

Statement of Intent

Parliamentary Counsel Office
Te Tari Tohutohu Pāremata

for the period 1 July 2008
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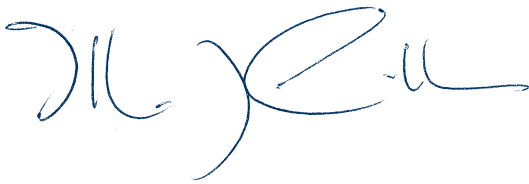
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Statement by the responsible Minister

This Statement of Intent meets the requirements of the Public Finance Act 1989. The information it contains is consistent with the policies and performance expectations of the Government.

Signed



Hon Dr Michael Cullen
Attorney-General

Introduction by the Chief Parliamentary Counsel

The mission of the Parliamentary Counsel Office (PCO) is 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.

The PCO has two output classes—Law Drafting Services and Access to Legislation.

Over the period covered by this Statement of Intent (SOI) the key priority for the law drafting output is to deliver the Government’s legislation programmes, and the key priority for the access to legislation output is to ensure that New Zealand legislation is readily accessible to the public, in particular by making the content of the New Zealand Legislation website (www.legislation.govt.nz) an “official” source of legislation alongside the printed copies we publish.

The “Operating Intentions” section of this SOI explains in more detail what we will do to ensure that we continue to provide best practice legislative drafting services, as well as legislation that is readily accessible to the public. It also identifies the ways in which we intend to make improvements, where possible.

Major areas of focus for the law drafting services output will include:

- working with the Legislation Design Committee, the Legislation Advisory Committee, the Law Commission, and instructing departments and agencies to improve the quality of draft legislation
- engaging with other parliamentary authorities to identify and remove or reduce procedural issues that have the effect of reducing the quality, clarity, and accessibility of legislation
- continuing to work with other common law drafting offices to develop further changes that improve the accessibility and clarity of legislation
- ensuring consistency of drafting within the PCO, involving a number of initiatives.

Major areas of focus for the access to legislation output will include:

- officialising the content of the New Zealand Legislation website
- commencing work on the technical simplification of the NZL system¹ and its business processes

¹ *The New Zealand Legislation system, the PCO’s integrated drafting and publishing system for New Zealand legislation.*

- working with other agencies to maximise the potential of the NZL system and website including opportunities to foster greater access to the New Zealand Legislation website
- strengthening our collaboration with other parliamentary agencies through, for example, the Joint Information Strategy
- preserving access by the Crown and the public to historical legislation not already digitised.

In addition, strengthening our organisational health and capability, which encompasses both outputs, will also be a major focus over the next three years. Here, the major areas of concentration, detailed on pages 19 to 23, will include:

- managing change and developing the strength and depth of our leadership and management capability
- developing better risk management processes for the NZL system and other core business processes, as well as strengthening our business continuity, security, and resource management systems
- achieving key deliverables from the PCO's strategic human resources plan.

This programme of work presents us with exciting challenges. I am confident that the drive, determination, and professionalism of the PCO's people will ensure that we will continue to deliver well-drafted and readily accessible legislation for New Zealand.



David Noble
Chief Parliamentary Counsel

NATURE AND SCOPE OF FUNCTIONS

The Parliamentary Counsel Office (PCO) is constituted as a separate office of Parliament by the Statutes Drafting and Compilation Act 1920 (the 1920 Act). The PCO is under the control of the Attorney-General or, if there is no Attorney-General, the Prime Minister.

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

Under the 1920 Act, the PCO is responsible for the drafting of Government Bills and Statutory Regulations. This includes drafting amendments to Bills required by select committees and by Ministers at the committee of the whole House stage. Bills administered by the Inland Revenue Department (IRD) are drafted by that department.²

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

Under the Acts and Regulations Publication Act 1989, the PCO is separately responsible for the publication of Acts of Parliament (including reprinted Acts), Statutory Regulations (including reprinted Statutory Regulations), and the annual bound volumes of Acts and Statutory Regulations. The PCO also compiles reprints of Acts and Statutory Regulations with their amendments incorporated.

The PCO is responsible for supplying printed copies of Bills and Supplementary Order Papers (SOPs) to the House, and publishing printed copies of Bills and SOPs.

The PCO publishes the *Tables of New Zealand Acts and Ordinances and Statutory Regulations, and Deemed Regulations in Force* annually in printed form, and publishes four interim indexes to the Statutory Regulations for each year.

Since January 2008, the PCO has made Acts, Statutory Regulations, Bills, and SOPs available in up-to-date form free via the New Zealand Legislation website at www.legislation.govt.nz.

The outcome that the PCO seeks to achieve is contributing to parliamentary democracy under the rule of law by supporting Parliament and the executive in their law-making roles and contributing to the Government's objectives. The PCO seeks to ensure that:

- legislation that is necessary to change the law to implement Government policies is effective, clear, consistent with other legislation, and adheres to legal principle

² See *Inland Revenue Department (Drafting) Order 1995 (SR 1995/286)*.

- legislation, including Bills and SOPs, is accessible to the public in both printed and electronic forms, and printed copies of Government Bills and Government SOPs are provided to the House.

This is discussed in more detail under “Strategic Direction—Outcome and Objectives”.

STRATEGIC DIRECTION—OUTCOME AND OBJECTIVES

Outcome: contributing to parliamentary democracy under the rule of law

In New Zealand, parliamentary democracy based on the rule of law is the outcome of different factors and influences. The institutions of Parliament, the government (or 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 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 subordinate legislation. 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 parliamentary democracy 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 legislation being consistent with 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. The courts will review delegated legislation in cases that come before them in which the validity of a particular instrument is challenged, and apply well-established tests to determine questions relating to validity.

A cornerstone of parliamentary democracy under the rule of law is that for citizens to comply with the law they must know what the law is and therefore have ready access to it.

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 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 in two ways:

- first, by drafting changes in the law that are required to implement Government policies—this enables those departments and agencies that administer the legislation to meet their objectives
- second, by making the laws passed by Parliament and the executive accessible to the public.

Strategic objectives: best practice legislative drafting services, and ready access to New Zealand legislation

One objective of the PCO is to ensure that the statutes enacted by Parliament and delegated legislation made by the executive are legally effective, consistent with other legislation, the general law, and international law, and clear. It is also the objective of the PCO to ensure, consistent with the policy of the legislation, that those statutes and delegated legislation are consistent with legal principle and with the rights and freedoms protected by the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. The PCO’s additional objective in the case of delegated legislation is that it will withstand scrutiny by the Regulations Review Committee and challenge in the courts, and will not be subject to disallowance under the Regulations (Disallowance) Act 1989.

By making legislation available to the public, the PCO fulfils its second, equally important objective of ensuring that statutory law (as distinct from the common law) is accessible to those who may benefit from it and those who must obey it.

The PCO’s outcome and objectives contribute to all three Government themes: economic transformation, families—young and old, and national identity. By ensuring that the legislation that is necessary to change the law to implement Government policies is effective and clear, and by providing copies of Government Bills and SOPs to the House, the PCO facilitates the changes that allow Government priorities to be achieved. And by ensuring that legislation is accessible to the public, the PCO facilitates the implementation of the changes, again allowing the priorities to be achieved.

Furthermore, the PCO contributes directly to the theme of national identity through its outcome of contributing to parliamentary democracy under the rule of law. It does this through the drafting and publishing of legislation.

OPERATING INTENTIONS

The future operating intentions for the period covered by this SOI are stated on the assumption that the two core functions of the PCO will continue unchanged. These functions are to draft legislation and make it publicly available.

In our SOI for the period 2007–10 (page 22) we set down three principal areas of focus for the PCO over those next three years. These were:

- ensuring the PCO has the capability to provide the legislative drafting services required by the Government and to improve the quality of those services
- successfully implementing the PAL system, including ensuring the effective operation of the hosting and housing arrangements for the system by Unisys New Zealand Limited (Unisys) and the creation of an electronic database of New Zealand legislation that has authoritative status
- evaluating the recommendations made by PricewaterhouseCoopers in its review of existing organisational structure and administrative and management systems and implementing any changes considered appropriate.

The framework for the PCO’s future operating intentions continues to be provided by our two strategic objectives:

- best practice legislative drafting services
- ready access to New Zealand legislation.

The following section provides detailed information on these objectives, how they contribute to the PCO’s outcome, what we are seeking to achieve, and the measures and standards that will be used to assess our future performance.

Strategic Objective 1: Best practice legislative drafting services

The specific outcome that the PCO will seek to achieve is to deliver the Government’s legislation programmes over the period covered by this SOI. This is the key priority for the law drafting output of the PCO and represents a critical priority for the Government in terms of enabling departments and other agencies to deliver those elements of Government policy that require legislative underpinning.

Law drafting services

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

We work closely with the Legislation Coordinator, a Cabinet Office staff member, who plays a central role in this process.

The PCO’s work usually starts with the receipt of drafting instructions for a change in the law from the relevant government department. Parliamentary Counsel translate these instructions into draft legislation, working closely with the instructing department (and sometimes Ministers) and consulting with other interested agencies. At its heart, drafting legislation means translating policy decisions into effective, principled, and clear law. It is not a simple process where a particular unit of input is matched by a corresponding unit of output. Legislation has to be consistent with the rest of the statute book, general legal principle, international law, and the common law. Ensuring that legislation is clear and accessible is also a critical component of the drafter’s work and the PCO is committed to “plain language” drafting. We seek to draft in accordance with our own Style and Drafting Manuals but drafting is often an iterative process, requiring revisions and often months of work to produce a Bill or set of regulations. Drafting must also accommodate changes to the policy that can occur at any stage in the process.

After the draft legislation is settled with the department, the process that is followed depends on whether the legislation is a Bill or proposed regulations. Parliamentary Counsel certify whether proposed regulations can be lawfully made and will not breach any of the grounds in the Standing Orders of the House under which regulations may be drawn to the attention of the House and risk being disallowed under the Regulations (Disallowance) Act 1989. The proposed regulations are referred to the Cabinet Legislation Committee, at which point our drafting work is usually at an end. The regulations are submitted to Cabinet for final approval, and are made by the Governor-General in Executive Council.

The passage of a Bill is more complex. Throughout the process Parliamentary Counsel continue to work with departmental officials, and also with select committee members and the Office of the Clerk. After its referral to Cabinet, a Bill is introduced to the House for its first reading, and is then usually referred to a select committee. The select committee will hear submissions from the public and interested organisations, and considerable redrafting by Parliamentary Counsel can be required as a result of the committee’s consideration of the issues. The Bill will then be sent back to the House. At the committee of the whole House stage, further redrafting by Parliamentary Counsel may be called for by way of an SOP. Post-introduction versions of the Bill with their amendments incorporated are produced by the PCO on behalf of the Office of the Clerk. Parliamentary Counsel check these versions to ensure that the amendments have been correctly incorporated and that the Bill as amended during its passage through the House is correct. When the Bill has passed its third reading, the PCO, working with the Office of the Clerk, prepares the copy for Royal assent, which is signed by the Governor-General.

When the Act has been passed or the regulations made, the work of publishing becomes part of the PCO’s other output—access to legislation.

We will continue to work with the Legislation Design Committee, the Legislation Advisory Committee, the Law Commission, and instructing departments and agencies to make

improvements to draft legislation. We will also seek to engage productively with the parliamentary authorities (the Office of the Clerk, the Speaker, the Parliamentary Service, and the Standing Orders Committee) to identify and seek to remove or reduce the procedural issues which have the effect of reducing the quality, clarity and accessibility of legislation.

Improving drafting practice

In common with most countries, New Zealand legislation deals with complex subjects. Most legislation has interrelationships with other areas of the law, statute law and the common law. The meaning of legislation is affected directly by court decisions on its interpretation. Well-established principles of statutory interpretation developed by the courts apply to the interpretation of legislation. Considerable changes have been made in the way that New Zealand legislation is drafted. The objective of these changes has been to improve the accessibility of legislation for readers. Examples include:

- the use of purpose provisions explaining in general terms what the legislation seeks to achieve
- the use of overview provisions that give readers an outline of the structure and organisation of the legislation, how it is arranged, and what the key provisions are, so that they will know what to expect when they read it
- the use of plain language
- the use of examples, flow-charts, diagrams, and graphics to aid readability.

We will investigate methods of obtaining performance feedback from other key stakeholders such as select committees. We will also examine, with Australian and English drafting offices, the possibilities for benchmarking the drafting services provided by the PCO against other drafting offices operating in a similar constitutional and parliamentary environment.

The PCO will continue to work with other drafting offices, particularly in Australia and other Commonwealth countries that have similar statutory and common law frameworks, to develop further changes that aid access, clarity, and understanding of legislation. Particular attention will be given in the period of this SOI to ensuring consistency of drafting practice across the office. This will require a number of initiatives. The PCO’s Drafting and Style Manuals are important resources in this regard and will continue to be revised over the course of the SOI period.

In addition, the PCO will examine the current system of peer review, the structure of drafting teams and their operation in practice with different types and sizes of legislative instrument, and the training programme for new counsel that involves teaching sessions based around a curriculum, on-the-job training, and supervision of junior counsel.

The programme of exchanges begun with the Commonwealth drafting office in Canberra, Australia in 2005 and continuing with the United Kingdom (2008/09) will be maintained and the PCO will ensure that learning and experience gained from that programme is disseminated throughout the office.

Capability of instructing departments

As indicated in the explanation of the process, drafting legislation is a team effort and the role of departmental officials is critical to the success of the drafting process. In order to assist departmental officials to give effective instructions and to work collaboratively with drafters, the PCO will continue to provide seminars and other assistance to departments to develop further the capacity across all departments and agencies to deliver fully-developed drafting instructions.

Assisting other bodies and agencies involved with ensuring the quality of New Zealand's legislation

The PCO will continue to actively participate in the work of the Legislation Advisory Committee and Legislation Design Committee. It will also work with the Law Commission where Government priorities permit to assist in the process of law reform.

Contributing internationally

The PCO will continue to support the development and provision of training and development of legislative drafters and lawyers from the Pacific Island nations as it has since 2004, by developing and then assisting in the delivery of legislative drafting capability-building training. However, this commitment will not be allowed to compromise the PCO's ability to deliver its priority outcome of meeting the legislative drafting needs of the Government of the day.

Strategic Objective 2: Ready access to New Zealand legislation

The specific outcome that the PCO will seek to achieve is to ensure that New Zealand legislation (including Bills) is readily accessible to the public in a timely manner and in an accurate and authoritative form. This is fundamental to the operation of the rule of law in a democracy. In addition, one of the Development Goals for the State Services, Accessible State Services, relates to public access to legislation. Development of the NZL system will further assist in the achievement of the 2010 development goal of "right doors in the right places" following the completion of the PAL Project and the introduction of the New Zealand Legislation website.

The PCO has the statutory function of publishing legislation.³ Currently the PCO publishes copies of Acts and Statutory Regulations and reprints in printed form. It also makes up-to-date legislation available electronically, free on the internet. The NZL system is designed to further improve public access to legislation. In time, an electronic database of legislation owned and maintained by the Crown will become an official source of New Zealand legislation. Access to Bills has been improved with users able to track the progress of Bills through Parliament via the New Zealand Legislation website (www.legislation.govt.nz).

³ *Acts and Regulations Publication Act 1989.*

The website of New Zealand Legislation currently receives approximately 35,000 unique visitors a month and this is expected to increase. We expect the number of inquiries about legislation directed to the office to increase as we make further improvements to the website and the printed versions of legislation.

The Government has directed the PCO and the Law Commission to investigate ways in which New Zealand statute law can be made more accessible. This, together with the Law Commission’s review of the PCO’s underlying statute,⁴ is expected to generate further pressure to develop new and improved methods of accessing legislation. This is discussed under “Further initiatives for improving access”.

Developments in technology

To assist in achieving another Development Goal for the State Services, Networked State Services, the PCO has facilitated access and will continue to explore opportunities with other agencies to foster greater access to the New Zealand Legislation website, in order to obtain the best value from the NZL system and legislation website.

The PCO will also work closely with the other agencies on the parliamentary campus, for example, through the Joint Information Strategy, to obtain the maximum benefit from the shared services provided by them. In particular the PCO will ensure that its risk management process and business continuity plans are tailored to fit with and benefit from the other agencies operating on the parliamentary campus. The PCO will evaluate and support the development of further shared services on the campus. We will also evaluate the opportunities that currently exist and are developed in the future to use cross-government shared initiatives such as the Government Shared Network (GSN) and to secure the benefits to be obtained through economies of scale.

The PCO will continue to work with the Office of the Clerk in relation to “eCommittee” (the electronic administration system designed to streamline the select committee process) by supplying Bills in electronic format, rather than hard copy.

Over the next two to three years we will concentrate our effort on the technical simplification of the NZL system. This is to ensure that it can evolve and be further developed, based on the adoption and use of industry standards, thus ensuring the longevity of the Government’s investment. The PCO will also establish how certain aspects of the process of amending legislation can be better reflected in the operation of the NZL system.

When changes and enhancements are introduced into the system, and core components are upgraded, they will be evaluated to see how they fit with this key goal of simplification. The effort towards simplification will also be directed towards the business processes that the NZL system encapsulates to ensure more efficient use of PCO resources over the period of this SOI.

⁴ *Statutes Drafting and Compilation Act 1920, Law Commission Review of Parliamentary Counsel Legislation; project opened 12 October 2007 (see www.lawcom.govt.nz).*

The PCO is also committed to ensuring that it has access to efficient, reliable, and up-to-date processes for the hard copy printing of legislation and related documents. We have re-tendered the provision of this service for the three-year period 2008–2011 in order to obtain the best value using the best technology over the duration of the contract.

Further initiatives for improving access

We will continue to work with the Law Commission and other agencies to maximise the potential of the NZL system and website to increase the accessibility of legislation to non-expert users through, for example, enhancing the search facility (like an index of statutes) and the provision of direct electronic links to the text of relevant legislation where feasible.

We will carry out further research into the technical issues and costs involved in preserving public access to certain hard copy volumes of early New Zealand legislation that are printed on acid paper, which is disintegrating. We will examine the technical issues and costs involved in the much more ambitious proposal to provide public access in electronic form to historical New Zealand legislation no longer in force through, or separate from, the new legislation website.

It is expected that, as the public becomes accustomed to using the New Zealand Legislation website to access legislation in an electronic but printable form, they will increasingly request access to this historical legislation. The PCO will seek to ensure that the Crown has access to historical legislation, so that, should Government wish to widen the information range available through the New Zealand Legislation website in the future, this will be possible. The PCO will do this by continuing its commercial arrangement with the Knowledge Basket, which currently offers users of its website access to historical legislation, through its proprietary database. We will also ensure through our contractual relationship with our printers that all aspects that relate to historical legislation are archived appropriately and can be accessed to digitise, if necessary, in the future.

These initiatives may use the potential of the NZL system to deliver further improvements in the provision of public access to legislation. However, the need to retain the stability of the operating system, both within the PCO, the Office of the Clerk, and the IRD, and for public access from the website, will be the paramount consideration when developing new resources from the existing system.

The PCO will work with the Ministry of Justice and other departments in maintaining the list of deemed regulations on the PCO website and in the *Tables of New Zealand Acts and Ordinances and Statutory Regulations, and Deemed Regulations in Force*.

The next three years

Below is a summary of the activities that the PCO will undertake to achieve its outcome over the next three years. These have been discussed in detail on pages 11 to 16.

Specific performance measures and standards for the 2008/09 year are included in the Information Supporting the Estimates.

- Continue to work with external agencies to make improvements to draft legislation
- engage with parliamentary authorities to improve the quality, structure, and accessibility of legislation
- obtain performance feedback from key stakeholders
- examine possibilities for benchmarking drafting services
- analyse the current system of peer review, team structure, and training programmes for Parliamentary Counsel
- continue to provide seminars and other assistance to instructing departments
- support the development and training of legislative drafters from Pacific Island nations
- continue to explore opportunities to foster greater access to the New Zealand Legislation website
- strengthen collaboration with other agencies on the parliamentary campus
- concentrate efforts on the technical simplification of the NZL system and its business processes
- continue to work with external agencies to maximise the potential of the NZL system and website
- seek to ensure that the Crown has access to historical legislation not already digitised.

In addition, performance measures will be developed for the following activities over the next three years:

- surveying stakeholders and members of the public on accessibility of legislation through the website
- measuring the progress of officialisation
- measuring website usage
- measuring website responsiveness
- measuring timeliness against service levels in servicing Office of the Clerk and the IRD requests
- measuring the responsiveness of outsourced partners to ensure contractual commitments are met and value for money achieved.

Measuring cost effectiveness

The Public Finance Act 1989 requires the SOI to set out and explain the main measures and standards the PCO intends to use to assess and report on the cost effectiveness of the interventions that the PCO delivers.⁵

It is proposed to measure cost effectiveness by reference to whether the PCO has practices, systems, and processes that provide a reasonable level of assurance that the PCO meets the quality standards set for delivery of its outputs at reasonable cost.

This will require identifying the practices, systems, and processes used by the PCO in carrying out its functions of drafting and publishing. In relation to drafting legislation, for example, it will mean considering what is done to ensure the best and most efficient use of resources. Relevant considerations include how instructions are allocated, whether time frames are discussed and agreed with instructing departments, how progress with drafting jobs is monitored, and the practices, systems, and processes in place to ensure quality standards are achieved. In relation to publishing legislation, it will mean considering the actual processes followed in publishing legislation, including Bills and SOPs, and the basis on which reprints are compiled and published and the practices adopted in compiling and publishing them.

It is also important to measure whether direct input costs incurred in delivering outputs are reasonable. Personnel costs account for a significant proportion of the annual appropriation for Vote Parliamentary Counsel. Relevant considerations include whether the PCO has strategies for ensuring staffing levels are appropriate to enable it to deliver its outputs, and how salaries paid to staff are determined. Operating cost considerations will include what the PCO does to ensure that it obtains goods and services at reasonable prices, for example, through tendering for contracts.

The PCO will also consider whether other measures can be used to measure cost effectiveness over time. These might involve both the existence and adequacy of internal quality assurance systems, external reviews of those systems, and benchmarking against legislative drafting and publishing systems in overseas jurisdictions to assess whether the PCO can adopt practices that may improve the delivery of its outputs.

⁵ Section 40(d)(ii).

MANAGING IN A CHANGEABLE OPERATING ENVIRONMENT

Risk management

Risk management is integral to the operations of the PCO. The PCO has undertaken a formal risk analysis, including risk assessment and the mitigation of risk relating to the continuing ongoing support and enhancement of the NZL system. Risks arising out of the need to support the new system are managed through an ongoing services contract between the PCO and Unisys. In addition, areas of business risk relating to changes in business processes have been identified and will be monitored as part of the day-to-day operations of the PCO, the Office of the Clerk, and the IRD.

Risks arising out of the new relationships required between the agencies that are using the new system will be managed through appropriate service-level agreements between the PCO and the Office of the Clerk and the IRD that will be reviewed and updated when necessary. Independent quality assurance reviews will continue over the duration of the current contract with Unisys.

Change management risks associated with recent and future changes to organisational structure and management and administrative systems will be monitored.

Business continuity

A high-level parliamentary complex contingency plan is currently being developed and from this the PCO will undertake a more detailed assessment of its risks and mitigation strategies, which will form the basis of a PCO-specific plan. Once completed, this plan will be reviewed regularly.

Security

A risk and threat assessment for the parliamentary complex is in progress and from this the PCO will undertake a number of activities over the next year. A significant change will be the formal adoption of the "Security in the Government Sector" manual and its supplementary manuals, the New Zealand Security Intelligence Service "Protective Security Manual" and the Government Communications Security Bureau "New Zealand Security in Information Technology" series, and compliance with their requirements. Future replacement or enhancement of information and communications technology systems will be certified and accredited in accordance with these standards.

A security awareness and training programme will be established for all staff, and training will also be provided on the handling of classified information.

The PCO will contribute to the development of common security policies and procedures throughout the parliamentary complex and will assist with the setting-up of a strategy for security, both electronic and physical, through the implementation of a security framework.

The PCO will add detail to these security documents that meet the specific needs of the organisation.

The PCO will also investigate use of the GSN as a means of providing secure, resilient, and effective connectivity with other parliamentary complex agencies and with the internet.

Resourcing

Staffing levels are kept under regular review to ensure that the PCO has an appropriate level of resourcing that enables it to discharge its functions.

Legislative compliance

A review of the PCO’s legislative compliance was completed in 2005 and is currently being updated. This will be reviewed regularly to provide assurance that development of the PCO’s policies, guidelines, and practices are comprehensive, appropriate to PCO requirements, and comply with current legislation.

Audit committee

The PCO has decided to establish an audit committee that is expected to commence early in the 2008/09 year, taking into account the recently published good practice guide from the Controller and Auditor General⁶. The role of the committee will be to provide independent assurance to the Chief Parliamentary Counsel as chief executive on the PCO risk, control, and compliance frameworks. The PCO has assumed increased responsibilities with the implementation of the NZL system, acting on behalf of the Office of the Clerk and the IRD.

⁶ Audit committees in the public sector, March 2008, ISBN 978-0-478-18196-8.

ASSESSING ORGANISATIONAL HEALTH AND CAPABILITY

Following evaluation of the recommendations from the review of organisational structure and administrative and management systems by PricewaterhouseCoopers in 2007, the PCO adopted a revised and streamlined organisational structure (see the chart on page 23) which ensures that the main activities and responsibilities of the office (law drafting and access to legislation with information services) each report to a single member of the senior management team, together with a new permanent post responsible for all corporate support activities including the development of the shared services we obtain from the Parliamentary Service and others. This revised structure will be further developed over the course of the SOI period to ensure that accountability for delivery in each of the two output classes (law drafting and access to legislation) is appropriately delegated through the structure.

We will have completed the first of our Gallup Q12 staff engagement surveys⁷ during the course of 2007/08 which will provide baseline engagement information and will assist with the planning and programming of the changes to operating practices and processes that are envisaged to take place over the period of this SOI. The PCO senior management team has recently adopted a strategic human resources plan to assist with strengthening organisational health and capability. Over the period of the SOI, the focus of this plan is to:

- ensure contemporary HR tools are in place to assist the PCO to meet its objectives and assist managers with the management of their staff
- review and enhance current HR policies, information, and systems.

Any changes or enhancements made will be undertaken in a consultative manner with a high level of communication with, and participation by, staff. Key deliverables over the period of the SOI are the following:

- **Review.** A review of the current revised structure and position accountabilities to achieve the PCO mission and vision.
- **Recruitment.** A review and evaluation of methods to ensure continued fair and transparent recruitment practices. This will include providing up-to-date job descriptions and person specifications that contain competencies required for the position so that the appropriate personnel are recruited to meet the current and future needs of the PCO, particularly as technology changes.
- **Training.** Ensuring trained leadership that can identify, in consultation with staff, training and development needs and requirements to meet current and ongoing organisational objectives. The introduction of a competency-based framework (using the SSC-brokered Leadership Architect® framework⁸) will provide measures to identify training and development needs.

⁷ Administered by Gallup, a US-based company, and promoted by the State Services Commission within government departments and the wider State sector. Engagement surveying is a way of measuring and improving the people-management practices and leadership behaviours that have an impact on organisational results.

⁸ A research-based behavioural competency model that uses the Lominger competency material and associated tools.

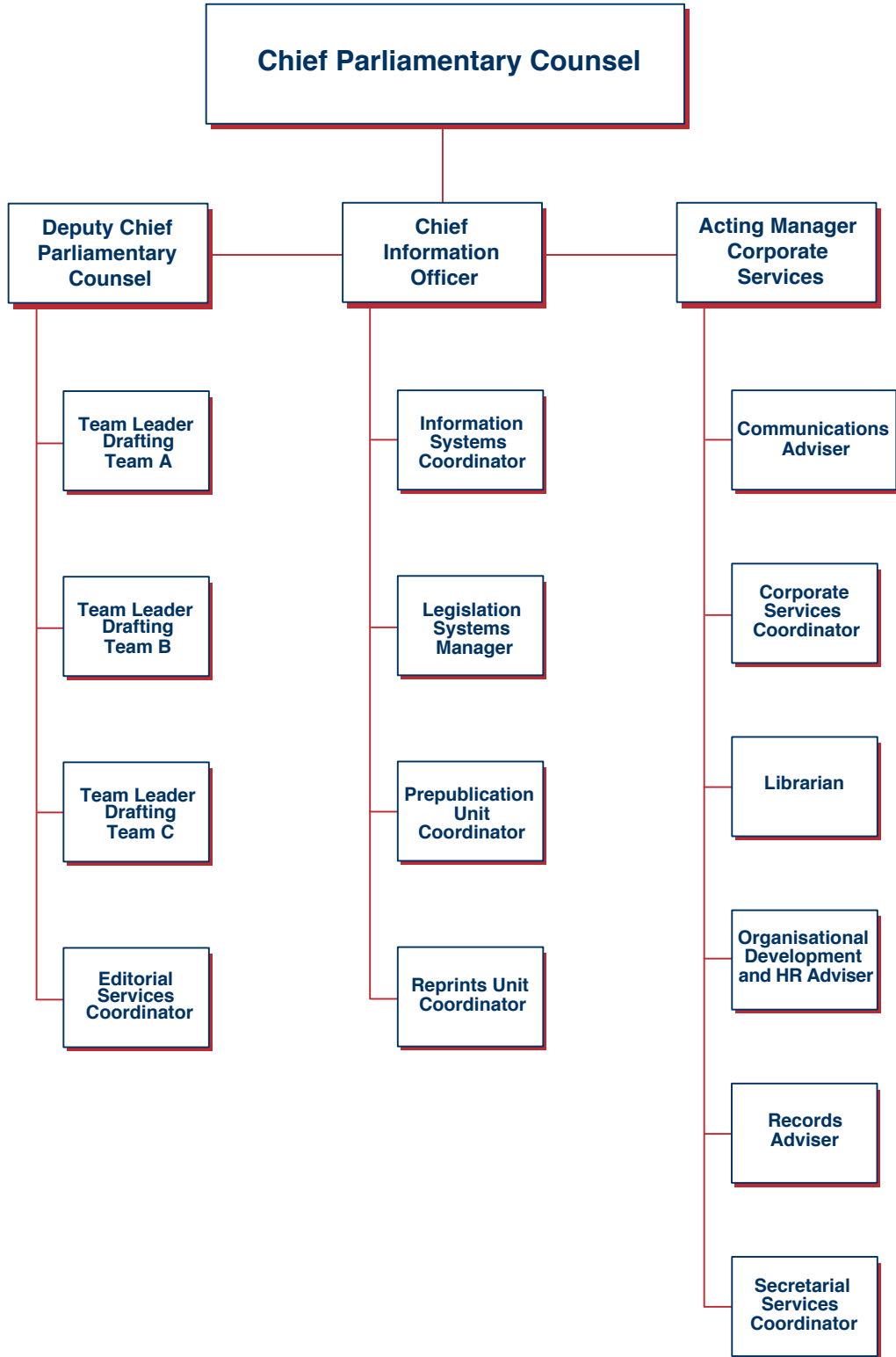
- **Professional development.** For the PCO this means the application of a “pathway map” for career development, secondment opportunities, and mentoring. As a member of the Leadership Development Centre, the PCO will produce a leadership development programme tailored to the particular needs of a law drafting and publishing office in the 21st century.
- **Performance.** Following a review of the existing systems, the implementation of a sound appraisal system to meet PCO needs. This includes leadership working with staff to set annual objectives and undertake annual appraisals. It also includes leadership addressing poor performance if necessary. Competencies will be used as a tool to measure performance.
- **Remuneration.** This again will follow a review of the existing methodology, and build on the other organisational capability projects, particularly the performance appraisal system. The PCO will adopt a methodology that delivers a transparent and fair remuneration system with a reward component to recognise high performers.
- **Supportive operational HR processes and HR administrative systems.** This means having and maintaining comprehensive and up-to-date HR electronic and hard copy systems. Areas for development include a comprehensive HR information database for HR information on individuals and information that the PCO can use to provide statistics and reports. The PCO will work with the Parliamentary Service, which provides the PCO with some HR services, in developing these processes and systems.
- **Survey.** During the 2010/11 financial year, the PCO intends to conduct a second Gallup Q12 staff engagement survey, and will assess the results of that within the framework of the development work being delivered under the strategic HR plan.

Equal employment opportunities

The PCO is currently undertaking a Pay and Employment Equity Review⁹ with assistance from the Department of Labour and, during the course of the period covered by the SOI, will consider the results of that review and the report of the review committee. As part of the development work under the strategic human resources plan set out above, we will implement the changes that are considered necessary to improve our practices and procedures.

⁹ In accordance with the Government’s Five-Year Pay and Equity Plan of Action: www.dol.govt.nz/services/PayAndEmploymentEquity/index.asp.

Organisational chart



DEPARTMENTAL CAPITAL INTENTIONS

The PCO's forecast capital expenditure for the full period covered by this SOI is shown in the following table. The majority of the expenditure relates to a programme of enhancements in the NZL system. The theme of the enhancements will be simplification, both of technical aspects and business processes where appropriate. The enhancements will ensure that major components are kept up to date and will include investing in minor capability enhancements to reflect PCO business needs.

Asset type	2008/09 \$000	2009/10 \$000	2010/11 \$000
Computer equipment (hardware)	300	878	300
Computer equipment (software)	2,859	2,982	3,040
Furniture	20	20	20
Motor vehicles	0	30	0
Office equipment	40	70	20
Total	3,219	3,980	3,380

GLOSSARY

Act

A law passed by Parliament. Acts are also called statutes. There are three main types of Acts: public Acts, private Acts, and local Acts.

Bill

A proposed Act.

common law

A system of law that is derived from judges' decisions (which arise from the judicial branch of government), rather than statutes or constitutions (which are derived from the legislative branch of government).

deemed regulations

Instruments that are required to be treated as regulations for the purposes of the Regulations (Disallowance) Act 1989, but are not published in the Statutory Regulations series because the authorising legislation excludes the application of the Acts and Regulations Publication Act 1989. Deemed regulations can include rules, guidelines, standards, and codes.

delegated legislation

Laws made by the Governor-General, Ministers of the Crown, and certain other individuals and bodies under powers conferred by an Act of Parliament. Statutory Regulations and deemed regulations are both types of delegated legislation.

digitisation

The process of converting a physical document, such as a printed item of legislation, into a computer file.

drafter

See "Parliamentary Counsel" below.

Government Bill

A Bill introduced to the House by a Minister of the Crown.

local Act

An Act that deals with matters of public interest but only affects a particular part of New Zealand. A local Bill becomes a local Act when enacted.

Member's Bill

A Bill introduced to the House by a Member of Parliament, but not as a Minister of the Crown. Members' Bills are also known as Private Members' Bills.

NZL system

New Zealand Legislation system, the PCO’s integrated drafting and publishing system for New Zealand legislation.

officialisation

The steps necessary to make each enactment in the database of legislation on the New Zealand Legislation website (that the PCO has acquired from Brookers Limited) an accurate and official version of New Zealand legislation recognised in New Zealand courts.

outcome

A state or condition of society, the economy, or the environment, or a change in that state or condition.

outputs

Goods or services that, in the context of this document, are supplied by the PCO.

PAL Project

The Public Access to Legislation Project, now completed. It involved the development of the NZL drafting and publishing system and the New Zealand Legislation website.

PCO

The Parliamentary Counsel Office.

Parliamentary Counsel

The lawyers in the PCO who draft the legislation (“drafters”).

private Act

An Act that deals with the particular interest or benefit of a person or body. A private Bill becomes a private Act when enacted.

public Act

An Act that applies to almost everyone. It generally deals with matters of public policy.

reprint

Acts and Statutory Regulations incorporating subsequent amendments are compiled and published by the PCO. These are known as reprints. Reprints, or eprints, published on the New Zealand Legislation website also incorporate all amendments made to the legislation as at the date of the last amendment. These electronic reprints have no official status.

SOP

See Supplementary Order Paper.

Statutory Regulations

Laws made under statutory authority that are required to be published in the Statutory Regulations series in accordance with the Acts and Regulations Publication Act 1989. These include regulations made by the Governor-General by Order in Council or rules made by Ministers or agencies whose rules are required to be treated as regulations for publication purposes. They also include certain instruments that affect the status of Acts of Parliament, such as an Order in Council that brings an Act into force or that extends the scope of an Act. Regulations generally deal with matters of detail or administration, or matters that are subject to frequent change.

Supplementary Order Paper

A Supplementary Order Paper (SOP) is a document that sets out proposed amendments to a Bill at the committee of the whole House stage.

