

*Statement of Intent*

*Parliamentary Counsel Office  
Te Tari Tohutohu Pāremata*

*for the year ending  
30 June 2004*

Presented to the House of Representatives pursuant  
to section 34A of the Public Finance Act 1989



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<i>Declaration by the Responsible Minister and the Chief Parliamentary Counsel</i> .....	4
<i>Introduction</i> .....	5
<i>PCO Outcomes and Outputs</i> .....	5
<i>PCO Strategic Objectives</i> .....	8
1—Best Practice Legislative Drafting Services.....	8
2—Ready Access to New Zealand Legislation.....	10
3—Capability Development.....	11
<i>Priority Projects</i> .....	14
<i>The 2003/04 Year</i> .....	16
<i>Output Performance</i> .....	17
Output Class D1—Law Drafting Services.....	17
Output Class D2—Access to Legislation.....	18
<i>Financial Statements for 2003/04</i> .....	21
Summary, Introduction, and Highlights.....	21
Statement of Responsibility.....	22
Forecast Financial Statements.....	23
Statement of Accounting Policies.....	31
<i>Appendices</i> .....	35
1 PCO Mission and Vision Statements.....	35
2 Organisational Plan.....	37

## *Declaration by the Responsible Minister and the Chief Parliamentary Counsel*

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This is the first Statement of Intent developed by the Parliamentary Counsel Office (PCO). It outlines the outcomes to which the PCO's work contributes, describes the outputs of the PCO, and includes the strategic objectives of the PCO. Each of these objectives links to and contributes to the outputs. The projects proposed for the next 3 years to support the objectives are listed. These projects relate primarily to the PCO's capability to—

- draft the legislation required by the Government
- ensure continuous improvement in the quality of law drafting services
- improve public access to legislation.

The Statement of Intent replaces the Departmental Forecast Report and meets the requirements of the Public Finance Act 1989. It includes a statement of service performance for each class of outputs, and the forecast financial statements of the PCO for the 2003/04 year. Retrospective reporting against the Statement of Intent will be provided in the Annual Report of the PCO.

Signed



Hon Margaret Wilson  
Attorney-General  
Date: 1 May 2003

Signed



George Tanner, QC  
Chief Parliamentary Counsel  
Date: 1 May 2003

## Introduction

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The Parliamentary Counsel Office (PCO) is constituted as a separate Office of Parliament by the Statutes Drafting and Compilation Act 1920. The PCO is, in accordance with that Act, 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 proper and is not under the control of the State Services Commission.

Under the Statutes Drafting and Compilation Act 1920, the PCO is responsible for the drafting of Government Bills and Statutory Regulations. The drafting of Bills includes drafting amendments required by select committees and by Ministers at the committee of the whole House stage.

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 and their legal advisers.

The PCO is also required to compile reprints of Acts with their amendments incorporated and reprints of some regulations.

Under the Acts and Regulations Publication Act 1989, the PCO is responsible for the publication of Acts of Parliament (including reprinted Acts), Statutory Regulations (including reprinted Statutory Regulations), and the annual bound volumes of Statutes and Statutory Regulations.

The PCO also publishes the annual *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* and 4 interim indexes to the Statutory Regulations for each year.

## PCO Outcomes and Outputs

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### Parliamentary Counsel Office Outcomes

In New Zealand, parliamentary democracy based on the rule of law is the outcome of many different factors and influences. The institutions of Parliament, the executive, and an independent judiciary existing within the framework of New Zealand's constitutional law and conventions are central to that outcome. So too is respect for and adherence to the rule of law in its widest sense. The drafting of New Zealand's laws and the making of those laws accessible to the citizen also contribute to the outcome.

Under New Zealand’s constitutional arrangements, Parliament has supreme law-making power. It exercises that power by passing Acts of Parliament. It also has the power to delegate law-making powers to the executive. It exercises that power by conferring on the executive in the statutes that it enacts the power to make regulations and other types of legislative instrument. In this context, the term executive includes the Governor-General in Council, Ministers of the Crown, and other individuals and agencies who are authorised to exercise delegated law-making powers.

In a modern State committed to upholding the rule of law, it is an overarching objective that legislation enacted by Parliament and made by the executive reflects the fundamental concepts inherent in the rule of law, is based on legal principle, is effective and clear, and is accessible to those to whom it applies.

Parliament has, through the New Zealand Bill of Rights Act 1990, enacted legislation that recognises the importance of ensuring that legislation embodies these principles. Parliament also scrutinises legislation made by the executive to ensure that it conforms with standards laid down by Parliament for principled law-making. As well, the Courts may also review delegated legislation to ensure that it is validly made and apply well established tests to determine questions relating to validity that come before them. And it is a cornerstone of parliamentary democracy under the rule of law that for the citizens to comply with the law they must know what the law is.

It is also a basic constitutional principle that the role of the Courts is to interpret the meaning of legislation. In doing so, the Courts apply common law principles of fundamental importance developed to protect the values of freedom and justice inherent in the rule of law.

The PCO contributes to parliamentary democracy under the rule of law by supporting Parliament and the executive in their law-making roles, and contributes 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 drafts Bills placed before Parliament by Ministers of the Crown, and in some cases by Members of Parliament, for Parliament’s

consideration. It also drafts amendments to those Bills for Parliament's consideration. The PCO also drafts regulations and other legislative instruments to be made by the executive if it thinks fit. Another way in which the PCO supports Parliament and the executive in their law-making functions is in making legislation available to the citizens of New Zealand, both individual and corporate.

The PCO tries to ensure, so far as it can, that the statutes that Parliament enacts and the delegated legislation made by the executive—

- comply with the rights and freedoms guaranteed by New Zealand's Bill of Rights and the Human Rights Act 1993; and
- are consistent with New Zealand's obligations under international law and the Treaty of Waitangi; and
- are based on legal principle; and
- are clear and effective in implementing the policies embodied in them; and
- in the case of delegated legislation, will withstand challenge in the Courts.

And by making legislation available to the public, the PCO performs the equally important function of ensuring that the law is accessible to those who may benefit from it and those who must obey it.

### **Parliamentary Counsel Office Outputs**

The PCO has 2 outputs that contribute to these outcomes—

- Law Drafting Services
- Access to Legislation.

Under the output class Law Drafting Services, the PCO—

- drafts Government Bills (including amendments) and Statutory Regulations
- examines and reports on local Bills and private Bills and drafts amendments to them.

Under the output class Access to Legislation, the PCO—

- supplies printed copies of Government Bills and Government Supplementary Order Papers to the House and, on a selective basis, copies of Acts with their proposed amendments incorporated

- publishes printed copies of Bills and Supplementary Order Papers, pamphlet copies of Acts and Statutory Regulations, and annual volumes of Acts and Statutory Regulations
- compiles reprints of Acts and Statutory Regulations with their amendments incorporated and publishes them
- provides the above for sale at designated bookshops and by subscription
- publishes the *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* in printed and in electronic form
- provides free public access via the Internet to an electronic database of legislation, including Bills and Supplementary Order Papers, and maintains the electronic database of legislation in an up-to-date form.

## ***PCO Strategic Objectives***

The PCO has 3 key strategic objectives, each of which links to and contributes to the outputs described above. The strategic objectives are—

- Best practice legislative drafting services
- Ready access to New Zealand legislation
- Capability development.

The Statement of Intent describes the goals of each strategic objective, identifies the issues arising under them, and lists strategies for addressing those issues.

### **Strategic objective 1—Best practice legislative drafting services**

#### ***Goal***

*Provide high quality legislative drafting services*

Issues	Strategies
<ul style="list-style-type: none"> <li>• Ensuring high quality legislation that gives effect to Government policies in an environment that is demand driven</li> </ul>	<ul style="list-style-type: none"> <li>• use clear and simple drafting styles</li> <li>• adopt consistent approaches to formatting of legislation and drafting issues</li> <li>• maintain and enhance training, supervision, and peer review systems</li> <li>• maintain and enhance proofreading services</li> </ul>



Issues	Strategies
	<ul style="list-style-type: none"> <li>• provide team drafting for large or other appropriate drafting projects</li> <li>• provide high-level, professional advice on alternative ways of achieving policy objectives</li> <li>• provide high-level, professional advice on the application of fundamental legislative principles</li> <li>• raise awareness and knowledge of fundamental legislative principles</li> <li>• recruit and retain sufficient specialist staff</li> </ul>
<ul style="list-style-type: none"> <li>• Continually improving the quality and timeliness of legislative drafting services in an environment where there are peaks and troughs in demand for drafting services</li> </ul>	<ul style="list-style-type: none"> <li>• maintain, regularly review, and update the <i>PCO Drafting Manual and Style Guide</i></li> <li>• implement effective and efficient processes, including (for example) identifying clients' needs and achievable timetables</li> </ul>
<ul style="list-style-type: none"> <li>• Increasing awareness of judicial trends and legal knowledge in an environment of increasing legal complexity and uncertainty, including Treaty of Waitangi issues</li> </ul>	<ul style="list-style-type: none"> <li>• encourage staff to attend relevant courses, seminars, etc</li> <li>• provide study leave</li> <li>• provide in-house seminars</li> <li>• target 10% of staff time for these professional development activities</li> </ul>
<ul style="list-style-type: none"> <li>• Meeting public demands for clearer and simpler drafting while maintaining legal effectiveness and a low rate of error</li> </ul>	<ul style="list-style-type: none"> <li>• consult the public and departments to obtain their views</li> <li>• consult and improve contact with drafting offices in other jurisdictions</li> <li>• maintain and enhance rigorous quality control systems</li> </ul>
<ul style="list-style-type: none"> <li>• Responding to a loss of institutional and specialist knowledge in the public sector, which is reflected in a variable quality of the instructions received by PCO</li> </ul>	<ul style="list-style-type: none"> <li>• provide relevant publications and advice to departmental instructors</li> <li>• issue PCO Newsletter at regular intervals</li> </ul>
<ul style="list-style-type: none"> <li>• Providing drafting assistance to the Law Commission</li> </ul>	<ul style="list-style-type: none"> <li>• programme this work so that it can be progressed without compromising other commitments</li> </ul>
<ul style="list-style-type: none"> <li>• Providing legislative drafting advice to Pacific Island States</li> </ul>	<ul style="list-style-type: none"> <li>• participate in Ministry of Foreign Affairs and Trade mentoring scheme, including (where practicable) the secondment of Pacific Islands staff to PCO or of PCO staff to Pacific Islands</li> </ul>

## Strategic objective 2—Ready access to New Zealand legislation

### Goal

Ensure New Zealand legislation (including Bills) is readily accessible to the public in a timely, accurate, and authoritative form

Issues	Strategies
<ul style="list-style-type: none"> <li>Ensuring that the new systems and processes introduced as part of the Public Access to Legislation (PAL) Project are successfully bedded in</li> </ul>	<ul style="list-style-type: none"> <li>ongoing training and support to PCO staff</li> <li>regular review of systems and processes</li> <li>ongoing refinement and enhancement of new systems and processes</li> <li>ongoing communication with other agencies involved, Office of the Clerk, Inland Revenue Department (IRD)</li> <li>seek regular feedback from users of legislation</li> <li>effective consultation on annual reprints programme</li> </ul>
<ul style="list-style-type: none"> <li>Providing an authoritative, official electronic database of New Zealand legislation</li> </ul>	<ul style="list-style-type: none"> <li>implement an effective and efficient officialisation programme so that the PCO database can be made official as soon as possible</li> </ul>
<ul style="list-style-type: none"> <li>Giving official status to the electronic database of legislation</li> </ul>	<ul style="list-style-type: none"> <li>promote amendments to the Acts and Regulations Publication Act 1989, to confer official status on the database</li> </ul>
<ul style="list-style-type: none"> <li>Responding in an adequate and timely way to increased public interest in legislation, the legislative process, and the PCO, including questions and comments on the legislative database and the legislation website</li> </ul>	<ul style="list-style-type: none"> <li>establish and maintain effective procedures for providing responses to queries or transferring queries to the appropriate agency for response</li> <li>establish and maintain a source of useful information in the form of frequently asked questions (FAQs) about legislation, the legislative process, and the PCO on the PCO website</li> </ul>
<ul style="list-style-type: none"> <li>Maintaining and enhancing effective procedures for making legislative data available to legal publishers and other relevant agencies</li> <li>Facilitating use by legal publishers of PCO legislative data</li> </ul>	<ul style="list-style-type: none"> <li>establish regular and ongoing communication with legal publishers</li> </ul>
<ul style="list-style-type: none"> <li>Maintaining and enhancing access to legislative material and information about the PCO through the Government web portal</li> </ul>	<ul style="list-style-type: none"> <li>implement procedures for populating legacy legislative data (purchased from Brookers) with FONZ (Functions of New Zealand) and SONZ (Subjects of New Zealand) thesauri metadata</li> </ul>

Issues	Strategies
<ul style="list-style-type: none"> <li>• Keeping up-to-date with developments in other jurisdictions relating to access to legislation</li> <li>• Sharing knowledge and experience with other agencies and jurisdictions</li> </ul>	<ul style="list-style-type: none"> <li>• maintain contact with other jurisdictions and relevant organisations (AustLII, CanLII, BAILII, etc) through visits, attendances at conferences, etc</li> </ul>
<ul style="list-style-type: none"> <li>• Responding to demands for better access to other legislative material (especially deemed regulations)</li> </ul>	<ul style="list-style-type: none"> <li>• maintain list of deemed regulations on the PCO website</li> <li>• encourage other agencies to provide updates of material</li> </ul>
<ul style="list-style-type: none"> <li>• Participating in relevant e-Government initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• liaise with the State Services Commission e-Government Unit</li> </ul>

### Strategic objective 3—Capability development

#### The goals of this objective are—

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

#### Implementation of the PAL Project means—

- PCO is amongst New Zealand’s largest publishers, publishing on-line and in print
- the staff increases to 60, in 3 work areas: drafting, access, and support services
- there is a more immediate relationship with the users of legislation through the website and a higher number of enquiries are expected from the general public
- there is a closer working relationship with the Office of the Clerk, other parliamentary agencies, and the Tax Drafting Unit of the IRD
- technology is an essential tool for all work at the PCO
- PCO’s network has grown to include a virtual private network (VPN) to several other organisations.

## Issues

- recruitment of specialist staff
- retention of specialist staff
- management training and development
- change management
- maintenance of effective external and internal relationships and communication
- ensuring consistency of practice across a larger organisation
- keeping up with developments in technology and best practice information management.

Issues	Strategies
<ul style="list-style-type: none"> <li>• Recruitment of specialist staff</li> </ul>	<ul style="list-style-type: none"> <li>• continue to seek out the best candidates from the private and public sectors</li> <li>• maintain salary and conditions of employment so that they are competitive with both sectors</li> <li>• ensure best practice remuneration policy and best practice in human resource matters generally</li> <li>• set in place the regular collection and analysis of best practice data</li> </ul>
<ul style="list-style-type: none"> <li>• Retention of specialist staff</li> </ul>	<ul style="list-style-type: none"> <li>• promote a balance between work and other activities</li> <li>• provide for staff to take leave by ensuring that staffing levels are sufficient to put leave provisions into practice</li> <li>• provide support for staff who undertake study</li> </ul>
<ul style="list-style-type: none"> <li>• Management training and development</li> </ul>	<ul style="list-style-type: none"> <li>• identify training needs</li> <li>• provide training for drafting team leaders and others in management positions</li> </ul>
<ul style="list-style-type: none"> <li>• Change management</li> </ul>	<ul style="list-style-type: none"> <li>• provide training in PCO systems that is tailored to users' needs</li> <li>• develop an annual programme of in-house training as outlined in the Training and Development Policy</li> <li>• provide user-friendly documentation</li> <li>• provide ongoing support, and free-up the 'super users' to help others</li> <li>• consider obtaining further professional change management advice</li> </ul>

Issues	Strategies
<ul style="list-style-type: none"> <li>External and internal relationships and communication</li> </ul>	<ul style="list-style-type: none"> <li>ensure enquiries from outside PCO are answered in a professional and consistent manner</li> <li>upgrade the internal newsletter, <i>News &amp; Notes</i></li> <li>review the publication of all PCO manuals (whether paper or electronic)</li> <li>consider regular meetings at middle management level</li> </ul>
<ul style="list-style-type: none"> <li>Consistency of standards and practice</li> </ul>	<p><i>Work practice</i></p> <ul style="list-style-type: none"> <li>provide more documentation about work practices</li> <li>develop a further programme of in-house seminars</li> <li>provide opportunities to discuss best practice</li> </ul> <p><i>Management practice</i></p> <ul style="list-style-type: none"> <li>provide more documentation on PCO policies and practice</li> </ul>
<ul style="list-style-type: none"> <li>Information systems and information management</li> </ul>	<p><i>Information systems</i></p> <ul style="list-style-type: none"> <li>make financial provision for the continued development of the PAL system</li> <li>review resources required to support information systems</li> </ul> <p><i>Information management</i></p> <ul style="list-style-type: none"> <li>strengthen the PCO information management team</li> <li>introduce new library management software</li> </ul>

## Priority Projects

The projects proposed for each objective over the next 3 years are set out in the table below. These projects relate primarily to the PCO's capability to—

- draft the legislation required by the Government
- ensure continuous improvement of the quality of law drafting services
- improve public access to legislation.

### Strategic objective 1

Project		2003/04 Year 1	2004/05 Year 2	2005/06 Year 3
1	<i>Drafting Manual</i> revision	Complete current revision and publish	Revise for publication on the website and undertake continuous revision	Publish suitably amended manual on the website and undertake continuous revision
2	Increase drafting resource	Recruit and train up to 3 additional drafters		
3	Provide guidance to instructors/policy advisers	Develop seminar programme (establish working group)	Seminar programme operational; review effectiveness	Implement revised seminar programme that takes into account results of the review
4	User input into drafting practice	Establish working group to scope project and develop strategy	Implement strategy	
5	Ensure capability to provide assistance to Pacific Islands drafting offices	Provide assistance as required	Review demand and identify ongoing resource requirements	
6	Clear drafting	Research overseas practices/initiatives; review findings and develop New Zealand approach	Implement approach	
7	Consistency in drafting practice/format	Review <i>Style Guide</i>	Complete review and implement new <i>Style Guide</i>	

## Strategic objective 2

Project		2003/04 Year 1	2004/05 Year 2	2005/06 Year 3
1	Establish communication with users of legislation and seek feedback	Develop strategy	Implement strategy	
2	Legal publisher liaison	Establish group		
3	Better access to other types of legislation (deemed regulations)		Develop strategy	Implement strategy
4	Make electronic versions of legislation official	Promote legislative amendments		Amendments in place
5	Monitor developments in access to legislation in other jurisdictions and share information/knowledge	Participate in conferences, write papers/articles, arrange speakers	Participate in conferences, write papers/articles, arrange speakers	Participate in conferences, write papers/articles, arrange speakers

## Strategic objective 3

Project		2003/04 Year 1	2004/05 Year 2	2005/06 Year 3
1	Review support staff staffing levels in order to support both Drafting and Access outputs	Complete review and recruit key staff	Monitor requirements	
2	Review practices and procedures for documenting and dissemination of internal information	Establish working group to provide recommendations	Implement recommendations	Review effectiveness
3	Training for drafting team leaders and others in management positions	Identify training needs and develop strategy	Implement strategy	Review strategy
4	Increase use of technology by all PCO staff	Review training available and develop strategy, commence implementation	Implementation	All staff capable of using systems efficiently and effectively
5	Professional development	Develop strategy	Implement strategy	Review strategy
6	Best practice systems including human resources and information management	Scope project and develop strategy	Implement strategy	Establish system of continuous review

Key issues for the 2003/04 year include—

- maintaining the drafting capability of the PCO to meet Government requirements for legislation
- retaining experienced drafters and specialist support staff
- implementing the PAL Project.

Maintaining drafting capability, retaining specialist staff, and completing the implementation of the PAL Project are the key priorities.

Additional funding has been provided for Output Class D1—Law Drafting Services to maintain drafting capability. The PCO operates policies aimed at retaining drafting staff and providing opportunities for professional development, and funds will be used for additional staff and for the professional development and training of staff. The PCO also has policies and processes that provide quality assurance of legislative drafting, and these will be strengthened in the 2003/04 year by projects that include completing the revision of the *PCO Drafting Manual*, reviewing the *Style Guide*, and developing new approaches to drafting.

The PAL Project is designed to bring into effect key changes in the way that the PCO delivers its outputs. The most significant change proposed is the provision and maintenance of a database of up-to-date legislation made available free to the public via the Internet. An interim arrangement that provides the public with free access to the Brookers' database has been available since September 2002. This interim database of legislation is intended to be replaced during 2003 by a new PCO website that provides access to up-to-date legislation and Bills before the House.

Printing arrangements have also changed under the PAL Project.

Responsibility for supplying printed copies of Government Bills and Government Supplementary Order Papers to the House transferred to the PCO from the Office of the Clerk with effect from 1 February 2003.

The PCO's implementation partner for the PAL Project is Unisys New Zealand Limited. Arrangements have been entered into with SecuraCopy (part of the Blue Star Print group) for the printing and distribution of legislation. Arrangements have been entered into with Brookers Limited (part of the Thomson group) for the acquisition of an electronic database of legislation,



and with Datacom Services Limited to make the database available via the Internet.

The PCO is now responsible for pre-publication and printing services for legislation, including services for the Tax Drafting Unit of the IRD. This function was previously undertaken by the Office of the Clerk and the PCO under a joint contract with the printer.

The PCO has, as part of the PAL Project, established a dedicated unit to provide pre-publication services for legislation and a reprints unit to produce official versions of Acts and Statutory Regulations in an up-to-date form using the powers contained in the Acts and Regulations Publication Act 1989.

## ***Output Performance***

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### ***Statement of Objectives Specifying the Performance Forecast for Each Class of Outputs for the Year Ending 30 June 2004***

The PCO has agreed to provide output classes in 2003/04 that 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***

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#### **Description**

Under this output class, the PCO will deliver 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**

Contributing to a parliamentary democracy under the rule of law by supporting Parliament and the executive in their law-making role and contributing to the Government's objectives by ensuring that legislation that is necessary to change the law to implement Government policies is effective and clear.

## Quantity, Quality, Timeliness, and Cost

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 is anticipated that—

- between 60 and 80 Government Bills will be drafted in the 2003/04 financial year and that amendments to the same number of Bills will be drafted during their passage through the House
- between 300 and 400 Statutory Regulations will be drafted
- between 4 and 8 local Bills and private Bills will 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 is expected to remain high. The quality of the amendments drafted to Government Bills and to local and private Bills is 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 will be sought.

### Cost

Year	Cost GST incl. \$000	Cost GST excl. \$000	Total Revenue GST excl. \$000	Crown Revenue GST excl. \$000	Revenue Other GST excl. \$000
2003/04	7,662	6,811	6,811	6,811	0
2002/03	6,202	5,513	5,513	5,513	0

## ***Output Class D2—Access to Legislation***

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### Description

Under this output class, the PCO will deliver 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, and maintaining the electronic database of legislation in an up-to-date form.

### **Outcomes**

Contributing to a parliamentary democracy under the rule of law by supporting Parliament and the executive in their law-making role and contributing to the Government's objectives by ensuring that legislation, including Bills and Supplementary Order Papers, is accessible to the public in both printed and electronic form, and by providing printed copies of Government Bills and Government Supplementary Order Papers to the House.

### **Quantity, Quality, Timeliness, and Cost**

This output class is substantially demand driven. It is accordingly difficult to estimate accurately the number of 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 is anticipated that—

- between 60 and 80 Government Bills, and between 70 and 100 Supplementary Order Papers, will be supplied to the House and published
- between 60 and 80 Acts of Parliament will be published
- between 300 and 400 Statutory Regulations will be published
- the above will be provided for sale at designated bookshops and to subscribers within 5 working days of Bills being introduced, Supplementary Order Papers being released, Acts being assented to, and Statutory Regulations being made

- the annual bound volumes of Acts for 2003 and the annual bound volumes of Statutory Regulations for 2003 will be published in the first half of 2004
- reprinted Acts and reprinted Statutory Regulations will be compiled and published in accordance with the PCO reprints policy and the annual reprints programme
- the 2003 edition of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* will be published in both printed and electronic form
- free public access to the database of Acts, Statutory Regulations, Bills, and Supplementary Order Papers will be provided on a 24/7 basis (24 hours a day, 7 days a week)
- the database will be maintained in accordance with the PCO database work programme.

A high standard of accuracy will be maintained. The printed versions of Acts and Statutory Regulations will remain the only authoritative versions until the PCO completes the work necessary to make the electronic database of legislation the official source of New Zealand legislation.

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

### Cost

Year	Cost GST incl. \$000	Cost GST excl. \$000	Total Revenue GST excl. \$000	Crown Revenue GST excl. \$000	Revenue Other GST excl. \$000
2003/04	4,886	4,343	4,343	4,343	35
2002/03	4,404	3,915	3,915	3,915	35

# FINANCIAL STATEMENTS FOR 2003/04

## Summary, Introduction, and Highlights

### Summary

Appropriations for the Parliamentary Counsel Office (PCO) in 2003/04 total \$12,548 million. It is forecast that this will be applied as follows:

- \$7,662 million (61.1% of the Vote) on Law Drafting Services
- \$4,886 million (38.9% of the Vote) on Access to Legislation.

### Introduction

These forecast financial statements contain the following statements:

- Financial Performance
- Estimated Financial Position and of Forecast Financial Position
- Forecast Cash Flows
- Reconciliation of Net Cash Flows from Operating Activities to Net Surplus/(Deficit) in the Operating Statement
- Movements in Taxpayers' Funds (Equity)
- Objectives Specifying the Financial Performance Forecast
- Summary of Departmental Output Classes
- GST Status of Departmental Output Classes
- Forecast Details of Fixed Assets by Category
- Significant Underlying Assumptions

### Highlights

	2002/03 Budgeted \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
Revenue: Crown	9,393	9,393	11,119
Revenue: other	35	35	35
Output expenses	9,428	9,428	11,154
Net surplus	0	0	0
Taxpayers' funds	6,168	6,168	6,168
Net cash flows from operation, investing, and financing activities	657	657	815

## Statement of Responsibility

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The forecast financial statements of the Parliamentary Counsel Office for the year ending 30 June 2004, which are contained in this report, have been prepared in accordance with section 34A of the Public Finance Act 1989.

The Chief Parliamentary Counsel acknowledges, in signing this statement, that he is responsible for the forecast financial statements contained in this report.

The financial performance forecast to be achieved by the Parliamentary Counsel Office for the year ending 30 June 2004 that is specified in the statement of objectives is as agreed with the Attorney-General, who is the Minister responsible for the financial performance of the Parliamentary Counsel Office.

The performance for each class of outputs forecast to be achieved by the Parliamentary Counsel Office for the year ending 30 June 2004 that is specified in the statement of objectives is as agreed with the Attorney-General, who is the Minister responsible for the Vote administered by the Parliamentary Counsel Office.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates of Appropriations for the year ending 30 June 2004 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Signed

Countersigned



George Tanner, QC  
Chief Parliamentary Counsel  
Date: 1 May 2003



Julia Kennedy  
Manager Support Services  
Date: 1 May 2003

**Statement of Financial Performance  
for the year ending 30 June 2004**

	2002/03 Budgeted <sup>1</sup> \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
<b>Revenue</b>			
Crown	9,393	9,393	11,119
Other	35	35	35
Interest	0	0	0
<b>Total revenue</b>	<b>9,428</b>	<b>9,428</b>	<b>11,154</b>
<b>Expenses</b>			
<i>Output expenses:</i>			
Personnel	4,529	4,529	5,517
Operating	3,837	3,837	4,490
Depreciation	696	696	620
Capital charge	366	366	527
<b>Total expenses</b>	<b>9,428</b>	<b>9,428</b>	<b>11,154</b>
<b>Net surplus (deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> This incorporates both Main Estimates and Supplementary Estimates appropriations for 2002/03.

# Statement of Estimated Financial Position as at 30 June 2003

## and of Forecast Financial Position as at 30 June 2004

	Actual as at 30 June 2002 \$000	Estimated Actual as at 30 June 2003 \$000	Projected as at 30 June 2004 \$000
<b>Assets</b>			
<i>Current assets:</i>			
Cash and bank balances	1,094	657	815
Prepayments	0	19	19
Receivables and advances	10	0	0
Debtor Crown	329	328	328
<i>Total current assets</i>	<i>1,433</i>	<i>1,004</i>	<i>1,162</i>
<i>Non-current assets:</i>			
Physical assets <sup>2</sup>	2,530	5,934	5,814
<i>Total non-current assets</i>	<i>2,530</i>	<i>5,934</i>	<i>5,814</i>
<b>Total assets</b>	<b>3,963</b>	<b>6,938</b>	<b>6,976</b>
<b>Liabilities</b>			
<i>Current liabilities:</i>			
Payables and provisions	1,247	423	423
Provision for payment of net surplus	39	0	0
Provision for employee entitlements <sup>3</sup>	309	347	385
<i>Total current liabilities</i>	<i>1,595</i>	<i>770</i>	<i>808</i>
<i>Long-term liabilities:</i>			
Provision for employee entitlements	0	0	0
<i>Total long-term liabilities</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total liabilities</b>	<b>1,595</b>	<b>770</b>	<b>808</b>
<b>Taxpayers' funds</b>			
General funds	2,368	6,168	6,168
<b>Total taxpayers' funds</b>	<b>2,368</b>	<b>6,168</b>	<b>6,168</b>
<b>Total liabilities and taxpayers' funds</b>	<b>3,963</b>	<b>6,938</b>	<b>6,976</b>

<sup>2</sup> Further details of physical assets are contained under Forecast Details of Fixed Assets by Category as at 30 June 2004.

<sup>3</sup> This includes leave and retirement entitlement provisions.



## Statement of Forecast Cash Flows for the year ending 30 June 2004

	2002/03 Budgeted \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
<b>Cash flows from operating activities</b>			
Cash provided from:			
Supply of outputs to: Crown	9,394	9,394	11,119
Other	45	45	35
Interest	0	0	0
Cash disbursed to:			
Cost of producing outputs:			
Output expenses	(8,101)	(8,101)	(9,969)
Capital charge	(392)	(392)	(527)
<b>Net cash flows from operating activities</b>	<b>946</b>	<b>946</b>	<b>658</b>
<b>Cash flows from investing activities</b>			
Cash provided from:			
Sale of physical assets	0	0	0
Cash disbursed to:			
Purchase of physical assets	(5,144)	(5,144)	(500)
<b>Net cash flows from investing activities</b>	<b>(5,144)</b>	<b>(5,144)</b>	<b>(500)</b>
<b>Cash flows from financing activities</b>			
Cash provided from:			
Capital contribution from the Crown	3,800	3,800	0
Cash disbursed to:			
Payment of surplus to the Crown	(39)	(39)	0
<b>Net cash flows from financing activities</b>	<b>3,761</b>	<b>3,761</b>	<b>0</b>
<b>Net increase/(decrease) in cash held</b>	<b>(437)</b>	<b>(437)</b>	<b>158</b>
Opening total cash balance at 1 July	1,094	1,094	657
<b>Closing total cash balances at 30 June projected</b>	<b>657</b>	<b>657</b>	<b>815</b>

## Reconciliation of Net Cash Flows from Operating Activities to Net Surplus/(Deficit) in the Operating Statement for the year ending 30 June 2003

	2002/03 Budgeted \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Add/(deduct) non-cash expenses/(revenues) from operating statement</i>			
Depreciation and amortisation	696	696	620
<i>Add/(deduct) non-cash working capital reductions/(increases) from balance sheet<sup>4</sup></i>			
(Increase)/decrease in receivables and advances	10	10	0
(Increase)/decrease in debtor Crown	1	1	0
(Increase)/decrease in prepayments	(19)	(19)	0
Increase/(decrease) in payables and provisions <sup>5</sup>	258	258	38
<b>Net cash flows from operating activities</b>	<b>946</b>	<b>946</b>	<b>658</b>

## Statement of Movements in Taxpayers' Funds (Equity) as at 30 June 2004

	Estimated Position as at 30 June 2003 \$000	Projected Position as at 30 June 2004 \$000
<b>Taxpayers' funds at start of period</b>	<b>2,368</b>	<b>6,168</b>
Add/(deduct) net surplus/(deficit)	0	0
Total recognised revenues and expenses for the period	0	0
<i>Adjustments for flows to and from the Crown</i>		
Add capital contributions from the Crown during the period	3,800	0
Provisions for payment of surplus to the Crown	0	0
Total adjustments for flows to and from the Crown	0	0
<b>Taxpayers' funds at end of period</b>	<b>6,168</b>	<b>6,168</b>

<sup>4</sup> These figures exclude changes in fixed assets, debtors, and creditors.

<sup>5</sup> Excludes movements in provisions for employee entitlements.

# Statement of Objectives Specifying the Financial Performance Forecast for the Parliamentary Counsel Office

## for the year ending 30 June 2004

	Unit	2002/03 Budgeted	2002/03 Estimated Actual	2003/04 Budget
<b>Operating results</b>				
Revenue: other	\$000	35	35	35
Revenue: interest	\$000	0	0	0
Output expenses	\$000	9,428	9,428	11,154
Operating surplus before capital charge	\$000	366	366	527
Net surplus	\$000	0	0	0
<b>Working capital</b>				
Liquid ratio <sup>6</sup>	%	237.35	237.35	274.7
Net current assets	\$000	234	234	354
Current ratio	%	130.39	130.39	354
Average debtors outstanding	days	0	0	0
Average creditors outstanding	days	0	0	0
<b>Resource utilisation</b>				
Physical assets:				
Total physical assets at year end	\$000	5,934	5,934	5,814
Additions as % of physical assets	%	86.68	86.68	8.59
Physical assets as % of total assets	%	85.53	85.53	83.34
Taxpayers' funds at year end	\$000	6,168	6,168	6,168
<b>Forecast net cash flows</b>				
Surplus/(deficit) operating activities	\$000	946	946	658
Surplus/(deficit) investing activities	\$000	(5,144)	(5,144)	(500)
Surplus/(deficit) financing activities	\$000	3,761	3,761	0
Cash disbursed to producing outputs	\$000	8,101	8,101	9,969
Net increase/(decrease) in cash held	\$000	(437)	(437)	158

<sup>6</sup> Total cash and bank balances as a proportion to creditors and short-term (current) payables.

## Summary of Departmental Output Classes

Departmental output classes to be delivered by the PCO, and their associated revenue, expenses, and surplus and deficit are summarised below:

Output Operating Statements 2003/04						
Departmental Output Class	Description	Revenue: Crown \$000	Revenue: Depts \$000	Revenue: Other \$000	Total Expenses \$000 <sup>7</sup>	Surplus/ (deficit) \$000
<b>Vote Parliamentary Counsel</b> D1—Law Drafting Services	Drafting of Government Bills (including amendments) and Statutory Regulations; examining and reporting on local and private Bills and drafting amendments to them.	6,811	–	–	6,811	–
D2—Access to Legislation	Supplying printed copies of Bills and 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.					

<sup>7</sup> Corresponds to the appropriated sum excluding GST.

Departmental Output Class	Description	Revenue: Crown \$000	Revenue: Depts \$000	Revenue: Other \$000	Total Expenses \$000 <sup>8</sup>	Surplus/ (deficit) \$000
D2—Access to Legislation— <i>continued</i>	<p>Publishing the <i>Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force</i>, in printed and in electronic form.</p> <p>Providing free public access via the Internet to an electronic database of legislation, including Bills and Supplementary Order Papers, and maintaining the electronic database of legislation in an up-to-date form.</p>	4,308	–	35	4,343	–

<sup>8</sup> Corresponds to the appropriated sum excluding GST.

## GST Status of Departmental Output Classes

Departmental Output Class	GST excl. \$000	GST \$000	GST incl. \$000
<b>Vote Parliamentary Counsel</b>			
D1—Law Drafting Services	6,811	851	7,662
D2—Access to Legislation	4,343	543	4,886
<b>Total departmental output classes</b>	<b>11,154</b>	<b>1,394</b>	<b>12,548</b>

## Forecast Details of Fixed Assets by Category as at 30 June 2004

	30 June 2003	30 June 2004 Projected Position		
	Estimated Actual Position \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Computers and equipment	5,544	7,033	1,544	5,489
Furniture and fittings	362	1,259	953	306
Motor vehicles	28	70	51	19
<b>Total</b>	<b>5,934</b>	<b>8,362</b>	<b>2,548</b>	<b>5,814</b>

## Significant Underlying Assumptions

These forecast financial statements have been compiled on the basis of Government policies.

These forecast financial statements have been prepared in accordance with section 34A of the Public Finance Act 1989 and comply with generally accepted accounting practice. The measurement base applied is historical cost.

The accrual basis of accounting has been used for the preparation of these forecast financial statements.

These forecast financial statements have been prepared on a going-concern basis.

### Reporting entity

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

### Accounting policies

The following particular accounting policies that 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.

### *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.

### **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%
Fixtures and fittings	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)**

Figures in the Statement of Intent are exclusive of GST, except for the GST inclusive figures in the statement showing the GST status of each class of outputs.

**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.

**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.

### **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.

