

Parliamentary Counsel Office

Four-Year Plan

For the period 1 July 2017 to 30 June 2021

July 2017

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Highlights from 2016-17

The Parliamentary Counsel Office (PCO)'s key priorities in its most recent Four-Year Plan (Plan), effective from 1 July 2016, were to continue delivering its two outputs of Law Drafting and Access to Legislation so that we are able to deliver the Government's legislation programme and ensure that all current legislation is readily accessible to the public. The manner in which these outputs are delivered reflects the PCO's wider stewardship role. As stewards of New Zealand legislation the PCO works collaboratively with Ministers, agencies and others to ensure that legislation is fit for purpose, constitutionally sound and accessible. In order to better reflect the PCO's wider stewardship role, a refresh of the PCO's vision and mission statements has been undertaken. Areas of focus and progress made in the 2016/17 year are set out below:

- (1) **Legislation Bill** – The Legislation Bill, which replaces the Legislation Amendment Bill, has been introduced and is awaiting its first reading. The Legislation Bill is a rewrite of the Legislation Act 2012 and includes changes needed for the implementation of the Access to Secondary Legislation Project (previously known as the Access to Subordinate Instruments Project). It also carries over amendments proposed in the Legislation Amendment Bill. The Interpretation Act 1999, (currently administered by the Ministry of Justice), will be updated and incorporated into the Legislation Act 2012. The PCO will then take over responsibility for administering those provisions once incorporated.
- (2) **Access to Secondary Legislation (not drafted or published by the PCO)** – the PCO has established a project team to develop the PCO's information and business systems so that all secondary legislation (whether drafted by the PCO or other agencies) is available on the New Zealand Legislation (NZL) website. The Access to Secondary Legislation Project (Access Project) will provide a single, official, public source for all NZ legislation.

The project is part of the PCO's continuing programme to improve access to legislation in New Zealand and is in response to a directive from Cabinet to investigate a means for ensuring access to all NZ legislation. This follows the PCO's discussions with the Regulations Review Committee over its inability to easily identify and track disallowable instruments that are not drafted and published by the PCO. It also responds to issues identified in the reports of the Whey Protein Concentrate Contamination Incident Inquiry and the Productivity Commission into regulatory institutions and practices in New Zealand, and one of the challenges raised by the reviewers in the 2014 Performance Improvement Framework (PIF) report of the PCO.

On 5 December 2016, Cabinet gave approval for the Access Project to proceed, and for the drafting of a Bill to implement the Project. The PCO will report back to Cabinet on a number of matters in 2017 (after the Project's Business Case has been completed) including—

- a plan, including time frames, for developing and implementing the changes that will result from the Bill
- resource requirements (including information technology, training, and ongoing operational costs) and the procurement approach for the remainder of the Project, and
- various other information technology and legislative matters.

- (3) **Legislation Design and Advisory Committee** – the Legislation Design and Advisory Committee (LDAC) was established in June 2015 to revive and merge the Legislation Design Committee with the Legislation Advisory Committee. The LDAC is actively working with departments and agencies to assist them in designing major legislative proposals and to maintain the currency of the revised LAC Guidelines (2014 edition). Between July 2015 and March 2017 LDAC assisted departments in relation to 47 legislative proposals before introduction and the external subcommittee made submissions to select committees on 10 Bills. Feedback shows departments consider working with the LDAC before introduction improves the quality of legislation, and submissions to select committees after introduction are valued by departments and the PCO.

The PCO has committed significant resources from within its appropriation to support the committee. The PCO provides the committee with policy and secretariat support based at the PCO. A permanent full-time Secretary (Legal and Policy Adviser) has been appointed to support the LDAC. An executive assistant is also providing part time administrative support to the LDAC. The PCO has engaged a fixed-term employee to update the LAC Guidelines (2014 edition) and develop a companion Manual to support the guidelines with relevant case law, academic discussion, and examples from within the public sector.

- (4) **Providing Pacific Island nations with drafting support and training** – a new five-year Activity Design Document (ADD), with effect from 1 January 2017, was agreed to by the PCO and the Ministry of Foreign Affairs and Trade (MFAT). The geographic focus remains with the Cook Islands, Niue, and Tokelau but there is scope for other Pacific Island countries and territories to receive assistance, subject to resourcing and agreed prioritisation, if so requested.

An evaluation assessing the assistance provided by PCO was completed in 2015. It confirmed that the assistance provided by the PCO was effective, efficient and sustainable. The new ADD has drawn on the recommendations of the evaluation report, and is framed around the following four outputs:

Output 1: Legislative drafting directives and templates and manual to guide drafting instructions updated and prepared.

Output 2: Legislation drafted as per drafting instructions.

Output 3: Training and mentoring provided to in-country legislative drafters and the wider public service.

Output 4: Regional engagement strengthened through public sector participation in workshops and meetings.

- (5) **Revision programme of statutes** – the PCO continued to work on the first 3-yearly revision programme of statutes. That programme proposed seven revision Bills to revise 18 Acts. The first revision Bill, the Contract and Commercial Bill, was enacted in March 2017. The new Contract and Commercial Act 2017 re-enacts, in an up-to-date and accessible form, some of New Zealand's most important contract and commercial statutes. Drafting of the next revision bill, the Partnerships Bill, is underway and the Bill is expected to be introduced in November 2017.

The PCO also started work on a further three-yearly revision programme of statutes for the 52nd Parliament.

- (6) **Office refurbishment** - the PCO completed a refurbishment of its accommodation within the Reserve Bank building. While this work was taking place, the landlord completed upgrades of the air conditioning, sprinkler and lighting systems as well as replacing the ceiling tiles.

All PCO staff are now located on two contiguous floors which will assist in strengthening the PCO's one-office culture. A new lease was agreed with the landlord that included retaining a part floor in the short term to accommodate a project team and to provide storage.

The next four years to 2021

The overarching focus over the next 4 years is PCO's role as steward of New Zealand's legislation. The PCO has examined the concept of legislative stewardship and how the PCO can fulfil its role as steward. The PCO is adopting a systems approach to legislative stewardship. While the PCO has a central stewardship role, it is not the sole steward of New Zealand's laws. Others such as, crucially, Ministers, departments and Parliament also have a fundamental role in ensuring that the law is as accessible as possible, constitutionally sound and fit for purpose. The PCO plans to continue to consult with these groups to arrive at a shared view and commitment for the stewardship of New Zealand's laws and how that obligation is best delivered together.

The PCO has identified a number of initiatives to further its stewardship role.

Areas of focus over the next four years are set out below:

- (1) **Access to Secondary Legislation Project (Access Project)** – this is a large project with wide-reaching implications. The project aims to make as much secondary legislation as possible accessible, as quickly as possible, and ultimately all (with limited exceptions for instruments that cannot be published, e.g. for reasons of national security). It is expected to take a number of years and a current estimated financial investment of around \$20 million to complete.

There are four main components required to implement the project:

- (1) legal and legislative processes that will need modification (and can be simplified)
- (2) a lodgement and publication system for use by departments and agencies when they make secondary legislation. This system is likely to also include some form of authoring system
- (3) modifications to PCO's publishing system and the New Zealand Legislation website so as to enable secondary legislation drafted by departments and agencies to be published on the website, and to simplify, broaden, and improve access, and
- (4) changes to the processes in agencies for publishing instruments, to take advantage of the new central system.

The three main phases of the Project are—

- (1) the initial phase, which was focussed on project scoping, exploring legal and procedural consequences, document design, discussions with external stakeholders, analysis, testing, refining and documenting the project design, exploratory drafting of the required legislative changes, establishment of a consultation plan, preparing a business case and putting in place the necessary professional project governance, management and assurance regimes (which are aligned with central agency guidelines). This phase is complete.
- (2) The initial delivery stage, in which the main activities will include drafting the legislative changes required, legal research, building, testing and piloting the IT components in an iterative manner, a phased roll-out of various components to early adopter agencies, stakeholder engagement and communication aligned to the PCO's wider stewardship strategy, enabling the realisation of early benefits, and further embedding of professional project governance and management processes (including a Gateway Review).

(3) The final phase that completes the phased roll-out to all agencies, which will entail enacting the final legislative changes required, rolling-out the IT components, helping agencies utilise the IT systems by providing training, making changes to the New Zealand Legislation website, and incorporating the various systems established via the project in the PCO's business-as-usual processes.

(2) **Complete collection** – the NZL website already provides a comprehensive collection of in force Acts and Legislative Instruments. The latter are a sub-set of all secondary legislation. The Access Project (see above) aims to expand that collection to include all secondary legislation.

This project aims to expand the collection by including more Bills, and legislation that is no longer in force. To this end PCO has completed the scanning of three significant historic collections:

- Acts 1841-2007
- Statutory Regulations 1936-2007
- Bills before the House (all stages) 1854-2007.

The combined collection includes over 16,500 Acts, 21,300 Statutory Regulations and over 400 volumes of Bills.

The collections were scanned to PDF from bound volumes and are in their original state (they contain no amendments).

This project to complete the collection will ensure the publication of these PDF collections to the NZL website, which will mean that the website will host all Acts, Statutory Regulations, and Bills in their original form.

These historic collections will initially be published as a separate collection of PDFs. This means that the documents will initially be separate and not searchable from the main legislation page on the NZL website.

PCO will investigate options for future integration in to the full collection of legislation, which will require the PCO to convert the legislation from PDF to formats that are compatible with full integration on the Legislation website.

The project will also explore options improve the ease of use of the collection, perhaps by the development of subject matter searching.

(3) **Revision programme of statutes and annual Repeal Bills** – the next three-yearly revision programme of statutes is scheduled to be presented to the House in late 2017. The PCO will take every opportunity to encourage Chief Executives, and officials to use these legislative vehicles to revise and modernise the legislation that they administer to make it more accessible for the public.

(4) **Standardisation of provisions in legislation** - the PCO is developing a programme of standardising drafting, and the advice and processes to support this. More standardisation (of both the content and structure of legislation) will make it easier for users to understand, and find their way around, legislation. It also gives the PCO wider opportunities to increase understanding about particular concepts across legislation, lower the risks of unintentional error, and increase efficiencies in producing legislation.

(5) **Plain language** - the PCO will develop a strategy to reinvigorate a plain language culture at the PCO. The strategy will aim to make New Zealand's legislation more

accessible, improve the legal effectiveness of that legislation and make plain language the standard for how the whole office communicates.

- (6) **Te reo Māori language strategy** - working with external agencies such as Te Puni Kōkiri and Te Taura Whiri i te Reo Māori, the PCO will develop its systems and capability for producing dual language legislation, where appropriate, and for including te reo and Maori legal concepts in legislation more generally.
- (7) **Advice and guidance** - the PCO will develop a strategy setting the purpose, priority and approach of PCO's education and information activities with a view to building awareness of legislation matters and what makes good legislation within the wider public sector.
- (8) **Knowledge and information strategy** - the PCO will continue to develop and implement systems to ensure that knowledge and information can be easily stored and shared across the organisation.
- (9) **Providing Pacific Island nations with drafting support and training** - in accordance with the new five-year ADD, the PCO will continue to provide legislative drafting assistance, training, and mentoring to those involved in and responsible for drafting legislation in Pacific Island nations. The ADD is framed around the four outputs listed on page 4.
- (10) **Legislation Bill** - as detailed on page 3.
- (11) **Legislation Design and Advisory Committee** - the PCO will continue to provide the committee with policy and secretariat support, based at the PCO, from within its current appropriation. In particular it will support the committee's revision of the LAC Guidelines (4th edition) and the development of supplementary material. The Guidelines are a valuable resource for those developing legislation. The PCO will continue to work with the LDAC to ensure its success in encouraging the development of legislation of a high quality. Further development of this service and the cost pressures associated with any growth in its provision will be kept under review to ensure that it does not adversely affect the financing of the PCO core statutory functions. The PCO is required to review LDAC and report back to Cabinet in July 2017, two years after the establishment of the LDAC.

The key strategic challenges and opportunities facing the PCO over the next four years include ensuring that the PCO is proactively positioning itself to meet the needs that the users of the PCO's services are likely to demand from us in the future. This will entail identifying the changes we need to make in the way we deliver our services to ensure they continue to be effective and beneficial for our users. Other key strategic challenges and opportunities will include ensuring we have staff resources with the appropriate capabilities, further development, maintenance, and support of its technical systems and assets, and enhancing the support provided to Pacific Island nations and LDAC.

Nature and scope of functions

The PCO is constituted as a separate statutory office by the Legislation Act 2012 (the 2012 Act). The PCO is under the control of the Attorney-General or, if there is no Attorney-General, the Prime Minister.

The PCO is not part of the Public Service under the State Sector Act 1988, and thus is not under the direct control of the State Services Commissioner. However, the PCO is subject to certain provisions of the State Sector Act 1988, including those that relate to the setting and enforcement of minimum standards of integrity and conduct.

The PCO's has recently revised its vision statement to Great Law for New Zealand. Great law must be fit for purpose, constitutionally sound and accessible. The diagram which features the PCO's new vision statement is set out on page 12.

The PCO's multi-category appropriation consists of two distinct but complimentary outputs—Law Drafting Services and Access to Legislation—that deliver different parts of the same service to the Government and Parliament and the wider New Zealand Public. The PCO will continue to deliver those two outputs so that we are able to deliver the Government's legislation programme and ensure legislation is available to the public.

The nature and scope of the functions performed by these outputs are set out below.

Law Drafting Services

Under the 2012 Act, the PCO is responsible for the drafting of Government Bills and legislative instruments. This includes drafting amendments to Bills required by select committees and by Ministers at the committee of the whole House stage. Bills, but not legislative instruments, administered by the Inland Revenue Department (IRD) are drafted by that department.

The PCO is also responsible for developing three-yearly statute law revision programmes in time for each new Parliament. The purpose of revision is to make New Zealand's statutes easier to read and understand by rationalising and more logically arranging statutes and sections within them, removing inconsistencies and overlaps, repealing obsolete and redundant provisions and modernising expression, style, and format. The substantive law is not changed.

The first revision bill was enacted in March 2017. The new Contract and Commercial Act 2017 revises and replaces 13 of New Zealand's contract and commercial statutes. The PCO will continue to work with the administering department on the next revision Bill, the Partnerships Bill, which is expected to be introduced in 2017 and enacted in late 2018.

Over the next four years, the PCO will work to ensure the revision process is effective, for example, making (through the Legislation Bill) small improvements identified as desirable during the drafting and passage of the first revision Bill. The PCO will also work collaboratively with departments to assist departmental chief executives in carrying out their legislative stewardship responsibilities under section 32 of the State Sector Act 1988.

PCO is preparing in consultation with government agencies a new revision programme for the next 52nd Parliament (for the period 2018 to 2020). The programme will be finalised after a public consultation process and will be presented by the Attorney-General to the new Parliament as soon as practicable after it is approved by the new Government.

The PCO also provides advice on the drafting of disallowable instruments that are not drafted by the PCO. The 2012 Act provides for the disallowance of certain instruments made under enactments. All legislative instruments stand referred to the Regulations Review Committee and must be presented to the House for scrutiny by that committee. The PCO arranges this without the involvement of the instructing department or agency.

The law-drafting services provided by the PCO are part of the process of implementing new policy or changes to policy through the enactment of legislation. We are initially involved with new legislation during the development of the Government's legislation programme, which establishes the priorities for development of the policy for, and drafting of, proposed legislation.

The PCO also examines and reports on local Bills and private Bills. This involves providing drafting advice and assistance (including the preparation of draft Bills) to the promoters of the Bills and their legal advisers. We also examine and draft Members' Bills if directed to do so by the Attorney-General.

The PCO, with funding from the Ministry of Foreign Affairs and Trade (MFAT) Aid Programme, provides legislative drafting assistance, training, and mentoring to those involved in or responsible for drafting legislation in Pacific Island nations.

Access to Legislation

Under the 2012 Act, the PCO is also responsible for supplying copies of Bills and Supplementary Order Papers (SOPs) to the House, and for the publishing and sale of Acts of Parliament (including reprinted Acts), legislative instruments (including reprinted legislative instruments), and reprints of Imperial enactments and Imperial subordinate legislation. The New Zealand Legislation (NZL) system is a complete drafting and publishing system. The drafting system is also available to the Office of the Clerk and Inland Revenue Department drafting staff. The system enables the PCO to provide public access to up-to-date official legislation in printed form, and in electronic form on the NZL website at www.legislation.govt.nz. The PCO will ensure that New Zealand legislation (including Bills and SOPs) continues to be readily accessible to the public in a timely manner and in an accurate and authoritative form. It is fundamental to the effective operation of the rule of law in a democracy that the people governed by the law have access to the rules by which they are governed. Continual maintenance and development of the system that is used to draft and publish New Zealand legislation will ensure that better access is provided.

The PCO also provides a website, on a trial basis, that publishes disclosure statements (these are departmental documents that provide information about the development and content of legislation proposed by the Government; they seek to assist the parliamentary and public scrutiny of a Bill or SOP). Disclosure statements are provided on this website for all government Bills (with limited exceptions) and substantive SOPs introduced or released since 29 July 2013. This will be extended at a later date to include legislative disclosure statements for disallowable instruments drafted by the PCO. The rules relating to disclosure statements are proposed to be enacted and simplified through the new Legislation Bill.

The PCO provides the LDAC website and took over responsibility from the Law Commission in 2015 for its content. The LDAC terms of reference includes the provision of advice to departments on the development of legislative proposals and on drafting instructions to the PCO.

PCO's key partners, customers, and stakeholders

Stakeholder	Relationship
Parliamentary Service	Parliamentary Service provides a range of services including financial accounting services, payroll, and the parliamentary core computing network. Memoranda of Understanding or Service Level Agreements are in place to manage the provision of these services.
Office of the Clerk of the House of Representatives	The PCO works closely with the Office of the Clerk and has developed a Memorandum of Understanding with that office for the processing, printing, supply, and publication of legislation.
Instructing departments and agencies	The PCO has extensive working relationships with all central government departments and agencies in terms of taking instructions from them for the drafting of new and amending legislation and providing links and electronic "feeds" from the New Zealand Legislation (NZL) website.
Inland Revenue Department	The PCO provides Inland Revenue Department's drafting unit access to the NZL system. This unit is responsible under current arrangements for the drafting of tax legislation. The PCO has developed a Memorandum of Understanding with that department for the processing, printing, supply, and publication of legislation.
Cabinet Office	The PCO works closely with the Legislation Coordinator in the Cabinet Office, whose role is to provide support to the Government of the day in developing, monitoring, and modifying the legislation programme, and with the Secretary of the Cabinet Legislation Committee.
Leader of the House	The PCO works closely with the offices of the Leader of the House and Deputy Leader of House in assisting with the progress of Government legislation through the House of Representatives.
Printlink	The PCO fulfils its obligation to publish hard-copy New Zealand legislation, through a contract with Printlink, for the printing, distribution, and sale of printed legislation.
Revera	Revera provides the PCO with infrastructure-as-a-service and desktop-as-a-service products which includes maintenance and support of the NZL System.
All users of legislation	The PCO provides public access to up-to-date official legislation on the NZL website at www.legislation.govt.nz .

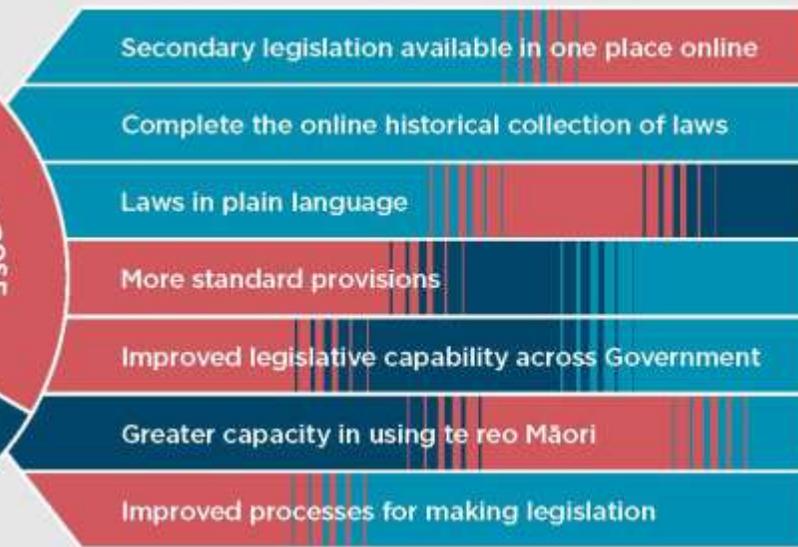
WHAT WE DO:

We work with others to make legislation that is fit for purpose, constitutionally sound, and accessible to all users

CORE BUSINESS:



GOALS:



HOW WE WORK:



Strategic direction

The PCO will develop its stewardship role by working together with other stakeholders to ensure that legislation is fit for purpose, constitutionally sound and accessible.

The PCO's strategic objectives are twofold:

- high-quality legislative drafting services; and
- ready access to New Zealand legislation.

To achieve those strategic objectives, the PCO's goals in the short-to-medium term are:

- (1) to provide professional excellence in drafting legislation and maintaining effective external relationships, and to provide advice on how to produce legislation that is fit for purpose, constitutionally sound and accessible
- (2) to provide easy and free access to legislation.

The PCO will achieve the first goal by:

- working with chief executives, in its role as legislative steward, to develop a clear strategy for legislative stewardship
- developing, in concert with the Central Agencies, Parliament and other key collaborators, a more effective 'architecture' around the legislative design process
- developing a system to deliver support and assistance to agencies and departments early in their policy and legislative design phases so that the full package of legislation is considered as a single whole (primary legislation, secondary legislative instruments and any tertiary rules, directions or notices)
- developing a comprehensive training programme for departments and agencies which delivers training both to agency trainers and direct to instructors and policy officials
- conducting regular post-legislative reviews with instructing agencies at the conclusion of major primary and secondary legislative drafting projects
- maintaining capability through appropriate succession planning and an active programme of secondments to and from instructing agencies and other Commonwealth drafting offices to provide development and training for its staff as well as building better understanding and knowledge within other agencies
- more proactive management of the risks created by unforeseen peaks in demand through the use of a wider range of drafting options
- enhancing the provision of legislative drafting assistance, training, and mentoring to Pacific Island nations
- developing and delivering triennial programmes of statute law revision and developing vehicles for managing minor updates and corrections to statute law.

The PCO will achieve the second goal by:

- developing an interactive website that enables users not only to access official legislation but to link seamlessly with other relevant information and to incorporate the legislation in their own applications.

Strategic delivery and strategic choices

The PCO will continue working towards delivering its two strategic objectives - high-quality legislative drafting services; and ready access to New Zealand legislation. There are a number of strategic choices relating to the delivery of those services that the PCO may face. These include:

- the level of resourcing the PCO can provide as legislative steward (more detail is provided on page 6)
- the level of staffing and financial resources the PCO can provide during the development of a centralised lodgement and publishing system for secondary legislation (the Access Project). Details of the main components and phases of the project are set out on pages 6 and 7 and the risks are set out in the next section of this plan
- development of the NZL website and its content. There are a number of initiatives described in this plan which will increase the coverage and scope of legislation available on the NZL website
- the availability of resources available to the PCO and its client agencies for developing and delivering statute law revision programmes
- the level of resourcing the PCO can provide to Pacific Island nations for legislative drafting assistance, training, and mentoring. This will be determined by a combination of: external funding availability, requests for assistance from countries outside the Realm of New Zealand (Cook Islands, Tokelau, and Niue) and from agencies that also provide assistance to Pacific Island nations (e.g. United Nations) and the requirements of Pacific Island nations' legislation programmes
- the level of resourcing the PCO can provide to the Legislation Design and Advisory Committee. The PCO will keep under review further development of this service and the cost pressures associated with any growth in its provision to ensure that it does not adversely affect the financing of the PCO core statutory functions.

Risks to sustainability and delivery

The pressures facing the PCO and how it intends to manage these are set out as follows:

- legislative stewardship will rely on the cooperation of, and collaboration with, the central agencies and parliament to develop a strategy to modernise and simplify New Zealand's legislative framework
- at present the costs of developing a centralised lodgement and publishing system for secondary legislation is unknown, but is likely to be substantial and may have consequences for other agencies (such as DIA which operates the NZ Gazette). A budget bid is likely to be submitted for 2018/19 and out-years
- the PCO may face pressure providing legislative drafting assistance and support to Pacific Island nations

- the size of the three-yearly statute law revision programmes will depend upon the availability of funding and resources in the PCO and administering departments and the amount of House time dedicated to the consideration of revision Bills. The PCO will seek the support of key stakeholders
- the NZL system is a major operational cost and the PCO will work to continue improving its cost effectiveness and sustainability through its simplification focus
- an ongoing pressure facing the PCO is ensuring it maintains relevant and appropriate roles and staffing levels to achieve its strategic objectives. This will be addressed through succession planning and the regular review of its professional and management development programmes
- one further personnel-related pressure is coping with tight deadlines, heavy workloads, or changing legislative drafting priorities. To manage, the PCO will continue to work with Ministers, instructing agencies and the Cabinet Office when they are developing their legislative priorities and timetables as part of the legislative programme and subsequent additions and modifications to it during the year.

Financial summary

Capital Expenditure – Departmental

	Increase (Decrease)				
	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m	2019/20 \$0.000m	2020/21 \$0.000m
Operating Balance of Funding Available	12.664	12.695	11.421	10.095	9.694
Add depreciation funding received	1.821	1.516	1.414	1.839	2.095
Add receipts from sale of assets	0.000	0.000	0.000	0.000	0.000
Equals Total Balance of Funding Available	14.485	14.211	12.835	11.934	11.789
Subtract capital investments funded from baselines	1.790	2.790	2.740	2.240	1.940
Equals Closing Balance of Funding Available	12.695	11.421	10.095	9.694	9.849

The PCO does not have any non-departmental capital expenditure.

The PCO currently expects its financial position to remain sustainable beyond this four-year plan.

Template One: Workforce Capability and Capacity Information

Workforce Capability

Priority workforce groups

The two areas of our workforce that are critical to the achievement of the PCO's results over the next four years are as follows.

- (1) Parliamentary Counsel is a priority workforce group for the PCO. They are specialist staff with skills acquired over a long development period. While the PCO has been in a transition phase over the past five years, with approximately 20% of staff in these roles retiring and a further 20% resigning, it continues to actively manage this capability risk through an ongoing recruitment programme
- (2) The Information Systems team manages the PCO's major asset, the New Zealand Legislation System (NZLS). The NZLS is a complex, highly customised system, heavily reliant for its maintenance and development on the institutional memory inherent in the Information Systems Team. The PCO completed a review of this team in 2015 to determine if the configuration and skill mix of its personnel was appropriate and implemented the necessary changes in the 2015/16 year. The PCO has recognised there is a risk of losing institutional knowledge and are reducing that risk through the on-going simplification of the NZLS. This is addressed in the current Information Systems Risk and Issues Register.

Capability Building

The top four areas of people capability that the PCO is seeking to build over the next four years to deliver its business results, and what the PCO is doing to achieve this shift, are set out below.

- (1) Leadership skills – the PCO will continue and expand its programme of secondments to and from instructing agencies and other Commonwealth drafting offices to provide development and training for its staff as well as building better understanding and knowledge within other agencies.
- (2) Collaborative skills – the PCO is reinforcing its one-office culture through reviews of workflow processes and consolidation of all staff within two floors as part of an office refit.
- (3) Financial management – to increase PCO managers' skills and understanding by providing them with access to the PCO's financial information system.
- (4) Skill transformation - to ensure the skills and knowledge of PCO staff constantly evolve to meet the organisation's future needs and to ensure we remain fit for purpose.

Recruitment

Difficult to fill roles/positions over the next 12 months	Actions/Strategy to manage this
No roles/positions are expected to be difficult to fill over the next 12 months.	

Difficult to fill roles/positions over the next 4 years	Actions/Strategy to manage this
Legislation Officers	These roles provide a specialist legislative proofreading service. The PCO team of Publications Officers are provided with ongoing training to assist with proofreading during workload peaks.
Publications Officers	The applicants for these roles must have experience with, and knowledge of, a number of mark-up languages used with legislation. The PCO team of Legislation Officers are provided with ongoing training to assist with checking compilations during workload peaks.

Risks

There key workforce risks facing the PCO, and the actions that will be taken to address these over the next four years, are set out below.

Risk description	Mitigations	Capacity or capability implications
<p>Delivery of outputs:</p> <p>(1) legislative drafting outputs that have been agreed with the government cannot be met due to tight deadlines, unsettled policy</p> <p>(2) the PCO cannot deliver outputs with the agreed quality and timeliness standards due to a lack of skilled staff.</p>	<p>The PCO will attend regular meetings with the Leader of the House to discuss the legislative programme.</p> <p>An external panel has been set up to provide additional legislative drafting and related support services.</p> <p>The PCO will ensure there is an appropriate career structure and adequate succession planning in place for key staff.</p>	<p>More legislative drafting staff may be required to meet agreed deadlines.</p> <p>Fixed term staff or external contractors may have to be engaged on a short-basis basis to ensure delivery standards are achieved.</p>
<p>Knowledge retention: the Information Systems (IS) team is augmented by external contractors chosen through the establishment of</p>	<p>The PCO will ensure there is a managed capability and development plan in place to ensure the right knowledge is spread across the IS team</p>	<p>The PCO's reliance on external contractors may be required in the short-term but is expected to decrease over the longer term as PCO</p>

a panel. This operating model needs to ensure that knowledge and intellectual property is managed, captured, and stored within the permanent team to ensure ongoing services are maintained.	and that there is no single dependency on one person. Processes will be put in place to update documentation and to use one central repository for the storage and access of the knowledge.	deploys common IT capabilities across the organisation.
Staff retention: the PCO is reliant on a relatively small IS team with key knowledge of PCO systems. If key staff were to leave it might result in PCO having difficulties in implementing its IS work programmes.	The IS team structure has been reviewed and two Team Leader positions created and filled. The PCO will ensure IS team members have the opportunity to grow capability and have a career direction that coincides with a personal development plan.	As the capacity and knowledge in the team grows, it will reduce the use of external contractors. In the meantime, the PCO will ensure there is adequate external coverage available to ensure enough capability for the IS work programme to be delivered.

Workforce Capacity

As shown in the table below the PCO expects its overall number of positions to remain fairly steady once the current vacant positions are filled and two staff return from parental leave.

Forecast FTE and Vacancy Numbers

	30 June 2016 (Base-line)	30 Dec 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020
Number of FTEs	70.85	73.85	79.85	79.85	79.85	79.85
Vacant positions	9	5	1	1	1	1
Total Position Numbers	79.85	78.85	80.85	80.85	80.85	80.85

The total number of positions is unlikely to change significantly over the period of this four-year plan, however the composition of individual business units may change to reflect changing priorities.

Workforce Costs

The PCO's expected workforce costs are based on the following assumptions:

- annual remuneration reviews will result in a 1% per annum increase for eligible staff
- an average 0.6% per annum progression through salary bands for eligible staff
- a proportion of the workforce cost increases is expected to be offset through the effect of attrition whereby new employees are likely to start at lower rates than those leaving the organisation.