme of the new authoring tool. All secretaries are now fully competent in both the present systems and in Epic, the new authoring tool.

**Seminars for PCO staff**

*The PCO runs a seminar programme for drafters. The PCO is grateful to the contributors from within and outside the PCO who gave generously of their time.*

The PCO runs a seminar programme for drafters. The PCO is grateful to the contributors from within and outside the PCO who gave generously of their time. In the year under review, the speakers from outside the PCO were Professor Jeremy Waldron (the Maurice and Hilda Friedman Professor of Law at Columbia University, New York, and visiting Professor of Law at Victoria University of Wellington), Wellington barrister David Goddard, QC, Human Rights Commissioner Joy Liddicoat, and Professor J F Burrows from the Law Faculty at Canterbury University.

During the year, a number of drafting demonstrations were provided using the Epic authoring tool that is being customised for PCO use as part of the PAL Project.

Throughout the year, drafters and support staff attended seminars relevant to their work organised by the New Zealand Law Society and other organisations.

**Personnel**

**Retirement of Hugh Turnbull**

Hugh Turnbull, ONZM, LLB, MCom, Assistant Compiler of Statutes, retired on 12 February 2003.

Hugh Turnbull had a long and productive career with the PCO. He started work in the Compilation Department of the PCO in 1947, preparing reprints of Acts and Statutory Regulations. He then worked on the 1957 Reprints of the Statutes of New Zealand (published in 16 volumes), and from 1958 to 1978 was involved in the work of reprinting individual Acts



*Farewell function for Hugh Turnbull on 12.2.2003. From the left: Assistant Compiler of Statutes, Hugh Turnbull, Mrs Vie Turnbull, and Chief Parliamentary Counsel, George Tanner.*

and Statutory Regulations which, over that period, were published in the annual volumes of statutes and regulations. Hugh Turnbull's involvement in compilation work continued with the introduction, in 1979, of the Reprinted Statutes of New Zealand Series (the brown volumes). The last volume in that series, Volume 42, was published in early 2003.

He also collaborated with other compilers in the production, in 1978, of the Western Samoa Statutes Reprint 1920–1977 (consisting of 6 volumes).

On the occasion of Hugh Turnbull's retirement, the Attorney-General moved a motion without notice in Parliament acknowledging his public service, and TV One broadcast a short item about his long career.

Hugh was made an Officer of the New Zealand Order of Merit in the 1999 Queen's Birthday Honours for services to the compilation of legislation. Through his professional skill and dedication, Hugh Turnbull has made a valuable contribution to ensuring the availability of the general statute law of New Zealand.

*Hugh Turnbull has made a valuable contribution to ensuring the availability of the general statute law of New Zealand.*

**Drafting staff**

Two appointments to the drafting staff were made during the year. Richard Wallace was appointed as a Parliamentary Counsel and Leeanne O'Brien as an Assistant Parliamentary Counsel. Scott Murray and Adrienne Meikle, both Assistant Parliamentary Counsel, were appointed as Parliamentary Counsel.

**Access to Legislation staff**

During the course of the year, the PCO recruited managers and staff for the new Prepublication Unit and the new Reprints Unit. Both managers were internal appointments. Michelle Antoine was appointed as Prepublication Unit Co-ordinator, and Juliet Price was appointed as Reprints Unit Co-ordinator. Five staff, all of whom were former Legislation Direct employees, were appointed to the new Prepublication Unit, and 3 staff, all of whom were previously employed by legal publishers, were appointed to the new Reprints Unit.

Laurence Iloff was appointed as Publishing Systems Development Adviser. This role involves working closely with the PCO PAL Project Director, the Prepublication Unit and Reprints Unit Co-ordinators, and the IT staff of the PCO, to put in place the new publishing systems and procedures required to provide access to legislation in both printed and electronic form.

**Support staff**

The new appointments to the Secretarial Services team were Ana Visala and Jaana Salo. Carol Murray and Jillian Penn were appointed to the Editorial Services team as Legal Publications Officers. In order to fill the gap created by the appointment of the Co-ordinator to the Reprints Unit, Daphne Brasell joined the PCO as Acting Information Services Co-ordinator.



Staff of the Parliamentary Counsel Office, 12.2.2003.

**FINANCIAL STATEMENTS OF THE PARLIAMENTARY  
COUNSEL OFFICE**  
*For the year ended 30 June 2003*

***Introduction to the Financial Statements***

The Parliamentary Counsel Office (PCO) is responsible for discharging the functions set out in the Statutes Drafting and Compilation Act 1920, and certain functions set out in the Acts and Regulations Publication Act 1989.

The PCO is funded by appropriation of money by Parliament.

The financial statements of the PCO for the year ended 30 June 2003, including the Statement of Service Performance, now follow.

**STATEMENT OF RESPONSIBILITY**  
*For the year ended 30 June 2003*

In our opinion, the financial information presented in the Statements and Notes to the Accounts fairly reflects the position and operations of the PCO.

The PCO has a system of internal control, and this system has provided reasonable assurance as to the integrity and reliability of the financial report of the PCO.

In terms of sections 35 and 37 of the Public Finance Act 1989, I, George Tanner, Chief Parliamentary Counsel, accept responsibility for the preparation of the financial statements and the judgements used in the financial statements.



G E Tanner, QC  
Chief Parliamentary Counsel  
30 September 2003



Julia Kennedy  
Manager Support Services,  
Parliamentary Counsel Office  
30 September 2003

**STATEMENT OF FINANCIAL PERFORMANCE**  
*For the year ended 30 June 2003*

30/6/02			30/6/03	30/6/03	30/6/03
Actual		Note	Actual	Main	Supp.
\$000			\$000	Estimates	Estimates
				\$000	\$000
<b>Revenue</b>					
6,203	Crown		9,393	7,741	9,393
48	Other	1	57	35	35
<u>6,251</u>	<b>Total operating revenue</b>		<u>9,450</u>	<u>7,776</u>	<u>9,428</u>
<b>Expenses</b>					
3,988	Personnel	2	4,542	4,676	4,529
1,945	Operating	3	3,932	2,042	3,837
228	Depreciation	4	333	695	696
51	Capital charge	5	275	363	366
<u>6,212</u>	<b>Total expenses</b>		<u>9,082</u>	<u>7,776</u>	<u>9,428</u>
<u>39</u>	<b>Net surplus</b>	6	<u>368</u>	<u>0</u>	<u>0</u>

**STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS**  
*For the year ended 30 June 2003*

30/6/02			30/6/03	30/6/03	30/6/03
Actual		Note	Actual	Main	Supp.
\$000			\$000	Estimates	Estimates
				\$000	\$000
568	Taxpayers' funds as at 1 July		2,368	2,368	2,368
39	Net surplus		368	0	0
	<b>Total recognised revenues and</b>				
39	<b>expenses for the year</b>		368	0	0
1,800	Capital contributions		3,800	3,800	3,800
	Provision for repayment of				
(39)	surplus to the Crown	6	(368)	0	0
<u>2,368</u>	<b>Taxpayers' funds as at 30 June</b>		<u>6,168</u>	<u>6,168</u>	<u>6,168</u>

**Note:** The accompanying notes and accounting policies form part of these financial statements.  
 For information on major variances against budget, refer to Note 12.

**STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2003*

30/6/02		30/6/03	30/6/03	30/6/03
Actual	Note	Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
<b>TAXPAYERS' FUNDS</b>				
2,368		6,168	6,168	6,168
	Taxpayers' funds			
<u>2,368</u>	<b>Total taxpayers' funds</b>	<u>6,168</u>	<u>6,168</u>	<u>6,168</u>
Represented by:				
<b>CURRENT ASSETS</b>				
1,094		844	1,054	657
	Cash and bank			
10		51	0	0
	Debtors and receivables			
0		34	19	19
	Prepayments			
329		3,239	251	328
	Debtor—Crown			
<u>1,433</u>	<b>Total current assets</b>	<u>4,168</u>	<u>1,324</u>	<u>1,004</u>
<b>NON-CURRENT ASSETS</b>				
2,530		4,634	5,597	5,934
	Fixed assets			
2,530		4,634	5,597	5,934
	<b>Total non-current assets</b>			
<u>3,963</u>	<b>Total assets</b>	<u>8,802</u>	<u>6,921</u>	<u>6,938</u>
<b>CURRENT LIABILITIES</b>				
1,247		1,870	423	423
	Creditors and accruals			
39		368	0	0
	Provision for payment of net surplus			
98		153	328	347
	Provision for employee entitlements			
<u>1,384</u>	<b>Total current liabilities</b>	<u>2,391</u>	<u>751</u>	<u>770</u>
<b>NON-CURRENT LIABILITIES</b>				
211		243	2	0
	Provision for employee entitlements			
<u>1,595</u>	<b>Total liabilities</b>	<u>2,634</u>	<u>753</u>	<u>770</u>
<u>2,368</u>	<b>NET ASSETS</b>	<u>6,168</u>	<u>6,168</u>	<u>6,168</u>

*Note:* The accompanying notes and accounting policies form part of these financial statements.  
For information on major variances against budget, refer to Note 12.



**STATEMENT OF CASH FLOWS**  
*For the year ended 30 June 2003*

30/6/02		30/6/03	30/6/03 Main	30/6/03 Supp.
Actual		Actual	Estimates	Estimates
\$000		\$000	\$000	\$000
<b>Cash flows from operating activities</b>				
Cash provided from:				
6,981	Supply of outputs —Crown	6,483	7,819	9,394
40	—Other	2	35	45
<u>7,021</u>	<b>Subtotal</b>	<u>6,485</u>	<u>7,854</u>	<u>9,439</u>
Cash disbursed to produce outputs:				
(3,952)	Personnel	(4,425)	(4,153)	(5,023)
(2,401)	Operating	(2,882)	(2,546)	(3,078)
(568)	Net GST paid	429	0	0
(25)	Capital charge	(301)	(363)	(392)
<u>(6,946)</u>	<b>Subtotal</b>	<u>(7,179)</u>	<u>(7,062)</u>	<u>(8,493)</u>
<u>75</u>	<b>Operating activities net cash flows</b>	<u>(694)</u>	<u>792</u>	<u>946</u>
<b>Cash flows from investing activities</b>				
0	Cash provided from sale of fixed assets	29	0	0
(1,218)	Cash disbursed to purchase of fixed assets	(3,346)	(4,100)	(5,144)
<u>(1,218)</u>	<b>Investing activities net cash flows</b>	<u>(3,317)</u>	<u>(4,100)</u>	<u>(5,144)</u>
<b>Cash flows from financing activities</b>				
Cash provided from:				
1,800	Capital contribution received	3,800	3,800	3,800
Cash disbursed to:				
(430)	Payment of surplus to the Crown	(39)	0	(39)
<u>1,370</u>	<b>Financing activities net cash flows</b>	<u>3,761</u>	<u>3,800</u>	<u>3,761</u>
227	Net increase/(decrease) in cash held	(250)	492	(437)
867	Add opening cash brought forward	1,094	562	1,094
<u>1,094</u>	<b>Closing cash</b>	<u>844</u>	<u>1,054</u>	<u>657</u>

**Note:** The accompanying notes and accounting policies form part of these financial statements. For information on major variances against budget, refer to Note 12.

**RECONCILIATION OF NET SURPLUS TO NET CASH FLOW  
FROM OPERATING ACTIVITIES**  
*For the year ended 30 June 2003*

30/6/02		30/6/03	30/6/03 Main	30/6/03 Supp.
Actual		Actual	Estimates	Estimates
\$000		\$000	\$000	\$000
39	<b>Net surplus</b>	368	0	0
	<b>Add/(less) non-cash items</b>			
228	Depreciation	333	695	696
4	(Inc)/dec in non-current employee entitlements	32	19	38
232	<b>Total non-cash items</b>	365	714	734
	<b>Add/(less) movements in working capital items</b>			
(8)	(Inc)/dec in debtors	(75)	0	(9)
778	(Inc)/dec in Debtor—Crown	(2,910)	78	1
75	Inc/(dec) in creditors and payables	623	0	220
8	Inc/(dec) in current employee entitlements	55	0	0
853	<b>Working capital movements—net</b>	(2,307)	78	212
	<b>Add/(less) investing activity items</b>			
0	Loss on sale of physical assets	(14)	0	0
(1,049)	Credits for purchase of fixed assets	894	0	0
(1,049)	<b>Total investing activity items</b>	880	0	0
75	<b>Net cash flow from operating activities</b>	(694)	792	946

*Note: The accompanying notes and accounting policies form part of these financial statements.*

**STATEMENT OF COMMITMENTS**  
*As at 30 June 2003*

30/6/02 Actual \$000		30/6/03 Actual \$000
3,791	<b>Capital commitments</b>	2,035
3,791	Total capital commitments	2,035
<b>Operating commitments</b>		
749	Less than 1 year	2,146
270	1 to 2 years	0
0	2 to 5 years	0
0	More than 5 years	0
1,019	Total operating commitments	2,146
4,810	<b>Total commitments</b>	4,181

**Note:** *The PCO has an accommodation lease with the Reserve Bank. It has a contract with Unisys New Zealand Limited for the implementation of the PAL Project. Ongoing arrangements are in place for the provision of prepress services by Legislation Direct, and printing services by Securacopy; both companies are part of the Blue Star Print Group.*

**STATEMENT OF CONTINGENT LIABILITIES**  
*As at 30 June 2003*

As at 30 June 2003, there are no contingent liabilities. (30 June 2002: nil.)

As at 30 June 2003, there were no guarantees or indemnities given under section 59 of the Public Finance Act 1989 in respect of the activities of the PCO. (30 June 2002: nil.)

**STATEMENT OF UNAPPROPRIATED EXPENDITURE**  
*For the year ended 30 June 2003*

For the year ended 30 June 2003, there is no unappropriated expenditure. (30 June 2002: nil.)

**Note:** *The accompanying notes and accounting policies form part of these financial statements.*

**STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS**  
*For the year ended 30 June 2003*

(Figures are GST inclusive where applicable)

	30/6/03 Expenditure Actual \$000	30/6/03 Appropriation Voted <sup>1</sup> \$000
<b>VOTE: PARLIAMENTARY COUNSEL</b>		
<b>Appropriations for classes of outputs</b>		
D1—Law Drafting Services	6,130	6,202
D2—Access to Legislation	4,133	4,404
<b>Total</b>	<b>10,263</b>	<b>10,606</b>
<b>Capital contribution to the department</b>		
Capital investment	3,800	3,800

<sup>1</sup> This includes adjustments made in the Supplementary Estimates.

*Note:* The accompanying notes and accounting policies form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2003*

**Note 1 Other revenue**

30/6/02		30/6/03	30/6/03	30/6/03
Actual		Actual	Main	Supp.
\$000		\$000	Estimates	Estimates
			\$000	\$000
0	Gain on sale of fixed assets	14	0	0
48	Recovery of printing costs	43	35	35
<b>48</b>	<b>Total other revenue</b>	<b>57</b>	<b>35</b>	<b>35</b>

**Note 2 Personnel costs**

30/6/02		30/6/03	30/6/03	30/6/03
Actual		Actual	Main	Supp.
\$000		\$000	Estimates	Estimates
			\$000	\$000
3,936	Salaries and wages	4,403	4,398	4,270
40	Other personnel costs	52	259	259
12	Annual, retirement, and long service leave	87	19	0
<b>3,988</b>	<b>Total personnel costs</b>	<b>4,542</b>	<b>4,676</b>	<b>4,529</b>

**Note 3 Operating costs**

30/6/02		30/6/03	30/6/03	30/6/03
Actual		Actual	Main	Supp.
\$000		\$000	Estimates	Estimates
			\$000	\$000
13	Audit fees to auditors for audit of the financial statements	13	13	13
213	Consultancy costs	115	40	40
395	Rental costs	453	470	470
561	Printing costs	2,282	560	1,284
763	Other operating costs	1,069	959	2,030
<b>1,945</b>	<b>Total operating costs</b>	<b>3,932</b>	<b>2,042</b>	<b>3,837</b>

**Note 4 Depreciation expenses**

30/6/02		30/6/03	30/6/03	30/6/03
Actual		Actual	Main	Supp.
\$000		\$000	Estimates	Estimates
			\$000	\$000
119	Computer systems	182	122	122
11	Furniture	18	70	70
14	Motor vehicles	16	15	15
6	Office equipment	9	6	6
78	Fixture and fittings	108	108	109
0	PAL Project	0	374	374
<b>228</b>	<b>Total other expenses</b>	<b>333</b>	<b>695</b>	<b>696</b>

**Note 5 Capital charge**

The PCO pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2003 was 8.5%. (2002: 9%.)

**Note 6 Provision for repayment of surplus to the Crown**

30/6/02		30/6/03
Actual		Actual
\$000		\$000
39	Net surplus	368
<b>39</b>	<b>Total provision for repayment of surplus</b>	<b>368</b>

**Note 7 Fixed assets**

30/6/02 Actual \$000		30/6/03 Actual \$000
	Motor vehicles	
71	At cost	70
(33)	Accumulated depreciation	(23)
38	Motor vehicles—net book value	47
	Computer equipment	
619	At cost	895
(330)	Accumulated depreciation	(500)
289	Computer equipment—net book value	395
	Furniture	
230	At cost	251
(167)	Accumulated depreciation	(185)
63	Furniture—net book value	66
	Leasehold property improvements	
1,030	At cost	1,147
(674)	Accumulated depreciation	(782)
356	Leasehold property improvements—net book value	365
	Office equipment	
55	At cost	66
(28)	Accumulated depreciation	(37)
27	Office equipment—net book value	29
	Items under construction	
1,254	PAL Project	2,384
503	PAL software	1,348
1,757	Total items under construction	3,732
	Total fixed assets	
3,762	At cost	6,161
(1,232)	Accumulated depreciation	(1,527)
2,530	<b>Total—carrying amount of fixed assets</b>	4,634

**Note 8 Creditors and payables**

30/6/02 Actual \$000		30/6/03 Actual \$000
389	Trade creditors	1,392
209	Accrued expenses	320
(426)	GST payable/receivable	3
26	Capital charge payable	0
1,049	Fixed asset	155
1,247	<b>Total creditors and payables</b>	1,870

**Note 9 Employee entitlements**

30/06/02		30/06/03
Actual		Actual
\$000		\$000
<b>Current liabilities</b>		
72	Annual leave	125
26	Long service leave	28
98	Total current portion	153
<b>Non-current liabilities</b>		
27	Long service leave	30
184	Retirement leave	213
211	Total non-current portion	243
309	<b>Total employee entitlements</b>	396

**Note 10 Financial instruments**

The PCO is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable, and trade creditors.

*Credit risk*

Credit risk is the risk that a third party will default on its obligations to the PCO, causing the PCO to incur a loss.

In the normal course of its business, the PCO incurs credit risk from trade debtors and transactions with financial institutions.

The PCO does not require any collateral or security to support financial instruments with financial institutions that it deals with as these entities have high credit ratings. For its other financial instruments, the PCO does not have significant concentrations of credit risk.

The maximum exposures to credit risk are as follows:

	30/6/03 \$000	30/6/02 \$000
Bank balances	844	1,094
Debtors	51	10

The PCO is not exposed to any other concentrations of credit risk.

*Fair value*

The fair value of the PCO's financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

*Currency risk and interest rate risk*

Currency risk is the risk that debtors and creditors due in foreign currency will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The PCO has no significant exposure to currency risk or interest rate risk on its financial instruments.



**Note 11 Related party information**

The PCO is a wholly-owned entity of the Crown. The Government significantly influences the role of the PCO as well as being the major source of revenue.

The PCO enters into numerous transactions with other government departments, Crown agencies, and State-owned enterprises on an arm’s length basis. These transactions are not considered to be related party transactions.

Apart from those transactions described above, the PCO has not entered into any related party transactions.

**Note 12 Major budget variances**

The major budget variances mainly reflect the delay in completion of the PAL Project, and the transfer of responsibility for printing legislation from the Office of the Clerk to the PCO effective from 1 February 2003. One aspect of the delay in implementation of the PAL Project was a requirement to fund external pre-press services beyond the planned end date of 30 January 2003.

In the Statement of Financial Performance, Revenue Crown shows a variance of \$1.652 m between the Main and Supplementary Estimates. This was made up of \$.724 m transferred from the Office of the Clerk for the printing of legislation and additional funding of \$.928 m provided to enable the PCO to continue to purchase external prepress services for legislation.

The variance in operating costs is explained by the additional costs of prepress services. A consequence of the delay in implementation of the PAL Project was a delay in the draw down of the capital contribution to fund the project, and a consequent variance in the requirements for depreciation and capital charge.

In the Statement of Financial Position, variances in both current assets and fixed assets reflect the incomplete state of the PAL Project. The variance in Debtor-Crown reflects the delay in the draw down of Revenue Crown. Current liabilities at \$1.4 m more than budgeted are a result of the late receipt of invoices. These were cleared soon after the balance date.

Variances in the Statement of Cash Flows also reflect the delay in completion of the PAL Project. The variance of \$1.336 m in cash provided from the supply of outputs to the Crown partially reflects the decision to increase Debtor-Crown rather than draw down cash not immediately required to fund the project. Cash disbursed to the purchase of fixed assets is accordingly less than anticipated at the time of the Main Estimates.

## STATEMENT OF ACCOUNTING POLICIES

### Reporting entity

The PCO is a government department as defined by section 2 of the Public Finance Act 1989.

These financial statements of the PCO are prepared in accordance with section 35 of the Public Finance Act 1989, and comply with generally accepted accounting practice.

### Measurement system

These financial statements have been prepared on the basis of historical cost.

### Accounting policies

The following particular accounting policies, which materially affect the measurement of financial results and the financial position, have been applied.

### Budget figures

The Budget figures are those presented in the Budget Night Estimates (Main Estimates) and those amended by the Supplementary Estimates.

### Revenue

The PCO derives revenue through the provision of outputs to the Crown and for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

### Cost allocation

The PCO has derived the costs of outputs using a cost allocation system outlined below.

#### *Cost allocation policy*

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity usage information.

#### *Criteria for direct and indirect costs*

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.

#### *Direct costs assigned to outputs*

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged by actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output.

For the year ended 30 June 2003, direct costs accounted for 98.3% of the PCO's costs. (2002: 97.1%.)

#### *Basis for assigning indirect and corporate costs to outputs*

Indirect costs are assigned to outputs based on a proportion of direct staff costs used for each output.

For the year ended 30 June 2003, indirect costs accounted for 1.7% of the PCO costs. (2002: 2.9%.)

**Debtors and receivables**

Receivables are recorded at estimated realisable value after providing for doubtful debts.

**Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

**Fixed assets**

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use.

All fixed assets costing more than \$1,000 are capitalised and recorded at historical cost.

**Depreciation**

Depreciation of fixed assets is provided on a straight line basis, other than assets under construction, so as to allocate the cost of assets, less any estimated residual value, over their useful lives. The estimated economic useful lives are:

Motor vehicles	3 years	33% (residual value 40%)
Office furniture	5 years	20%
Computing equipment	3 years	33%
Office equipment	5 years	20%
Leasehold improvements	6 years	16.67%
PAL software	7 years	14.29%
PAL Project	20 years	5%

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter. Items under construction are not depreciated. The total cost of a capital project is transferred to the appropriate asset class on its completion and then depreciated.

**Employee entitlements**

Provision is made in respect of the PCO liability for annual leave, long service leave, and retirement leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while the other provisions have been calculated on an actuarial basis based on the present value of expected future entitlements.

**Statement of cash flows**

Cash means cash balances on hand and held in bank accounts.

Operating activities include cash received from all income sources of the PCO and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

**Foreign currency**

Foreign currency transactions are converted at the New Zealand dollar exchange rate at the date of the transaction.

**Financial instruments**

The PCO is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, and creditors. All financial instruments are recognised in the Statement of Financial Position, and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. Except for those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

**Goods and services tax (GST)**

The Statement of Unappropriated Expenditure and the Statement of Departmental Expenditure and Appropriations are inclusive of GST. The Statement of Financial Position is exclusive of GST, except for Creditors and Payables, and Debtors and Receivables, which are GST inclusive. All other statements are GST exclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables or Debtors and Receivables (as appropriate).

**Taxation**

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

**Commitments**

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that they are equally unperformed obligations.

**Contingent liabilities**

Contingent liabilities are disclosed at the point at which the contingency is evident.

**Taxpayers' funds**

This is the Crown's net investment in the PCO.

**Changes in accounting policies**

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with other years.

**STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE**  
*For the year ended 30 June 2003*

The PCO agreed to provide output classes in 2002/03 to meet the requirements of the Attorney-General in terms of their nature, outcome emphasis, timeliness, quality and quantity specifications, and cost.

***Output Class D1—Law Drafting Services***

**Description**

Under this output class, the PCO delivered a service that provides for—

- drafting Government Bills (including amendments to Government Bills) and Statutory Regulations
- examining and reporting on local Bills and private Bills, and drafting amendments to them.

**Outcomes**

This output class contributed to the Government’s objectives by ensuring that the changes in the law that were necessary to implement Government policies were properly drafted. The PCO provided—

- Government Bills and Statutory Regulations that were properly drafted
- reports on the form and effect of local Bills and private Bills
- amendments to Government Bills and to local Bills and private Bills that were properly drafted.

**Objectives**

This output class is demand driven. It is accordingly difficult to estimate accurately the number of Government Bills and Statutory Regulations that will be drafted in any year, or the extent of the amendments required to Bills before the House.

It was anticipated that—

- between 60 and 80 Government Bills would be drafted in the 2002/03 financial year and that amendments to the same number of Bills would be drafted during their passage through the House
- between 300 and 400 Statutory Regulations would be drafted
- between 4 and 8 local Bills and private Bills would be examined, and amendments drafted to the same number.

The quality of the Government Bills and Statutory Regulations drafted and of the examinations of local Bills and private Bills was expected to remain as high as in earlier years. The quality of the amendments drafted to Government Bills and to local Bills and private Bills was also expected to remain high.

The Attorney-General’s views and the views of instructing departments as to the quality of the work in this output class would be sought.

**Service performance**

In achieving this output, the PCO, in the year ended 30 June 2003,—

- ✓ drafted the anticipated number of Government Bills, as shown by the following figures:

	For the year ended 30 June		
	2003	2002	2001
Number of Government Bills enacted (includes 2 Members’ Bills)	89 <sup>1</sup>	93	115
Number of Government Bills before the House of Representatives or awaiting Royal assent at the end of the year	57	69	54

Note: <sup>1</sup> 2 of the Government Bills were drafted by the Inland Revenue Department.

	For the year ended 30 June 2003	
	Projected	Actual
Number of Government Bills drafted	Between 60 and 80 Government Bills	68 Government Bills

- ✓ drafted the anticipated number of amendments to Government Bills
- ✓ drafted the anticipated number of Statutory Regulations, as shown by the following figures:

	For the year ended 30 June			
	2003		2002	2001
	Projected	Actual	Actual	Actual
Number of Statutory Regulations made	Between 300 and 400	370	451	337

- ✓ examined the local Bills and private Bills enacted in the year ended 30 June 2003, as follows:

	For the year ended 30 June			
	2003		2002	2001
	Projected	Actual	Actual	Actual
Number of local Bills enacted	Between 4 and 8	2	7	1
Number of private Bills enacted	Between 4 and 8	3	4	1
Total		5	11	2

Note: The variance between actual and projected figures results from the difficulty in estimating demand.

- ✓ drafted amendments to Bills enacted as local Acts and private Acts as follows:

	For the year ended 30 June		
	2003	2002	2001
	Actual	Actual	Actual
Local Acts in respect of which amendments were drafted	1	3	1
Private Acts in respect of which amendments were drafted	2	2	1

- ✓ maintained a high standard in relation to the drafting of Government Bills, Statutory Regulations, amendments to Government Bills, and examination of and drafting of amendments to local Bills and private Bills.

**Attorney-General's view**

The Attorney-General is satisfied that the quality of the work of the PCO in relation to this output in the year ended 30 June 2003 has achieved the high standard as set out in the Statement of Objectives.

**Instructing departments' views**

The views of instructing departments have been sought regarding the quality of this output in the year ended 30 June 2003. A questionnaire was used and the results quantified. The response rate was 55.6% and the average satisfaction rating for those who responded was 91%. In comparison, in 2002 the response rate was 93% and the satisfaction rating was 90%.

**Financial performance for Output Class D1—Law Drafting Services**

30/6/02		30/6/03	30/6/03	30/6/03
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
5,284	Revenue—Crowne	5,513	5,513	5,513
0	Other revenue	14	0	0
5,284	Total revenue	5,527	5,513	5,513
5,278	Total expenses	5,439	5,513	5,513
6	Net surplus	88	0	0

Figures are GST exclusive.

**Output Class D2—Access to Legislation**

**Description**

Under this output class, the PCO delivered a service that provides for—

- supplying printed copies of Government Bills and Government Supplementary Order Papers to the House and, on a selective basis, copies of Acts with proposed amendments incorporated
- publishing printed copies of Bills and Supplementary Order Papers, pamphlet copies of Acts and Statutory Regulations, and annual volumes of Acts and Statutory Regulations
- compiling reprints of Acts and Statutory Regulations with their amendments incorporated and publishing them
- providing the above for sale at designated bookshops and by subscription
- publishing the *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* in printed form, and in electronic form on the Internet free of charge
- providing free public access via the Internet to an electronic database of Acts (both as enacted and with their amendments incorporated), Statutory Regulations (both as made and with their amendments incorporated), Bills, and Supplementary Order Papers
- maintaining the electronic database of legislation in an up-to-date form.

**Outcomes**

This output contributed to the Government’s objectives by—

- providing copies of printed Government Bills and Government Supplementary Order Papers to the House
- ensuring that legislation, including Bills and Supplementary Order Papers, is accessible to the public in both printed and electronic form.

**Objectives**

This output is substantially demand driven. It is accordingly difficult to estimate accurately the number of Government Bills, Supplementary Order Papers, Acts, and Statutory Regulations that will be published in any year, or the number of printed copies of Bills and Supplementary Order Papers that will be provided to the House.



It was anticipated that—

- between 60 and 80 Government Bills and between 70 and 100 Supplementary Order Papers would be supplied to the House and published
- between 60 and 80 Acts of Parliament would be published
- between 300 and 400 Statutory Regulations would be published
- the above would be provided for sale at designated bookshops and to subscribers within 5 working days of the Bills being introduced, Supplementary Order Papers being released, Acts being assented to, and Statutory Regulations being made
- the annual bound volumes of Acts for 2002 and the annual bound volumes of Statutory Regulations for 2002 would be published in the first half of 2003
- reprinted Acts and reprinted Statutory Regulations would be compiled and published in accordance with the PCO reprints policy and the annual reprints programme
- the 2002 edition of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* would be compiled in both printed and electronic form
- free public access to the database of Acts, Statutory Regulations, Bills, and Supplementary Order Papers, would be provided on a 24/7 basis (24 hours a day, 7 days a week)
- the database would be maintained in accordance with the PCO database work programme
- a high standard of accuracy would be maintained.

The Attorney-General's views as to the quality of work in this output class would be sought at the end of the financial year. The views of users of legislation would also be sought.

It was assumed that the Government's Public Access to Legislation (PAL) Project would be commissioned and that as a result there would be free public access via the Internet to an electronic database of Acts, Statutory Regulations, Bills, and Supplementary Order Papers. While interim Internet access to legislation is available, the Government's PAL Project is not yet complete.

**Service performance**

In achieving this output, the PCO has, in the year ended 30 June 2003,—

- ✓ supplied to the House and published 54 Government Bills and 43 Supplementary Order Papers in the period 1 February 2003 to 30 June 2003<sup>1</sup>
- ✓ published 89 Acts of Parliament
- ✓ published 370 Statutory Regulations
- ✓ provided for sale at designated bookshops and to subscribers Bills, Supplementary Order Papers, and Statutory Regulations within 5 working days of the Bills being introduced, Supplementary Order Papers being released, and Statutory Regulations

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<sup>1</sup> The PCO took over this responsibility from the Office of the Clerk with effect from 1 February 2003.

being made. All Acts of Parliament were available within 11 working days of the Act being assented to, and the majority were available within 8 working days

- ✓ published the annual bound volumes of Acts for 2002 and the annual bound volumes of Statutory Regulations for 2002 in the first half of 2003
- ✓ compiled and published 11 reprinted Acts. The new PCO reprints policy and annual reprints programme are not yet in place as the PAL Project has not been completed. Work on reprints in the 2002/03 year was carried out under pre-existing arrangements
- ✓ compiled the 2002 edition of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* and published it in both printed and electronic form
- ✓ from September 2002 provided free public access to an interim database of legislation on a 24/7 basis (24 hours a day, 7 days a week). Availability of the PCO database of Acts, Statutory Regulations, Bills, and Supplementary Order Papers is dependent on completion of the PAL Project
- ✓ arranged for the interim database to be kept up-to-date by Brookers Ltd on behalf of the PCO. The development of a database work programme for the PCO database (referred to in the objectives) is dependent on completion of the PAL Project. The PCO has also arranged for Bills introduced into the House since 1 January 2003, and Bills progressed to a later stage in the Parliamentary process since then, to be made available to the public free of charge on the Knowledge Basket website.

Comparative figures for printed legislation are as follows:

	For the year ended 30 June			
	2003		2002	2001
Publications	Projected	Actual	Actual	Actual
Acts of Parliament	Between 60 and 80			
Public Acts		89	93	115
Local Acts		2	7	1
Private Acts		3	4	1
Statutory Regulations	Between 300 and 400	370	451	337
Annual bound volumes of Acts	For 2002 year	For 2002 year 3 volumes	For 2001 year 3 volumes	For 2000 year 3 volumes
Annual bound volumes of Statutory Regulations	For 2002 year	For 2002 year 4 volumes	For 2001 year 4 volumes	For 2000 year 5 volumes
Reprinted Acts of Parliament	In accordance with reprints programme <sup>1</sup>	11	3	0
<i>Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force</i>	2002 edition	2002 edition	2001 edition	2000 edition

<sup>1</sup> The PCO annual reprints programme has not yet been established as it is dependent on completion of the PAL Project.

**Attorney-General's view**

The Attorney-General is satisfied that, taking account of the delays in implementation of the PAL Project, the performance of the PCO in relation to this output in the year ended 30 June 2003 was satisfactory against the standard as set out in the Statement of Objectives. The Attorney-General noted that the publicly available database of up-to-date legislation is being provided through an interim arrangement, and its replacement by a PCO database that will include Bills is dependent on completion of the PAL Project.

As the PAL Project has not yet been completed, the views of users of legislation were not sought.

**Financial performance for Output Class D2—Access to Legislation**

30/6/02 Actual <sup>1</sup>	30/6/03 Actual	30/6/03 Main Estimates	30/6/03 Supp Estimates
\$000	\$000	\$000	\$000
919 Revenue—Crown	3,880	2,228	3,880
48 Other revenue	43	35	35
967 Total revenue	3,923	2,263	3,915
934 Total expenses	3,643	2,263	3,915
33 Net surplus	280	0	0

*Figures are GST exclusive.*

<sup>1</sup> These figures combine the actuals for Output Class D2 and Output Class D3 for the 2001/02 financial year.

**Overall financial performance**

The financial performance of the PCO for the year ended 30 June 2003 resulted in—

		30/6/03	30/6/02	30/6/03
		Actual	Actual	Estimated
<b>Operating results</b>				
Revenue—Other	\$000	57	48	35
Output expenses	\$000	9,082	6,212	8,139
Net result	\$000	368	39	0
<b>Working capital management</b>				
Liquid ratio	%	35	79	313
Debtor collection period (third party sales)	days	0	0	0
Creditor payment period	days	28	28	30
<b>Resource utilisation</b>				
Fixed assets—				
Additions as a percentage of fixed assets	%	72.2	48.1	73.3
Physical assets as percentage of total assets	%	52.6	63.8	80.9
Taxpayers' funds at year end	\$000	6,168	2,368	6,168
<b>Forecast net cash flows</b>				
Cash disbursed to producing outputs	\$000	7,179	6,946	6,699
Net increase/(decrease) in cash held	\$000	(250)	227	492

## REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE PARLIAMENTARY COUNSEL OFFICE  
*For the year ended 30 June 2003*

We have audited the financial statements on pages 47 to 67. The financial statements provide information about the past financial and service performance of the Parliamentary Counsel Office and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 58 to 60.

### Responsibilities of the Chief Parliamentary Counsel

The Public Finance Act 1989 requires the Chief Parliamentary Counsel to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Parliamentary Counsel Office as at 30 June 2003, the results of its operations and cash flows and service performance achievements for the year ended on that date.

### Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Chief Parliamentary Counsel. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed A J Shaw, of Audit New Zealand, to undertake the audit.

### Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Parliamentary Counsel in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Parliamentary Counsel Office's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Parliamentary Counsel Office.

**Unqualified opinion**

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Parliamentary Counsel Office on pages 47 to 67.

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Parliamentary Counsel Office’s financial position as at 30 June 2003;
  - the results of its operations and cash flows for the year ended on that date; and
  - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 30 September 2003 and our unqualified opinion is expressed as at that date.



A J Shaw  
 Audit New Zealand  
 On behalf of the Auditor-General  
 Wellington, New Zealand

**Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of the Parliamentary Counsel Office for the year ended 30 June 2003 included on the Parliamentary Counsel Office’s website. The Chief Parliamentary Counsel is responsible for the maintenance and integrity of the Parliamentary Counsel Office’s website. We have not been engaged to report on the integrity of the Parliamentary Counsel Office’s website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

We have also been engaged to report on the HTML electronic version of the Parliamentary Counsel Office’s financial statements. Other than the HTML and this electronic version of the Parliamentary Counsel Office’s financial statements, we accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information that may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 30 September 2003 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Legislative framework**

The Parliamentary Counsel Office (PCO) is constituted as a separate Office of Parliament by the Statutes Drafting and Compilation Act 1920.

Under the Statutes Drafting and Compilation Act 1920, the PCO is responsible for—

- drafting Government Bills and Statutory Regulations
- supervising the printing of Government Bills and Statutory Regulations
- examining local Bills and private Bills
- compiling reprints of Statutes and Statutory Regulations
- supervising the printing of those reprints.

The Inland Revenue Department is responsible for drafting certain Bills that will become Acts administered by that department (see Inland Revenue Department (Drafting) Order 1995 (SR 1995/286)).

Under section 4(1) of the Acts and Regulations Publication Act 1989, the PCO is responsible for arranging the printing and publication of—

- copies of Acts of Parliament
- copies of Statutory Regulations
- reprints of Acts of Parliament and reprints of Statutory Regulations
- reprints of Imperial Acts that have effect as part of the laws of New Zealand.

From time to time, the PCO also drafts certain other instruments such as Orders in Council establishing commissions of inquiry, instruments made under the Royal prerogative, and other official documents.

The PCO is not part of the Public Service proper. It is not under the control of the State Services Commission nor is it part of the Parliamentary Service, but it is under the control of the Attorney-General or, if there is no Attorney-General, the Prime Minister.

## **Mission statement**

*The Parliamentary Counsel Office aims to—*

- provide high quality legislative drafting services and advice in a professional, impartial, and responsive manner
- ensure, so far as it can, that New Zealand legislation is based on sound legal principles
- ensure that New Zealand legislation is readily accessible.

***Vision statement***

*A Parliamentary Counsel Office committed to the following objectives:*

**To improve access to legislation by ensuring—**

- that legislation is drafted as clearly and simply as possible
- the timely and high quality publication of legislation
- the timely and high quality compilation of legislation.

**To improve the delivery of services to Ministers, government departments, select committees of Parliament, and the Office’s other clients by—**

- liaising with clients
- keeping clients well-informed
- reviewing and improving the systems used to deliver those services.

**To establish and maintain a reputation, among the Government, the Parliament, the Courts, and the wider public, for—**

- providing high quality legislative drafting services and advice in a professional, impartial, and responsive manner
- ensuring, so far as it can, that New Zealand legislation is based on sound legal principles
- ensuring that New Zealand legislation is readily accessible.

**To undertake the continuous, systematic, review and improvement of management systems, information systems, work practices, and use of resources.**

**To promote a collegial approach to the work of the Office.**

**To promote—**

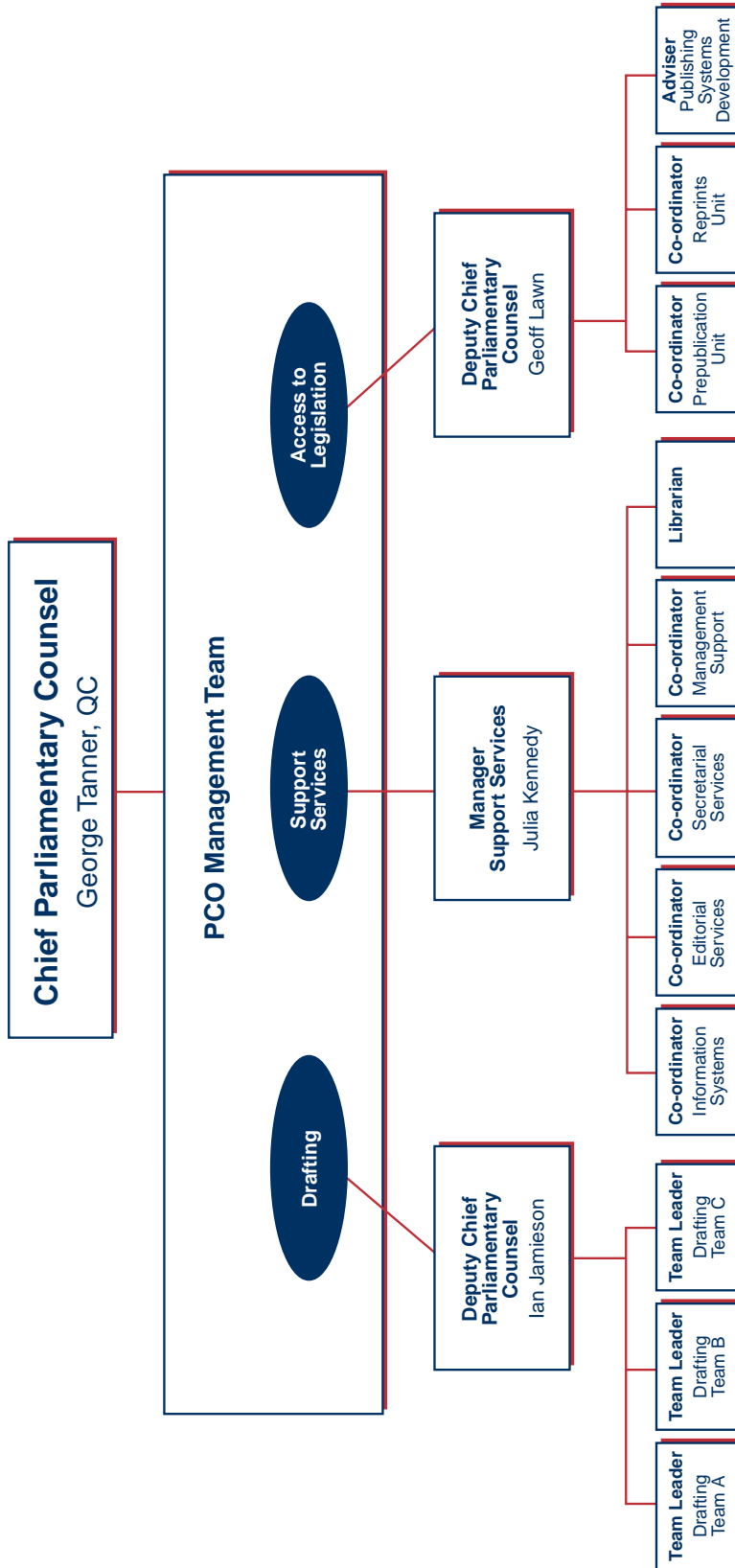
- communication among the staff of the Office
- a high level of consultation with staff
- participation by staff in decision-making.

**To establish and maintain a supportive working environment that—**

- ensures the recruitment of persons best qualified and able to contribute to the achievement of the Office’s mission
- provides proper training to staff
- promotes the professional development of staff
- encourages staff to perform to the highest levels of their ability
- recognises the contributions of staff by principled and fair performance assessment.



**Organisational chart**



**PCO staff**

as at 30 June 2003

**Chief Parliamentary Counsel and  
Compiler of Statutes**  
George Tanner, QC

**LAW DRAFTING**  
**Deputy Chief Parliamentary Counsel**  
Ian Jamieson

**Parliamentary Counsel**  
Andrew Borrowdale  
Melanie Bromley  
Joanne Cairns  
Ross Carter  
Jacqueline Derby (parental leave)  
Mark Gobbi  
Briar Gordon  
Renato Guzman  
Julia Hayes (parental leave)  
Hugo Hoffmann  
David Marriott  
Chris McPhail  
Adrienne Meikle  
Julie Melville  
Bill Moore  
Scott Murray  
Cassie Nicholson (parental leave)  
Frank Riley  
Richard Wallace  
Peter Williams  
Catherine Yates

**Assistant Parliamentary Counsel**  
Leeanne O'Brien

**Counsel to the Parliamentary Counsel  
Office**  
Walter Iles, CMG, QC

**ACCESS TO LEGISLATION**  
**Deputy Chief Parliamentary Counsel**  
Geoff Lawn

**Prepublication Co-ordinator**  
Michelle Antoine

**Prepublication Officers**  
Kevin Hilder  
Peter Johnston  
Harry Masters  
Derek McGuinness  
Graham Minnoch

**Publishing Systems Development Adviser**  
Laurence Ilot

**Reprints Co-ordinator**  
Juliet Price

**Reprints Officers**  
Alister Chang  
Rochelle Forrester  
Margaret Huggins

**SUPPORT STAFF**  
**Manager Support Services**  
Julia Kennedy

**Editorial Services Co-ordinator**  
Daphne Brasell (Acting)

**Legal Publications Officers**  
David Cauchi  
Jane Hubbard  
Carol Murray  
Jillian Penn

**Information Systems Co-ordinator**  
Judy Heaphy

**Information Systems Developer**  
Devon Heaphy

**Computer Support Officer**  
Andrew Burt

**Librarian**  
Kate Anthony

**Management Support Officer**  
Laraine Johnston

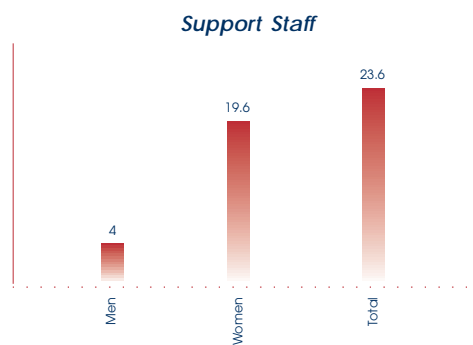
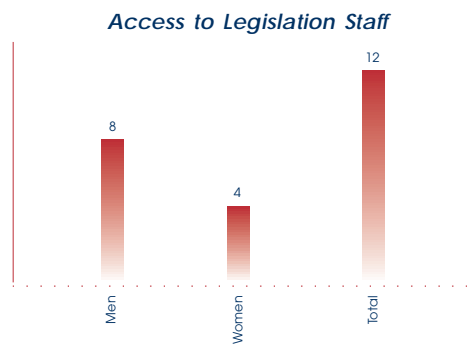
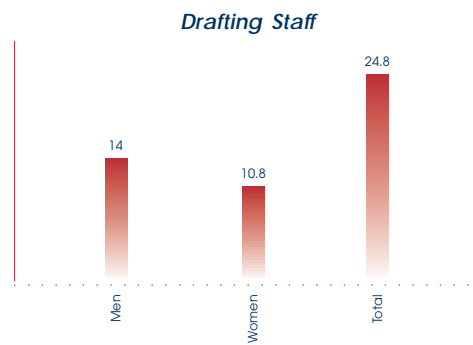
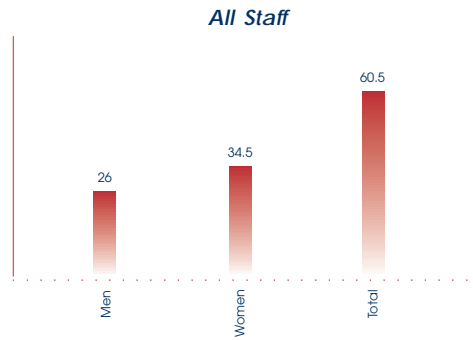
**Messenger**  
Assuero Fastelli

**Secretarial Services Co-ordinator**  
Helen Churchill

**Receptionist**  
Judith Keegan

**Secretaries**  
Linda Dunn  
Simone Henkel  
Tessa Henry  
Janice Kirk  
Denise Paterson  
Kay Purdey  
Jaana Salo  
Sharon Thompson  
Ana Visala  
Julie Ward

**Gender equity**



*Note:* Numbers of staff are full-time equivalents.

## *How to contact us*

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### **Parliamentary Counsel Office**

Level 13, Reserve Bank Building

2 The Terrace

PO Box 18-070

Wellington

New Zealand

**Phone:** 64-4-472 9639

**Fax:** 64-4-499 1724

**Email:** [parliamentary.counsel@parliament.govt.nz](mailto:parliamentary.counsel@parliament.govt.nz)

**Website:** [www.pco.parliament.govt.nz](http://www.pco.parliament.govt.nz)