



**Australian Government**  

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**Office of Parliamentary Counsel**

## **Annual Report 2013-2014**

ISSN 1034-3202

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**Australian Government**  
**Office of Parliamentary Counsel**

**First Parliamentary Counsel**

Senator the Hon George Brandis QC  
Attorney-General  
Parliament House  
CANBERRA ACT 2600

Dear Attorney-General

I have pleasure in submitting the Annual Report and Financial Statements of the Office of Parliamentary Counsel for the year 1 July 2013 to 30 June 2014.

The report has been prepared under section 16A of the *Parliamentary Counsel Act 1970*.

This year, OPC has continued to meet high levels of demand for drafting services. OPC is well positioned to meet the challenges of future years.

I would like to record my appreciation of the work and support of all OPC staff during the year.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Quiggin'.

Peter Quiggin PSM  
First Parliamentary Counsel

8 October 2014

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## Contents

<b>First Parliamentary Counsel’s Review .....</b>	<b>1</b>
First full year of expanded functions .....	1
Bills     1	
Repeal Day .....	2
Instruments .....	2
Sunsetting instruments .....	2
Drafting resources .....	3
Publications .....	3
Documentation and training .....	4
Liaison outside OPC .....	4
Corporate Services support .....	5
Election projects .....	5
Placements in House and Senate .....	6
Outlook for coming year .....	6
<b>Chapter 1—Overview of OPC .....</b>	<b>7</b>
Role and functions of OPC .....	7
Organisational structure .....	8
Outcome and program structure .....	9
<b>Chapter 2—Report on performance .....</b>	<b>10</b>
Progress towards outcome .....	10
Review of performance in relation to program and contribution to outcome .....	11
Actual performance in relation to deliverables and key performance indicators, and analysis of performance .....	13
Influences on OPC’s performance .....	34
OPC’s financial performance .....	36
<b>Chapter 3—Management and accountability .....</b>	<b>38</b>
Corporate governance .....	38
Risk management and fraud control .....	40
Operational risks .....	41
Maintenance of ethical standards .....	42
SES remuneration .....	43
External scrutiny .....	43
<b>Chapter 4—Management of human resources .....</b>	<b>44</b>
Survey of OPC staff .....	44
Management and development of human resources .....	46

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Workplace diversity.....	51
Work health and safety .....	54
<b>Chapter 5—Purchasing and consultants .....</b>	<b>57</b>
Purchasing .....	57
Consultants.....	57
<b>Chapter 6—Miscellaneous .....</b>	<b>59</b>
Freedom of information .....	59
Advertising and market research etc.....	59
Ecologically sustainable development and environmental performance .....	59
Additional information .....	59
<b>Appendix A—Agency resource statement and     Expenses for outcome .....</b>	<b>60</b>
<b>Appendix B—Staffing statistics and salary ranges .....</b>	<b>62</b>
<b>Appendix C—Reporting required by section 516A of     the <i>Environment Protection and Biodiversity     Conservation Act 1999</i> .....</b>	<b>65</b>
<b>Appendix D—Financial Statements 2013-2014 .....</b>	<b>68</b>
<b>Appendix E—List of requirements .....</b>	<b>118</b>
<b>Glossary .....</b>	<b>123</b>
<b>Index .....</b>	<b>125</b>

## First Parliamentary Counsel's Review



1 The year has been one of great change for the Office of Parliamentary Counsel (**OPC**).

### ***First full year of expanded functions***

2 This financial year was the first full year of OPC's expanded functions. Legislation in 2012 amended the *Parliamentary Counsel Act 1970* to expand OPC's role to include the drafting of legislative instruments and the publication of legislation.

3 In addition, the legislation transferred some functions under the *Legislative Instruments Act 2003* from the Secretary of the

Attorney-General's Department to First Parliamentary Counsel.

4 The transfer of functions is now complete and the expanded Office is running smoothly.

5 The one outstanding matter is to co-locate the whole of OPC. It is planned that this will occur late in 2014-2015.

### ***Bills***

6 Over the year 199 Bills, totalling 5,916 pages, were introduced. These figures include Bills introduced in the last 2 weeks of the 2014 Winter sittings even though they were in July 2014. This is to ensure that the figures are properly comparable with other years.

7 Major legislation was introduced in the areas of public governance, offshore petroleum and greenhouse gas storage, and employment law.

8 The Regulatory Powers (Standard Provisions) Bill, which provides for standard provisions that can be applied to regulatory schemes, was also reintroduced and has since been passed. This Act removes the need to repeat

substantial provisions in many Acts and will also lead to greater consistency in regulatory powers. OPC was closely involved in this project from its inception.

9 Taxation and superannuation legislation continues to be an area of substantial demand.

10 There also continued to be an expansion across portfolios in the practice of preparing exposure drafts of legislation across portfolios. The volume of exposure drafts is such that OPC is considering how to accommodate them while still delivering the Government's legislative program.

### ***Repeal Day***

11 OPC had a substantial involvement in the first Repeal Day.

12 A Statute Law Revision Bill was introduced as part of OPC's ongoing commitment to maintaining the statute book.

13 In addition, OPC prepared the Amending Acts 1901 to 1969 Repeal Bill 2014. This Bill repealed 1,120 Acts dating from 1901 to 1969. Doing this removed a large amount of clutter from electronic databases such as ComLaw.

14 OPC is in the process of preparing further Bills to repeal amending Acts from later years.

15 A range of other Bills were also introduced on Repeal Day including an Omnibus Bill containing material from all portfolios.

16 A number of instruments to repeal substantial numbers of redundant instruments were also tabled on Repeal Day.

### ***Instruments***

17 During the year, some 259 Federal Executive Council (**ExCo**) Instruments, totalling 5,823 pages, drafted by OPC were made and registered on the Federal Register of Legislative Instruments.

18 OPC also drafted approximately 97 other legislative instruments, totalling 1,422 pages, for government agency clients.

### ***Sunsetting instruments***

19 OPC continued to play a key role in the project to achieve the sunseting of instruments.

20 The first date for the sunseting of instruments is now approaching and OPC is working with sunseting coordinators in all



portfolios to encourage early action on sunsetting.

21 OPC will continue to play an important role in repealing spent and redundant legislation and ensuring that the Commonwealth statute book is as coherent, readable and readily accessible as possible.

### ***Drafting resources***

22 Due to a reduction in funding and the need to ensure that the structure of OPC's drafting areas was suitable to meet the future needs of the Office, OPC had to undertake a process to reduce the number of Assistant Parliamentary Counsel Grade 1 and 2 staff.

23 This was done through a "spill and fill" process combined with offers of voluntary redundancy. Four drafters accepted voluntary redundancies through these processes.

24 A number of other drafters also left the Office through retiring or transferring to other positions.

25 OPC was not in a position to recruit any drafters during the year.

### ***Publications***

26 The Publications group functions include:

- managing the Federal Register of Legislative Instruments, including registering legislative instruments and lodging them for tabling in the Parliament;
- preparing compilations and reprints of, and information relating to, Commonwealth laws;
- publishing Commonwealth legislation and legislative information;
- preparing and publishing the Government Notices Gazette; and
- developing and operating the whole-of-government legislation ComLaw website ([www.comlaw.gov.au](http://www.comlaw.gov.au)).

27 Substantial work was done during the year to:

- review the design and level of publishing fees;
- liaise with agencies to prepare for and manage the sunsetting of legislative instruments; and
- work with agencies to obtain and register a considerable number of compilations (that had not been lodged with OPC during 2012-2013), for which

agencies were responsible for preparation.

### ***Documentation and training***

28 The work to revise and reissue the Drafting Directions that guide drafters in aspects of their work to ensure that they are relevant for drafters of instruments is largely complete. This was a substantial task that was required as a result of the transfer of functions.

29 A program of training for drafters who transferred from the Office of Legislative Drafting and Publishing was delivered throughout the year. In addition, training was provided in aspects of the drafting process that related to the drafting of instruments.

30 The expansion of our functions has necessitated the rewriting of the legislation process course to cover the additional functions. This is still underway and we have therefore not run any courses during this financial year.

31 Work has also commenced on preparing training materials to assist those in agencies who are responsible for drafting a range of legislative instruments.

### ***Liaison outside OPC***

32 Over the year, OPC has continued to work on building closer relations with a number of key stakeholders. These have been in the Treasury, in the Attorney-General's Department and in the Department of the Prime Minister and Cabinet.

33 The liaison officer system introduced over the past few years has continued. The system provides for a senior OPC drafter and a senior staff member in the relevant part of the Attorney-General's Department to be initial contacts for systemic issues that arise. This system has worked well in ensuring better communication and resolving a number of issues that have arisen.

34 OPC has also developed closer ties with a range of areas within the Attorney-General's Department on matters of mutual interest. In particular, I am a member of the Department's Legislation Design Committee.

35 Through my membership of the Board of Taxation, I continued to maintain a close involvement in developments in taxation law and the implementation of that law.

36 Staff involved in Publications and Information Technology continued to be involved in the Australasian Parliamentary Counsel's Committee IT Forum. This year the meeting was held in Wellington, New Zealand.

37 OPC met with drafters and other officials from China who were visiting Australia.

### **Corporate Services support**

38 OPC's Corporate Services group has continued to provide outstanding support to the whole of OPC. Due to the small size of our Corporate Services group, many staff have duties covering a wide range of disparate areas. All of the Corporate Services staff have worked well in the small team environment to ensure that the drafters, the senior management team and other staff received all the support that they needed.

39 In addition to the ongoing administrative work of OPC, significant administrative activity during the year was devoted to:

- reviewing and updating financial policies and procedures;
- identifying and evaluating suitable accommodation options for co-location of staff;
- developing and implementing a new time recording system in OPC's drafting databases;
- modifying OPC's financial management information system and streamlining processes to accommodate new billing arrangements;
- migrating the internet gateway to a new provider under the whole-of-government internet gateway reduction program;
- tendering for the provision of cloud hosting for the ComLaw system; and
- reviewing OPC's Risk Management framework, processes and plan.

### **Election projects**

40 During the caretaker period for the 2013 election, OPC staff undertook a range of projects to assist OPC to be more effective in the long term. These were mostly projects that were unable to be completed during normal parliamentary sittings due to

drafters being fully occupied working on Bills.

### ***Placements in House and Senate***

41 During the year we continued the arrangements with each of the two Houses of Parliament to have drafters working in Parliament House.

42 The arrangement with the Senate is a secondment to the procedure office for one of our assistant drafters. This position is a valuable learning exercise for the drafters who are involved as well as a practical way of OPC providing some assistance to the Senate.

43 We also provided a senior drafter to assist the House of Representatives to deal with the increase in Private Members' work arising from the make-up of the House. This arrangement has been

quite successful and is being continued.

### ***Outlook for coming year***

44 I believe that the next year will see a continuation of the very high level of demand for OPC's drafting resources. At the same time, OPC will continue to concentrate on the need to train and retain the highest quality staff in order to meet the demands of the future.

45 Major projects will include the move to a new building which can house the whole of the Office and the change to the hosting arrangements for ComLaw.

Peter Quiggin PSM  
First Parliamentary Counsel

## Chapter 1—Overview of OPC

### **Role and functions of OPC**

46 OPC is the Commonwealth's principal provider of professional legislative drafting and publishing services. OPC delivers timely, high quality drafting and advisory services for Bills, legislative instruments and other instruments, prepares compilations of laws as amended and publishes legislation and government notices on behalf of more than 70 agencies. OPC also provides comprehensive, free access to Commonwealth legislation and related material through the ComLaw website.

47 OPC was established under the *Parliamentary Counsel Act 1970*. Its functions are set out in section 3 of the Act. During 2013-2014, they were:

- the drafting of proposed laws for introduction into either House of the Parliament;
- the drafting of amendments of proposed laws that are being considered by either House of the Parliament;
- the drafting of subordinate legislation;
- the preparing of compilations and reprints of, and information relating to, laws of the Commonwealth;
- the publishing, and the making of arrangements for the printing and publishing, of:
  - laws, and proposed laws, of the Commonwealth;
  - compilations and reprints of laws of the Commonwealth; and
  - information relating to laws of the Commonwealth;
- the preparing and publishing of Government Notices Gazettes, including Special and Periodic Gazettes;
- functions conferred on the Office (or on First Parliamentary Counsel) under the *Acts Publication Act 1905*, the *Legislative Instruments Act 2003* and any other laws of the Commonwealth;
- with the written approval of the Minister—the provision of assistance to a foreign country in relation to the drafting, printing or publishing of laws of the country or information relating to those laws;

- functions conferred by the regulations; and
- functions incidental to any of the preceding functions.

### **Organisational structure**

48 OPC is headed by the First Parliamentary Counsel and two Second Parliamentary Counsel.

49 At the start of the year, OPC had 4 groups: Bill Drafting, Instrument Drafting, Publications and Corporate Services. At the end of the year the Bill Drafting group and the Instrument Drafting group were merged.

50 In the drafting groups, drafting is carried out in teams consisting of drafters (who are all lawyers) supported by administrative staff. Some of the teams involve only 2 drafters (a senior drafter and an assistant drafter) but some involve more drafters working together in a variety of arrangements.

51 The First Parliamentary Counsel, the Second Parliamentary Counsel, the Principal Legislative Counsel and all SES drafters are senior drafters. They each head a drafting team and report to the First Parliamentary Counsel. The other drafters are called assistant drafters

and are supervised by the senior drafter who heads their team.

52 OPC's Publications group, headed by the General Manager Publishing, consists of:

- the compilations team that prepares compilations and reprints of Commonwealth legislation;
- a section responsible for the operation of the Federal Register of Legislative Instruments, the publishing and the making of arrangements for the printing of Commonwealth legislation, and the preparation and publishing of Government Notices Gazettes; and
- a team responsible for the development and operation of the ComLaw website.

53 OPC's Corporate Services group, headed by the General Manager and Chief Finance Officer, consists of:

- an Information Technology (*IT*) section that manages, maintains and supports OPC's IT environment;
- a legislation section that is responsible for editorial services, arranging for Bills to be printed and similar tasks;

- staff providing administrative, human resources, financial and security services; and
- service centres that provide proofreading and editorial checking and administrative support for drafters.

### ***Outcome and program structure***

54 For 2013-2014, the outcome for OPC is “A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and

publication of those laws and instruments”.

55 For 2013-2014, OPC had one program and 5 program components contributing to meeting the outcome. The program was legislative drafting and publication. The program components were:

- Legislation;
- Program and project management;
- Legislative drafting capability;
- Standardisation and quality control of legislation; and
- Publication.

## Chapter 2—Report on performance

### ***Progress towards outcome***

56 OPC's outcome for 2013-2014 is "A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments".

### **Giving legal effect to intended policy**

57 An important aspect of parliamentary democracy is that an elected government is able to implement its policies through laws and instruments that are legally effective.

58 OPC meets this aspect of its outcome by working with government agencies to clarify policy proposals and implement the intended policy of the executive government in legally effective legislation. The legislation drafted is comprehensible, workable and in a form available for scrutiny, and approval or rejection, by the Parliament.

### **Coherent, readable and readily accessible**

### **Commonwealth laws and instruments**

59 Another important aspect of parliamentary democracy is that the public is able to access coherent and readable legislation. OPC aspires to make all Commonwealth legislation coherent, readable and accessible to the widest possible audience. Through the ComLaw website, OPC provides free online access to up-to-date Commonwealth legislation.

60 OPC also contributes to meeting this aspect of the outcome by:

- maintaining a high standard of legislative drafting capability, in particular by providing substantial drafting training to its employees and by continuously improving drafting techniques;
- progressing work on practical measures to improve the clarity and accessibility of Commonwealth primary and subordinate legislation;
- adopting a consistent layout and format for legislation that will enable ready accessibility for the public when published;



- preparing timely compilations of legislation as amended and publishing legislation and government notices on behalf of more than 70 government agencies;
- continuing to work with other agencies to manage the sunsetting of legislative instruments; and
- encouraging a high standard of legislative drafting proposals by providing advice to other agencies on legislative projects and by training staff of policy agencies who might be responsible for giving drafting instructions to OPC.

***Review of performance in relation to program and contribution to outcome***

61 OPC’s outcome is supported by the program for 2013-2014: “legislative drafting and

publication”. The objectives of this program are to:

- enable the government to carry out its legislative program through the drafting of all Bills, all legislative instruments to be made or approved by the Governor-General (Federal Executive Council (**ExCo**) instruments) and a range of other instruments; and
- ensure Commonwealth laws and instruments are freely available and accessible to everyone by publishing those laws and instruments on the ComLaw website.

62 OPC has met the objectives of the program in the 2013-2014 year. Below is a summary of OPC’s overall performance in relation to the program and contribution to the outcome.

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**Summary of overall achievement of contributions to outcome**

<b>Program indicator</b>	<b>Performance</b>
<b><i>Legislative drafting</i></b>	
All Bills and ExCo instruments are drafted in accordance with government	All Bills and ExCo instruments were drafted in accordance with government priorities and in a form suitable for consideration and enactment.

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**Summary of overall achievement of contributions to outcome**

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**Program indicator**

**Performance**

priorities, reflect sponsors' policy intentions and are legally effective

Client feedback surveys during 2013-2014 indicated that all Bills and instruments reflected their sponsors' policy intentions.

Minor technical flaws have been detected in a small number of Bills. These have been, or will be, corrected through the Statute Law Revision process. Minor technical flaws detected in regulations are addressed where possible through the next relevant drafting project.

Legislation drafted is coherent, readable and readily accessible

Drafting standards are issued and formatting conventions are set by the First Parliamentary Counsel to ensure a consistent approach is taken in drafting.

The drafting standards and formatting conventions were applied consistently to Bills and ExCo instruments.

Quality assurance through editorial checking ensured drafting standards and formatting conventions were applied consistently and legislation was readable.

Client feedback surveys during 2013-2014 indicate that all Bills and instruments were easy to understand, having regard to the inherent complexity of the subject matter.

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**Publication**

Commonwealth laws and instruments are freely available and accessible to everyone by publishing those laws and instruments on the ComLaw website

Commonwealth legislation was available free of charge in an authoritative form on OPC's ComLaw website. The website was visited 6,865,715 times during the year.

The majority of ComLaw content, created and published since 2005, is consistent with international standards for accessibility. The BrowseAloud facility available through ComLaw offers text-to-speech technology so that people with literacy difficulties,

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**Summary of overall achievement of contributions to outcome**


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**Program indicator****Performance**

cognitive disabilities or visual impairments can more easily access legislation.

New legislative instruments and Government Gazette notices were published promptly and within the timeframes set by client agencies.

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***Actual performance in relation to deliverables and key performance indicators, and analysis of performance***

63 The program “legislative drafting and publication” is further supported by the following five program components:

- Program component 1.1—Legislation;
- Program component 1.2—Program and project management;

- Program component 1.3—Legislative drafting capability;
- Program component 1.4—Standardisation and quality control of legislation;
- Program component 1.5—Publication.

64 The sections below indicate OPC’s performance during the year in relation to the deliverables and key performance indicators for each program component that contributes to the objectives of OPC’s program and outcome.

***Program component 1.1—Legislation***

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**Indicator****Performance**

*Deliverable:* Drafting of Bills and ExCo instruments in accordance with government priorities

All Bills and ExCo instruments were drafted in accordance with government priorities and supplied in accordance with deadlines for legislation processes.

*Key performance indicator:* Bills and ExCo instruments are drafted

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Indicator	Performance
<p>in accordance with government priorities and supplied in accordance with deadlines for legislation processes</p>	<p>No requests to draft private members' Bills were received, although a drafter was provided to the House of Representatives to assist the House with the drafting of Bills for private members and another drafter was seconded to the Senate to assist with drafting for private Senators.</p>
<p><i>Deliverable:</i> Drafting of private members' Bills where resources permit</p> <p><i>Key performance indicator:</i> Private members' Bills are drafted where resources permit</p>	<p>No requests to draft private members' Bills were received, although a drafter was provided to the House of Representatives to assist the House with the drafting of Bills for private members and another drafter was seconded to the Senate to assist with drafting for private Senators.</p>
<p><i>Key performance indicator:</i> Bills and ExCo instruments reflect sponsors' policy intentions and are legally effective</p>	<p>100% of client feedback surveys indicated that all Bills and instruments drafted in 2013-2014 reflected their sponsors' policy intentions and were legally effective. Minor technical flaws have been detected in a small number of Bills. These have been, or will be, corrected through the Statute Law Revision process.</p> <p>An average rating of 4.9 (where 5 is the highest rating) was received on client survey forms for overall satisfaction with the drafting process and draft Bills.</p> <p>An average rating of 4.7 (where 5 is the highest rating) was received on client survey forms for overall satisfaction with the drafting process and draft instruments.</p> <p>Drafting standards and conventions were applied consistently to 100% of draft Bills and ExCo instruments.</p>
<p><b>Bills</b></p> <p>65 Before each parliamentary sittings, the Government formulates</p>	<p>the program of Bills that it requires to be drafted for the sittings. Since it may not be possible for all Bills on</p>

the program to be drafted, a drafting priority is given to each Bill.

66 On the basis of this program, departments or other agencies instruct drafters in OPC on the policy to be effected by each Bill.

67 In consultation with instructing officers, the drafters consider the constitutional and legal background against which the Bill is to be framed, analyse the policy and determine the structure of the Bill. Then they draft the Bill in terms intended to give effect to the policy in as precise and clear a manner as possible.

68 When a Bill is completed, OPC arranges for the Bill to be printed in sufficient numbers for consideration by the Parliament.

69 If the Government decides to amend a Bill during its passage through the Parliament, drafters in OPC prepare the necessary amendments and provide copies to the Parliament.

### **Drafting resources applied according to government priorities**

70 Drafting resources were applied, and Bills were drafted, in

accordance with government priorities.

71 Most category T Bills were drafted and introduced. Several Bills retained category T status to ensure access to drafting resources throughout the sittings concerned. Many category A Bills, and 4 Category B or C Bills, were drafted and introduced. For a number of Bills, no instructions were received.

### **Statistics for Bills introduced**

72 Over the year 199 Bills, totalling 5,916 pages, drafted in OPC were introduced into the Parliament. These figures include Bills introduced in the last 2 weeks of the 2014 Winter sittings even though it was in July 2014. This is to ensure that the figures are properly comparable with other years.

73 The table following paragraph 78 gives more detailed figures for those Bills, broken down by parliamentary sittings periods.

74 It should be noted that the Spring 2013 sittings was much shorter than usual due to the election.

75 The figures in the table also indicate:

- the total number of Bills on the original program for each sittings that is set by the Parliamentary Business Committee of the Cabinet (**PBC**) at the end of the preceding sittings (note that the original program is subject to variations during the sittings concerned);
  - the number of Bills on the Government's legislation program for which OPC received no instructions; and
  - the number of Bills that OPC was not able to complete despite having received timely instructions.
- instructions were received, and drafting was started, but outstanding policy issues were not resolved in time for the Bill to be finished during the sittings concerned;
  - the Bill was completed but was not approved by the Minister in time for introduction during the sittings concerned; or
  - the Bill was overtaken by events, and abandoned, after drafting started (or after it finished).

76 There are various circumstances in which a Bill would not fall into any of the categories covered by a column in the table. A Bill would not fall into any of those categories if:

- instructions were received during the sittings concerned, but too late for the Bill to be introduced even if drafting resources had been available;
- instructions were received in good time, and drafting was started, but the Bill was too big to be finished during the sittings concerned;

77 An understanding of the programming approach used by PBC is necessary to make sense of the tables. This involves dividing the legislation planned for a parliamentary sittings into 4 categories:

- **Category T (“time critical”)**: These Bills are intended to be introduced and passed in a single sittings.
- **Category A**: Most important after category T. Generally intended for introduction, but not passage, during the sittings.
- **Category B**: Next most important. Generally intended for introduction, but not passage, during the sittings.
- **Category C**: Less important, or less likely to be ready for

introduction (e.g. because final policy is dependent on the findings of a review that will not be completed until late in the sittings).

introduction in the sittings concerned. These are Bills that are very large, or are required for consultation purposes before introduction. Drafting of such Bills needs to be started well before the sittings proposed for introduction.

78 Some Bills in categories A, B and C may not be intended for

### Bill statistics

	<b>Bills on original PBC program</b>	<b>Bills introduced</b>	<b>Bills for which no instructions were received</b>	<b>Bills which were not able to be finished even though timely instructions were received</b>
<b>Spring 2013 (November—December 2013)</b>				
<b>T</b>	38	41	3	0
<b>A</b>	12	5	2	0
<b>B</b>	2	0	0	0
<b>C</b>	0	0	0	0
<b>Total</b>	<b>52</b>	<b>46</b>	<b>5</b>	<b>0</b>
<b>Autumn 2014 (February—March 2014)</b>				
<b>T</b>	27	25	2	0
<b>A</b>	38	29	9	0
<b>B</b>	8	1	4	0
<b>C</b>	3	1	0	0
<b>Total</b>	<b>76</b>	<b>56</b>	<b>15</b>	<b>0</b>
<b>Winter 2014 (May—July 2014)</b>				
<b>T</b>	31	80	6	0
<b>A</b>	26	11	5	0
<b>B</b>	15	1	7	1
<b>C</b>	1	0	0	0
<b>Total</b>	<b>73</b>	<b>92</b>	<b>18</b>	<b>1</b>

79 Apart from the numbers of Bills introduced, totalling the numbers shown for the year may be misleading as there is some overlap from sittings to sittings (e.g. the same Bill may be included in the PBC program, or may be covered by the heading “Bills for which no instructions were received” for 2 or even all sittings during the year).

80 OPC surveys its direct clients (agency instructors) about all Bills drafted. Among other things, clients are asked whether the Bills as introduced reflect their policy intentions. Survey responses for 2013-2014 indicated that all Bills reflected their sponsors’ policy intentions. However, since Bills are not introduced without clearance from those sponsors, it would be surprising if sponsors did not believe that Bills reflected the sponsors’ policy intentions when they were introduced.

81 The target in the Portfolio Budget Statements for the average response to “overall satisfaction” was 4.0 out of 5 (where 5 is the highest rating). The result for this year was 4.9 out of 5.

82 Comments included in responses to the client surveys reinforced this very high degree of

satisfaction with services provided by OPC. Comments in response to the question “*What did you like most about this experience with the Office?*” included:

*“Most appreciated were the positive working relationship, the responsiveness to concerns and comments and the very high quality drafting of the requested measures.”*

*“The zeal, professionalism and good humour with which the drafters approached the task.”*

*“The team’s depth of knowledge in telecommunications legislation was most helpful, as was their ability to draw on relevant examples from other legislative schemes. The team was very accommodating with our requests and addressed them promptly.”*

*“The drafters were very knowledgeable, took on board our queries, provided options and were readily available.”*

*“Everyone at OPC went out of their way to make this process as smooth as possible. We were proactively informed of issues and problems. Everyone did a great job.”*



**Parliamentary amendments**

83 OPC keeps records of the numbers of parliamentary amendments drafted and the proportion of those amendments required to correct drafting errors in the Bills concerned. The figures are set out in the following table.

84 The table also shows figures for reporting years since 2008-2009, to enable trends to be identified. The table relates to the numbers of amendments drafted in OPC, not all of which were moved in the Parliament.

**Parliamentary amendment statistics****Number of amendments drafted (% of total)**

<b>Year</b>	<b>Government policy change</b>	<b>Government new policy</b>	<b>Government correction of drafting errors</b>	<b>Non-government amendments</b>	<b>Total</b>
<b>2013-2014</b>	191 (81.6)	19 (8.1)	1 (0.4)	23 (9.9)	<b>234</b>
<b>2012-2013</b>	786 (71.6)	254 (23.2)	14 (1.3)	43 (3.9)	<b>1,097</b>
<b>2011-2012</b>	734 (86.6)	52 (6.1)	23 (2.7)	39 (4.6)	<b>848</b>
<b>2010-2011</b>	529 (79.4)	58 (8.7)	3 (0.5)	76 (11.4)	<b>666</b>
<b>2009-2010</b>	1,110 (81.6)	97 (7.1)	61 (4.5)	92 (6.8)	<b>1,360</b>
<b>2008-2009</b>	812 (67.4)	340 (28.2)	14 (1.2)	38 (3.2)	<b>1,204</b>

85 The number of amendments was substantially lower than in previous years. A major cause of this was the election period which meant that the Spring sittings was very short and there

were few amendments during that sittings.

86 Amendments described as “government policy change” proposed changes to policy positions already dealt with in the Bill concerned. Amendments

described as “government new policy” added new material, dealing with new policy, to the Bill. Generally, these represented cases in which a Bill already in the Parliament was seen as a convenient vehicle for additional but urgent legislative provisions.

87 Amendments described as “non-government amendments” are very rarely drafted by OPC on instructions from the non-government members concerned. Usually they are prepared on instructions from departmental or ministerial staff for use in negotiations with non-government members.

88 The number of amendments to correct drafting errors was once again very low.

### **Instruments**

89 OPC provides government agencies with drafting services for subordinate legislation.

90 OPC provides instrument drafting services that are tied to OPC under the *Legal Services Directions 2005* to sponsoring agencies on a budget-funded basis. OPC also provides instrument drafting services that are not tied to

OPC to government agency clients on a contestable, user-pays basis.

### **Budget-funded drafting services**

91 Under the *Legal Services Directions 2005* the drafting of regulations, Ordinances and regulations of non-self-governing Territories, and other legislative instruments made or approved by the Governor-General is tied to OPC and is provided on a budget-funded basis. Drafting services are also provided on a budget-funded basis for Rules of court.

92 Regulations, other legislative instruments made or approved by the Governor-General (apart from Ordinances and regulations of non-self-governing Territories) and Rules of court are published as Select Legislative Instruments.

93 During the year, some 259 Select Legislative Instruments, totalling 5,823 pages, drafted by OPC were made and registered on the Federal Register of Legislative Instruments.

### **User-pays drafting services**

94 Instrument drafting services that are not tied to OPC are

provided on a contestable, user-pays basis. Editing, compilation and related IT services for instruments that are not tied to OPC are also provided on a user-pays basis. The fees for these services are consistent with the competitive neutrality guidelines and are relied on by OPC as part of the funding mix that assists to sustain the delivery of all its functions.

95 During the year, approximately 87 legislative instruments, totalling 1,327 pages, were drafted by OPC on a user-pays basis for government agency clients and registered on the Federal Register of Legislative Instruments.

### **Client feedback**

96 OPC surveys its direct clients (agency instructors) about instruments drafted by OPC.

97 The target in the Portfolio Budget Statements for the average response to “overall satisfaction” was 4.0 out of 5 (where 5 is the highest rating). The result for this year was 4.7 out of 5.

98 Comments included in responses to the client surveys

reinforced this very high degree of satisfaction with services provided by OPC. Comments in response to the question “*What did you like most about this experience with the Office?*” included:

*“Very professional, knowledgeable, offered suggestions, identified problems which resulted in one overly complex provision being abandoned.”*

*“Dealing with professional drafters who provided timely drafts when requested.”*

*“With the help of this team, we were able to complete this legislative project ahead of schedule.”*

*“Our drafter was extremely responsive and was able to turn around additional instructions very quickly.”*

*“Prompt attention to the problem at hand and quick turnover of drafts, accessibility to drafters, and quality of finished draft.”*

*“The drafter took the time to explain different approaches to drafting the instrument and provided us with the instrument in a timely manner.”*

**Program component 1.2—Program and project management**

Indicator	Performance
<p><i>Deliverable:</i> Allocation of drafting work in accordance with priorities and management of legislative projects, so as to make optimum use of drafting resources</p>	<p>Drafting work for Bills was allocated in accordance with the priorities set by the Parliamentary Business Committee, having regard to efficiencies available from a flexible application of those priorities, and legislative projects were managed, so as to make optimum use of drafting resources.</p> <p>Drafting work for consideration by the Federal Executive Council was allocated in accordance with government priorities and meeting timeframes as guided by sponsoring agencies so as to make optimum use of drafting resources.</p>

99 In managing OPC’s Bill drafting resources, the First Parliamentary Counsel applied the programming categories described above (see paragraph 77). Generally, Bills are allocated for drafting, and are drafted, in order of priority. That is, category T Bills are drafted in preference to category A Bills, which are drafted in preference to category B Bills, and so on.

100 Occasionally, however, there are efficiencies to be gained from a slightly more flexible approach to the categories. For instance, it may be sensible to delay allocation of a particular high category Bill until a drafting team with relevant expertise becomes available.

101 The allocation of drafting resources according to the categories is borne out by the figures in the table under paragraph 78 in the section on Program component 1.1—Legislation. This shows that the higher a Bill’s category, the more likely it is that drafting resources will be found to enable it to be introduced and, conversely, that the lower a Bill’s category, the more likely it is to miss out on introduction in a particular sittings even if timely drafting instructions are given to OPC.

102 Drafting teams are usually responsible for several Bills of different categories at any one time. This means that some work may be done on lower category Bills during

lulls in a drafter's higher category work (e.g. while clients are considering a first draft of a higher category Bill or awaiting ministerial approval of detailed policy proposals). This explains why some lower category Bills are introduced each sittings while other higher category Bills are unable to be finished; a drafter might be able to finish a small category C Bill in the intervals between work on category T and A Bills, but might not have enough "spare" time to be able to make useful progress with a more substantial category B Bill.

103 Government Bills were supplied to the Parliament in accordance with applicable deadlines. However, most deadlines for the introduction of Bills are not immutable, and may change to reflect progress in policy development and drafting, consultation requirements, clearance processes or other matters affecting the availability of draft Bills for introduction.

104 Until recently, there was no similar legislation program for instrument drafting work.

105 During the year OPC trialled a bidding and priority system for instruments. This was

very closely based on the system for Bills. The trial was a success and the scheme has now been implemented for all instrument drafting work that is tied to OPC.

106 The main difference is that there is no ministerial involvement in determining the final priorities. Where necessary, this will be done by OPC in consultation with the relevant Departments.

107 In addition, the priorities used are 1, 2, 3 and 4 (rather than T, A, B and C).

108 For most Bill and instrument drafting projects, the drafters advised instructors on aspects of the management of the project. For some projects (especially large projects or ones being handled by inexperienced instructors), the drafters had to play a major role in project management.

109 As OPC drafts both Bills and instruments, drafters have been able to work closely on significant projects that required changes to both Acts and subordinate legislation. This has facilitated a more effective and efficient management of projects across both legislation processes.

**Program component 1.3—Legislative drafting capability**

Indicator	Performance
<i>Deliverable:</i> Training lawyers recruited to OPC in legislative drafting, to ensure the long-term viability of drafting resources	All assistant drafters worked closely with senior drafters. The primary purpose of this arrangement was to develop the drafting skills of the assistant drafters.
<i>Deliverable:</i> Training potential instructors in policy development and preparation of instructions, to ensure efficient use of drafting resources and quality of legislation	No legislation process courses for instructors and potential instructors for Bills were conducted during the year. As a result, OPC did not meet the target to run at least 10 courses each year.  The courses are being adapted to include material for instruments and will be extended to more extensively cover the processes for instruments for the next financial year.
<i>Deliverable:</i> Legislative drafters maintain and improve drafting skills and knowledge	Legislative drafters maintained and improved their drafting skills and knowledge through working in teams in a range of subject areas and through participating in various OPC professional development activities.  The Director of Drafter Training has implemented an extensive program of training sessions for drafters. A significant program of training was provided to integrate drafting approaches for Bills and instruments and build drafting knowledge across OPC in the drafting of both Bills and instruments.

**Building and maintaining drafters’ capability for long-term viability of resources**

110 In previous years, OPC’s turnover of drafting staff has been extremely low.

111 This very low turnover (about 3% per annum) enabled OPC to build up a strong group of assistant drafters. It also means that OPC did not need to recruit to the same extent that it has in previous years.

112 During this year, due to a reduction in funding and the need to ensure that the structure of OPC's drafting groups was suitable to meet the future needs of the Office, OPC had to undertake a process to reduce the number of Assistant Parliamentary Counsel Grade 1 and 2 staff.

113 This was done through a "spill and fill" process combined with offers of voluntary redundancy. Four drafters accepted voluntary redundancies through these processes.

114 A number of other drafters also left the Office through retiring or transferring to other positions.

115 Assistant drafters working on Bills work closely with senior drafters (SES or Statutory Office holders). The primary purpose of this arrangement is to develop the drafting skills of the assistant drafters, while allowing the assistant drafters to make a significant contribution to OPC's drafting output.

116 Drafters working on instruments generally work in a team arrangement with about 7 assistant drafters and one SES

drafter. On any particular instrument, there will generally be 2 drafters working together with one doing the principal drafting and the other checking or settling the work.

117 The working arrangements for drafters is a matter that OPC will continue to work on over the next year or so.

118 Legislative drafters have maintained and improved their drafting skills and knowledge through working in teams in a range of subject areas and through participating in various OPC professional development activities. See Chapter 4 (Management of human resources) for more details about this.

119 The Director of Drafter Training coordinates a program of formal training activities. A key component of this is the program of in-house seminars for drafters. The seminars cover emerging issues that drafters need to be aware of, as well as reminder sessions on topics that continue to be of relevance. The in-house seminars have been running for a number of years now and play an important role in the training and development of drafters.

**Building instructor capability to enable efficient use of drafting resources and quality legislation**

120 In past years, OPC has generally conducted around 10 legislation process courses each year, with an average of 138 participants per year. A total of 224 legislation process courses have been run since they began in 1994.

121 A project to rewrite the materials to cover instrument drafting as well as Bill drafting is underway. Consequently, no courses were run during the year.

122 It is hoped that the project will be concluded in 2014-2015 and that OPC will be able to resume conducting the courses.

**Program component 1.4—Standardisation and quality control of legislation**

Indicator	Performance
<p><i>Deliverable:</i> Consistently applying drafting standards and conventions to all Bills and ExCo instruments</p> <p><i>Key performance indicator:</i> Drafting standards and conventions are applied consistently to all Bills and ExCo instruments</p>	<p>Editorial checking ensured that drafting standards and conventions were applied consistently to 100% of Bills and instruments.</p> <p>Further work was done to bring the drafting standards and formatting conventions for Bills and instruments even closer.</p> <p>Discussions were held amongst drafters on the desirability of greater consistency in the drafting of provisions and ways in which such consistency could be achieved.</p> <p>OPC rules, standards and conventions continued to be documented and promulgated as they were updated.</p>
<p><i>Deliverable:</i> Preparation of a Statute Law Revision Bill to correct technical errors and to remove Acts that no longer have any operation</p>	<p>OPC prepared the <i>Statute Law Revision Act (No. 1) 2014</i> in this financial year to correct technical errors and to remove Acts that no longer have any operation. The Bill was assented to on 27 May 2014.</p> <p>The Publications group assisted with the preparation of this Bill by identifying most of the technical errors in the course of preparing compilations of Acts.</p>



### Drafting standards and quality assurance

123 Editorial checking ensured that drafting standards and conventions and the normal rules of grammar were applied consistently to all Bills and ExCo instruments. Editorial checking involves a range of automated checks (including spelling and grammar checking built into our word-processing software, and customised checks to identify such things as departures from OPC's basic formatting requirements), and "manual" checks by an editorial team. This "manual" checking detects errors of various kinds, including:

- words missing from sentences;
- inconsistencies of expression;
- punctuation errors;
- grammatical errors (e.g. inconsistencies of tense or lack of agreement between subject and verb);
- incorrect cross references;
- misdescribed amendments; and
- clashing amendments.

124 The editorial checking work is carried out by an editorial team consisting of a Senior Editorial Officer, an Editorial Officer and

Assistant Editorial Officers. The number of staff who are trained in editorial checking gives OPC greater flexibility and also makes OPC less vulnerable to skills shortages if particular staff leave.

125 It should be noted that apart from such things as basic grammar, formatting requirements and standard amending forms, there are different drafting styles and some will be more or less appropriate than others for particular legislation. This means that while all OPC legislation should (and does) look basically the same, different legislation might make different use of aids such as outlines and notes, and use more or less technical or colloquial language, depending on such things as the subject matter of the legislation and its intended audience.

126 OPC has a Drafting Manual that gives an overview of drafting matters and then refers the reader to particular Drafting Directions for greater detail.

127 The Drafting Directions are organised on a subject-matter basis. This arrangement makes the Drafting Directions easy to use.

128 The Drafting Manual and all current Drafting Directions are available from the OPC Documents menu on OPC's website: [www.opc.gov.au](http://www.opc.gov.au).

129 Over the past few years, discussions have taken place amongst drafters on the desirability of even greater consistency in the drafting of provisions and ways in which such consistency could be achieved. This has led to a noticeable increase in consultation between drafting teams about the best drafting approach to adopt in particular cases.

130 The compilations team within the Publications group has continued with significant work to move the format of compilations of Commonwealth legislation into a standard style. The compilations team also continues to provide an important quality control function for Commonwealth legislation.

131 OPC has regular meetings of drafters. These have been used to discuss drafting issues of general interest. The meetings have been very productive and have been the subject of positive feedback from drafters. OPC will continue to review the meetings to see how they can be improved.

### Maintenance of the statute book

132 OPC prepared amendments to correct a number of minor errors in Acts, most of which were identified by the Publications group in the course of preparing compilations of Acts.

133 One Statute Law Revision Bill was prepared and assented to in the financial year. The *Statute Law Revision Act (No. 1) 2014* was introduced in the Autumn 2014 sittings and assented to on 27 May 2014. The Act included amendments to:

- repeal spent and obsolete provisions and Acts (which resulted in the repeal of 17 spent Acts);
- remove specific references in Acts to Ministers and replace them with generic, more robust, references and reduce the need for Orders under section 19B or 19BA of the *Acts Interpretation Act 1901* to be made and read in conjunction with the Acts;
- make amendments consequential on amendments of the *Acts Interpretation Act 1901*, including the repeal of redundant provisions; and

- modernise language in certain legislation.

134 The *Amending Acts 1901 to 1969 Repeal Act 2014* also repealed 1120 spent Acts. This Act was introduced in the 2014 Autumn sittings and assented to on 27 May 2014.

135 Over 2013–2014, OPC continued to lead whole-of-government work to identify redundant legislative instruments and repeal them in bulk. This work has enabled the repeal of more than 17,000 instruments since legislation to enable bulk repeals was enacted in late 2012. Further

bulk repeals will be undertaken as needed.

136 OPC also worked with sunseting coordinators in all portfolios to encourage early action on sunseting, including by engaging all portfolios in the preparation of sunset lists for tabling in Parliament.

137 OPC will continue to play an important role in repealing spent and redundant legislation and ensuring that the Commonwealth statute book is as coherent, readable and readily accessible as possible.

### ***Program component 1.5—Publication***

<b>Indicator</b>	<b>Performance</b>
<i>Deliverable:</i> Timely registration of new legislative instruments on the Federal Register of Legislative Instruments in accordance with statutory requirements	All new legislative instruments were registered promptly, and within timeframes set by client agencies, to ensure statutory requirements were met. More than 97% of routine new legislative instruments were registered no later than 2 business days after the day they were lodged for registration.
<i>Key performance indicator:</i> New legislative instruments that are lodged for registration are registered promptly on the Federal Register of Legislative Instruments	100% of urgent new legislative instruments were registered as required by lodging agencies.

Indicator	Performance
<p><i>Deliverable:</i> Preparation and registration of compilations on the Federal Register of Legislative Instruments in accordance with statutory requirements</p>	<p>Compilations were registered on the Federal Register of Legislative Instruments promptly and in accordance with statutory requirements.</p>
<p><i>Deliverable:</i> Electronic publication of Commonwealth Acts and preparation and electronic publication of compilations of Commonwealth Acts on ComLaw</p>	<p>Commonwealth Acts were published promptly on ComLaw and generally within one day of their being available.</p> <p>Preparation and electronic publication of Act compilations were generally prompt. Where there were a substantial number of amendments affecting a large number of Acts that commenced on one day, OPC prioritised the preparation of compilations with particular regard to client feedback.</p>
<p><i>Deliverable:</i> Accurate and timely preparation and publication of Government Gazette notices</p> <p><i>Key performance indicator:</i> Government Gazette notices are prepared and published promptly</p>	<p>Government Gazette notices were published accurately and within timeframes set by client agencies.</p> <p>More than 97% of routine notices were published no later than 2 business days after the day they were lodged for publication.</p> <p>100% of urgent notices were published as required by clients.</p>

138 The Publications group functions include:

- managing the Federal Register of Legislative Instruments, including registering legislative

- instruments and lodging them for tabling in the Parliament;
- preparing compilations and reprints of, and information relating to, Commonwealth laws;

- publishing Commonwealth legislation and legislative information;
- preparing and publishing the Government Notices Gazette; and
- developing and operating the whole-of-government legislation ComLaw website ([www.comlaw.gov.au](http://www.comlaw.gov.au)).

139 The performance measures for registration of legislative instruments and publication of Gazette notices were met during 2013-2014.

140 During 2013-2014 OPC again reviewed the design and level of its publishing fees as a result of feedback from clients. The publishing fees changed from 1 July 2014.

141 The fees continue to be consistent with the *Cost Recovery Guidelines* and attribute costs that recognise the whole-of-life cost (including IT infrastructure costs) in publishing legislative instruments and Gazette notices.

142 Liaison with agencies to prepare for and manage the sunseting of legislative instruments and related matters continued. Under the *Legislative Instruments Act 2003 (LIA)*, all regulations and

other legislative instruments sunset i.e. cease automatically after 10 years unless action is taken to exempt or preserve them. The purpose of sunseting is to ensure that legislative instruments are kept up to date, and only remain in force as long as they are required. Sunseting is also an important mechanism to pursue clearer laws and reduce red tape. The first sunseting list was tabled in 2013-2014.

143 The LIA requires a legislative instrument compilation to be registered as soon as practicable after changes to a legislative instrument take effect. During 2012-2013 a considerable number of compilations, for which agencies were responsible for preparation, had not been lodged with OPC. This has been a longstanding problem. This year, OPC has successfully worked with agencies to obtain and register almost all required compilations. OPC continues to work with agencies to meet the requirements of the LIA.

144 The demand for current versions of legislation continues to be met by the free online public access provided by ComLaw. If a printed version is required, clients continue to use the print-on-

demand function on ComLaw. This enables them to purchase a printed copy of the most current compilation online and have it sent to them.

145 Since 1 July 2013, Gazette notices have not been printed; they have only been published electronically. This has enabled quicker publication of Gazette

notices, reduced costs and better access to Gazette notices.

146 Minor enhancements to existing functionality have continued to be made to the ComLaw system. Minor general improvements have also been made to improve public access to the website.

### **Statistics—Publishing**

<b>Registration/Publication</b>	<b>Number of items</b>		<b>Number of pages</b>	
	<b>2012-2013</b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2013-2014</b>
Legislative instruments	2,403	1,820	27,176	20,282
Gazette notices	1,896	2,045	3,578	4,498
Numbered Acts	202	141	6,954	4,458
Act compilations	873	892	293,551	373,352
OPC prepared instrument compilations—budget-funded	333	368	76,324	118,068
OPC prepared instrument compilations—user-pays	247	321	24,212	31,295
Agency prepared instrument compilations	353	826	20,158	49,271

Note: The above statistics relate only to new items. They do not include backcaptured or republished historical documents.

**Statistics—Legislative instruments registered and repealed**

Year	Number registered	Number repealed
2013-2014	1,820	17,446
2012-2013	2,403	1,242

**Statistics—ComLaw website**

Year	Total visits	Total unique visits	Total page views
2013-2014	6,865,715	3,514,303	23,892,781
2012-2013	6,183,836	2,990,482	22,098,764

Note: Total unique visitors is the number of unduplicated (counted only once) visitors. Total page views is the total number of pages viewed. For page views, repeated views of a single page are counted.

## ***Influences on OPC's performance***

### **Transfer of instrument drafting and publication functions to OPC**

147 The work connected to the transfer of functions from the Office of Legislative Drafting and Publishing (**OLDP**) within the Attorney-General's Department (**AGD**) is now substantially complete.

148 The final aspect will be to co-locate the Office to one location. It is hoped that this will be achieved in the 2014-2015 year.

### **The 2013 election**

149 The timing of the 2013 election meant that the Spring 2013 sittings was much shorter than in a normal year.

150 A consequence of this was that the number of Bills introduced in that sittings was below the number for corresponding sittings in recent years.

151 OPC used the caretaker period to undertake a wide range of projects that assist OPC to be more effective in the long term.

152 These included reviewing a range of drafting related documents such as the Amending Forms Manual and the Guide for Clients.

### **Demand for legislation from particular portfolios**

153 There continued to be a substantial demand for the drafting of legislation for the Treasury and legislation for the Attorney-General's portfolio.

154 Another major project that required substantial resources was the public governance legislation.

155 Significant stand-alone instrument projects for the year included a package of regulations for civil aviation, legislation to support the new aged care arrangements and legislation in the areas of public governance and offshore petroleum and greenhouse gas storage.

156 The demands for drafting from other agencies seemed to be increasing towards the end of the year.

### **2014 Autumn Repeal Day**

157 On the 2014 Autumn Repeal Day the Government introduced legislation and tabled documents to repeal more than



10,000 pieces (more than 50,000 pages) of legislation.

158 During the Autumn 2014 sittings, OPC allocated significant drafting, publications and corporate services resources to prepare for the Autumn 2014 Repeal Day. The allocation of these resources reflected the size of the project and the high priority it was given by the Government.

159 The legislation was successfully completed in time for the 2014 Autumn Repeal Day. Changes to ComLaw arising from the enactment of repeals have also been successfully completed.

### **Exposure drafts**

160 OPC's performance measures in relation to Bills are also affected by an increasing preference of the Government, and among many of our clients, for exposing draft legislation for public comment before introduction into Parliament. This influences performance because the timeframes to provide resources are tighter for these Bills and further work is often required after consultation.

161 Since the adoption in 2002 of the Board of Taxation's

recommendations on consultation in the tax area, much of the tax legislation drafted by OPC is exposed for comment, either widely or in targeted consultations, before being finalised for introduction.

162 There is also an increasing trend towards the release of exposure drafts in other areas.

163 Sometimes, these exposure drafts are public exposure drafts. At other times, there are exposure drafts that are shown to a limited group with a particular interest in the area covered by the Bill.

164 Usually, exposure of a draft Bill generates proposals for change, and OPC receives drafting instructions to revise the Bill before introduction.

165 Sometimes, exposure reveals flaws in the draft Bill. Exposing a Bill for comment also provides an opportunity to improve the drafting of the Bill before introduction. However, the exposure process does absorb extra drafting resources and extends the elapsed time taken for the drafting project. This means that, increasingly, the Bills introduced in a particular year may reflect substantial work actually

done by OPC in previous years, while work done during the reporting year is less visible.

166 For instruments, the time required for consultation processes is generally built into the timeframes for development and making. The development period for projects also does not generally extend beyond the financial year.

167 However, recently there has been more demand for instruments to be drafted and available with a Bill to assist with consideration of the package of changes by Parliament. After the transfer of functions, this work is generally undertaken closely with the Bill drafter and can provide significant efficiencies for the broader project.

### **OPC's funding position**

168 2013-2014 is the final year OPC received additional funding for previous budget measures, for the increased legislative drafting requirements arising from the government's taxation reform agenda.

### **OPC's financial performance**

169 The legislative drafting and publishing functions in the Attorney-General's Department were transferred to OPC on 1 October 2012. The 2013-2014 year is the first full year of the transfer. This is the primary reason for the increases in revenue and expenditure as detailed below.

170 The surplus attributable to the Australian Government for OPC for the 2013-2014 financial year was \$1.690 million (after adding back non-cost recovered depreciation, this resulted in a surplus of \$2.274 million). This compares to a surplus of \$1.024 million for 2012-2013 (after adding back non-cost recovered depreciation, a surplus of \$1.479 million).

171 Revenue from government increased by \$1.284 million to \$16.039 million in 2013-2014, compared to \$14.755 million in 2012-2013.

172 Own-source revenue increased by \$0.875 million to \$6.694 million in 2013-2014, compared to \$5.819 million in 2012-2013.

173 Total expenses increased by \$1.493 million to \$21.043 million in 2013-2014, compared to \$19.550 million in 2012-2013.

174 Employee expenses increased by \$0.741 million to \$16.056 million in 2013-2014, compared to \$15.315 million in 2012-2013. This was due to:

- the 2012-2013 year only including employee expenses for transferred staff for 9 months of the financial year; and
- a decrease in OPC's average staffing level by 10.5 due to a reduction in the number of Assistant Parliamentary Counsel Grade 1 and 2 positions, the cessation of non-ongoing staff arrangements, and a small number of staff retirements and transfers.

175 Supplier expenses increased by \$0.352 million to \$3.711 million in 2013-2014, compared to \$3.359 million in 2012-2013.

176 At 30 June 2014, OPC had net assets (assets less liabilities) of \$11.993 million compared to \$10.043 million for the previous year.

177 At 30 June 2014, OPC had financial assets of \$15.490 million. This includes \$13.825 million of undrawn appropriations that are held in the Official Public Account under the Government's just-in-time drawdown arrangements, and cash at bank of \$0.345 million.

178 The agency resource statement, and expenses for outcome statement, are set out in Appendix A.

## Chapter 3—Management and accountability

### Corporate governance

#### Accountability

179 First Parliamentary Counsel (**FPC**) is accountable to the Parliamentary Business Committee of the Cabinet (**PBC**) for the allocation of drafting resources according to the legislation program determined by that Committee. FPC attends PBC meetings (usually held on the Monday of each parliamentary sitting week) to answer questions and provide advice about how the drafting of Bills is progressing.

#### Senior management team

180 FPC takes responsibility for most of the decision-making within OPC on strategic and high-level management issues. FPC is assisted in this by the other members of the senior management team (**SMT**).

181 The SMT consists of:

- First Parliamentary Counsel (Mr Peter Quiggin);
- the two Second Parliamentary Counsel (Ms Marina Farnan and Mr Iain McMillan);

- the Principal Legislative Counsel (Mr John Leahy); and
- the General Manager, who is also the Chief Finance Officer (Ms Susan McNeilly).

182 The SMT meets regularly. Issues that the team considered during the year included:

- changes to OPC's structure and staffing matters arising from the changes;
- planning for new accommodation to co-locate staff;
- State of the Service survey results;
- review of fees;
- recruitment policies and strategies;
- corporate governance;
- enterprise bargaining;
- risk management;
- financial management;
- workforce planning;
- training and development of drafters; and
- internal policies, practices and processes.

### **Workplace Consultative Committee**

183 OPC places importance on the involvement of staff in the decision-making process. This is achieved through the Workplace Consultative Committee (**WCC**).

184 The membership for the WCC during 2013-2014 consisted of the members of the senior management team and 8 employee representatives—one representing each of 3 drafter workgroups, 2 representing the publications workgroup, 2 representing the corporate services workgroup, and 1 general employee representative. One of the health and safety representatives also attends meetings.

185 The WCC is the primary method for consultation with staff on matters other than drafting-related matters. The WCC meets every 6 weeks and is chaired by a staff representative. The WCC has proved to be an effective method of ensuring staff can contribute to decision-making within OPC in an efficient manner.

### **Audit Committee**

186 OPC's Audit Committee consisted of Mr Kevin Patchell, who

was the Chair and external to OPC, together with two SES drafters who hold office for 2 years at a time. In addition, there is a standing invitation to the Australian National Audit Office to participate in the Audit Committee meetings. The General Manager and the Director Finance also attend meetings.

187 Mr Kevin Patchell finished a 6 year term on the Audit Committee at the end of September 2013. The financial knowledge and experience Mr Patchell brought to the role of Chair was invaluable.

188 OPC engaged Mr Dale Boucher as the new Chair of the Audit Committee for an initial period of 2 years. Mr Boucher brings to the role substantial and high level public sector experience, and substantial experience as a Chair, including on Audit Committees.

189 During the year, the activities of the Audit Committee included:

- providing advice to FPC and the General Manager on the preparation and review of OPC's Financial Statements; and
- review of internal audit reports.

### **Other committees**

190 Since the establishment of the WCC, the need for other office committees has diminished.

### **Staff meetings**

191 As a result of the transfer of functions, OPC staff are now in two locations in Canberra. Regular staff meetings are held monthly except in January and July. Usually, separate meetings are held for the staff in each location. Occasionally, a whole-of-office meeting is held in place of the separate meetings.

192 The staff meeting is primarily an information meeting, and the agenda provides for FPC and other members of OPC to report on specified aspects of OPC operations and developments, such as the progress of the legislation program, staff movements and IT issues.

### ***Risk management and fraud control***

193 During the year, the review of OPC's risk management framework was completed to take account of the transfer of functions. A further review and update of this framework will be completed early in 2014-2015 to ensure compliance

with the new Commonwealth Risk Management Policy.

194 OPC has in place a Fraud Control Policy and Plan and appropriate fraud control mechanisms that meet the needs of OPC and comply with the Commonwealth Fraud Control Guidelines for the 2013-2014 financial year, including reporting requirements. OPC has reviewed the Fraud Control Policy and Plan during the year. The review included an assessment of risks. No additional fraud control initiatives were undertaken as a result of the review.

195 OPC has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet OPC's specific needs and comply with the Commonwealth Fraud Control Guidelines.

196 A number of internal policies and procedures have been developed and updated to support and complement our Chief Executive Instructions, Risk Management Policy and Plan, and Fraud Control Policy and Plan.

197 An integral element of OPC's risk management framework is business continuity management.

### **Operational risks**

198 The major areas of operational risk are:

- matters affecting the availability of drafting resources; and
- matters affecting the availability of OPC's information technology (*IT*) system.

### **Drafting resources**

199 To ensure the availability of drafting resources, OPC has adopted measures to address both short-term and long-term operational risks.

200 To address short-term risks, steps are taken to ensure that OPC's operations are not seriously affected by the absence of individual drafters. The allocation of drafting projects to teams of 2 or more drafters provides some insurance against resource problems caused by unexpected absences of drafters. The team arrangements ensure that current projects can continue in the absence of a team member. Management monitors the leave plans of all drafting staff to ensure that there are no unacceptable

shortages of drafting resources caused by planned leave.

201 Addressing long-term risks of the availability of drafting resources is a substantially more complex issue. It takes approximately 5 to 6 years to train a legislative drafter to the point at which they can take sole responsibility for the drafting of Bills. Consequently, ensuring the availability of suitable drafting resources requires all of the following:

- a recruitment program to ensure that high quality lawyers are recruited;
- an approach to training that ensures that recruits are given the opportunity to develop high-level drafting skills in the shortest possible time; and
- the retention of trained drafters through the provision of interesting work, good career opportunities, attractive working conditions and appropriate remuneration.

202 In previous years, OPC's turnover of drafting staff has been extremely low. This very low turnover (about 3% per annum) enabled OPC to build up a strong group of assistant drafters.

203 During the year, OPC undertook a process to reduce the number of Assistant Parliamentary Counsel Grade 1 and 2 staff. This was due to a reduction in funding and to ensure that the structure of OPC's drafting groups was suitable to meet the future needs of the Office.

### **Information technology systems**

204 OPC is very dependent upon its IT systems. These systems provide substantial efficiencies and are integral to the work of all OPC staff. Therefore, any interruption to the availability of the IT systems would have a major effect upon OPC.

205 Comprehensive risk management and contingency plans have been developed for OPC's IT systems. This has ensured very few interruptions to the availability of OPC's IT systems. In addition, OPC is prepared for the possibility of major damage to our IT systems.

206 OPC maintains an off-site server facility. This provides OPC with a high level of protection against loss of IT services and plays a key role in OPC's Business Continuity Management Plan.

207 OPC has reviewed the risk management and contingency plans as part of the work on business continuity management for the whole of OPC.

208 OPC continued to provide secure remote access to OPC's IT systems for staff who requested it. This enables staff to perform some work from home and when travelling and also provides a contingency arrangement if OPC's buildings are unavailable.

209 OPC migrated its internet gateway to a new provider as part of the whole-of-government internet gateway reduction program. This has increased the internet availability to 99.95%. This is important for a number of systems and will be particularly important when ComLaw hosting is moved to the cloud.

### **Maintenance of ethical standards**

210 OPC has taken steps to ensure that staff are aware of their rights and obligations under the *Public Service Act 1999*. These include training courses for all staff run by senior management and the circulation of materials throughout the office.



211 Formal procedures have been established for determining breaches of the Code of Conduct, and for dealing with public interest disclosures.

212 The APS Values, Code of Conduct, Chief Executive Instructions and other material relevant to ethical conduct are incorporated, as appropriate, into OPC policies and guidelines.

213 All new employees to OPC are given a copy of the relevant material during their induction program including information about the Australian Public Service Commission's Ethics Advisory Service. In addition, new employees are provided with the APS online induction program.

214 OPC sets very high ethical standards. OPC's policy on the acceptance of gifts and hospitality appears to be more restrictive than that of most other Commonwealth Government agencies. This policy applies equally to members of the SMT and to other staff.

### ***SES remuneration***

215 During the year, remuneration for all SES staff was determined under the OPC SES Enterprise Agreement 2011-2014.

216 Under the Enterprise Agreement, SES staff are entitled to the same increases in their base salary as are payable to non-SES staff. In addition, the allowances previously paid to SES staff have been rolled into their base salary. On top of their base salary and in recognition of the value to OPC of retaining trained and experienced senior drafters, SES drafters are entitled to a loading that depends on the particular staff member's drafting experience. The experience loading is subject to the staff member concerned being appraised as at least "fully effective" each year.

### ***External scrutiny***

217 There have been no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant direct impact on the operations of OPC.

218 There have been no reports on the operations of OPC by the Auditor-General (other than the report on financial statements), a parliamentary committee or the Commonwealth Ombudsman.

## Chapter 4—Management of human resources

### Survey of OPC staff

219 During May and June 2014 the Australian Public Service Commission (**APSC**) conducted the 2014 State of the Service Employee Census. Eighty seven per cent of OPC staff participated in the survey ensuring that the results that we obtained were representative.

220 This was the second survey for OPC that included staff who transferred from the Attorney-General's Department to OPC in October 2012. Overall OPC's results for 2014 were largely consistent with the 2013 results, and generally higher than the APS results for 2013.

221 The reporting below compares OPC's results (from staff who responded to the survey) for 2014 to OPC's results for 2013, and where available, to the APS results for 2013. Where percentages/scores are set out below, the result in bold is the OPC percentage/score for 2014, the result in normal font is the OPC percentage/score for 2013 and the result in italics is the APS percentage/score for 2013.

### Working environment

222 **75%** of OPC staff agreed that they were proud to work at OPC (compared to 76% for OPC and 62% for the APS in 2013); and **83%** of OPC staff were satisfied with their non-monetary employment conditions, such as leave, flexible work arrangements and other benefits (compared to 88% for OPC and 79% for the APS in 2013).

### Employee engagement

223 Employee engagement (predictors of productivity and loyalty) covers 4 areas—employee engagement with: the job they do; the team to which they belong; their immediate supervisor; and the agency to which they belong. The levels of staff engagement in OPC for 2014 were similar to those for the previous year and higher than the APS results across all areas in 2013.

224 Across the 4 areas, OPC rated (score out of 10) between **6.4** and **7.4** (compared to 6.4 and 7.3 for OPC, and 5.7 and 7.1 for the APS in 2013).

### Learning and development

225 **72%** of OPC staff were satisfied with access to effective learning and development. This compared favourably with the 2013 results (66% for OPC and 61% for the APS).

### Leadership: supervisors and senior leaders

226 In 2014, OPC staff were more satisfied with their immediate supervisor's leadership capabilities across all areas compared with the APS results for 2013, and except in one area (communicates with influence), the 2014 results were also higher than the OPC results in 2013 across all areas (between: **67%** and **86%**; 64% and 84%; and 63% and 76%).

227 Overall, the 2014 rating by OPC staff for satisfaction with SES leadership was consistent with the 2013 rating. In comparison to the APS results for 2013, OPC staff rated SES leadership between 15 and 32 percentage points higher.

### Health, safety and wellbeing

228 Another area where the results were quite pleasing was employee attitudes to health, safety and wellbeing in the workplace.

This is particularly important during a period of change for OPC.

229 In 2014, OPC staff agreed that: the people in their workgroup were committed to workplace safety (**84%**, 83% and 83%); OPC genuinely cares about employees being healthy and safe at work (**74%**, 76% and 64%); and, considering their work and life priorities, that they were satisfied with their work-life balance (**80%**, 76% and 70%).

### APS Values

230 Staff indicated that people in OPC act in accordance with the APS Values. The 2014 results for senior leaders, supervisors and workgroup colleagues were in the range of **88%** to **99%**, compared to 83% to 89% for OPC and 69% to 88% for the APS in 2013.

### Conclusion

231 Staff participation in these surveys is a very useful exercise as the results are directly comparable to those of the APS as a whole. The survey results provide information on areas in which we can improve.

232 Although the 2014 results for senior leaders' effectiveness in

leading and managing organisational change (**57%**, 65% and 41%), and engaging with staff on how to respond to future challenges (**57%**, 59% and 42%) were much higher than the 2013 APS-wide results, they declined against prior year results for OPC.

233 As there has been a lot of change for OPC in recent years, this is a key area that the Senior Management Team needs to focus on.

### ***Management and development of human resources***

#### **Training and development**

234 OPC sees training and development as contributing significantly to the consolidation and improvement of its capability. OPC undertakes its training and development activities in order to:

- make the best use of human resources available to OPC; and
- enhance career and development opportunities for all staff.

#### **Staff development arrangements**

235 OPC's Staff Development Plan establishes the following institutional arrangements for OPC's staff development activities:

- a senior drafter is designated Director of Drafter Training;
- the Director of Drafter Training and the General Manager have joint responsibility for staff development matters generally (including monitoring expenditure on staff development activities);
- staff development decisions in relation to particular staff are, by and large, made by supervisors jointly with either the Director of Drafter Training for staff who are drafters or the General Manager for other staff;
- staff development decisions are made by reference to the development needs of staff as identified in the individual development plans for staff that are settled as part of the performance management programs;
- the Director of Drafter Training and the General Manager have the function of reviewing the Staff Development Plan to

make sure it is up-to-date and properly focused on OPC's needs;

- the Director of Drafter Training has the function of ensuring that a rolling program of internally provided training for drafters occurs.

236 These arrangements have the advantages of:

- involving supervisors in all aspects of staff development decision-making (including resource implications);
- linking staff development closely to the performance management programs;
- ensuring a high level of consistency in staff development decisions;
- ensuring there is proper equity and balance in the resources devoted to training staff who are drafters and those devoted to training other staff; and
- ensuring that the program of internally provided training for drafters is properly focused, well planned and regular.

### **Program of internally provided training for drafters**

237 In consultation with drafters in OPC, a program of internally provided training for drafters has

been developed. The program involves a mix of presentations by drafters within OPC and external presenters (with an emphasis on the areas of law that hold special interest and importance for drafters).

238 The program this year emphasised internal presentations facilitating the recent transfer of additional functions to OPC.

239 During the year, the program included presentations on:

- reducing complexity;
- Constitutional issues in instruments;
- jurisdiction of courts;
- the *Public Governance, Performance and Accountability Act 2013*;
- application and transitional issues;
- section 4 of the *Acts Interpretation Act 1901*;
- subdelegation;
- simplified outlines;
- incorporation by reference;
- use of the narrative style;
- instrument making processes, templates and billing;
- running meetings;
- project management;

- risk management in Bill drafting;
- ComLaw; and
- various other technical drafting and IT issues.

240 Drafters also attended externally provided sessions on topics relevant to deregulation, by presenters including Professor Malcolm Sparrow, Professor John List, Dr David Halpem, Professor Max Bazerman and Professor Michael Hiscox.

241 OPC drafters also participated in a range of other external conferences and seminars organised by the Australian Government Solicitor, leading academic institutions and law firms.

### **Staff undertaking higher studies under Studies Assistance arrangements**

242 During the year, 2 OPC staff members have accessed OPC's Studies Assistance arrangements to pursue higher studies relevant to their current work and career development.

### **Information technology training**

243 OPC's legislative drafting capability relies heavily on our

staff's proficiency with IT to undertake research and to prepare Bills and legislative instruments for the Australian Government.

244 During the year, OPC provided substantial training in IT. Most of that training was provided in-house, enabling it to be both cost-effective and responsive to the particular needs of staff.

245 The feedback provided by staff attending the various training sessions was resoundingly positive in terms of the content and presentation of the training and its relevance to current work.

246 OPC's professional IT staff also undertook external training during the year to ensure that their skills were maintained.

### **Productivity gains**

247 Productivity gains have been achieved through:

- the review and continued updating of finance and other Corporate Services processes;
- improved liaison with key stakeholders;
- continued improvements through the application of IT; and

- cooperative agency procurement of property and services.

### Staffing statistics

248 The staffing statistics for OPC at 30 June 2014 are in Appendix B.

249 All staff employed by OPC are located in the ACT.

### Coverage of workplace agreements

250 All OPC employees are covered by Enterprise Agreements which commenced on 15 July 2011 and run for 3 years.

### Salary ranges

251 The full range of salaries available under OPC's Enterprise Agreements as at 30 June 2014 is set out in Appendix B.

### Non-salary benefits for APS employees

252 SES staff have the option of a fully maintained, privately plated vehicle or an allowance in lieu, and are provided with free on-site parking.

253 Staff occupying designated positions closely involved with the

legislation process receive a telephone allowance to cover the cost of any work-related calls. SES staff have had an amount included in their salary to replace this entitlement, on condition that they maintain a home phone and allow the number to be circulated to any person who may need it in the course of business.

254 To support the legislative drafting and associated work of OPC, staff can obtain remote access to OPC's IT system. Recognising that staff need to have internet access to use remote access, OPC pays an allowance to remote access users.

255 Other non-salary benefits available to staff were:

- employer-sponsored superannuation;
- the cost of prescription spectacles or other eyewear up to the value of \$500 every 2 years or each time a new prescription is issued if that happens sooner;
- an allowance of \$300 to eligible staff to spend on health and wellbeing activities or equipment; and
- dependant care costs arising from working arrangements that

are required in specific circumstances.

### Performance pay

256 There is no provision for performance pay for APS employees in OPC's Performance Management Programs.

257 However, OPC has comprehensive Performance Management Programs covering all staff under which salary advancement is dependent on staff being rated as at least "fully effective". An experience loading for SES staff is also dependent on those SES staff being rated as at least "fully effective".

### Staff changes and recruitment

258 During the year:

- Ms Bronwyn Livermore and Ms Naomi Carde were promoted to Senior Assistant Parliamentary Counsel (SES Band 1); and
- the following staff were recruited/promoted:
  - one ComLaw Senior Developer;
  - one Assistant IT Director;
  - one Senior IT Officer; and
  - one Assistant Publishing Officer.

### Workforce planning

259 OPC's workforce planning document is an integral part of our broader planning processes and ensures that we have a workforce capable of delivering on the objectives of OPC now and into the future.

260 OPC's strategies for ensuring that it has sufficient human resources to maintain its legislative drafting capability include:

- providing support for the Director of Drafter Training to coordinate the training and development of drafters;
- giving assistant drafters intensive on-the-job training in legislative drafting as well as formal training in other relevant areas (such as IT);
- supporting each assistant drafter appointed to act as a senior drafter by providing access to another senior drafter as a mentor;
- recognising that the contribution individual drafters make to achieving OPC's outcome increases as their level of drafting experience increases; and



- giving staff who do not have access to flex-time access to flexible working hours.

### **Effect of workplace agreements on staff retention**

261 Retention of drafting staff has been aided by:

- providing more flexible leave arrangements, including annual leave and personal/carer's leave;
- recognising the value of experienced senior drafters by providing for payment of an experience loading;
- allowing some time off in recognition of the excess hours often worked by drafters (without providing a full flex-time scheme for drafters);
- providing flexible working hours arrangements that allow drafters to better manage their work and personal commitments; and
- permitting part-time arrangements for drafters (and other staff) to allow them to balance their work and personal commitments (these arrangements are available not only to staff with caring responsibilities, but also to any staff member whose wish to work part-time can be

accommodated by operational requirements).

### **Workplace diversity**

#### **OPC's Workplace Diversity Program**

262 The objectives of OPC's Workplace Diversity Program are:

- to raise awareness of workplace diversity and of the value of a diverse workforce to OPC;
- to ensure that workplace structures, conditions, systems and procedures foster diversity and allow employees to manage work and personal life;
- to ensure equity in employment is promoted and upheld;
- to continue to provide opportunities for employees to participate and contribute to the work of OPC; and
- to prevent and eliminate bullying, harassment and unlawful discrimination in the workplace.

263 At the end of 2013-2014, the APSC conducted the 2014 State of the Service Employee Census. Eighty seven per cent of OPC's employees participated in the survey.

264 The following table shows OPC's results against the performance indicators for each objective:

	Objectives and Performance Indicators (PI)	% Agreed	
		OPC	PI
1	The people in my workgroup are accepting of people from diverse backgrounds.	81	75
	My supervisor is accepting of people from diverse backgrounds.	81	75
	OPC is committed to creating a diverse workforce.	42*	75
2	Employees are satisfied with their work-life balance in OPC.	80	75
	Employees are satisfied with their ability to access and use flexible working arrangements.	76	75
	OPC's workplace culture supports employees to achieve a good work-life balance.	70	75
3	OPC routinely applies merit in decisions	46*	75

	Objectives and Performance Indicators (PI)	% Agreed	
		OPC	PI
	regarding engagement and promotion.		
4	Communication between senior leaders and staff is effective.	61*	75
	Employees are satisfied with the workplace attributes that impact on job satisfaction.	78	75
5	I would recommend OPC as a good place to work.	60*	75
	Employees indicate that they have not been subjected to bullying or harassment.	93	90

265 OPC's results from the survey indicate that in some areas OPC is meeting the objectives of the Workplace Diversity Program.

266 However, there are some key areas where the results are significantly below OPC's survey results from 2012 and earlier (these are indicated by an \* against the performance indicator in the table above). There continued to be a

substantial number of neutral responses of “neither agree nor disagree” for these survey questions which may mean that staff are unsure about these attributes of OPC.

267 These are areas that OPC is already working to address and will look to improve on in the coming year.

### **OPC’s Reconciliation Action Plan**

268 OPC is committed to the process of reconciliation between Indigenous and other Australians and recognises the importance of reconciliation to Australia’s future.

269 OPC’s Reconciliation Action Plan (**RAP**) was developed in consultation with staff to promote reconciliation both within OPC and across the broader Australian community. OPC’s RAP includes strategies for the recruitment and employment of Indigenous Australians and the promotion of an understanding of Indigenous culture and issues among all our staff.

270 During the year, the activities undertaken as part of the RAP included:

- attendance at Attorney-General’s Portfolio

Reconciliation Committee meetings and forums, and participation in relevant working groups;

- displaying of Indigenous Australian art in public areas of OPC; and
- provision of information on OPC’s RAP to all new employees as part of their induction program.

### **Breastfeeding Friendly Workplace accreditation**

271 OPC has undertaken a commitment to provide a supportive environment for breastfeeding women.

272 OPC staff are located in 2 premises, in Barton and Deakin. OPC first achieved accreditation as a “Breastfeeding Friendly Workplace” for our Barton facilities in 2010. During the year, OPC also received accreditation for the Deakin premises.

273 OPC maintains accreditation as a “Breastfeeding Friendly Workplace” from the Australian Breastfeeding Association by providing:

- guidance to staff about our workplace facilities and practices that support women

to meet both their work and family commitments;

- appropriate facilities that double as parenting rooms; and
- information to staff about our breastfeeding policies in our induction program and a “comeback pack” for staff commencing maternity leave.

### Changes to disability reporting in annual reports

274 Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-2008, reporting on the employer role was transferred to the Australian Public Service Commission’s *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010-2011, departments and agencies were no longer required to report on these functions.

275 The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010-2020, which sets out a ten-year national policy framework to improve the lives of people with disability, promote

participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2014, and can be found at [www.dss.gov.au](http://www.dss.gov.au).

### Work health and safety

#### Policy

276 OPC commits itself to taking, at all times, reasonably practicable steps to ensure the health and safety of its workers (staff and contractors) and visitors to the workplace. In ensuring their health and safety, OPC:

- provides and maintains a healthy and safe work environment;
- consults and cooperates with its workers, their health and safety representatives, and other duty holders, to achieve a healthy and safe workplace;
- complies with the *Work Health and Safety Act 2011 (WHS Act)* as a minimum standard, and implements in full the requirements of the WHS Act and its regulations;
- ensures that appropriate organisational arrangements

are in place to facilitate the implementation of the WHS Act;

- provides appropriate resources to ensure that necessary health and safety programs and activities are established and maintained; and
- informs all workers about relevant health and safety matters and provides that information in languages other than English where this might be necessary.

### Health and safety committee

277 The WHS Act requires the establishment of a health and safety committee at the request of a health and safety representative or 5 or more workers at the workplace. If a health and safety committee is not required to be established, other consultation procedures can be established for a workplace.

278 In OPC, the WCC fulfils the requirements of the WHS Act with respect to consultation with workgroups on health and safety matters. In addition, the WCC has incorporated the functions of a health and safety committee as a standing agenda item. One of the health and safety representatives attends each WCC meeting.

### Initiatives taken during the year

279 As part of Mental Health Week, OPC staff participated in a one hour mental health organisational awareness workshop, delivered by a *beyondblue* facilitator.

280 A physiotherapist or occupational therapist visited OPC regularly to conduct workstation assessments. They checked whether furniture and equipment were ergonomically sound and discussed any problems with members of staff.

281 During the year, OPC paid for influenza vaccinations for interested staff.

282 OPC maintained a policy of requiring staff to take an eye test, paid for by OPC, once every 2 years. OPC also provided reimbursement to staff for prescription eyewear up to the value of \$500 required as a result of the eye tests.

283 During the year, an allowance of \$300 was paid to eligible staff to spend on health and wellbeing activities or equipment.

284 The induction program for new members of staff includes a session specifically aimed at enhancing their awareness of the importance of health and safety issues in the workplace and emphasising the responsibilities of both staff and management in that regard.

285 OPC maintains an appropriate collection of publications relating to health and safety in our library.

### **Health and safety outcomes**

286 The following outcomes were achieved as a result of initiatives taken during the year or in past years:

- improvements were made to workplace safety;
- comprehensive workstation assessments by qualified health professionals ensured good outcomes for staff

returning to work from injuries; and

- staff awareness of the importance of health and safety in the workplace was raised.

287 Although hard to measure, OPC considers that modest outlays on health promotion activities provide good value for money, given the potential lost work time annually due to the effects of health issues.

### **Notifiable incidents**

288 There were no notifiable incidents during the year requiring notification under section 38 of the WHS Act.

### **Investigations**

289 OPC has not been the subject of any investigation and no notices have been issued to OPC during the year under Part 10 of the WHS Act.

## Chapter 5—Purchasing and consultants

### Purchasing

290 Generally, during the year, OPC's purchasing was confined to simple procurement processes. Given the nature and extent of OPC's procurement activity, there is no current need to establish an accredited procurement unit within OPC.

291 OPC continues to consider cooperative agency procurement as an option when procuring property and services. A number of contracts are in place where a cooperative arrangement has been used, with OPC benefiting from support and savings, and reduced procurement costs, by accessing contracts from larger portfolio agencies.

292 OPC has complied with the core policies and practices as identified in the Commonwealth Procurement Rules and OPC's Chief Executive Instructions and Office Procedural Circulars.

293 OPC's Annual Procurement Plan for the 2014-2015 financial year was published on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au) in June 2014.

### Consultants

294 OPC engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to: investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions to assist OPC's decision-making.

295 Prior to engaging consultants, OPC takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the *Financial Management and Accountability Act 1997*, related regulations, the Commonwealth Procurement Rules and relevant internal policies.

296 During 2013-2014, 4 new consultancy contracts for valuation, financial assessment, and property assessment and evaluation services were entered into, involving total actual expenditure of \$89,986.56 (including GST).

297 The procurement method for the 4 consultancy contracts was by limited tender as the values of the services to be procured were under the relevant procurement threshold.

298 In addition, one ongoing consultancy contract for internal audit services was active during the 2013-2014 year, involving total actual expenditure of \$42,445.27 (including GST).

299 Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au) or from the OPC Documents menu on OPC's website at [www.opc.gov.au](http://www.opc.gov.au).



## Chapter 6—Miscellaneous

### ***Freedom of information***

300 Agencies subject to the *Freedom of Information Act 1982 (FOI Act)* are required to publish information to the public as part of the Information Publication Scheme (*IPS*). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

### ***Advertising and market research etc.***

301 The following information is required to be given by section 311A of the *Commonwealth Electoral Act 1918*.

302 During 2013-2014, no money was paid by, or on behalf of, OPC to any advertising agency, market research organisation, polling organisation, direct mail

organisation or media advertising organisation.

### ***Ecologically sustainable development and environmental performance***

303 Reporting required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* is set out in Appendix C.

### ***Additional information***

304 The contact officer for additional information about OPC is the General Manager, Ms Susan McNeilly, who can be contacted by telephone on (02) 6270 1486, by fax on (02) 6270 1403 and by email at [admin@opc.gov.au](mailto:admin@opc.gov.au).

305 OPC's website address is [www.opc.gov.au](http://www.opc.gov.au). This report is available on that site at [www.opc.gov.au/about/documents.htm](http://www.opc.gov.au/about/documents.htm).

## Appendix A—Agency resource statement and Expenses for outcome

### Agency resource statement

	Actual available appropriation for 2013-14 (\$'000)	Payments made 2013-14 (\$'000)	Balance remaining 2013-14 <sup>3</sup> (\$'000)
<b>ORDINARY ANNUAL SERVICES</b>			
<b>Departmental appropriation</b>			
Prior year departmental appropriation <sup>1</sup>	11,826	-	11,826
Departmental appropriation <sup>2</sup>	16,327	13,983	2,344
Less 31 relevant agency receipts	6,205	6,205	-
<b>Total ordinary annual services</b>	<b>34,358</b>	<b>20,188</b>	<b>14,170</b>
<b>Total net resourcing for agency</b>	<b>34,358</b>	<b>20,188</b>	<b>14,170</b>

<sup>1</sup> Adjusted to take into account that on 5 August 2013 the Finance Minister issued the *Instrument to Reduce Appropriations (No. 1 of 2013-14)* which reduced the 2012-13 departmental appropriation by \$38,000. This was recognised as a return of contributed equity in the 2013-14 Financial Statements.

<sup>2</sup> Includes an amount of \$0.288 million for the Departmental Capital Budget. For accounting purposes, this amount has been designated as “contributions by owners”.

<sup>3</sup> The remaining balance is made up of the operating surplus attributable to OPC, unspent Departmental Capital Budget and outstanding liabilities.

**Expenses for Outcome 1**

<b>Outcome 1—A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments</b>	<b>Budget 2013-14<sup>1</sup> (\$'000)</b>	<b>Actual expenses 2013-14 (\$'000)</b>	<b>Variance 2013-14 (\$'000)</b>
	(a)	(b)	(a) - (b)
<b>Program 1.1: Legislative drafting and publication</b>			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)	15,416	13,765	1,651
Revenues from independent sources (section 31)	5,512	6,652	(1,140)
Expenses not requiring appropriation in the budget year	440	626	(186)
<b>Total for Program 1.1</b>	<b>21,368</b>	<b>21,043</b>	<b>325</b>
<b>Total expenses for Outcome 1</b>	<b>21,368</b>	<b>21,043</b>	<b>325</b>

	<b>Actual 2012-13</b>	<b>Actual 2013-14</b>
<b>Average staffing level (number)</b>	113.9	103.4

<sup>1</sup> Estimated expenses as disclosed in the 2014-15 Portfolio Budget Statements.

## Appendix B—Staffing statistics and salary ranges

### Ongoing and non-ongoing employees as at 30 June 2014

As at 30 June 2014, OPC had 1 casual employee.

As at 30 June 2013, OPC had 9 non-ongoing employees, including 5 casual employees.

### Full-time and part-time employees as at 30 June 2014

Category	Total staff		Full-time		Part-time	
	13	14	13	14	13	14
Statutory office holders	3	3	3	3	0	0
SES Band 2	6	6	5	6	1	0
SES Band 1	16 <sup>1</sup>	14 <sup>5</sup>	12	11	4	3
Assistant Parliamentary Counsel Grade 3	24 <sup>2</sup>	20 <sup>6</sup>	17	15	7 <sup>9</sup>	5 <sup>11</sup>
Assistant Parliamentary Counsel Grade 2	8 <sup>3</sup>	6	8	4	0	2
Assistant Parliamentary Counsel Grade 1	3	3 <sup>7</sup>	2	2	1	1
Executive Level 2	5	6	4	6	1	0
Executive Level 1	9	7	8	7	1	0
OPC Broadband B (APS 4 - 6)	50 <sup>4</sup>	43 <sup>8</sup>	40	39	10 <sup>10</sup>	4
OPC Broadband A (APS 1 - 3)	1	0	1	0	0	0
<b>Totals</b>	<b>125</b>	<b>108</b>	<b>100</b>	<b>93</b>	<b>25</b>	<b>15</b>

- 1 Includes 2 employees on maternity leave.
- 2 Includes 3 employees on leave without pay.
- 3 Includes 1 employee on maternity leave.
- 4 Includes 3 employees on maternity leave and 2 employees on leave without pay.
- 5 Includes 1 employee on maternity leave and 1 employee on leave without pay.
- 6 Includes 1 employee on leave without pay.
- 7 Includes 1 employee on maternity leave and 1 employee on temporary transfer.
- 8 Includes 2 employees on maternity leave, 1 employee on leave without pay and 2 employees on temporary transfer.
- 9 Includes 1 casual employee.
- 10 Includes 4 casual employees.
- 11 Includes 1 casual employee.

**Male and female employees as at 30 June 2014**

Category	Total staff		Male		Female	
	13	14	13	14	13	14
Statutory office holders	3	3	2	2	1	1
SES Band 2	6	6	4	4	2	2
SES Band 1	16 <sup>1</sup>	14 <sup>5</sup>	4	2	12	12
Assistant Parliamentary Counsel Grade 3	24 <sup>2</sup>	20 <sup>6</sup>	13	11	11	9
Assistant Parliamentary Counsel Grade 2	8 <sup>3</sup>	6	4	3	4	3
Assistant Parliamentary Counsel Grade 1	3	3 <sup>7</sup>	0	0	3	3
Executive Level 2	5	6	2	4	3	2
Executive Level 1	9	7	4	4	5	3
OPC Broadband B (APS 4 - 6)	50 <sup>4</sup>	43 <sup>8</sup>	10	10	40	33
OPC Broadband A (APS 1 - 3)	1	0	0	0	1	0
<b>Totals</b>	<b>125</b>	<b>108</b>	<b>43</b>	<b>40</b>	<b>82</b>	<b>68</b>

- 1 Includes 2 employees on maternity leave.
- 2 Includes 3 employees on leave without pay.
- 3 Includes 1 employee on maternity leave.
- 4 Includes 3 employees on maternity leave and 2 employees on leave without pay.
- 5 Includes 1 employee on maternity leave and 1 employee on leave without pay.
- 6 Includes 1 employee on leave without pay.
- 7 Includes 1 employee on maternity leave and 1 employee on temporary transfer.
- 8 Includes 2 employees on maternity leave, 1 employee on leave without pay and 2 employees on temporary transfer.

**Salary ranges as at 30 June 2014**

<b>Category</b>	<b>Minimum (\$)</b>	<b>Maximum (\$)</b>
<b>Salary ranges—SES positions</b>		
First Assistant Parliamentary Counsel (SES Band 2), Senior Assistant Parliamentary Counsel (SES Band 1) and General Manager (SES Band 1)	147,234	243,318
<b>Salary ranges—Non-SES drafting positions</b>		
Assistant Parliamentary Counsel Grade 3	110,838	133,438
Assistant Parliamentary Counsel Grade 2	96,356	117,001
Assistant Parliamentary Counsel Grade 1	59,413	110,838
<b>Salary ranges—Non-SES non-drafting positions</b>		
Executive Level 2	110,838	133,438
Executive Level 1	96,356	117,001
<b>OPC Broadband B:</b>		
APS 6	75,824	87,100
APS 5	70,201	74,443
APS 4	62,940	68,340
<b>OPC Broadband A:</b>		
APS 3	56,473	60,953
APS 2	49,580	54,983
APS 1	43,812	48,420

## **Appendix C—Reporting required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999***

### ***How OPC's activities accorded with principles of ecologically sustainable development***

1 OPC's activities are fully described in Chapter 1 of this report.

2 Given that OPC did not administer any legislation during the year and OPC's activities were undertaken largely on the instructions of clients, there was little scope for OPC's activities to give effect to the principles of ecologically sustainable development listed in section 3A of the *Environment Protection and Biodiversity Conservation Act 1999*.

3 However, OPC staff took opportunities in their drafting work to draw the attention of instructors to the long-term and short-term ecological implications of legislation embodying their instructions. This accords with the first of the principles listed in that section ("decision-making processes should effectively integrate both long-term and short-term economic,

environmental, social and equitable considerations").

### ***Appropriations Act outcome contributing to ecologically sustainable development***

4 OPC has only one Appropriations Act outcome: "A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments". It is difficult to conclude that this outcome makes any identifiable contribution to ecologically sustainable development.

### ***Effect of OPC's activities on the environment***

5 OPC's operations have direct and indirect effects on the environment, particularly through the use of energy, transport, office equipment and materials in office equipment. The following table, which relates to some of those commodities in the year, gives an indication of those effects and a comparison with the 2012-2013 year.

Appendix C—Reporting required by section 516A of the Environment Protection and Biodiversity Conservation Act 1999

Commodity	Amount bought in 2013-2014	Amount bought in 2012-2013	Comments
Electricity used on OPC's Barton premises	110,518 kWh	115,865 kWh	<p>This does not include electricity used in air-conditioning and lift services supplied by the lessor of the premises, as figures reflecting OPC's use of those services are not available.</p> <p>In 2013-2014, 10,377 kWh of the electricity was "green power" provided by ERM Power Retail through a Whole-of-Government agreement administered by the Department of Defence.</p>
Electricity used on OPC's Deakin premises	265,783 kWh	211,437 kWh	<p>OPC assumed responsibility for an additional office lease, effective 1 October 2012, as a result of a Machinery of Government change.</p> <p>The Deakin lease is for an entire building with a net lettable area of 1,776m<sup>2</sup> and OPC is responsible for the costs of central services such as air-conditioning and lifts.</p> <p>In 2013-2014, 26,578 kWh of the electricity was "green power" provided by ERM Power Retail.</p>
Copy paper	6.9 t	12.6 t	<p>The copy paper is used in office printers and copiers. The substantial difference in paper bought in 2012-2013 can be attributed to the creation of "reserve supplies" to assist with the implementation of business continuity plans.</p>

6 These figures do not include energy and paper used by the contractor engaged by OPC to

print Bills for introduction into the Parliament.

7 No figures on OPC's use of water are available for the Barton



premises, as there is no separate metering of water used by OPC on the premises it leases. Figures for OPC's use of water on the Deakin premises were not available for this financial year.

***Measures to minimise the effect of OPC's activities on the environment***

8 The following measures were in place throughout the year to minimise the effect of OPC's activities on the environment:

- energy efficiency is routinely taken into account in decisions about acquiring equipment for OPC;
- double-sided printing and photocopying facilities are available, and staff are encouraged to use those facilities;
- where possible, OPC is moving to online publication of documents to reduce the number of copies being printed;
- work procedures are modified to avoid paper use where practicable by, for example, editing documents on screen, using electronic forms of communication and filing documents in the electronic records management system;
- OPC has arrangements to collect toner cartridges, paper, glass, plastic and aluminium used in the office for recycling;
- staff are encouraged to turn off lights and office equipment when not in use.

## **Appendix D—Financial Statements 2013-2014**

### **Contents**

Auditor-General's Report on Financial Statements

Certification of Financial Statements

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Cash Flow Statement

Schedule of Commitments

Notes to Financial Statements



## INDEPENDENT AUDITOR'S REPORT

### To the Attorney-General

I have audited the accompanying financial statements of the Office of Parliamentary Counsel for the year ended 30 June 2014, which comprise: a Statement by the First Parliamentary Counsel and Chief Finance Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

### *First Parliamentary Counsel's Responsibility for the Financial Statements*

The First Parliamentary Counsel of the Office of Parliamentary Counsel is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office of Parliamentary Counsel's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of Parliamentary Counsel's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the First Parliamentary Counsel the Office of Parliamentary Counsel, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

***Independence***

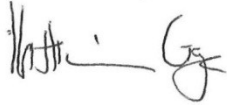
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Office of Parliamentary Counsel:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders, including the Office of Parliamentary Counsel's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage  
Acting Executive Director

Delegate of the Auditor-General

Canberra

25 September 2014

**Statement by First Parliamentary Counsel and Chief Finance Officer**

In our opinion the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



.....  
Peter Quiggin PSM  
First Parliamentary Counsel

25 September 2014



.....  
Susan McNeilly  
Chief Finance Officer

25 September 2014

**OFFICE OF PARLIAMENTARY COUNSEL  
STATEMENT OF COMPREHENSIVE INCOME  
for the period ended 30 June 2014**

	Notes	2014 \$'000	2013 \$'000
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Employee benefits	3A	<b>16,056</b>	15,315
Supplier expenses	3B	<b>3,711</b>	3,359
Depreciation and amortisation	3C	<b>1,269</b>	854
Finance costs	3D	<b>7</b>	8
Write-down and impairment of assets	3E	-	12
Loss on asset sales	3F	-	2
<b>Total expenses</b>		<b><u>21,043</u></b>	<u>19,550</u>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	<b>6,475</b>	5,611
Other revenue	4B	<b>219</b>	208
<b>Total own-source revenue</b>		<b><u>6,694</u></b>	<u>5,819</u>
<b>Total own-source income</b>		<b><u>6,694</u></b>	<u>5,819</u>
<b>Net cost of (contribution by) services</b>		<b><u>(14,349)</u></b>	<u>(13,731)</u>
Revenue from Government	4C	<b><u>16,039</u></b>	<u>14,755</u>
<b>Surplus attributable to the Australian Government</b>		<b><u>1,690</u></b>	<u>1,024</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		<b><u>10</u></b>	<u>436</u>
<b>Total comprehensive income attributable to the Australian Government</b>		<b><u><u>1,700</u></u></b>	<u><u>1,460</u></u>

The above statement should be read in conjunction with the accompanying notes.

**OFFICE OF PARLIAMENTARY COUNSEL**  
**STATEMENT OF FINANCIAL POSITION as at 30 June 2014**

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	345	372
Trade and other receivables	6B	15,145	12,988
<b>Total financial assets</b>		<b>15,490</b>	<b>13,360</b>
<b>Non-Financial Assets</b>			
Land and buildings	7A/7C	390	701
Plant and equipment	7B/7C	581	753
Intangibles	7D/7E	2,666	3,441
Other non-financial assets	7F	232	175
<b>Total non-financial assets</b>		<b>3,869</b>	<b>5,070</b>
<b>Total Assets</b>		<b>19,359</b>	<b>18,430</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	273	781
Other payables	8B	746	745
<b>Total payables</b>		<b>1,019</b>	<b>1,526</b>
<b>Provisions</b>			
Employee provisions	9A	6,075	6,586
Other provisions	9B	272	275
<b>Total provisions</b>		<b>6,347</b>	<b>6,861</b>
<b>Total Liabilities</b>		<b>7,366</b>	<b>8,387</b>
<b>Net Assets</b>		<b>11,993</b>	<b>10,043</b>
<b>EQUITY</b>			
<b>Parent Entity Interest</b>			
Contributed equity		5,842	5,592
Reserves		1,604	1,594
Retained surplus (accumulated deficit)		4,547	2,857
<b>Total Equity</b>		<b>11,993</b>	<b>10,043</b>

The above statement should be read in conjunction with the accompanying notes.

**OFFICE OF PARLIAMENTARY COUNSEL**  
**STATEMENT of CHANGES in EQUITY for the period ended 30 June 2014**

	Retained Earnings		Asset Revaluation Surplus		Contributed Equity/Capital		Total Equity	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous period	2,857	1,833	1,594	1,158	5,592	212	10,043	3,203
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>2,857</b>	<b>1,833</b>	<b>1,594</b>	<b>1,158</b>	<b>5,592</b>	<b>212</b>	<b>10,043</b>	<b>3,203</b>
<b>Comprehensive income</b>								
Other comprehensive income - changes to asset revaluation-surplus	-	-	10	436	-	-	10	436
Surplus (Deficit) for the period	1,690	1,024	-	-	-	-	1,690	1,024
<b>Total comprehensive income</b>	<b>1,690</b>	<b>1,024</b>	<b>10</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>1,700</b>	<b>1,460</b>
<b>Transactions with owners</b>								
<b>Contributions by owners</b>								
Return of contributed equity	-	-	-	-	(38)	-	(38)	-
Departmental capital budget	-	-	-	-	288	1,055	288	1,055
Restructuring	-	-	-	-	-	4,325	-	4,325
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>5,380</b>	<b>250</b>	<b>5,380</b>
<b>Closing balance at 30 June</b>	<b>4,547</b>	<b>2,857</b>	<b>1,604</b>	<b>1,594</b>	<b>5,842</b>	<b>5,592</b>	<b>11,993</b>	<b>10,043</b>

The above statement should be read in conjunction with the accompanying notes.



**OFFICE OF PARLIAMENTARY COUNSEL**  
**CASH FLOW STATEMENT for the period ended 30 June 2014**

	2014	2013
Notes	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Appropriations	20,149	16,852
Sales of goods and rendering of services	6,947	5,206
Net GST received	257	191
<b>Total cash received</b>	<b>27,353</b>	<b>22,249</b>
<b>Cash used</b>		
Employees	16,564	14,107
Suppliers	4,611	3,323
Section 31 receipts transferred to the Official Public Account	6,205	4,517
<b>Total cash used</b>	<b>27,380</b>	<b>21,947</b>
<b>Net cash from (used by) operating activities</b>	11 <b>(27)</b>	<b>302</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from sales of property, plant and equipment	-	3
<b>Total cash received</b>	<b>-</b>	<b>3</b>
<b>Cash used</b>		
Purchase of property, plant and equipment	11	238
Purchase of intangibles	-	493
<b>Total cash used</b>	<b>11</b>	<b>731</b>
<b>Net cash from (used by) investing activities</b>	<b>(11)</b>	<b>(728)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Contributed equity	11	731
<b>Total cash received</b>	<b>11</b>	<b>731</b>
<b>Net cash from (used by) financing activities</b>	<b>11</b>	<b>731</b>
<b>Net increase (decrease) in cash held</b>	<b>(27)</b>	<b>305</b>
Cash and cash equivalents at the beginning of the reporting period	372	67
<b>Cash and cash equivalents at the end of the reporting period</b> 6A	<b>345</b>	<b>372</b>

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF PARLIAMENTARY COUNSEL  
 SCHEDULE OF COMMITMENTS as at 30 June 2014

	2014 \$'000	2013 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	265	355
<b>Total commitments receivable</b>	<b>265</b>	<b>355</b>
<b>Commitments payable</b>		
Operating lease <sup>1</sup>	2,116	3,778
Other commitments	797	126
<b>Total commitments payable</b>	<b>2,913</b>	<b>3,904</b>
<b>Net commitments by type</b>	<b>2,648</b>	<b>3,549</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
One year or less	153	151
From one to five years	39	192
Over five years	-	-
<b>Total operating lease income</b>	<b>192</b>	<b>343</b>
<b>Other commitments receivable</b>		
One year or less	24	9
From one to five years	49	3
Over five years	-	-
<b>Total other commitments receivable</b>	<b>73</b>	<b>12</b>
<b>Total commitments receivable</b>	<b>265</b>	<b>355</b>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	1,687	1,662
From one to five years	429	2,116
Over five years	-	-
<b>Total operating lease commitments</b>	<b>2,116</b>	<b>3,778</b>
<b>Other commitments</b>		
One year or less	257	92
From one to five years	540	34
Over five years	-	-
<b>Total other commitments</b>	<b>797</b>	<b>126</b>
<b>Total commitments payable</b>	<b>2,913</b>	<b>3,904</b>
<b>Net commitments by maturity</b>	<b>2,648</b>	<b>3,549</b>

NB: Commitments are GST inclusive where relevant.

*Notes*

1. Operating lease consists of two leases for office accommodation and a licence for car parking.

**Nature of lease/general description of leasing arrangement**

**Barton Office**

*Lease for office accommodation*

Lease payments are reviewed to market every two years. The next rent review is on 2 October 2014. An option to extend the lease by three years from 2 October 2012 was exercised on the same terms and conditions as the existing lease. A further term of 2 years is available from 2 October 2015 at OPC's option.

*Licence agreement for car parking*

Licence payments are subject to the CPI increase every two years. The next licence review is on 2 October 2014. The licence was renewed for a further term of three years from 2 October 2012 at OPC's option and on the same terms and conditions as the existing licence. A further term of 2 years is available from 2 October 2015 at OPC's option.

**Deakin office**

*Lease for office accommodation*

Lease payments will increase by 3.5% each year of the lease. The next increase is on 1 October 2014. The lease is due to expire on 30 September 2015. There is no option to extend the lease.

The above schedule should be read in conjunction with the accompanying notes.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Table of Contents - Notes**

Note 1: Summary of Significant Accounting Policies  
Note 2: Events after the Reporting Date  
Note 3: Expenses  
Note 4: Income  
Note 5: Fair Value Measurement  
Note 6: Financial Assets  
Note 7: Non-Financial Assets  
Note 8: Payables  
Note 9: Provisions  
Note 10: Restructuring  
Note 11: Cash Flow Reconciliation  
Note 12: Contingent Assets and Liabilities  
Note 13: Senior Executive Remuneration  
Note 14: Remuneration of Auditors  
Note 15: Financial Instruments  
Note 16: Financial Assets Reconciliation  
Note 17: Appropriations  
Note 18: Compensation and Debt Relief  
Note 19: Reporting of Outcomes  
Note 20: Net Cash Appropriation Arrangements

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Note 1: Summary of Significant Accounting Policies**

**1.1 Objectives of Office of Parliamentary Counsel (OPC)**

OPC is an Australian Government controlled entity. It is a not-for-profit entity. The objectives of OPC are:

- to provide a timely and high quality service in the performance of its drafting and publication functions;
- to draft legislation in as clear a style as possible, consistent with maintaining precision;
- to promote the development of new approaches to legislative drafting to reflect changes in legal policy and in the expectations of the community;
- to pursue staff development so that the best use is made of the resources available to OPC and career and advancement opportunities for all staff are enhanced;
- to promote the efficient and effective management of the resources of OPC;
- to manage its financial affairs in accordance with the relevant legislative requirements as set out in the *Parliamentary Counsel Act 1970*, the *Financial Management and Accountability Act 1997*, and the Finance Minister's Orders, and maintain high standards of corporate governance; and
- to adhere to and support the Australian Public Service Code of Conduct and Values.

OPC is structured to meet one outcome:

Outcome 1: A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments.

OPC's activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by OPC in its own right.

OPC has one program, legislative drafting and publishing, and five program components contributing to meeting Outcome 1. The program components are as follows:

- Legislation
- Program and project management
- Legislative drafting capability
- Standardisation and quality control of legislation
- Publication

The continued existence of OPC in its present form is dependent on Government policy and on continuing appropriations by Parliament for OPC's administration and programs.

**1.2 Basis of Preparation of the Financial Statements**

The Financial Statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

The Financial Statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The Financial Statements are presented in Australian dollars and values are rounded to the nearest thousand unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an Accounting Standard, income and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

The Australian Government continues to have regard to developments in case law, including the High Court’s decision on Commonwealth expenditure in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth program. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

During 2012-13 additional legal advice was received that indicated there could be breaches of section 83 of the Constitution under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. OPC has reviewed its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. OPC has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to OPC. OPC is not aware of any specific breaches of section 83 in respect of these items.

**1.3 Significant Accounting Judgements and Estimates**

No accounting assumptions and estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**1.4 Changes in Australian Accounting Standards**

**Adoption of new Australian Accounting Standard requirements**

No Accounting Standard has been adopted earlier than the application date as stated in the standard.

The following new standard, has been issued and is applicable to the current reporting period and had a material effect on the entity’s financial statements.

<b>Standard/ Interpretation</b>	<b>Nature of change in accounting policy, transitional provisions, and adjustment to financial statements</b>
AASB 13 Fair Value Measurement	Additional disclosure in Note 5

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

***Future Australian Accounting Standard requirements***

The following new standard has been issued and is applicable to future reporting periods and will have a material effect on the entity's financial statements.

<b>Standard/ Interpretation</b>	<b>Application date for the entity</b>	<b>Nature of impending change/s in accounting policy and likely impact on initial application</b>
AASB 1055 Budgetary Reporting	1 July 2014	Additional disclosure to identify variances between actuals to budget with explanation for major variances.

**1.5 Revenue**

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

***Resources Received Free of Charge***

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

***Revenue from Government***

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**1.6 Gains**

**Sale of Assets**

A gain from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

**1.7 Transactions with the Government as Owner**

**Equity injections**

Amounts appropriated which are designated as ‘equity injections’ for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in Contributed Equity in that year.

**1.8 Employee Benefits**

Liabilities for ‘short-term employee benefits’ (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Long-term employee benefits are measured at total net present value of the defined benefit obligation at the end of the reporting period.

**Leave**

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of OPC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that applied at the time the leave is taken, including OPC’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is calculated using the shorthand method. This method provides probability weights for each band of years of service. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

**Separation and Redundancy**

Provision is made for separation and redundancy benefit payments. OPC will recognise a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

**Superannuation**

Staff of OPC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or a complying fund chosen by the employee.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other funds are defined contribution schemes.



**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

The liability for defined benefits is recognised in the Financial Statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item.

OPC makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. OPC accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

**1.9 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

**1.10 Borrowing Costs**

All borrowing costs are expensed as incurred.

**1.11 Fair Value Measurement**

The entity deems transfers between levels of the fair value hierarchy to have occurred at the end of each reporting period.

**1.12 Cash**

Cash is recognised at its nominal amount.

Cash and cash equivalents includes cash on hand, any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**1.13 Financial assets**

OPC classifies its financial assets as loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

**Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Impairment of financial assets**

Financial assets are assessed for impairment at each balance date.

*Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

**1.14 Financial Liabilities**

OPC classifies financial liabilities as other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

**Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. The other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**1.15 Contingent Liabilities and Contingent Assets**

Contingent Liabilities and Contingent Assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**1.16 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Agency's accounts immediately prior to the restructuring.

**1.17 Property, Plant and Equipment**

**Asset Recognition Threshold**

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in the lease for office accommodation taken up by OPC where there exists an obligation to yield up the premises in good and tenantable repair having regard to the condition of the premises at the commencement of the term. These costs are included in the value of OPC's leasehold improvements with a corresponding provision for the 'make good' recognised.

**Revaluations**

Each year, a review of the carrying amounts of assets is conducted and presented to OPC's Senior Management Team as an "officer's valuation". Where it is considered that the carrying amount of an asset at the date of reporting would materially differ from the fair value, an independent valuation is recommended. All property, plant and equipment is subject to a formal valuation at least once every three years.

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

**Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to OPC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b><u>2014</u></b>	<b><u>2013</u></b>
Leasehold improvements	<b>Lease term</b>	Lease term
Plant and equipment	<b>3 to 20 years</b>	3 to 20 years

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Impairment**

All assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if OPC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**Derecognition**

All items of property, plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use.

**1.18 Intangibles**

OPC's intangibles comprise purchased computer software and internally developed software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life.

The useful life of OPC's intangibles are as follows:

	<u>2014</u>	<u>2013</u>
Purchased software	<b>4 to 5 years</b>	4 to 5 years
Internally generated software	<b>7 years</b>	7 years

All software assets were assessed for indications of impairment as at 30 June 2014.

**1.19 Taxation**

OPC is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 2: Events after the Reporting Date**

There is no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

**Note 3: Expenses**

	2014 \$'000	2013 \$'000
<b>Note 3A: Employee benefits</b>		
Wages and salaries	11,269	10,518
Superannuation:		
Defined benefit plans	2,217	1,725
Defined contribution plans	568	526
Leave and other entitlements	1,748	2,546
Separation and redundancies	254	-
<b>Total employee benefits</b>	<b>16,056</b>	<b>15,315</b>

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 3: Expenses**

	2014	2013
	\$'000	\$'000
<b>Note 3B: Supplier expenses</b>		
<b>Goods and services</b>		
IT & telecommunications	789	966
Printing	279	282
Property	201	163
Human resources	193	92
Staff training & development	135	114
Library	127	104
Consultancies	90	-
Accounting/audit services	79	57
Legal	61	8
Office supplies	41	69
Travel general	22	68
Other	132	113
<i>Total goods and services</i>	<u>2,149</u>	<u>2,036</u>
<b>Goods supplied in connection with</b>		
Related parties	17	2
External parties	75	159
<i>Total goods supplied</i>	<u>92</u>	<u>161</u>
<b>Services rendered in connection with</b>		
Related parties	507	682
External parties	1,550	1,193
<i>Total services rendered</i>	<u>2,057</u>	<u>1,875</u>
<b>Total goods and services supplied or rendered</b>	<u>2,149</u>	<u>2,036</u>
<b>Other supplier expenses</b>		
Operating lease rentals – external parties:		
Minimum lease payments	1,331	1,169
Contingent rentals	186	110
Workers compensation expenses	45	44
<i>Total other supplier expenses</i>	<u>1,562</u>	<u>1,323</u>
<b>Total supplier expenses</b>	<u>3,711</u>	<u>3,359</u>

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 3: Expenses**

	2014 \$'000	2013 \$'000
<b><u>Note 3C: Depreciation and amortisation</u></b>		
Depreciation:		
Property, plant and equipment	183	224
Leasehold improvements	<u>311</u>	<u>130</u>
<i>Total depreciation</i>	<u>494</u>	<u>354</u>
Amortisation:		
Intangibles:		
Computer software purchased	90	101
Internally developed software	<u>685</u>	<u>399</u>
<i>Total amortisation</i>	<u>775</u>	<u>500</u>
<b><i>Total depreciation and amortisation</i></b>	<b><u>1,269</u></b>	<b><u>854</u></b>
<b><u>Note 3D: Finance costs</u></b>		
Unwinding of discount	<u>7</u>	<u>8</u>
<b><i>Total finance costs</i></b>	<b><u>7</u></b>	<b><u>8</u></b>
<b><u>Note 3E: Write-Down and Impairment of Assets</u></b>		
Write-down of receivables	-	1
Impairment on intangible assets	<u>-</u>	<u>11</u>
<b><i>Total write-down and impairment of assets</i></b>	<b><u>-</u></b>	<b><u>12</u></b>
<b><u>Note 3F: Loss from asset sales</u></b>		
Property, Plant and equipment		
Proceeds from sales	-	(3)
Carrying value of asset sold	<u>-</u>	<u>4</u>
	<u>-</u>	<u>1</u>
Intangibles		
Proceeds from sales	-	-
Carrying value of asset sold	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>
<b><i>Total loss from asset sales</i></b>	<b><u>-</u></b>	<b><u>2</u></b>

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 4: Income**

	2014 \$'000	2013 \$'000
<b><i>Own-source Revenue</i></b>		
<b><u>Note 4A: Sale of goods and rendering of services</u></b>		
<b>Sale of goods in connection with</b>		
Related parties	175	65
External parties	<u>112</u>	<u>9</u>
<i>Total sale of goods</i>	<u>287</u>	<u>74</u>
<b>Rendering of services in connection with</b>		
Related parties	6,173	5,514
External parties	<u>15</u>	<u>23</u>
<i>Total rendering of services</i>	<u>6,188</u>	<u>5,537</u>
<b><i>Total sale of goods and rendering of services</i></b>	<u><u>6,475</u></u>	<u><u>5,611</u></u>
<b><u>Note 4B: Other revenue</u></b>		
Reimbursement of expenses	177	166
Resources received free of charge	<u>42</u>	<u>42</u>
<b><i>Total other revenue</i></b>	<u><u>219</u></u>	<u><u>208</u></u>
<b><i>Revenue from Government</i></b>		
<b><u>Note 4C: Revenue from Government</u></b>		
Appropriations:		
Departmental appropriation	<u>16,039</u>	<u>14,755</u>
<b><i>Total revenue from Government</i></b>	<u><u>16,039</u></u>	<u><u>14,755</u></u>



**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Note 5: Fair Value Measurement**

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

**Note 5A: Fair Value Measurement**

**Fair value measurements at the end of the reporting period by hierarchy for non-financial assets in 2014**

	Fair value measurements at the end of the reporting period using			
	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
	\$'000	\$'000	\$'000	\$'000
<b>Non-financial assets:</b>				
Leasehold improvements	390	-	-	390
Plant and equipment	581	-	402	179
<b>Total non-financial assets</b>	<b>971</b>	<b>-</b>	<b>402</b>	<b>569</b>
<b>Total fair value measurements of assets in the Statement of Financial position</b>				
Non-financial assets	<b>971</b>	<b>-</b>	<b>402</b>	<b>569</b>

**Fair value Measurement - Highest and Best Use**

OPC's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of the assets is considered the highest and best use.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Note 5: Fair Value Measurement**

**Note 5B: Valuation technique and inputs for Level 2 and Level 3 fair value measurements**

**Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets in 2014**

Non-financial assets:	Category (Level 2 or Level 3)	Fair value \$'000	Valuation technique(s) <sup>1</sup>	Inputs used	Range (weighted average) <sup>2</sup>
Leasehold improvements	3	390	Depreciated Replacement Cost (DRC)	Replacement Cost New (price per square metre)  Consumed economic benefit / Obsolescence of asset	n/a  25.0% - 7.69% (8.77%) per annum
Plant and equipment	2	402	Market Approach	adjusted market transactions	n/a
Plant and equipment	3	179	Depreciated Replacement Cost (DRC)	Replacement Cost New  Consumed economic benefit / Obsolescence of asset	n/a  25.0% - 5% (7.72%) per annum

1. There has been no changes to valuation techniques.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category. There were no significant inter-relationships between unobservable inputs that materially affect fair value.

**Recurring Level 3 fair value measurements - valuation processes**

Rodney Hyman Asset Services (RHAS) undertook a comprehensive valuation of all asset classes as at 30 June 2012. The Australian Valuation Office (AVO) undertook a comprehensive valuation of all Leasehold Improvement assets at 30 June 2013. Australian Valuation Solutions (AVS) undertook an asset materiality review on land and buildings and plant and equipment at 30 June 2014 and determined that the values were not materially different from fair value.

OPC tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. AVS provided written assurance that the model developed complies with AASB 13 Fair Value Measurement.

Significant Level 3 inputs used by OPC are derived and evaluated as follows:

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated Depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration. The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 5: Fair Value Measurement**

**Recurring Level 3 fair value measurements - sensitivity of inputs**

The significant unobservable inputs used in the fair value measurement of the entity's leasehold improvements and infrastructure, plant and equipment asset classes relate to asset obsolescence (annual depreciation). A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

**Note 5C: Reconciliation for recurring Level 3 fair value measurements**

**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets		Total
	Leasehold Improvements	Plant and equipment	
	2014	2014	
	\$'000	\$'000	\$'000
<b>Opening balance</b>	701	266	967
Total gains/(losses) in accumulated depreciation	(311)	(87)	(398)
Purchases	-	-	-
<b>Closing balance</b>	<b>390</b>	<b>179</b>	<b>569</b>

OPC's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 6: Financial Assets**

	2014 \$'000	2013 \$'000
<b>Note 6A: Cash and cash equivalents</b>		
Cash on hand or on deposit	345	372
<b>Total cash and cash equivalents</b>	<b>345</b>	<b>372</b>
<b>Note 6B: Trade and other receivables</b>		
<b>Goods and services receivable in connection with</b>		
Related entities	1,227	1,420
External parties	28	3
<b>Total goods and services</b>	<b>1,255</b>	<b>1,423</b>
<b>Appropriations receivable:</b>		
For existing program	13,825	11,492
<b>Total appropriations receivable</b>	<b>13,825</b>	<b>11,492</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	65	73
<b>Total other receivables</b>	<b>65</b>	<b>73</b>
<b>Total trade and other receivables (gross)</b>	<b>15,145</b>	<b>12,988</b>
Less Impairment allowance account:		
Goods and services	-	-
Other	-	-
<b>Total trade and other receivables (net)</b>	<b>15,145</b>	<b>12,988</b>
Receivables are expected to be recovered in:		
No more than 12 months	15,145	12,988
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>15,145</b>	<b>12,988</b>
Receivables are aged as follows:		
Not overdue	14,942	12,864
Overdue by:		
Less than 30 days	121	52
30 to 60 days	13	13
61 to 90 days	36	11
More than 90 days	33	48
<b>Total receivables (gross)</b>	<b>15,145</b>	<b>12,988</b>

Credit terms for goods and services are net 30 days (2013: 30 days)

Appropriations receivable are appropriations controlled by OPC but held in the Official Public Account under the Government's just-in-time draw down arrangements.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 7: Non-Financial Assets**

	2014 \$'000	2013 \$'000
<b><u>Note 7A: Land and buildings</u></b>		
Leasehold improvements:		
Fair value	701	701
Accumulated depreciation	<u>(311)</u>	<u>-</u>
<b><i>Total land and buildings</i></b>	<b><u>390</u></b>	<b><u>701</u></b>

No indicators of impairment were found for land and buildings.

**Note 7B: Plant and equipment**

Plant and equipment:		
Fair value	992	981
Accumulated depreciation	<u>(411)</u>	<u>(228)</u>
<b><i>Total plant and equipment</i></b>	<b><u>581</u></b>	<b><u>753</u></b>

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. In 2013-14, an independent valuer, Australian Valuation Solutions, undertook an asset materiality review on land and buildings, and plant and equipment and determined that the values were not materially different from fair value.

A revaluation increment of \$nil for land and buildings (2013: \$395,424), an increment of \$nil for plant and equipment (2013: \$nil) were made to the asset revaluation reserve and an increment of \$nil for plant and equipment was recognised as income (2013: \$nil).

No indicators of impairment were found for property, plant and equipment.

Only minor items of property, plant and equipment are expected to be disposed of within the next 12 months.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 7: Non-Financial Assets**

**Note 7C: Reconciliation of opening and closing balances of property, plant and equipment 2014**

	Buildings - Leasehold Improvements \$'000	Plant & Equipment \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	701	981	1,682
Accumulated depreciation and impairment	-	(228)	(228)
<b>Net book value 1 July 2013</b>	<b>701</b>	<b>753</b>	<b>1,454</b>
Additions:			
By purchase	-	11	11
Depreciation expense	(311)	(183)	(494)
Disposals:			
Other disposals	-	-	-
<b>Net book value 30 June 2014</b>	<b>390</b>	<b>581</b>	<b>971</b>
<b>Net book value as of 30 June 2014 represented by:</b>			
Gross book value	701	992	1,693
Accumulated depreciation and impairment	(311)	(411)	(722)
	<u>390</u>	<u>581</u>	<u>971</u>

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 7: Non-Financial Assets**

**Note 7C: Reconciliation of opening and closing balances of property, plant and equipment 2013**

	Buildings - Leasehold Improvements \$'000	Plant & Equipment \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	420	628	1,048
Accumulated depreciation and impairment	-	-	-
<b>Net book value 1 July 2012</b>	<b>420</b>	<b>628</b>	<b>1,048</b>
Additions:			
By purchase	15	223	238
From acquisition of entities or operations (including restructure)	-	130	130
Revaluations recognised in other comprehensive income	396	-	396
Revaluations recognised in the operating result	-	-	-
Depreciation expense	(130)	(224)	(354)
Disposals:			
Other disposals	-	(4)	(4)
<b>Net book value 30 June 2013</b>	<b>701</b>	<b>753</b>	<b>1,454</b>
<b>Net book value as of 30 June 2013 represented by:</b>			
Gross book value	701	981	1,682
Accumulated depreciation and impairment	-	(228)	(228)
	<u>701</u>	<u>753</u>	<u>1,454</u>

**2014**                      2013  
**\$'000**                      \$'000

**Note 7D: Intangibles**

Computer software		
Internally developed - in use	<b>4,444</b>	4,444
Purchased	<b>514</b>	519
Accumulated amortisation	<b>(2,281)</b>	(1,511)
Accumulated impairment	<b>(11)</b>	(11)
<b>Total computer software</b>	<b><u>2,666</u></b>	<u>3,441</u>

An impairment review was undertaken and intangible assets were impaired by \$nil (2013: \$11,088).  
 No intangibles are expected to be sold or disposed of within the next 12 months.

OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

**Note 7: Non-Financial Assets**

**Note 7E: Reconciliation of the opening and closing balances of intangibles 2014**

	Internally developed software \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	4,444	519	4,963
Accumulated amortisation and impairment	(1,245)	(277)	(1,522)
<b>Net book value 1 July 2013</b>	<b>3,199</b>	<b>242</b>	<b>3,441</b>
Additions:			
By purchase	-	-	-
Impairment recognised in the operating result	-	-	-
Amortisation	(685)	(90)	(775)
Disposals:			
Other disposals	-	-	-
<b>Net book value 30 June 2014</b>	<b>2,514</b>	<b>152</b>	<b>2,666</b>
<b>Net book value as of 30 June 2014 represented by:</b>			
Gross book value	4,444	514	4,958
Accumulated amortisation and impairment	(1,930)	(362)	(2,292)
	<u>2,514</u>	<u>152</u>	<u>2,666</u>

**Note 7E: Reconciliation of the opening and closing balances of intangibles 2013**

	Internally developed software \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	-	451	451
Accumulated amortisation and impairment	-	(157)	(157)
<b>Net book value 1 July 2012</b>	<b>-</b>	<b>294</b>	<b>294</b>
Additions:			
By purchase	461	32	493
From acquisition of entities or operations (including restructure)	3,137	29	3,166
Impairment recognised in the operating result	-	(11)	(11)
Amortisation	(399)	(101)	(500)
Disposals:			
Other disposals	-	(1)	(1)
<b>Net book value 30 June 2013</b>	<b>3,199</b>	<b>242</b>	<b>3,441</b>
<b>Net book value as of 30 June 2013 represented by:</b>			
Gross book value	4,444	519	4,963
Accumulated amortisation and impairment	(1,245)	(277)	(1,522)
	<u>3,199</u>	<u>242</u>	<u>3,441</u>



OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 7: Non-Financial Assets**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
<b>Note 7F: Other non-financial assets</b>		
Prepayments	<u>232</u>	<u>175</u>
<b>Total other non-financial assets</b>	<b><u>232</u></b>	<b><u>175</u></b>
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	227	175
More than 12 months	<u>5</u>	<u>-</u>
<b>Total other non-financial assets</b>	<b><u>232</u></b>	<b><u>175</u></b>

No indicators of impairment were found for other non-financial assets.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 8: Payables**

	2014 \$'000	2013 \$'000
<b>Note 8A: Suppliers</b>		
Trade creditors and accruals	236	754
FBT payable	37	27
<b>Total suppliers</b>	<b>273</b>	<b>781</b>
Suppliers in connection with		
Related parties	84	575
External parties	189	206
<b>Total suppliers</b>	<b>273</b>	<b>781</b>

Settlement is usually made within 30 days.

**Note 8B: Other Payables**

Salaries and wages	488	498
Salary packaging	20	19
Unearned income	135	133
Rent Payable	22	16
<b>Total other payables</b>	<b>746</b>	<b>745</b>

Total other payables are expected to be settled in:

No more than 12 months	740	723
More than 12 months	6	22
<b>Total other payables</b>	<b>746</b>	<b>745</b>

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 9: Provisions**

	2014 \$'000	2013 \$'000
<b>Note 9A: Employee provisions</b>		
Leave	<u>6,075</u>	<u>6,586</u>
<b>Total employee provisions</b>	<u><u>6,075</u></u>	<u><u>6,586</u></u>
Employee provisions are expected to be settled in:		
No more than 12 months	2,004	974
More than 12 months	<u>4,071</u>	<u>5,612</u>
<b>Total employee provisions</b>	<u><u>6,075</u></u>	<u><u>6,586</u></u>
<b>Note 9B: Other provisions</b>		
Provision for restoration obligations	<u>272</u>	<u>275</u>
<b>Total other provisions</b>	<u><u>272</u></u>	<u><u>275</u></u>
Other provisions are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	<u>272</u>	<u>275</u>
<b>Total other provisions</b>	<u><u>272</u></u>	<u><u>275</u></u>
	<b>Provision for restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount 1 July 2013</b>	<u>275</u>	<u>275</u>
Additional provisions made	-	-
Amounts used	-	-
Amounts reversed	<u>(10)</u>	<u>(10)</u>
Unwinding of discount or change in discount rate	<u>7</u>	<u>7</u>
<b>Closing balance 2014</b>	<u><u>272</u></u>	<u><u>272</u></u>

OPC currently has one agreement for the leasing of premises which have provisions requiring OPC to restore the premises to their original condition at the conclusion of the lease. OPC has made a provision to reflect the present value of this obligation.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 10: Restructuring**

**Note 10: Departmental Restructuring**

	2014	2013
	\$'000	Office of Legislative Drafting Attorney-General's Department <sup>1</sup> \$'000
<b>FUNCTIONS ASSUMED</b>		
<b>Assets recognised</b>		
Trade debtors	-	414
Appropriation receivable	-	2,615
Work in Progress	-	136
Infrastructure, plant and equipment	-	3,166
Intangibles	-	130
<b>Total assets recognised</b>	<b>-</b>	<b>6,461</b>
<b>Liabilities recognised</b>		
Income in advance	-	123
Trade creditors	-	2,012
<b>Total liabilities recognised</b>	<b>-</b>	<b>2,135</b>
<b>Net assets/(liabilities) assumed<sup>2</sup></b>	<b>-</b>	<b>4,326</b>
<b>Income assumed</b>		
Recognised by the receiving entity	-	5,568
Recognised by the losing entity	-	1,261
<b>Total Income assumed</b>	<b>-</b>	<b>6,829</b>
<b>Expenses assumed</b>		
Recognised by the receiving entity	-	8,314
Recognised by the losing entity	-	2,444
<b>Total Expenses assumed</b>	<b>-</b>	<b>10,758</b>

Notes:

1. The functions of the Office of Legislative Drafting and Publishing were assumed from the Attorney-General's Department on 1 October 2012 due to a restructuring of administrative arrangements.
2. The net assets/liabilities assumed from all entities were \$nil (2013: \$4.326m).
3. The net assets/liabilities relinquished to all entities were \$nil (2013: \$nil).

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 11: Cash Flow Reconciliation**

	2014 \$'000	2013 \$'000
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash Flow Statement	345	372
Statement of Financial Position	345	372
<i>Difference</i>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(14,349)	(13,731)
Add revenue from government	16,039	14,755
<b>Adjustments for non-cash items</b>		
Depreciation /amortisation	1,269	854
Write down of impairment	-	12
Loss on disposal of assets	-	2
Increase in asset revaluation reserve due to change in makegood liability	10	40
<b>Changes in assets/liabilities</b>		
(Increase) in net receivables	(1,919)	(3,282)
(Increase) in prepayments	(55)	(100)
Increase / (decrease) in employee provisions	(511)	914
Increase / (decrease) in supplier payables	(508)	553
Increase in other payables	-	318
(Decrease) in other provisions	(3)	(33)
<i>Net cash from / (used by) operating activities</i>	<u>(27)</u>	<u>302</u>

**Note 12: Contingent Assets and Liabilities**

OPC has no quantifiable or unquantifiable contingent assets or liabilities. (2013: \$nil).

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 13: Senior Executive Remuneration**

**Note 13A: Senior executive expenses for the reporting period <sup>1</sup>**

	2014	2013
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	3,765,756	3,232,899
Performance bonus	93,954	93,954
Allowances <sup>2</sup>	896,969	709,008
Other	73,615	66,684
<b>Total short-term employee benefits</b>	<u>4,830,294</u>	<u>4,102,545</u>
<b>Post-employment benefits:</b>		
Superannuation	1,064,874	720,505
<b>Total post employment benefits</b>	<u>1,064,874</u>	<u>720,505</u>
<b>Other long-term benefits:</b>		
Annual leave accrued	(3,713)	27,135
Long service leave	122,971	288,323
<b>Total other long-term benefits</b>	<u>119,258</u>	<u>315,458</u>
<b>Total senior executive remuneration expenses</b>	<u>6,014,426</u>	<u>5,138,508</u>

*Notes*

1. This note was prepared on an accrual basis (the performance bonus expenses disclosed above differ from the cash 'bonus paid') in Note 13B. This note excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$195,000.

2. Allowances includes motor vehicle and experience allowance.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 13: Senior Executive Remuneration**

**Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period**

	2014					
	Senior Executives No.	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
Average annual reportable remuneration <sup>1</sup>		\$	\$	\$	\$	\$
<b>Total remuneration (including part-time arrangements):</b>						
less than \$195,000	6	133,661	32,880	-	-	166,541
\$195,000 to \$224,999	2	171,066	44,103	-	-	215,169
\$225,000 to \$254,999	8	196,501	46,970	-	-	243,471
\$255,000 to \$284,999	2	211,639	58,876	-	-	270,515
\$285,000 to \$314,999	3	250,128	47,108	-	-	297,236
\$375,000 to \$404,999	2	282,170	52,060	-	46,977	381,207
\$435,000 to \$464,999	1	375,957	61,829	-	-	437,786
<b>Total</b>	<b>24</b>					

	2013					
	Senior Executives No.	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
Average annual reportable remuneration <sup>1</sup>		\$	\$	\$	\$	\$
<b>Total remuneration (including part-time arrangements):</b>						
less than \$195,000	7	134,353	25,189	-	-	159,542
\$195,000 to \$224,999	6	181,205	34,116	-	-	215,321
\$225,000 to \$254,999	3	193,659	37,208	-	-	230,867
\$255,000 to \$284,999	1	212,924	43,298	-	-	256,222
\$285,000 to \$314,999	2	244,937	50,291	-	-	295,228
\$345,000 to \$374,999	2	273,379	42,251	-	46,977	362,607
\$405,000 to \$434,999	1	368,125	60,097	-	-	428,222
<b>Total</b>	<b>22</b>					

OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

**Note 13: Senior Executive Remuneration**

**Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period**

*Notes:*

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
  - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
  - c) reportable employer superannuation contributions; and
  - d) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.



OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 13: Senior Executive Remuneration**

**Note 13C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period**

	2014				
	Other highly paid staff	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Total reportable remuneration
Average annual reportable remuneration <sup>1</sup>	No.	\$	\$	\$	\$
<b>Total remuneration (including part-time arrangements):</b>	<b>1</b>	<b>170,896</b>	<b>33,377</b>	<b>-</b>	<b>204,273</b>
\$195,000 to \$224,999					
<b>Total</b>	<b>1</b>				

There were no other highly paid staff with total remuneration greater than \$195,000 in 2013.

**Notes:**

- This table reports substantive staff:
  - who were employed by the entity during the reporting period;
  - whose reportable remuneration was \$195,000 or more for the reporting period; and
  - who were not required to be disclosed in Tables A or B. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
  - reportable employer superannuation contributions; and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to other highly paid staff in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

**Note 14: Remuneration of Auditors**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000

Financial statement audit services are provided free of charge to OPC by the Australian National Audit Office (ANAO).

The fair value of the services received:

Financial Statement audit services	<u>42</u>	<u>42</u>
Total fair value of services received	<u>42</u>	<u>42</u>

No other services were provided by the ANAO.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 15: Financial Instruments**

	2014	2013
	\$'000	\$'000
<b><u>Note 15A: Categories of financial instruments</u></b>		
<b>Financial Assets</b>		
Loans and receivables		
Cash and cash equivalents	345	372
Trade & other receivables	<u>1,255</u>	<u>1,423</u>
<b>Total financial assets</b>	<u><u>1,600</u></u>	<u><u>1,795</u></u>
<b>Financial Liabilities</b>		
Other Liabilities		
Payables - suppliers	236	754
Other Payables	<u>746</u>	<u>745</u>
<b>Total financial liabilities</b>	<u><u>982</u></u>	<u><u>1,499</u></u>

**Note 15B: Net gains or losses from financial assets**

**Loans and receivables**

There are no gains or losses from financial assets not at fair value through the profit and loss in either the current and comparative year.

There was an impairment expense of \$nil (2013: \$1,100) from financial assets not at fair value.

**Note 15C: Net gains or losses from financial liabilities**

**Other Liabilities**

There are no gains or losses from financial liabilities not at fair value through the profit and loss in either the current or comparative year.

**Note 15D: Fair value of financial instruments**

The fair value of each category of OPC's financial assets and financial liabilities equals its carrying amount for both the current and comparative years.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

**Note 15: Financial Instruments**

**Note 15E: Credit risk**

OPC is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables in 2014: \$1,255,599 (2013: \$725,239). OPC has assessed the risk of the default on payment and has not recognised any impairment allowance for doubtful debts in 2014: \$nil (2013: \$nil).

Due to the nature of our services, OPC customers are primarily other government agencies and departments. In addition, OPC has policies and procedures in place that guide debt recovery techniques that are to be applied.

OPC holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired.

	<b>Not Past Due Nor Impaired</b>	Not Past Due Nor Impaired	<b>Past due or impaired</b>	Past due or impaired
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Loans and receivables</b>				
Cash and cash equivalents	<b>345</b>	372	-	-
Trade & other receivables	<b>1,052</b>	1,299	<b>203</b>	124
<b>Total</b>	<b>1,397</b>	1,671	<b>203</b>	124

Ageing of financial assets that are past due but not impaired for 2014

	<b>0 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>90+ days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and receivables</b>					
Trade receivables	<b>121</b>	<b>13</b>	<b>36</b>	<b>33</b>	<b>203</b>
<b>Total</b>	<b>121</b>	<b>13</b>	<b>36</b>	<b>33</b>	<b>203</b>

Ageing of financial assets that are past due but not impaired for 2013

	<b>0 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>90+ days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and receivables</b>					
Trade receivables	52	13	11	48	124
<b>Total</b>	52	13	11	48	124

There are no financial assets which are impaired.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 15: Financial Instruments**

**Note 15F: Liquidity risk**

OPC's financial liabilities are payables. The exposure to liquidity risk is based on the notion that OPC will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to the appropriation funding available to OPC.

OPC receives appropriation funding from the Australian Government. OPC manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, internal policies and procedures are in place to ensure that there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities 2014

	<b>On demand 2014 \$'000</b>	<b>within 1 year 2014 \$'000</b>	<b>1 to 5 years 2014 \$'000</b>	<b>&gt; 5 years 2014 \$'000</b>	<b>Total 2014 \$'000</b>
<b>Other Liabilities</b>					
Payables - suppliers	-	236	-	-	236
Other Payables	-	740	6	-	746
<b>Total</b>	-	976	6	-	982

Maturities for non-derivative financial liabilities 2013

	<b>On demand 2013 \$'000</b>	<b>within 1 year 2013 \$'000</b>	<b>1 to 5 years 2013 \$'000</b>	<b>&gt; 5 years 2013 \$'000</b>	<b>Total 2013 \$'000</b>
<b>Other Liabilities</b>					
Payables - suppliers	-	754	-	-	754
Other Payables	-	723	22	-	745
<b>Total</b>	-	1,477	22	-	1,499

OPC had no derivative financial liabilities in either the current or prior years.

**Note 15G: Market risk**

OPC holds basic financial instruments that do not expose OPC to any market risks.  
 OPC holds no assets that have been pledged or held as collateral.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 16: Financial Assets Reconciliation**

	Notes	2014	2013
<b>Note 16A: Financial Assets</b>		<b>\$'000</b>	<b>\$'000</b>
<b>Total financial assets as per Statement of Financial Position</b>		<b>15,490</b>	13,360
Less: non-financial instrument components:			
Appropriations Receivable	6B	<b>13,825</b>	11,492
GST receivable from the Australian Taxation Office	6B	<b>65</b>	73
<b>Total non-financial components</b>		<b>13,890</b>	11,565
<b>Total financial assets as per financial instruments note</b>	15A	<b>1,600</b>	1,795

OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

**Note 17: Appropriations**

**Table A: Annual Appropriations ('Recoverable GST exclusive')**

	2014 Appropriations					Appropriation applied in 2014 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
	Appropriation Act		FMA Act				
	Annual Appropriations reduced <sup>1</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Total appropriation \$'000		
<b>DEPARTMENTAL</b>							
Ordinary annual services	16,327	-	6,205	-	22,532	(20,188)	2,344
<b>Total departmental</b>	16,327	-	6,205	-	22,532	(20,188)	2,344

<sup>1</sup> Includes \$23,000 for 2013-14 departmental appropriation which has been quarantined. No formal determination has been made.

<sup>2</sup> The variance is mainly due to the surplus for the year after adding back non-cost recovered depreciation.

	2013 Appropriations					Appropriation applied in 2013 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
	Appropriation Act		FMA Act				
	Annual Appropriations reduced <sup>1</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Total appropriation \$'000		
<b>DEPARTMENTAL</b>							
Ordinary annual services	11,114	(38)	4,517	4,696	20,289	(17,278)	3,011
<b>Total departmental</b>	11,114	(38)	4,517	4,696	20,289	(17,278)	3,011

<sup>1</sup> On 5th August 2013 the Finance Minister issued 'Instrument to Reduce Appropriations (No. 1 of 2013-2014)'. This instrument reduced OPC's departmental Appropriation Act (No. 1) 2012-2013 by \$38,000 under section 12 of appropriations Act (No. 1) 2012-2013.

<sup>2</sup> The variance is mainly due to the surplus for the year (after adding back non-cost recovered depreciation) and unspent appropriation transferred from the Attorney-Generals Department due to restructuring of administrative arrangements.

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 17: Appropriations**

**Table B: Departmental Capital Budgets ('Recoverable GST exclusive')**

	2014 Capital Budget Appropriations				Capital Budget Appropriation applied in 2014 (current and prior years)		Variance \$'000
	Appropriation Act Annual Appropriations reduced \$'000	FMA Act Section 32 \$'000	Total appropriation \$'000	Payments for non-financial assets \$'000	Total payments \$'000		
						Appropriation \$'000	
<b>DEPARTMENTAL</b>							
Ordinary annual services - Departmental Capital Budget <sup>1</sup>	288	-	288	(11)	(11)	277	
Total departmental	288	-	288	(11)	(11)	277	
	2013 Capital Budget Appropriations				Capital Budget Appropriation applied in 2013 (current and prior years)		Variance \$'000
	Appropriation Act Annual Appropriations reduced \$'000	FMA Act Section 32 \$'000	Total appropriation \$'000	Payments for non-financial assets \$'000	Total payments \$'000		
						Appropriation \$'000	
<b>DEPARTMENTAL</b>							
Ordinary annual services - Departmental Capital Budget <sup>1</sup>	279	776	1,055	(731)	(731)	324	
Total departmental	279	776	1,055	(731)	(731)	324	

**Notes:**

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriation, see Table A: Annual Appropriations.

2. Payments made on non-financial assets include purchase of assets and expenditure on assets which have been capitalised.



OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 17: Appropriations**

**Table C: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')**

<b>Authority</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Appropriation Act (No. 1) 2012-13	823	11,864
Appropriation Act (No. 1) 2013-14 *	13,347	-
Total	14,170	11,864

Note \* Amount includes cash at bank of \$345,425 (2013: \$372,351)

**Note 18: Compensation and Debt Relief**

	<b>2014 \$</b>	<b>2013 \$</b>
<b>Compensation and Debt Relief</b>		
No 'Acts of Grace' payments were expended during the reporting period (2013: \$nil)	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2013: \$nil)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration Scheme during the reporting period (2013: \$nil)	-	-
No ex-gratia payments were provided during the reporting period (2013: \$nil)	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> during the reporting period (2013: \$nil)	-	-

OFFICE OF PARLIAMENTARY COUNSEL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2014

**Note 19: Reporting of Outcomes**

**Note 19: Net Cost of Outcome Delivery**

	Outcome 1	
	2014	2013
	\$'000	\$'000
<b>Expenses</b>	<b>21,043</b>	19,550
<b>Own source income</b>		
Sale of goods and rendering of services	<b>6,475</b>	5,611
Other revenue	<b>219</b>	208
<b>Total own source income</b>	<b>6,694</b>	5,819
<b>Net cost of outcome delivery</b>	<b>14,349</b>	13,731

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

**Note 20: Net Cash Appropriation Arrangements**

	2014	2013
	\$'000	\$'000
<b>Total Comprehensive Income less depreciation/amortisation expenses previously funded through revenue appropriation <sup>1</sup></b>	<b>2,284</b>	1,915
Less:		
Depreciation and amortisation expenses previously funded through revenue appropriation	<u>(584)</u>	<u>(455)</u>
<b>Total comprehensive income as per the Statement of Comprehensive Income</b>	<b><u>1,700</u></b>	<u>1,460</u>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. OPC now receives a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

**OFFICE OF PARLIAMENTARY COUNSEL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014**

## Appendix E—List of requirements

Ref*	Part of Report	Description	Requirement	Location
8(3) & A.4		Letter of transmittal	Mandatory	
A.5		Table of contents	Mandatory	
A.5		Index	Mandatory	
A.5		Glossary	Mandatory	
A.5		Contact officer(s)	Mandatory	Chapter 6
A.5		Internet home page address and internet address for report	Mandatory	Chapter 6
9	<i>Review by Secretary</i>		Mandatory	
9(1)		Review by departmental secretary	Mandatory	FPC's Review
9(2)		Summary of significant issues and developments	Suggested	FPC's Review
9(2)		Overview of department's performance and financial results	Suggested	FPC's Review
9(2)		Outlook for following year	Suggested	FPC's Review
9(3)		Significant issues and developments – portfolio	Portfolio departments – suggested	N/A
10	<i>Departmental Overview</i>		Mandatory	
10(1)		Role and functions	Mandatory	Chapter 1
10(1)		Organisational structure	Mandatory	Chapter 1
10(1)		Outcome and program structure	Mandatory	Chapter 1
10(2)		Where outcome and program structures differ from PBS/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	N/A
10(3)		Portfolio structure	Portfolio departments – mandatory	N/A
11	<i>Report on Performance</i>		Mandatory	
11(1)		Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	Chapter 2
11(2)		Actual performance in relation to deliverables and KPIs set out in PBS/PAES or other portfolio statements	Mandatory	Chapter 2

\* The reference is to the location of the item in the Requirements – e.g., “A.4” refers to the fourth item in [Attachment A](#).

Ref*	Part of Report	Description	Requirement	Location
11(2)		Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	N/A
11(2)		Narrative discussion and analysis of performance	Mandatory	Chapter 2
11(2)		Trend information	Mandatory	Chapter 2
11(3)		Significant changes in nature of principal functions/services	Suggested	Chapter 2
11(3)		Performance of purchaser/provider arrangements	If applicable, suggested	N/A
11(3)		Factors, events or trends influencing departmental performance	Suggested	Chapter 2
11(3)		Contribution of risk management in achieving objectives	Suggested	Chapter 2
11(4)		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	N/A
11(5)		Discussion and analysis of the department's financial performance	Mandatory	Chapter 2
11(6)		Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	Suggested	Chapter 2
11(7) & E		Agency resource statement and summary resource tables by outcomes	Mandatory	Appendix A
12	<b>Management and Accountability</b>			
	<i>Corporate Governance</i>			
12(1)		Agency heads are required to certify that their agency complies with the Commonwealth Fraud Control Guidelines	Mandatory	Chapter 3
12(2)		Statement of the main corporate governance practices in place	Mandatory	Chapter 3
12(3)		Names of the senior executive and their responsibilities	Suggested	Chapter 3
12(3)		Senior management committees and their roles	Suggested	Chapter 3
12(3)		Corporate and operational plans and associated performance reporting and review	Suggested	N/A
12(3)		Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	Chapter 3

## Appendix E—List of requirements

Ref*	Part of Report	Description	Requirement	Location
12(3)		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	Chapter 3
12(3)		How nature and amount of remuneration for SES officers is determined	Suggested	Chapter 3
	<i>External Scrutiny</i>			
12(4)		Significant developments in external scrutiny	Mandatory	Chapter 3
12(4)		Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	Chapter 3
12(4)		Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	Chapter 3
	<i>Management of Human Resources</i>			
12(5)		Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	Chapter 4
12(6)		Workforce planning, staff retention and turnover	Suggested	Chapter 4
12(6)		Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	Chapter 4
12(6)		Training and development undertaken and its impact	Suggested	Chapter 4
12(6)		Work health and safety performance	Suggested	Chapter 4
12(6)		Productivity gains	Suggested	Chapter 4
12(7)		Statistics on staffing	Mandatory	Chapter 4 and Appendix B
12(8)		Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	Chapter 4 and Appendix B
12(9) & B		Performance pay	Mandatory	Chapter 4
	<i>Assets management</i>			
12(10)-(11)		Assessment of effectiveness of assets management	If applicable, mandatory	N/A
	<i>Purchasing</i>			
12(12)		Assessment of purchasing against core policies and principles	Mandatory	Chapter 5

<i>Consultants</i>				
12(13)-(22)		The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	Chapter 5
<i>Australian National Audit Office Access Clauses</i>				
12(23)		Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	N/A
<i>Exempt contracts</i>				
12(24)		Contracts exempted from publication in AusTender	Mandatory	N/A
<i>Financial Statements</i>				
13		Financial Statements	Mandatory	Appendix D
<i>Other Mandatory Information</i>				
14(1) & C.1		Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i> )	Mandatory	Chapter 4
14(1) & C.2		Advertising and Market Research (section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	Mandatory	Chapter 6
14(1) & C.3		Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	Mandatory	Chapter 6 and Appendix C
14(1)		Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	N/A
14(2) & D.1		Grant programs	Mandatory	N/A
14(3) & D.2		Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	Chapter 4
14(4) & D.3		Information Publication Scheme statement	Mandatory	Chapter 6

## Appendix E—List of requirements

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14(5)		Correction of material errors in previous annual report	If applicable, mandatory	N/A
F		List of requirements	Mandatory	Appendix E



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## Glossary

<b>AASB</b>	Australian Accounting Standards Board
<b>ACT</b>	Australian Capital Territory
<b>AGD</b>	Attorney-General's Department
<b>ANAO</b>	Australian National Audit Office
<b>APS</b>	Australian Public Service (OPC staff below Executive Level are classified as APS 1 to 6)
<b>APSC</b>	Australian Public Service Commission
<b>assistant drafter</b>	a drafter other than a senior drafter
<b>ExCo</b>	Federal Executive Council
<b>FMOs</b>	Finance Minister's Orders
<b>FOI Act</b>	<i>Freedom of Information Act 1982</i>
<b>FPC</b>	First Parliamentary Counsel
<b>IPS</b>	Information Publication Scheme
<b>IT</b>	information technology
<b>KPI</b>	key performance indicator
<b>LIA</b>	<i>Legislative Instruments Act 2003</i>
<b>OLDP</b>	Office of Legislative Drafting and Publishing
<b>OPC</b>	Office of Parliamentary Counsel
<b>PAES</b>	Portfolio Additional Estimates Statements
<b>PBC</b>	Parliamentary Business Committee (a committee of the Cabinet)
<b>PBS</b>	Portfolio Budget Statement
<b>RAP</b>	Reconciliation Action Plan

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<b><i>senior drafter</i></b>	First Parliamentary Counsel, a Second Parliamentary Counsel, Principal Legislative Counsel or a drafter in the SES
<b><i>SES</i></b>	Senior Executive Service
<b><i>SMT</i></b>	Senior Management Team
<b><i>WCC</i></b>	Workplace Consultative Committee
<b><i>WHS Act</i></b>	<i>Work Health and Safety Act 2011</i>

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## Index

Accountability	Paragraph 179
Advertising and market research	Paragraph 301
Agency resource statement and Expenses for outcome	Appendix A
Audit Committee	Paragraph 186
Bills	Paragraph 65
Breastfeeding policy	Paragraph 271
Consultants	Paragraph 294
Contact officer for additional information	Paragraph 304
Corporate governance	Paragraph 179
Disability reporting	Paragraph 274
Drafting resources	Paragraph 199
Environmental reporting	Appendix C
Ethical standards—maintenance of	Paragraph 210
External scrutiny	Paragraph 217
Financial performance—discussion and analysis	Paragraph 169
Financial Statements	Appendix D
First Parliamentary Counsel's Review	Paragraph 1
Freedom of information	Paragraph 300
Full-time and part-time employees	Appendix B
Human resources—management of	Chapter 4
Influences on OPC's performance	Paragraph 147

Information technology systems	Paragraph 204
Instruments	Paragraph 89
Internet address	Paragraph 305
Male and female employees	Appendix B
Management and accountability	Chapter 3
Non-salary benefits	Paragraph 252
Operational risks	Paragraph 198
Organisational structure	Paragraph 48
Outcome and program structure	Paragraph 54
Outcome—coherent, readable and readily accessible Commonwealth laws and instruments	Paragraph 59
Outcome—giving legal effect to intended policy	Paragraph 57
Overview of OPC	Chapter 1
Parliamentary amendments	Paragraph 83
Performance information—actual performance, and analysis of performance	Paragraph 63
Performance information—review of performance	Paragraph 61
Performance pay	Paragraph 256
Productivity gains	Paragraph 247
Progress towards outcome	Paragraph 56
Purchasing	Paragraph 290
Purchasing and consultants	Chapter 5
Reconciliation Action Plan	Paragraph 268

---

Report on performance	Chapter 2
Requirements	Appendix E
Risk management and fraud control	Paragraph 193
Role and functions of OPC	Paragraph 46
Salary ranges	Appendix B
Senior management team	Paragraph 180
SES remuneration	Paragraph 215
Staff development arrangements	Paragraph 235
Staffing changes and recruitment	Paragraph 258
Staffing statistics	Appendix B
Staff meetings	Paragraph 191
Staff retention	Paragraph 261
Studies Assistance arrangements	Paragraph 242
Survey of OPC staff	Paragraph 219
Training and development	Paragraph 234
Training—drafters	Paragraph 237
Training—information technology	Paragraph 243
Workforce planning	Paragraph 259
Work health and safety	Paragraph 276
Workplace agreements—coverage	Paragraph 250
Workplace Consultative Committee	Paragraph 183
Workplace diversity	Paragraph 262

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