

Statement of Intent

*Parliamentary Counsel Office
Te Tari Tohutohu Pāremata*

*for the period 1 July 2010
to 30 June 2015*



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Presented to the House of Representatives under
section 39 of the Public Finance Act 1989



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Ministerial statement of responsibility

I am satisfied that the information on future operating intentions provided by my Office in this Statement of Intent is in accordance with sections 38, 40, and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



Hon Christopher Finlayson
Attorney-General

Introduction from the Chief Parliamentary Counsel

During the period covered by this Statement of Intent (SOI), the Parliamentary Counsel Office (PCO) will continue to deliver its two outputs of Law Drafting and Access to Legislation, so that we are able to deliver the Government's legislation programme and ensure that all current legislation is readily accessible to the public. The PCO delivers certain core services to Government, Parliament, and the public and we do not expect fundamental changes to what we deliver and the way we deliver these services. However, we are always looking for ways to enhance these services and to constrain our costs, with a particular focus on the following areas.

Law Commission reviews

The PCO will continue to implement the recommendations adopted by the Government in the two Law Commission reports, *Presentation of New Zealand Statute Law* and *Review of the Statutes Drafting and Compilation Act 1920*.¹ The recommended programme of revision of statutes is likely to require additional financial resources, which will depend on the financial priorities of the Government. Work has already begun on the digital capture of historical legislation using existing resources and this will continue over the coming years with the aim of giving the public, including the legal profession, free online access to this legislation.

Officialisation of New Zealand legislation

The PCO is continuing to work on making the content of the New Zealand Legislation (NZL) website² an official source of legislation together with the printed copies we publish. We are aiming to complete this in the 2012/13 financial year.

New Zealand Legislation (NZL) system

The PCO now has in place an information systems strategic plan that covers all of our information systems requirements. The most important element is the NZL system and we have developed a set of work programmes that will simplify and enhance the NZL system. These work programmes have two main objectives, one to make the system easier to use and the second to reduce the cost of future maintenance and enhancements.

Legislation Bill

This Bill is designed to modernise the PCO's current governing statute (Statutes Drafting and Compilation Act 1920) and also to implement the recommendations adopted by the Government from the Law Commission reports. It is hoped that this Bill will be introduced and enacted during the 2010/11 financial year.

¹ *Law Commission reports 104 and 107*: www.lawcom.govt.nz/ProjectGeneral.aspx?ProjectID=132 and www.lawcom.govt.nz/ProjectGeneral.aspx?ProjectID=141

² www.legislation.govt.nz

Fiscal position

The PCO will continue, over the period covered by this SOI, to make the most efficient and effective use of its resources. This includes, where possible, making savings so that resources can be reprioritised within the PCO and released back to the Government.

Summary

This programme of work presents us all, in the PCO, with a set of significant challenges. I remain confident that the skills, determination, and professionalism of the PCO's people will ensure that we efficiently and effectively deliver well-drafted and readily accessible legislation for New Zealand.

Chief Parliamentary Counsel statement of responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Parliamentary Counsel Office. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriation (2010/11 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.

Signed

Countersigned



David Noble
Chief Parliamentary Counsel

Noel Lee
Corporate Services Manager

NATURE AND SCOPE OF FUNCTIONS

The 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.

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

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

The PCO also examines and reports on local Bills and private Bills. This involves providing drafting advice and assistance (including the preparation of draft Bills) to the promoters of the Bills and their legal advisers. We also draft 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. We also compile 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.

Acts, Statutory Regulations, Bills, and SOPs are available in up-to-date form free via the NZL website at www.legislation.govt.nz. The PCO will ensure that New Zealand legislation (including Bills and SOPs) is readily accessible to the public in a timely manner and in an accurate

and authoritative form. It is fundamental to the operation of the rule of law in a democracy that the people governed by the law have access to the rules by which they are governed. Continual maintenance and enhancement of the system that is used to draft and publish New Zealand legislation will ensure better access is provided.

STRATEGIC DIRECTION

The PCO is a small non-Public Service department dedicated to drafting and publishing legislation for the Government.

Our work programme is determined by the Government and the various government agencies that provide us with drafting instructions (instructing departments).

The PCO operates in a stable environment in which we strive to provide our services in the most effective and efficient manner possible.

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

- legislation that is necessary to change the law to implement Government policies is effective, clear, consistent with other legislation, the general law and international law; and
- legislation, including Bills and SOPs, is accessible to the public in both printed and electronic forms and printed copies of Bills and SOPs are provided to the House.

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 are respect for and adherence to the rule of law in its widest sense. The drafting of New Zealand's laws and making those laws accessible to the citizen contribute to the outcome.

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.

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.

The outcomes the PCO is seeking to achieve over the medium term are to improve access to legislation by developing programmes of statute revision and historical digitisation, and to improve drafting efficiency with a programme of seminars for instructing departments.

The outcomes and impacts are more fully discussed under "Operating intentions" below.

The successful achievement of these outcomes may be subject to fiscal constraints. We are well aware of the economic environment we are currently operating within.

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.

The framework for the PCO's future operating intentions continues to be provided by our two outputs:

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

These outputs can be described in more detail as follows:

Law Drafting

This appropriation is limited to drafting Government Bills (including amendments) and Statutory Regulations, examining and reporting on local Bills and private Bills and drafting amendments to them.

Access to Legislation

This appropriation is limited to supplying printed copies of Government Bills and SOPs to the House; publishing legislation and distributing it through designated bookshops and by subscription; reprinting legislation with the amendments incorporated; publishing tables of legislation; and providing free public access via the internet to a database of up-to-date legislation.

Performance measures and standards for the achievement of these outputs in the 2010/11 financial year are set out in the *Information Supporting the Estimates*. Details of the PCO's performance measures and standards are set out on our website.³

What are high-quality legislative drafting services?

- Delivering the Government's legislation programme through the drafting of Government Bills, and the drafting of Statutory Regulations and SOPs
- legislative drafting that is more consistent, of a higher quality, clear, and easier to understand, which will result in a better-quality end-product for all New Zealanders
- more efficient use of resources due to streamlined procedures.

³ www.pco.parliament.govt.nz/performance-measures-2010/

The intermediate outcomes that the PCO will be pursuing to help deliver high-quality legislative drafting services are as follows:

Statute revision

We intend to improve access to old, archaically expressed, and much-amended law through a triennial programme of statute revision. The last comprehensive revision of the statute book took place in 1908.

To achieve this outcome, we will propose a programme of statute revision to the Attorney-General and relevant government agencies by 1 May 2012.

The amount of revision undertaken will depend on the availability of funding to the PCO and administering departments.

Better-quality legislation

We intend to improve the quality of legislation and to make the drafting process more efficient by developing a seminar programme for instructing departments and agencies. We also expect the seminar programme to result in improved capability within instructing departments and agencies.

We will measure these intermediate outcomes by:

- Whether the Attorney-General and relevant instructing departments are satisfied that the quality and timeliness standards of statute revision have been achieved. The timeliness performance measure will be that legislation, as outlined in the agreed statute revision programme, is drafted within agreed timeframes. The budgeted standard for timeliness will be 100%. The quality performance measures are yet to be determined but are likely to include legal effectiveness and the degree of advice provided.
- Whether the instructing departments and agencies are satisfied that, as a result of the seminar programme, the quality of the legislation produced by the PCO has improved as determined by responses to specific questions in the PCO Drafting Services Survey. The budgeted standard for quality will be a 90% satisfaction level. The actual standard achieved in the past three years, as determined by overall responses to the annual survey, has ranged from 92% to 94%.

What is ready access to New Zealand legislation?

- Provision of free public access to a website that displays all current New Zealand Acts, Statutory Regulations, Bills, and SOPs
- officialising the content of the New Zealand Legislation website so that it can become an official source of New Zealand statute law

- continuing work on the technical simplification of the New Zealand Legislation system, particularly core components, and the review of associated business processes
- working to preserve New Zealand’s historical Acts and making them available to the public, the legal profession, and researchers.

The intermediate outcome that the PCO will be pursuing to improve ready access to New Zealand legislation is as follows:

Access to historical (repealed) statutes

We intend to improve access to historical and repealed statutes by scanning all of those Acts and making the electronically converted legislation freely available on a public website. Many of the repealed Acts dating back to 1841 are deteriorating rapidly in their printed form and there is limited access to them. Additional funding may be required beyond the 2010/11 year to complete this project.

Currently, access to older statutes is problematic. Library collections are often incomplete, and some volumes may be damaged or fragile. Online, the gaps are much larger. The PCO’s NZL website provides Acts that go back as far as 1275, but its collection of repealed Acts only includes Acts that were repealed after August 2007. The Knowledge Basket website⁴ holds Acts that were repealed from 1987 to 2007, as well as Acts from 1888 to 1894, preserved by the PCO. Commercial publishers provide repealed legislation for a fee.

We will measure this intermediate outcome by:

- improved access to electronic legislation through the availability of all historical statutes, dating back to 1841, by 31 December 2012.

We will contribute to the delivery of these outcomes during the period covered by this SOI through initiatives that are designed to enhance our ability to deliver the services that form our two output classes: Law Drafting Services and Access to Legislation.

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.

⁴ legislation.knowledge-basket.co.nz

We propose to measure cost effectiveness by reference to whether we have practices, systems, and processes that provide a reasonable level of assurance that we meet the quality standards set for delivery of our outputs at reasonable cost.

This will require identifying the practices, systems, and processes we use in carrying out our 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 we follow 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.

We will continue to look for other methods that will allow us to measure our cost effectiveness during the coming years. However, it is difficult to find meaningful measures of cost effectiveness. Our outputs are very largely demand-driven and each year approximately 50-70 Bills are drafted along with 300-400 regulations. We also publish these both in hard copy and to the NZL website. It is difficult to get a meaningful comparison between years as Bills and regulations differ in complexity, making it unwise to simply compare, for instance, the number of pages of legislation produced each year, either in total or per drafter. In addition, the three-year election cycle tends to generate peaks and troughs of demand for both the drafting and access to legislation teams.

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 staffing levels are appropriate to enable us to deliver our outputs within the very tight time frames imposed. Operating cost considerations will include the remuneration levels for those staff and what we do to ensure that we obtain goods and services at reasonable prices, for example, through tendering for contracts.

Simplification of the New Zealand Legislation (NZL) system

A key objective of the PCO is to enhance and undertake technical simplification of the NZL system. This will result in improved usability of the system for internal and external users, and will allow us to optimise the system’s support, development, and maintenance arrangements. The planned enhancements will ensure that the NZL system is continuously updated and developed in order to ensure the continuing value of the Government’s investment in this asset. Two streams of work will take place to achieve the simplification of the NZL system. The first focuses on reducing risk, including risk of the NZL system being unavailable to the Government

and Parliament because of serious disruption or disaster. The second focuses on the delivery of technical and architectural simplification of the NZL software and hardware. This programme is intended to ensure that by 2013 we will have broadened the external support base for the system, and lowered the system's overall cost of ownership.

A table showing the progress that will be made over the period of this SOI is included in the performance improvement actions on page 20.

Officialisation

Officialisation, expected to be completed by 31 December 2012, involves comparing the collection of principal legislation (in force in New Zealand as of 3 September 2007) with amendments incorporated against the original printed version of each Act and set of regulations and every amendment made to them. It also involves updating the format to reflect current drafting style and reformatting technical inconsistencies and addressing errors.

Upon completion and after consultation with the judiciary, legal profession, and others, we will seek to make the NZL website an official source of legislation (through the implementation of provisions in the programmed Legislation Bill). There will be potential for the Crown to make further savings at that time by reducing or removing the current subsidy of printed legislation. We currently assume that there will continue to be a demand for printed legislation, but will investigate the feasibility of moving to the model of print on demand at full cost.

A table showing the progress that will be made over the period of this SOI is included in the performance improvement actions on page 20.

MANAGING IN A CHANGEABLE OPERATING ENVIRONMENT

The PCO's Audit and Risk Committee has now been operating for over a year and has established a work programme that covers all major aspects of the business. The committee consists of two external independent members (including the chair) and one internal member. The role of the committee is to provide independent assurance to the Chief Parliamentary Counsel, as chief executive, on PCO risk, control, and compliance frameworks.

A risk management framework and methodology are now in operation in the PCO. Quarterly updates and reporting are carried out throughout the organisation. This process is an important part of managing the major and minor risks that could impede or prevent achievement of our objectives. The major risks identified, and our response to them, are as follows:

Reliance on the New Zealand Legislation (NZL) system

We will be continuing our enhancement programme for the NZL system. This programme of work funded from capital is designed to make the system simpler to use, operate, and maintain. The enhancements will also be intended to provide better value for money and lower cost to the Crown of ownership.

Meeting tight deadlines

The PCO must be able to respond to a request from the Government for urgent draft legislation, even where resources are scarce or time is at a premium. Regular planning and monitoring of workloads and resources are in place within the PCO to ensure that draft legislation can be delivered when required.

Inadequate business continuity and disaster recovery planning

The PCO has implemented a business continuity plan and system throughout the organisation. This plan is designed to take account of a wide spectrum of events, from a situation that denies the PCO access to our offices in the Reserve Bank Building through to a disaster that affects the whole of the Wellington region. Further work on testing and updating the plans will take place on an ongoing basis. We are planning to implement a disaster recovery plan in the 2010/11 year and are contributing to the development of a parliamentary complex contingency plan.

Resourcing

The PCO continues to keep staffing levels under regular review to ensure we have an appropriate level of resourcing to enable us to discharge our functions. When a vacancy occurs, we assess the position to determine whether it should be refilled.

Maintaining the PCO's integrity and reputation

Under the PCO Conflicts of Interest policy, staff are required to declare any potential conflicts of interest. We also comply with the *Standards of Integrity and Conduct—a code of conduct for the State Services*. These documents, which relate to the setting and enforcement of desired standards of behaviour, ensure the PCO's integrity and reputation are maintained.

Receiving inadequate, inaccurate, or incomplete instructions from instructing departments

Work is continuing on training and seminar programmes designed to enhance the relationship between the PCO and instructing departments, so that each party has a clear understanding of what is required before drafting of legislation begins, thus enhancing the efficiency of the drafting process.

Additional areas of emphasis

Security

In December 2009, the chief executives of the parliamentary agencies formally accepted a new security framework for the parliamentary precincts. A draft security policy for the parliamentary precincts and parliamentary agencies, which includes the PCO, is now being developed and will include common policies and procedures to ensure a consistent approach to security. The policy will set out the security provisions for people, buildings, assets, information, and information technology to eliminate or mitigate any risks.

A revised security awareness and training programme will be provided that will also reinforce the handling and storage procedures for classified information.

Legislative compliance

A review of the PCO's legislative compliance was completed in 2005, and is now updated and reviewed on an annual basis to provide assurance that development of our policies, guidelines, and practices is comprehensive, appropriate to our requirements, and complies with current legislation.

ASSESSING ORGANISATIONAL HEALTH AND CAPABILITY

The PCO has two major assets, its people and its information technology systems.

People

The first of the PCO's Gallup Q12 staff engagement surveys was undertaken in April 2008 and provided baseline engagement information. The follow-up Gallup Q12 staff engagement survey took place in September 2009 and showed a pleasing increase in overall staff engagement from an already strong base. The next survey is due to take place in the 2011/12 financial year.

Over the period of the SOL, the human resources strategic plan will focus on the following areas:

Recruitment and retention of skilled and experienced staff

We will continue to focus our efforts on retaining our highly qualified and specialised staff and recruiting externally and internally when we need to fill necessary vacancies. Our targets for staff retention in the 2010/11 financial year will be based on the following maximum turnover rates:

- 7% of Parliamentary Counsel and Assistant Parliamentary Counsel
- 12% of technical staff
- 10% of all other staff.

Training

The PCO will ensure there is 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 will provide measures to identify training and development needs. Subject to financial constraints, the competency-based framework will be introduced to specific business units first and fully implemented throughout the PCO by 30 June 2011.

Professional development

For the PCO, professional development means the application of a "pathway map" for career development, secondment opportunities, and mentoring. We will continue with a leadership development programme implemented during the 2009/10 year that has been tailored to the particular needs of a law-drafting and publishing office in the 21st century. All staff in identified leadership roles will have commenced a programme of ongoing leadership development by 30 June 2011.

Counsel career development and remuneration system

During the 2009/10 year, in conjunction with Parliamentary Counsel, a new career development and remuneration system was developed. The main reason for this was to give counsel a defined career structure with an associated remuneration system. The new system will be made fully operational during the 2010/11 year.

Performance management system

A new performance management system for managers and staff was devised and trialled during the 2009/10 year. This new system will be implemented during the 2010/11 year.

Supportive operational HR processes and HR administrative systems

This means having and maintaining comprehensive and up-to-date electronic and hard copy HR 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. We will work with the Parliamentary Service, which provides us with some HR services, in developing the reporting systems. A programme is in place to continue to review, enhance, and implement current HR policies, information, and systems.

Equal employment opportunities

In 2010/11, the PCO will continue to implement changes identified as part of the 2008 Pay and Employment Equity Review that are considered necessary to improve our practices and procedures.

Information Systems (IS)

During the 2009/10 financial year we have continued to develop our governance and management systems for IS with a particular emphasis on the NZL system.

We use the NZL system for the drafting and publishing of legislation and as such it is our most important capital asset. See "Measuring cost effectiveness" on pages 12-14 for further information on how this system is being enhanced to provide an effective and efficient tool for PCO use.

Work continues to ensure that other key IS and technology infrastructure and systems are well-maintained and up to date.

Departmental capital and asset management 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 to the NZL system. The theme of the enhancements will be simplification, both of technical aspects and of business processes, where appropriate. The enhancements will ensure that major components of this key asset are kept up to date and will include investing in minor capability enhancements to reflect our business needs.

Asset type	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000
Computer equipment (hardware)	370	370	370	250	250
New Zealand Legislation system	4,525	2,500	1,500	750	750
Furniture	10	10	10	20	20
Leasehold improvements	30	30	30	50	50
Office equipment	10	5	5	18	18
Total	4,945	2,915	1,915	1,088	1,088

PERFORMANCE IMPROVEMENT ACTIONS

The PCO has identified two medium-term performance improvement actions (PIAs), which have been explained in the “Measuring cost effectiveness” section on pages 12-14. A summary of those PIAs, and a table showing the progress that will be made over the period of this SOI, follow.

Simplification of the New Zealand Legislation (NZL) system

The technical simplification of the NZL system, which will result in improved system usability and optimisation of the system’s support, development, and maintenance arrangements, is expected to result in cost savings from 2013.

Officialisation

Completion of officialisation will enable the PCO to carry out a review of the subsidy for printed legislation, which may result in lower costs.

Action	Simplification of the NZL system	Officialisation
2010/11	Complete all major components of the Risk Reduction and Contestability workstream	Bring in-house existing database maintenance work, continue and respond to officialisation audit
2011/12	Complete all major components of the Architectural Simplification and Usability workstream	Continue and respond to officialisation audit (on an ongoing basis)
2012/13	A request for proposal process takes place	Officialisation completed by 31/12/2012
2013/14	Competitive tendering of support arrangements takes place	Consultation takes place
2014/15	New support contract in place resulting in lower costs for PCO	Implementation of provisions in the Legislation Bill

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