

Statement of Intent

Parliamentary Counsel Office Te Tari Tohutohu Pāremata

*for the year ending
30 June 2005*

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



Published by the Parliamentary Counsel Office
PO Box 18 070 Wellington
2004

ISSN 1174-3484

Designed by Matrix Typography Ltd

Printed by City Print Communications Ltd

Declaration by the Responsible Minister and the Chief Parliamentary Counsel	4
Introduction	5
PCO Outcomes and Outputs	5
PCO Strategic Objectives	8
1—Best Practice Legislative Drafting Services	8
2—Ready Access to New Zealand Legislation	10
3—Capability Development	11
Priority Projects	14
The 2004/05 Year	16
Output Performance	18
Output Class D1—Law Drafting Services	18
Output Class D2—Access to Legislation	19
Financial Statements for 2004/05	22
Summary, Introduction, and Highlights	22
Statement of Responsibility	23
Forecast Financial Statements	24
Statement of Accounting Policies	32
Appendices	36
1 PCO Mission and Vision Statements	36
2 Organisational Plan	38

Declaration by the Responsible Minister and the Chief Parliamentary Counsel

This Statement of Intent outlines the outcomes to which the work of the Parliamentary Counsel Office (PCO) 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
- ensuring continuous improvement in the quality of law drafting services
- improving public access to legislation.

The Statement of Intent meets the requirements of the Public Finance Act 1989. It includes a statement of service performance for each class of output, and the forecast financial statements of the PCO for the 2004/05 year. Retrospective reporting against the Statement of Intent will be provided in the Annual Report of the PCO.

Signed

Signed



Hon Margaret Wilson
Attorney-General
Date: 10 May 2004



George Tanner QC
Chief Parliamentary Counsel
Date: 10 May 2004

Introduction

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 and Statutory Regulations with their amendments incorporated.

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

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. Furthermore, 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 output classes 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 form, and in electronic form on the Internet free of charge
- 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"> • Ensuring high quality legislation that gives effect to Government policies in an environment that is demand driven 	<ul style="list-style-type: none"> • use clear and simple drafting styles • adopt consistent approaches to formatting of legislation and drafting issues • maintain and enhance training, supervision, and peer review systems • maintain and enhance editorial services

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

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"> • Successfully completing the Public Access to Legislation (PAL) Project, and ensuring that the new systems and processes introduced as part of the Project are successfully bedded in 	<ul style="list-style-type: none"> • effective management of the contract with Unisys • successful resolution of outstanding technical and commercial issues • ongoing training and support to PCO staff • regular review of systems and processes • ongoing refinement and enhancement of new systems and processes • ongoing communication with other agencies involved: Office of the Clerk, Inland Revenue Department (IRD) • seek regular feedback from users of legislation • effective consultation on annual reprints programme
<ul style="list-style-type: none"> • Providing an authoritative, official electronic database of New Zealand legislation¹ 	<ul style="list-style-type: none"> • implement an effective and efficient officialisation programme so that the PCO database can be made official as soon as possible
<ul style="list-style-type: none"> • Giving official status to the electronic database of legislation¹ 	<ul style="list-style-type: none"> • promote amendments to the Acts and Regulations Publication Act 1989, to confer official status on the database
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • establish and maintain effective procedures for providing responses to queries or transferring queries to the appropriate agency for response • maintain and keep under review useful information in the form of frequently asked questions (FAQs) about legislation, the legislative process, and the PCO on the PCO website
<ul style="list-style-type: none"> • Maintaining and enhancing effective procedures for making legislative data available to legal publishers and other relevant agencies¹ • Facilitating use by legal publishers of PCO legislative data¹ 	<ul style="list-style-type: none"> • establish regular and ongoing communication with legal publishers

¹ Contingent on completion of the PAL Project.

Issues	Strategies
<ul style="list-style-type: none"> • Maintaining and enhancing access to legislative material and information about the PCO through the Government web portal 	<ul style="list-style-type: none"> • implement procedures for populating legacy legislative data (purchased from Brookers) with FONZ (Functions of New Zealand) and SONZ (Subjects of New Zealand) thesauri metadata
<ul style="list-style-type: none"> • Keeping up-to-date with developments in other jurisdictions relating to access to legislation • Sharing knowledge and experience with other agencies and jurisdictions 	<ul style="list-style-type: none"> • maintain contact with other jurisdictions and relevant organisations (AustLII, CanLII, BAILII, etc) through visits, attendance at conferences, etc
<ul style="list-style-type: none"> • Responding to demands for better access to other legislative material (especially deemed regulations) 	<ul style="list-style-type: none"> • maintain list of deemed regulations on the PCO website • encourage other agencies to provide updates of material
<ul style="list-style-type: none"> • Participating in relevant e-Government initiatives 	<ul style="list-style-type: none"> • liaise with the State Services Commission e-Government Unit

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 effective and well documented workplace policies, practices, and procedures
- the PCO has workplace policies, practices, and procedures that take account of the family responsibilities of staff
- technology is used effectively
- internal and external communication is improved
- the PCO complies with its legislative obligations.

Implementation of the PAL Project means—

- the PCO is amongst New Zealand’s largest publishers, publishing on-line and in print
- the staff increases to over 70, 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
- the 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"> • Recruitment of specialist staff 	<ul style="list-style-type: none"> • continue to seek out the best candidates from the private and public sectors • maintain salary and conditions of employment so that they are competitive with both sectors • ensure best practice remuneration policy and best practice in human resource matters generally • set in place the regular collection and analysis of best practice data
<ul style="list-style-type: none"> • Retention of specialist staff 	<ul style="list-style-type: none"> • promote a balance between work and other activities and provide flexible working arrangements for staff with family responsibilities • provide for staff to take leave by ensuring that staffing levels are sufficient to put leave provisions into practice • provide opportunities for staff training • provide support for staff who undertake study
<ul style="list-style-type: none"> • Management training and development 	<ul style="list-style-type: none"> • identify training needs • provide training for drafting team leaders and others in management positions

Issues	Strategies
<ul style="list-style-type: none"> • Change management 	<ul style="list-style-type: none"> • provide training in PCO systems that is tailored to users' needs • develop an annual programme of in-house training as outlined in the Training and Development Policy • provide user-friendly documentation • provide ongoing support, and free-up the 'super users' to help others • consider obtaining further professional change management advice
<ul style="list-style-type: none"> • External and internal relationships and communication 	<ul style="list-style-type: none"> • ensure enquiries from outside PCO are answered in a professional and consistent manner • review the publication of PCO policies, manuals (paper and electronic), and other internal and external documentation • establish regular meetings at middle management level
<ul style="list-style-type: none"> • Consistency of standards and practice 	<p><i>Work practice</i></p> <ul style="list-style-type: none"> • provide appropriate documentation about work practices • develop a further programme of in-house seminars • provide opportunities to discuss best practice <p><i>Management practice</i></p> <ul style="list-style-type: none"> • provide more documentation on PCO policies and practice
<ul style="list-style-type: none"> • Information systems and information management 	<p><i>Information systems</i></p> <ul style="list-style-type: none"> • make financial provision for the continued development of the PAL system² • review resources required to support information systems <p><i>Information management</i></p> <ul style="list-style-type: none"> • strengthen the PCO information management team, including the appointment of a records specialist

² Contingent on completion of the PAL Project

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
- ensuring continuous improvement of the quality of law drafting services
- improving public access to legislation.

Strategic objective 1

Project	2004/05 Year 1	2005/06 Year 2	2006/07 Year 3
1 PCO Drafting Manual revision	Complete current revision and publish	Revise for publication on the PCO website and undertake continuous revision	Publish suitably amended manual on the PCO website and undertake continuous revision
2 Increase drafting resource	Recruit and train additional drafters	Recruit and train additional drafters	Recruit and train additional drafters
3 Provide guidance to instructors/policy advisers	Develop seminar programme; revise and reissue the <i>Guide to Working with the PCO</i> ; seminar programme operational	Undertake continuous revision	Undertake continuous revision
4 Ensure capability to provide drafting assistance to the Law Commission	Provide assistance as required	Provide assistance as required	Provide assistance as required
5 Ensure capability to provide assistance to Pacific Islands drafting offices	Provide assistance as required	Provide assistance as required	Provide assistance as required
6 Clear drafting	Continually develop techniques and practices to make NZ legislation more accessible	Continually develop techniques and practices to make NZ legislation more accessible	Continually develop techniques and practices to make NZ legislation more accessible
7 Consistency in drafting practice/format	Complete current revision of the PCO Style Guide and Proofreading Manual and publish	Revise the Style Guide for publication on the PCO website and undertake continuous revision	Publish suitably amended guide on the PCO website and undertake continuous revision

Strategic objective 2

Project		2004/05 Year 1	2005/06 Year 2	2006/07 Year 3
1	Establish communication with users of legislation and seek feedback	Develop strategy	Implement strategy	
2	Legal publisher liaison	Establish group	Monitor effectiveness of 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		2004/05 Year 1	2005/06 Year 2	2006/07 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	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	Review training available Implement strategy	Review strategy
4	Professional development	Develop strategy	Implement strategy	Review strategy
5	Increase use of technology by all PCO staff	Review training available and develop strategy	Commence implementation	Implement strategy All staff capable of using systems efficiently and effectively
6	Best practice systems including human resources and information management	Scope project and develop strategy Appoint dedicated records staff	Implement strategy	Establish system of continuous review

Key issues for the 2004/05 year include—

- establishing and maintaining sufficient capability to meet Government requirements for the drafting of legislation
- progressing the priority projects
- successful completion of the PAL Project.

A review of the PCO's resourcing requirements will take place during the 2005 year.

Capability

Increasing the drafting capability of the PCO is intended to enable the PCO to meet the demands placed on it. Factors contributing to the need for increased drafting capability include—

- increasingly tight time-frames for drafting large or complex Bills
- increased demand on drafters to provide legal and related policy advice in the course of drafting legislation
- increased demands for the drafting of amendments to Bills in select committees and in the House
- insufficient resources to maintain quality assurance processes
- insufficient resources available to focus on strategies that would improve the drafting product, including clear drafting initiatives
- the need to enable drafting team leaders to undertake a greater degree of training, supervision, and peer review, to manage work flows, and to liaise effectively with instructing departments
- changes in the staff profile of the PCO leading to an increase in the number of drafters taking parental leave and working part-time
- lack of progress on specific projects identified here and in last year's Statement of Intent.

The increase in appropriation for 2004/05 will allow the PCO to appoint up to 3 additional drafters and associated support staff. The appointment of 3 additional drafters will bring the full-time equivalent number of drafters up to 31.5. This would enable the PCO to respond more effectively to the drafting demands placed on it, and to provide assistance to Pacific Islands drafting offices.

Priority projects

Increasing the capability of the PCO will also enable progress to be made on the priority projects. These projects are fundamental to the efficiency and effectiveness of the PCO. They include revision of the PCO Drafting Manual and clear drafting initiatives. These are key to improving the quality of legislative drafting.

PAL Project

Progress on the PAL Project is subject to the successful resolution of the outstanding technical and commercial issues. The PCO is working through these with Unisys, the implementation partner, and specialist advisers. Resolving these issues and successfully implementing the PAL Project will place substantial demands on the PCO.

Review

A review of the PCO's resourcing requirements is proposed during 2005. The purpose of the review is to identify the PCO's future funding needs, with a view to limiting the need for annual increases in appropriation.

The review will focus on identifying—

- factors influencing the demands on the PCO for drafting and access to legislation services
- strategies and resources that would enable the PCO to better respond to these demands
- changes to existing strategies for recruiting and retaining drafting, access to legislation, and support staff
- the organisational structure and administrative and management systems required to support the PCO
- the level of funding required to enable the PCO to carry out its statutory functions.

It is proposed to conduct the review in 2005 and complete it in October of that year. Undertaking the review in 2005 will allow the PCO to concentrate its efforts on the PAL Project throughout the balance of 2004 and in the early part of 2005. It will also enable the review to take account of changes in the PCO's operating environment that will result from the project.

Statement of Objectives Specifying the Performance Forecast for Each Class of Outputs for the Year Ending 30 June 2005

The PCO has agreed to provide outputs in 2004/05 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

Description

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

- drafting Government Bills (including amendments) 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 2004/05 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 Departmental GST excl. \$000	Revenue Other GST excl. \$000
2004/05	8,500	7,556	7,556	7,556	43	0
2003/04	7,673	6,821	6,821	6,821	10	0

Output Class D2—Access to Legislation

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 2004 and the annual bound volumes of Statutory Regulations for 2004 will be published in the first half of 2005
- reprinted Acts and reprinted Statutory Regulations will be compiled and published in accordance with the PCO reprints policy and the annual reprints programme
- the 2004 edition of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations in Force* will be published in both printed and electronic forms
- 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 Departmental GST excl. \$000	Revenue Other GST excl. \$000
2004/05	4,899	4,355	4,355	4,355	7	35
2003/04	7,298	6,487	6,487	6,487	2	35

FINANCIAL STATEMENTS FOR 2004/05

Summary, Introduction, and Highlights

Summary

Appropriations for the Parliamentary Counsel Office (PCO) in 2004/05 total \$13,399 million. It is forecast that this will be applied as follows:

- \$8,500 million (63.4% of the Vote) on Law Drafting Services
- \$4,899 million (36.6% 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

	2003/04 Budgeted \$000	2003/04 Estimated Actual \$000	2004/05 Budget \$000
Revenue: Crown	13,261	13,261	11,826
Revenue: other	35	35	35
Output expenses	13,308	13,308	11,911
Net surplus	0	0	0
Taxpayers' funds	6,168	6,168	6,168
Net cash flows from operation, investing, and financing activities	874	874	1,428

Statement of Responsibility

The forecast financial statements of the Parliamentary Counsel Office for the year ending 30 June 2005, 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 2005 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 2005 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 2005 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Signed



George Tanner QC
Chief Parliamentary Counsel
Date: 10 May 2004

Countersigned



Julia Kennedy
Manager Support Services
Date: 10 May 2004

Statement of Financial Performance
for the year ending 30 June 2005

	2003/04 Budgeted ³ \$000	2003/04 Estimated Actual \$000	2004/05 Budget \$000
Revenue			
Crown	13,261	13,261	11,826
Departmental	12	12	50
Other	35	35	35
Interest	0	0	0
Total revenue	13,308	13,308	11,911
Expenses			
<i>Output expenses:</i>			
Personnel	5,813	5,813	6,497
Operating	5,967	5,967	3,915
Depreciation	1,001	1,001	1,006
Capital charge	527	527	493
Total expenses	13,308	13,308	11,911
Net surplus (deficit)	0	0	0

³ This incorporates both Main Estimates and Supplementary Estimates appropriations for 2003/04.

Statement of Estimated Financial Position as at 30 June 2004

and of Forecast Financial Position as at 30 June 2005

	Actual as at 30 June 2003 \$000	Estimated Actual as at 30 June 2004 \$000	Projected as at 30 June 2005 \$000
Assets			
<i>Current assets:</i>			
Cash and bank balances	844	886	1,478
Prepayments	34	19	19
Receivables and advances	51	0	0
Debtor Crown	3,239	0	0
Total current assets	4,168	905	1,497
<i>Non-current assets:</i>			
Physical assets ⁴	4,634	6,168	5,662
Total non-current assets	4,634	6,168	5,662
Total assets	8,802	7,073	7,159
Liabilities			
<i>Current liabilities:</i>			
Payables and provisions	1,870	423	423
Provision for payment of net surplus	368	0	0
Provision for employee entitlements ⁵	396	482	568
Total current liabilities	2,634	905	991
<i>Long-term liabilities:</i>			
Provision for employee entitlements	0	0	0
Total long-term liabilities	0	0	0
Total liabilities	2,634	905	991
Taxpayers' funds			
General funds	6,168	6,168	6,168
Total taxpayers' funds	6,168	6,168	6,168
Total liabilities and taxpayers' funds	8,802	7,073	7,159

⁴ Further details of physical assets are contained under Forecast Details of Fixed Assets by Category as at 30 June 2005.

⁵ This includes leave and retirement entitlement provisions.

Statement of Forecast Cash Flows for the year ending 30 June 2005

	2003/04 Budgeted \$000	2003/04 Estimated Actual \$000	2004/05 Budget \$000
Cash flows from operating activities			
<i>Cash provided from:</i>			
Supply of outputs to: Crown	16,513	16,500	11,826
Departmental	12	12	50
Other	41	41	35
Interest	0	0	0
<i>Cash disbursed to:</i>			
<i>Cost of producing outputs:</i>			
Output expenses	(12,931)	(12,931)	(10,326)
Capital charge	(527)	(527)	(493)
Net cash flows from operating activities	3,108	3,095	1,092
Cash flows from investing activities			
<i>Cash provided from:</i>			
Sale of physical assets	0	0	0
<i>Cash disbursed to:</i>			
Purchase of physical assets	(2,685)	(2,685)	(500)
Net cash flows from investing activities	(2,685)	(2,685)	(500)
Cash flows from financing activities			
<i>Cash provided from:</i>			
Capital contribution from the Crown	0	0	0
<i>Cash disbursed to:</i>			
Payment of surplus to the Crown	(368)	(368)	0
Net cash flows from financing activities	(368)	(368)	0
Net increase/(decrease) in cash held	30	30	542
Opening total cash balance at 1 July	844	844	886
Closing total cash balances at 30 June projected	899	886	1,478

Reconciliation of Net Cash Flows from Operating Activities to Net Surplus/(Deficit) in the Operating Statement for the year ending 30 June 2004

	2003/04 Budgeted \$000	2003/04 Estimated Actual \$000	2004/05 Budget \$000
Operating surplus/(deficit)	0	0	0
<i>Add/(deduct) non-cash expenses/(revenues) from operating statement</i>			
Depreciation and amortisation	1,001	1,001	1,006
<i>Add/(deduct) non-cash working capital reductions/(increases) from balance sheet⁶</i>			
(Increase)/decrease in receivables and advances	51	51	0
(Increase)/decrease in debtor Crown	3,239	3,239	0
(Increase)/decrease in prepayments	15	15	0
Increase/(decrease) in payables and provisions ⁷	(1,211)	(1,211)	86
Net cash flows from operating activities	3,095	3,095	1,092

Statement of Movements in Taxpayers' Funds (Equity) as at 30 June 2005

	Estimated Position as at 30 June 2004 \$000	Projected Position as at 30 June 2005 \$000
Taxpayers' funds at start of period	6,168	6,168
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	0	0
Provisions for payment of surplus to the Crown	0	0
<i>Total adjustments for flows to and from the Crown</i>	<i>0</i>	<i>0</i>
Taxpayers' funds at end of period	6,168	6,168

⁶ These figures exclude changes in fixed assets, debtors, and creditors.

⁷ Excludes movements in provisions for employee entitlements.

Statement of Objectives Specifying the Financial Performance Forecast for the year ending 30 June 2005

	Unit	2003/04 Budgeted	2003/04 Estimated Actual	2004/05 Budget
Operating results				
Revenue: departmental	\$000	12	12	50
Revenue: other	\$000	35	35	35
Revenue: interest	\$000	0	0	0
Output expenses	\$000	13,308	13,308	11,911
Operating surplus before capital charge	\$000	527	527	493
Net surplus	\$000	0	0	0
Working capital				
Liquid ratio ⁸	%	237.4	213.9	353.9
Net current assets	\$000	234	0	506
Current ratio	%	130.4	100	151.1
Average debtors outstanding	days	0	0	0
Average creditors outstanding	days	0	0	0
Resource utilisation				
<i>Physical assets:</i>				
Total physical assets at year end	\$000	5,934	6,168	5,662
Additions as % of physical assets	%	85.5	87.2	79.1
Physical assets as % of total assets	%	43.5	43.5	8.8
Taxpayers' funds at year end	\$000	6,168	6,168	6,168
Forecast net cash flows				
Surplus/(deficit) operating activities	\$000	3,083	3,083	1,042
Surplus/(deficit) investing activities	\$000	(2,685)	(2,685)	(500)
Surplus/(deficit) financing activities	\$000	(368)	(368)	0
Cash disbursed to producing outputs	\$000	12,931	12,931	10,326
Net increase/(decrease) in cash held	\$000	(30)	(30)	542

⁸ 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 2004/05						
Departmental Output Class	Description	Revenue: Crown \$000	Revenue: Depts \$000	Revenue: Other \$000	Total Expenses \$000 ⁹	Surplus/ (deficit) \$000
Vote Parliamentary Counsel 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.	7,556	43	-	7,599	-
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.					

⁹ Corresponds to the appropriated sum excluding GST.

Departmental Output Class	Description	Revenue: Crown \$000	Revenue: Depts \$000	Revenue: Other \$000	Total Expenses \$000 ¹⁰	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 forms.</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>	4,320	7	35	4,327	-

¹⁰ Corresponds to the appropriated sum excluding GST.

GST Status of Departmental Output Classes

Departmental Output Class	GST excl. \$000	GST \$000	GST incl. \$000
Vote Parliamentary Counsel			
D1—Law Drafting Services	7,556	944	8,500
D2—Access to Legislation	4,355	544	4,899
Total departmental output classes	11,911	1,488	13,399

Forecast Details of Fixed Assets by Category as at 30 June 2005

	30 June 2004	30 June 2005 Projected Position		
	Estimated Actual Position \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Computers and equipment	5,755	7,728	2,414	5,314
Furniture and fittings	375	1,398	1,079	319
Motor vehicles	38	70	41	29
Total	6,168	9,196	3,534	5,662

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	5 years	20% (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.

