



Parliamentary
Counsel's Office

Annual Report

2019-2020





Parliamentary
Counsel's Office

The Hon Gladys Berejiklian MP
Premier and Minister for Willoughby
52 Martin Place
Sydney NSW 2000

Dear Premier

I am pleased to forward to you the 2019–20 Annual Report for the Parliamentary Counsel's Office for presentation to Parliament.

This report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* and includes the financial statements prepared in accordance with the *Public Finance and Audit Act 1983*.

Yours sincerely

A handwritten signature in black ink, appearing to read "A. O'Callaghan", with a long horizontal flourish extending to the right.

ANNETTE O'CALLAGHAN
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30 November 2020

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8.30 am–5.00 pm

Monday to Friday

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Note from the Parliamentary Counsel



The 12-month period covered by this report has been an extraordinarily demanding year for the Parliamentary Counsel's Office, as it has also been for the broader NSW community. The staff of the office have risen to the challenges presented by both the 2019–20 NSW bushfire crisis and the COVID-19 pandemic, ensuring we continue to provide a high-quality legislative drafting service to our clients and timely access to legislation for the citizens of New South Wales.

The catastrophic summer bushfire season in NSW saw the office urgently draft and publish emergency declarations relating to bushfires and total fire ban orders. To ensure NSW citizens had access to current information in this time of crisis, PCO staff regularly worked out of hours to prepare and provide immediate access to these documents on the NSW legislation website.

From March 2020, the global COVID-19 pandemic heavily influenced the legislative program for NSW, as it did for all Australian jurisdictions. In a rapidly changing public health, social and economic policy context, a significant number of complex and important drafting projects relating to key pandemic issues were delivered by the office in extremely short time frames. This supported the Government and front-line agencies in their response to the pandemic, particularly through the drafting and publishing of public health orders.

In addition to responding to the above challenges, PCO continued its commitment to digital transformation, completing the first stages in modernising and refreshing the NSW legislation website and Government Gazette. These projects are the first steps in a program of work designed to transform access to NSW legislation and legislative information for NSW citizens.

I would again like to acknowledge the dedication and professionalism shown by PCO staff during this challenging year. I am always proud and grateful to be part of a team that goes 'above and beyond' to achieve excellence in the service it provides to the Government, Parliament and the citizens of NSW. This year the team has worked tirelessly to ensure that continues to be the case, and while it isn't done for public recognition it is important this commitment be acknowledged.

I would like to particularly thank the members of PCO's leadership team: the Deputy Parliamentary Counsel, John Ledda, Mark Cowan and Richard Hurford, and the Director, Production and Access, Robyn Morrison. Their support and extraordinary efforts over the course of the year never faltered, whatever the challenge.

Much has been achieved and I look forward to continuing to work with the committed PCO team during the remainder of 2020 and beyond to ensure we deliver for the NSW community!

A handwritten signature in dark ink, appearing to read 'A. O'Callaghan', written in a cursive style.

ANNETTE O'CALLAGHAN
Parliamentary Counsel

Who we are and what we do



Who we are

The Parliamentary Counsel's Office (PCO) is a Public Service executive agency and part of the Department of Premier and Cabinet cluster. We are staffed by approximately 60 highly professional and committed employees who are a mix of lawyers, editors, publishing and IT specialists and corporate services staff.

Our core function is drafting and producing legislative instruments for the State and providing the public with access to legislation through the authorised NSW legislation website: www.legislation.nsw.gov.au

What we do

PCO is a vital link in the legislative process, working with Cabinet, Parliament and officers from Government agencies to meet the needs of the Parliamentary program. Our objective is to provide the Government with a comprehensive range of high-quality services for drafting and developing legislation and to provide public access to the authorised legislation of NSW. We work constructively and collaboratively with all stakeholders to make legislation that is fit for purpose and constitutionally sound.

Each year, this sees us—

- **deliver Government Bills** and Amendments in Committee according to the drafting and production volumes and deadlines as set by the Government to the quality standard expected
- maintain a **continually evolving and relevant statute book** by drafting amending and repealing instruments to the standard and timetable set by the Government
- **support non-Government members** by drafting Bills and Amendments in Committee in accordance with the Government's policy on non-Government drafting
- assist the community, legal profession and Government **by publishing the official notification of new legislation** on the legislation website
- publish notices in the **Government Gazette** on the legislation website in the timeframes required
- participate in and support **drafting uniform legislation for Australia** through the Australasian Parliamentary Counsel's Committee and provide the secretariat function that co-ordinates the work of that Committee
- provide the public and Government with **access to legislation** by updating, maintaining and continually enhancing the legislation website (www.legislation.nsw.gov.au)
- provide **information about NSW legislation** through the Legislation Information Service, the legislation website and engagement with stakeholders
- support the Government by maintaining a **robust corporate governance framework** to ensure implementation of sector-wide policies and accountability of resources.

Our vision

To achieve excellence in drafting and public access to legislation.

Our purpose

To provide high-quality legislative drafting services for NSW.

To provide optimal access to, and information about, legislation.

To provide an inclusive and supportive workplace for staff to achieve objectives and experience job satisfaction.

Our values

Service

- We collaborate with clients to reach effective solutions.
- We apply professional skills to maintain the quality of our work.
- We listen to feedback from our stakeholders.

Trust

- Our behaviour promotes co-operation and collaborative relationships.
- We uphold the law, institutions of government and democratic principles.
- We maintain political neutrality.

Integrity

- We identify and address conflicts of interest.
- We act impartially when providing advice and services.
- We do not make private use of official information.

Accountability

- We recruit and promote staff on merit.
- We follow systems and processes and compliance requirements to ensure transparency.
- We optimise our resources by using them efficiently and maximising potential where possible.

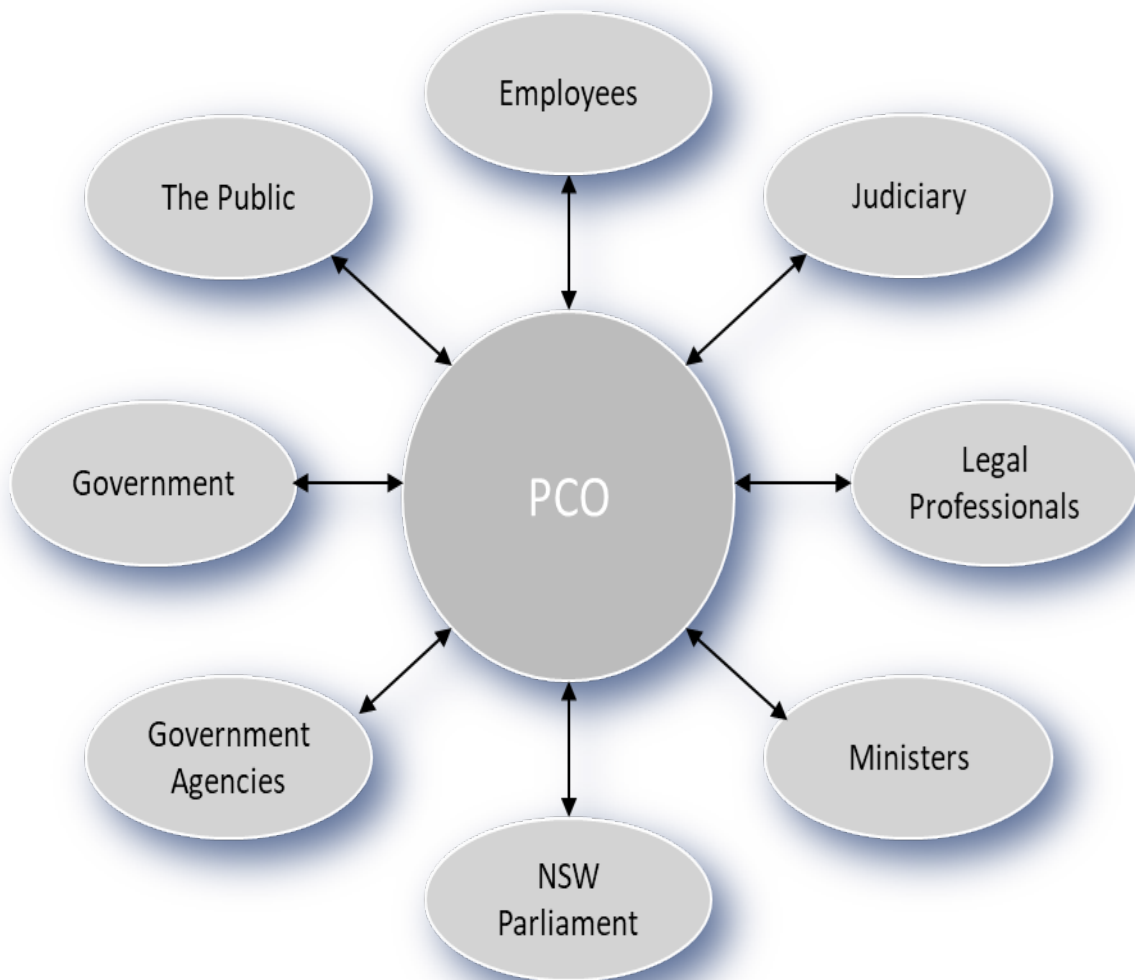


PCO hosts a visiting delegation from Myanmar in October 2019

Our objectives

1. **Drafting** legislation to support democracy and the rule of law in NSW
2. Providing optimal **access** to the laws of NSW for the people of NSW
3. Achieving excellence in **service provision**
4. **Having the right people to deliver** the leading legislative drafting and advisory service in Australia
5. **Being responsive** to the needs of the community and stakeholders

Our key stakeholders and clients



The work we do is ultimately to benefit the community and supports the implementation of the Premier's and Government's priorities.

Our primary stakeholder is the NSW Government.

We aim to work constructively and collaboratively with stakeholders at other Government agencies to deliver best practice legislation for NSW.

Our legislation

The Parliamentary Counsel has general administration of the *Interpretation Act 1987* to ensure that it is sufficiently robust to support the drafting of legislation. The NSW legislation website is established under Part 6A of the *Interpretation Act 1987* as the official NSW Government site for the authorised online publication of legislation and the Government Gazette.

PCO also has general administration of the *Subordinate Legislation Act 1989*, which deals with the making of statutory rules and the issue of opinions by the Parliamentary Counsel that proposed statutory rules may legally be made. The Act also provides for the staged repeal of statutory rules

following the fifth anniversary of their date of publication. PCO manages this Staged Repeal program, including drafting new instruments made under that program.

Our history

The origins of PCO date back to 1878 with the appointment of the first permanent Parliamentary Draftsman in NSW on 1 June 1878.

In 1970 the Parliamentary Draftsman became known as the Parliamentary Counsel.

The position was responsible to the Attorney General until 1991. In 1991, PCO became a separate Administrative Office, reporting to the Premier through the Director-General of The Cabinet Office. In March 2006, PCO became a separate office within The Cabinet Office. In April 2007, PCO became a separate office within the Department of Premier and Cabinet (DPC) following the merger of the Premier's Department and The Cabinet Office.

PCO became a Public Service executive agency within the DPC cluster on 24 February 2014 with the commencement of the *Government Sector Employment Act 2013*.

PCO has no other entities under its control and no public sector subsidiaries.

2019–20 Achievements



Overview

PCO has continued to deliver its program outcomes throughout 2019–20, and the service measures and results of that work are detailed in this report. Performance statistics for the year are included together with comparative statistics for previous years where applicable. PCO's key achievements are summarised below.

Responding to unprecedented drafting demands

2019–2020 was a year of significant achievement for PCO in the provision of drafting and editorial services. The Spring session of Parliament saw the introduction of the *Reproductive Health Care Reform Bill 2019*, a private member's bill to decriminalise and regulate the practice of terminating pregnancies in New South Wales. Following many hours of debate in both houses, an amended version of the bill was passed by Parliament on 26 September 2019 and assented to as the *Abortion Law Reform Act 2019* No 11 on 2 October 2019.

The catastrophic bushfire season in NSW in late 2019 and early 2020 and the COVID-19 pandemic shaped the legislative program for the remainder of the reporting period, with a significant number of complex and important drafting projects delivered by the office in extremely short time frames and novel and evolving policy contexts.

Improving access to legislation

PCO provides free public access to an authoritative, up-to-date collection of NSW legislation through its legislation website, www.legislation.nsw.gov.au. During 2019–2020 the catastrophic bushfire season across NSW and the COVID-19 pandemic created an unprecedented demand for timely access to a range of critical legislative instruments, including emergency bushfire orders, fire ban notices, COVID-19 related legislative amendments and public health orders. PCO staff regularly worked extended hours to consolidate and publish instruments as soon as possible after making, and NSW was the only Australian jurisdiction to provide access to consolidated versions of all COVID-19 related legislation from a single repository.

Providing development opportunities for staff

PCO is proactive in providing development opportunities for staff. In 2019–20, PCO participated in the NSW Government Graduate Program and the CareerTrackers Indigenous Internship Program. PCO also participated in secondments to and from other agencies and facilitated drafters working in overseas drafting offices.

Engaging with the community and stakeholders

Two stakeholder surveys were conducted to obtain feedback and assess satisfaction with PCO's services over the past year. One survey targeted drafting and publishing stakeholders and the other was for users of the legislation website. Both surveys showed that stakeholders were overwhelmingly positive about PCO's services. An analysis of the results is included in the section headed 'Objective 5' of this report.

PCO also hosted 3 information sessions for instructing officers in the reporting year. These sessions are aimed at providing instructors with an overview of the drafting process and foster effective liaison between PCO and instructing officers. The sessions provide an opportunity for drafters to explain the drafting process and suggest how drafters and instructors may best work together to produce high quality legislation within deadlines set by the Government. In turn, instructors provide insights into the process and demands of policy development within agencies. Instructor information sessions foster effective working relationships between drafters and stakeholders across Government.

Feedback from attendees is consistently positive and has been used to tailor the content of the sessions to aspects that instructors find most useful. For example, the sessions held in June 2020 incorporated practical examples of common problems that arise in the drafting process. Attendees were invited to discuss the problems and propose possible solutions to mitigate associated risks.

The sessions held on 25 June 2020 were live-streamed in light of physical distancing restrictions associated with the COVID-19 pandemic.

Objective 1—Drafting legislation to support democracy and the rule of law in NSW



The primary purpose of PCO is drafting legislation to support democracy and the rule of law in NSW.

PCO's critical role in the democratic process was brought into sharp focus in the last quarter of the year with the unprecedented legislative demands required for the Government's response to the COVID-19 pandemic. PCO delivered this legislation in addition to the other drafting demands and requirements of the Parliament for the 2019–20 year.

This had been preceded by increased drafting demands over the summer for emergency orders during the bushfires in NSW.

This section details the drafting demands and requirements during 2019–20 and PCO's performance in the following areas—

- 1.1 Government Bills (including statute law revision)
- 1.2 Statutory instruments (including the staged repeal of statutory instruments)
- 1.3 Environmental planning instruments
- 1.4 Non-Government drafting
- 1.5 The Australasian Parliamentary Counsel's Committee's drafting program

Case Study— Drafting during the COVID-19 pandemic

The NSW Government's social and economic response to the COVID-19 pandemic set the focus for PCO's drafting program from early March 2020. By June 2020, PCO staff had drafted a total of 57 instruments relating to COVID-19 for publication on the NSW legislation website. Given the importance, complexity and urgency of these drafting matters, the Parliamentary Counsel and other senior staff within the office were responsible for most drafting files. At the request of the Department of Premier and Cabinet, this also included drafting and gazetting public health orders relating to COVID-19, public health orders generally being the responsibility of NSW Health.

In total, the office drafted 5 Acts of Parliament primarily relating to the implementation of emergency measures as a result of the COVID-19 pandemic as well as 21 regulations on a wide range of matters including—

- administration of sentences (release on parole)
- a moratorium period for some residential tenancy agreements
- special provisions for storing and prescribing restricted substances during the pandemic
- the witnessing of and attestation of documents via audio-visual link
- the amending of the *Poisons and Therapeutic Goods Regulation 2008* to enable appropriately trained pharmacists to supply and administer the influenza, measles-mumps-rubella combination and diphtheria-tetanus-pertussis vaccines without a prescription outside of retail pharmacies
- altered arrangements for the convening and operation of strata meetings and the management of documents during the pandemic.

Additionally, 31 urgent public health orders were drafted on issues such as—

- aged care (2)
- air transportation quarantine (6)
- the gathering and movement of citizens (13)
- access to Lord Howe Island (2)
- maritime quarantine (4)
- self-isolation (2)
- spitting and coughing (2).

A full list of the legislative instruments relating to the COVID-19 pandemic can be found on the [NSW legislation website](#).

1.1 Government Bill drafting and production

PCO's drafting program enables PCO to be immediately responsive to changing Government needs and maintain its drafting capacity for business-as-usual drafting work.

PCO is required to draft and produce Bills and Amendments in Committee in accordance with the time frames and standards required by the Government's parliamentary program. PCO also provides advice to the Government on legislative proposals as part of this service.

The Parliamentary Counsel reports to Cabinet on the progress of draft Bills and their conformity with Cabinet approvals. The Parliamentary Counsel also works closely with the Attorney General and senior officers from the Department of Premier and Cabinet and the Premier's office to ensure priority Bills are ready for introduction when required.

Where practicable, drafting of Bills is done on a collegiate basis. Draft Bills are reviewed by a group of senior drafters and all Bills receive comprehensive editorial, legal and quality assurance checks.

As a service to Parliament, PCO produces "print-ready" versions of Bills and amended Bills for all stages reported.

2019–20 performance

Measure—To meet drafting and production volumes and deadlines as set by the Government to the quality standard expected and provide support for the Bill passage process.

Our performance—This year, a total of 40 Government Bills were introduced and 1 Bill was prepared for public consultation. For reasons of confidentiality, only those Bills introduced into Parliament or formally exposed are reported. The lower volume of Bills compared to last year reflects the impact of the COVID-19 pandemic, with the NSW Parliament amending sitting arrangements and parliamentary business from March 2020. The higher number of amendments in committee registered during this reporting period reflects in part the numerous requests that PCO received, from members across all parties, to draft amendments in committee for the *Reproductive Health Care Reform Bill 2019*. As indicated in the case study below, PCO drafted approximately 130 sets of amendments, of which 57 were ultimately proposed in Parliament (14 in the Legislative Assembly and 43 in the Legislative Council).

	2016–17	2017–18	2018–19	2019–20
Bills introduced	61	77	59	40
Pages	2,389	2,369	1,228	972
Bills exposed	3	4	2	2
Pages	196	266	90	92
Amendments in Committee	58	100	61	134

Statute Law Revision

The Statute Law Revision sub-program is a cost-effective and efficient way of making minor amendments to legislation and removing redundant laws. It has three aspects—

- making minor, non-controversial amendments sponsored by Ministers
- making amendments of a purely statute law revision nature sponsored by PCO
- repealing Acts and instruments that are redundant or of no practical utility.

2019–20 performance

Measure—To manage the drafting and production service for the Statute Law Revision program to the standard and timetable set by the Government.

Our performance—There was 1 Statute Law Bill introduced and passed during 2019–2020. This Bill amended 54 Acts and instruments.

1.2 Statutory instruments

Statutory instruments drafted by PCO include regulations, rules, orders and proclamations as well as the *Uniform Civil Procedure Rules* and specific rules of court for the Supreme Court and other courts and tribunals. The Staged Repeal program is part of this service.

2019–20 performance

Measure—To draft, publish and provide opinions (where required) on 80% of statutory instruments within 20 working days of receipt of instructions.

Our performance—PCO met the target for turnaround time in 2019–20, with 80% of statutory instruments completed within 20 working days.

	2016–17	2017–18	2018–19	2019–20
Number completed by PCO	764	693	618	500
Percentage within 10 days or less	71	59	61	57
Percentage within 11–20 days	17	22	22	23
Percentage within 21–40 days	8	15	11	15

Percentage after 40 days	4	5	5	5
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Staged Repeal of Subordinate Legislation

The *Subordinate Legislation Act 1989* provides for the staged repeal of statutory rules following the fifth anniversary of their date of publication. PCO manages this sub-program, including co-ordinating the work of relevant agencies and drafting new instruments made under the sub-program. Stage 29 of the sub-program was completed on 1 September 2019.

2019–20 performance

Measure—To manage the drafting and production of instruments under the Staged Repeal program in accordance with the requirements of the Subordinate Legislation Act 1989.

Our performance—PCO met the requirements of the legislation.

Instruments dealt with by Stage 29	No.
Total instruments dealt with under this stage	106
Instruments dealt with that were granted postponement of repeal in previous stages	74
Outcome of Stage 29	
Instruments granted postponement of repeal in this stage by section 11 order	90
Instruments that had their staged repeal date extended by other amending legislation	12
Instruments repealed under the Act by a replacement instrument or under another Act	4
Number of new instruments drafted and made under this stage	35
Outcome of all stages since 1990	
Number of instruments as at 1.7.1990	976
Number of instruments as at 1.9.2019	339

1.3 Environmental planning instruments

PCO is responsible for the drafting and production of environmental planning instruments (EPIs). Statutory instruments drafted under this service include state environmental planning policies and local environmental plans. This service extends to the provision of source data for the official publication of instruments once they have been made by the Minister or by the local council. PCO also provides advice on proposals as part of this service.

2019–20 performance

Measure—To draft, publish and provide opinions (where required) on 80% of environmental planning instruments within 20 working days of receipt of instructions.

Our performance—PCO delivered 78% of EPIs within 20 working days in 2019–20. This was slightly less than the target turnaround time due to a large volume of high priority drafting work during 2019–20 caused by the bushfires and COVID-19.

	2016–17	2017–18	2018–19	2019–20
Number completed by PCO	661	589	398	368
Percentage within 10 days or less	78	62	60	46
Percentage within 11–20 days	13	26	37	32
Percentage within 21–40 days	6	8	11	16
Percentage after 40 days	3	5	2	6

1.4 Non-Government drafting

PCO provides a drafting service for non-Government Members of Parliament. PCO drafts non-Government Bills and Amendments in Committee as requested in accordance with the arrangements agreed to by the Government. This is subject to the Government's legislative priorities and the availability of resources.

2019–20 performance

Measure—to meet drafting and production volumes for non-Government and private members as negotiated with the member and in accordance with Government arrangements for non-Government drafting.

Our performance—The volume of non-Government drafting increased in 2019–20. There was a substantial increase in the number of Amendments in Committee drafted, with a significant number being related to the *Reproductive Health Care Reform Bill 2019*. (See the Case Study in the report).

	2016–17	2017–18	2018–19	2019–20
Non-Government Bills introduced	22	29	24	33
Pages	212	258	154	335
Non-Government Amendments in Committee	186	271	124	775

Case Study: Abortion Law Reform Act 2019

This Act was originally introduced to Parliament by independent member for Sydney, Alex Greenwich, MP and 14 co-sponsors as the *Reproductive Health Care Reform Bill 2019*. The bill aimed to decriminalise and regulate practices for terminating pregnancies in New South Wales and was modelled on legislation already enacted in Queensland and Victoria after Law Reform Commission recommendations in those States. With cross-party support and a conscience vote for members, it became one of the few private member's Bills to ultimately be passed by the NSW Parliament.

Although the bill was not a particularly large one, the subject matter and very large number of amendments requested and drafted for the bill made it one of the most intensive and complex drafting

exercises recently undertaken by PCO. Drafting was ongoing from December 2018 until 26 September 2019 when the bill passed both Houses before being assented to as the *Abortion Law Reform Act 2019* No 11 on 2 October 2019.

In all, PCO drafted some 130 sets of amendments under instructions from members from all parties as well as independent members. Just under half the amendments drafted were eventually moved in Parliament, predominately in the Legislative Council. Debate in both Houses from many members on both sides of the issue was impassioned and protracted.

Details on the progress of the bill through Parliament are available on the Parliament House website at <https://www.parliament.nsw.gov.au/bills/Pages/Profiles/reproductive-health-care-reform-bill-2019.aspx>

The Abortion Law Reform Act 2019 is available to download from the NSW legislation website at <https://www.legislation.nsw.gov.au/view/html/inforce/current/act-2019-011>.

1.5 Australasian Parliamentary Counsel's Committee drafting program

The Australasian Parliamentary Counsel's Committee (PCC) consists of the heads of the legislative drafting offices in Australia and New Zealand. The PCC provides a forum for—

- the preparation and co-ordination of national uniform legislation
- cross-jurisdictional discussion of the development of legislation
- collaboration and information sharing in relation to the management of drafting offices.

The PCC maintains the public website www.pcc.gov.au relating to the work of PCC, including the protocol for the drafting of uniform legislation and up-to-date versions of model legislation. This website is updated by staff of the NSW PCO.

Most PCC business is conducted electronically. Communication and project management is co-ordinated via the PCC Portal using the Confluence tool (a collaboration wiki tool designed to help teams to collaborate and share knowledge efficiently). The PCC Portal was developed in the NSW PCO office and is maintained by NSW PCO staff. The Portal allows drafts and comments on PCC projects to be exchanged securely. It is accessible to drafters working on PCC projects and other staff of drafting offices for whom access is necessary. Areas of the Portal containing sensitive information are accessible to PCC members only.

The NSW Parliamentary Counsel is the current Secretary-Chair of the PCC and is responsible for co-ordinating the PCC's work. The NSW PCO also provides the PCC with Secretariat functions. These are usually carried out by a junior drafter, and include—

- keeping records of the PCC's activities, including its regular meetings
- liaising with instructors and drafters involved in the PCC's drafting projects
- maintaining the PCC website and the PCC Portal

Drafting conference—The PCC ordinarily holds a drafting conference every 2 years to enable drafters to learn from and network with drafters from other jurisdictions. The conference comprises sessions on all aspects of legislative drafting and also includes seminars for junior drafters.

IT, Publishing and Office Systems Forum—The PCC ordinarily also holds an annual forum for drafting offices to exchange information on the development of legislative drafting and legislation access systems, the delivery of legislative information to the public and other practices common to legislative drafting environments.

Drafting offices in Australia, New Zealand, other Asia-Pacific jurisdictions and the Commonwealth are invited to participate in both conferences.

2019–20 performance

Measure—To participate in the Parliamentary Counsel's Committee (PCC) and prepare draft uniform legislation in accordance with the timetable and standards set by the PCC.

Our performance—In 2019–2020 the PCC completed a range of drafting projects to implement decisions of the Council of Australian Governments (COAG) and various national Ministerial Councils.

Drafting projects completed by the PCC included amendments to the *Model Defamation Provisions*, the *Uniform Evidence Law* and the *Model Work Health and Safety Regulations*. The NSW PCO provided a substantial proportion of the drafting required across all PCC projects.

In 2019–2020 the Committee met formally on 3 occasions. A planned fourth meeting in April 2020 was cancelled as a result of the COVID-19 pandemic and arrangements were made to hold subsequent meetings remotely until further notice. At the end of this period there were over 20 projects on the PCC Business List.

The COVID-19 pandemic also resulted in the late cancellation of the PCC drafting conference that had originally been scheduled for April 2020, to be hosted by the Commonwealth and ACT drafting offices. The PCC has begun to explore alternative options for remote conferencing.

The 2019 IT, Publishing and Office Systems Forum was hosted by the NSW PCO—see the following page '2019–20 Highlight'.

Highlight—Parliamentary Counsel's Committee Annual IT, Publishing and Office Systems Forum

Australasian Parliamentary Counsel's Committee IT, Publishing and Office Systems Forum Sydney 2019



The Parliamentary Counsel's Committee annual IT, Publishing and Office Systems Forum was held in Sydney in July 2019 and hosted by the NSW PCO. The forum provided the opportunity for Australasian drafting offices to exchange information on the development of legislative drafting and publishing systems, the delivery of legislative information to the public and other practices common to legislative drafting environments.

The forum was held at The Mint, near Parliament House and PCO's office premises, showcasing the heritage precinct of Sydney. Approximately 80 delegates attended, representing drafting offices from New Zealand, Hong Kong, Singapore and Scotland as well as most Australian jurisdictions. The forum was co-ordinated by a cross-office team of PCO staff led by the PCC Secretariat, Sophie Goodwin. Many NSW PCO staff attended as speaking and non-speaking delegates and a number of the sessions were also chaired by NSW PCO staff.

The forum focused on the theme of "Collaboration" and the agenda covered topics such as cross-jurisdictional collaboration, challenges around access to legislation, technical IT matters, flexible and mobile work, recruitment of specialist staff to drafting offices and succession planning. Of great interest was a session by guest speakers Richard Wallace (New Zealand PCO), Pia Andrews (Digital Government, Policy and Innovation, NSW Department of Customer Service) and Adrian Kelly (Inland Revenue, NZ) on the topic of Rules as Code. Further information on NSW's progress with this initiative can be found on the [digital.nsw website](https://digital.nsw.gov.au).

Feedback from attendees was very positive with the forum being recognised as a valuable opportunity to keep up to date with drafting, technology and work practices in other jurisdictions and to share and leverage ideas and developments.

Objective 2—Providing the people of NSW with optimal access to the laws of NSW



PCO aims to provide the people of NSW with optimal access to the laws of NSW.

PCO aims to provide easy, timely and reliable access to the laws of New South Wales by providing, monitoring and enhancing the means by which legislation is delivered.

PCO provides optimal access to the laws of NSW in 4 major ways—

- 2.1 Using digital technology through the NSW legislation website and database
- 2.2 Publishing legislation that is timely and user-friendly
- 2.3 Providing information about legislation
- 2.4 Maintaining and developing its legislative systems

PCO also facilitates the centralised scheme for notifying Parliament of regulations and other statutory instruments that require tabling. Under the scheme, PCO identifies and provides to Parliament those instruments that are required to be tabled in Parliament.

Case Study—Access to legislation in times of emergency

PCO's important role in providing timely and comprehensive access to NSW legislation via www.legislation.nsw.gov.au was clearly demonstrated during 2019–20.

From November 2019 to January 2020, during the NSW bushfire crisis, PCO gazetted 46 notices relating to Total Fire Ban Orders. The majority of these notices were published in 36 special gazettes containing total fire ban notices exclusively. In comparison only 6 Fire Ban Orders were gazetted in the previous 2-month period. To ensure NSW citizens had access to current information in this time of crisis, these orders were gazetted as made, with PCO staff regularly working out of hours to prepare and publish documents, including during the Christmas–New Year period.

With the onset of the COVID-19 pandemic, PCO staff published (up to 30 June 2020) 57 instruments relating to COVID-19. To ensure prompt public access, these documents, along with 7 COVID-19 Environment and Planning Orders, were made available as principal orders, or as consolidated versions incorporating each set of amendments, as soon as possible after approval. PCO is the only Australian drafting office to have published consolidated versions of public health orders on its website—9 were published for the period up to 30 June 2020. Again, PCO staff regularly worked out of hours to prepare and publish these documents. A full list of the legislative instruments relating to the COVID-19 pandemic can be found on the NSW legislation website.

2.1 NSW legislation website and database

PCO provides free access to an authoritative, up-to-date collection of NSW legislation through its legislation website www.legislation.nsw.gov.au. The website contains “In Force” legislation, “As Made” legislation, historical versions and other information about legislation in an easily accessible and searchable format. The website delivers the following features—

- dynamic up-to-date collection of In Force NSW Acts and subordinate legislation, including EPIs. This collection is authorised under the *Interpretation Act 1987* as correct and is presented in Hypertext Markup Language (HTML) format but is also downloadable in PDF and Extensible Markup Language (XML) formats
- official online notification of the making of new statutory instruments, including EPIs
- official publication of the Government Gazette online
- superseded and repealed versions of legislation to provide point-in-time access (in HTML format but also downloadable in PDF and XML format and authorised under the *Interpretation Act 1987*)
- static archival collection of Acts dating back to 1824 and a range of subordinate legislation
- consultation drafts of Bills and copies of Bills (including explanatory notes) at all stages of the parliamentary process and Amendments in Committee
- information tables about legislation
- legislation feeds (RSS feeds) for users to monitor legislation.

The legislation website is based on a comprehensive database that captures NSW Acts and principal statutory instruments, which is updated when laws are amended. The database is compiled and stored in Standard Generalized Markup Language (SGML) format. All superseded versions are preserved to provide a point-in-time repository.

The following table shows the number of current, historical and repealed SGML versions maintained on the NSW legislation website (figures are rounded).

	2016–17	2017–18	2018–19	2019–20
Acts	15,300	16,100	16,960	17,400
Statutory instruments (excluding EPIs)	8,300	8,800	9,200	9,600
EPIs	6,300	7,200	8,250	9,100

2019–20 performance

Measures—

- To maintain the reliable, accurate and timely functioning and updating of the website
- To monitor and maintain the website to ensure accessibility and usefulness
- To capture all new Acts within 3 working days of authorisation by Parliamentary officers following assent
- To capture all new principal statutory instruments, including EPIs, within 3 working days of publication
- To update the database within 3 working days of any amendment commencing or other activity

Our performance—

	2016–17	2017–18	2018–19	2019–20
New Acts captured	65	75	55	27
New principal statutory instruments and EPIs captured	69	71	48	56

Amendments incorporated (creating a new version)	1,242	2,151	1,363	1,417
Other updates made	2,523	2,549	2,543	1,255

The NSW legislation website continues to deliver accurate, current and point-in-time access to legislation, and information about legislation, with a constant pattern of high usage.

As part of a major redevelopment of the legislation website a new Home page was launched in late 2019. Features include a Noticeboard column to keep users updated on website developments and legislative information and an automatically generated “This Week” column, providing quick access to all legislation published to the website each week. Print-on-demand functionality was also deployed on the site in January 2020. This facility provides direct access from a title on the NSW legislation website to the order portal of the government’s contracted printer, TIMG, and website users can order professionally printed and bound copies of NSW legislation.

A full Beta version of the new legislation website was made available to the public on 31 March 2020. The new website offers a significant re-design of the legislation and legislative information pages including conversion of the website code from SGML to XML to allow greater flexibility and automation of content, as well as access to an extensive range of enhanced features and functionality for users. A website feedback email box is in operation for the website offering a response service for questions and problems and a mechanism for collecting website development suggestions. Official launch of the website is scheduled for August 2020.

As indicated in the PCO performance overview, users of the legislation website continue to be positive about the service, and a satisfaction rating of 87% was achieved, 8% higher than in 2018–19. The reliability and currency of the content was particularly well regarded with 95% of users finding the website content reliable and 98% finding it up to date. PCO continued to make the In-Force collection of legislation available for free download in XML format to all users.

2.2 Publication of orders and notifications

PCO is responsible for providing official notification of the making of new statutory instruments on the NSW legislation website. PCO is also responsible for producing and publishing the NSW Government Gazette on the NSW legislation website.

The NSW legislation website has a comprehensive search facility that enables searching across multiple gazettes and other notified statutory instruments from 2001 onwards. Other gazette content is accessible through links, including an archive of previous gazettes and gazette indexes.

Public access to legislation is further enhanced through the provision of RSS feeds for those users monitoring particular types of legislation.

2019–20 performance

Measures—

- To publish new statutory instruments and new EPs on the NSW legislation website on a cumulative basis each week, including urgent publications

- To publish government gazettes on the NSW legislation website on a cumulative basis each week, including urgent publications

Our performance

Statutory instruments (excluding EPIs)	2016–17	2017–18	2018–19	2019–20
Number officially made	466	442	455	460
Pages	4,287	4,285	2,778	4,036
EPIs				
Number officially made	306	337	356	315
Pages	1,074	1,181	1,056	1,211
Government Gazette				
Number	142	134	150	256
Pages	5,745	8,609	8,495	7,127

The table above indicates an increase in the number of government gazettes published during 2019–20 (although page numbers are lower than previous years). This relates in part to the significant number of emergency and special gazettes published in response to the bushfires and the COVID-19 pandemic.

Substantial progress was made during 2019–20 in streamlining and enhancing gazettal processes, with the development of an online portal for direct client lodgement of gazette notices. A framework of subject category volumes for gazettes was also developed to support better information search and retrieval. This portal, currently in testing, represents the first stage of work in transferring the NSW Government Gazette to a standalone website where clients will be able to directly upload and publish notices as required. The portal will be released in August 2020 in conjunction with the new legislation website.

2.3 Providing information about legislation

PCO has well-informed staff that are ready to assist with any enquiries about legislation through its Legislation Information Service. The Service assists with enquiries by telephone and email about the status of NSW legislation and can provide referrals to other bodies, noting that the service cannot provide legal advice or statutory interpretation.

2019–20 performance

Measures—To respond to all telephone and email inquiries with accurate, up-to-date information or by referral to a more appropriate source.

Our performance—A new process for responding to Legislation Information Service enquiries commenced in November 2019 with the goal of improving the service experience and outcomes for PCO's website customers. The Legislation Information Service team now offers a guaranteed 2-hour response time to voicemail messages or emails received during business hours. This response window allows time for comprehensive research of enquiries and provision of tailored advice back to customers or appropriate on-referral to other agencies if PCO cannot assist with the enquiry. A set of template responses has been prepared to ensure a consistent approach and quality of information. This knowledge base will be maintained and expanded over time.

Since the introduction of the new service the Legislation Information Service team has responded to 219 voicemail messages and 325 emails.

2.4 Maintaining and developing legislative systems

In order to optimise access to legislation, PCO has to maintain and improve its technology to deliver contemporary solutions. PCO's legislative systems consist of the hardware, specialist applications and networks that support the delivery of legislative drafting and publishing services. The main applications are closely integrated and consist of the FrameMaker drafting and publishing tool, the LEGIS document management system and the public-facing NSW legislation website.

2019–20 performance

Measures—

- To provide timely maintenance and support for legislative drafting and publishing systems (including hardware, software and networking)
- To ensure that new and enhanced systems are implemented in accordance with the relevant project plan

Our performance—

During 2019–2020, there was, on average, 98% availability of legislative systems. There were 8 unplanned outages on various platforms, with some other minor outages that impacted some but not all systems. Network degradation impacted some systems and some staff but did not affect service delivery.

Major projects undertaken in 2019–2020 included—

- set up of a cloud-based project management solution
- recruitment of an application developer to support PCO's legislative drafting and publishing environment and establishment of an in-house application development system
- implementation of a Mobile Device Management (MDM) solution
- establishment of a communication system for business continuity support
- development of a security awareness training and exercise system
- roll-out of new Surface Pro7 laptops to support remote working arrangements implemented in response to COVID-19
- replacement of PCO's in-house uninterruptible power supply (UPS) apparatus
- migration of PCO's intranet to SharePoint
- implementation of multi-factor authentication
- development of a database to manage data on miscellaneous statutory instruments
- development of a database to manage data on expiry and repeal of legislative instruments.

Other system developments were—

- ongoing refinements and enhancements to the NSW legislation website
- ongoing refinements to LEGIS, publishing and website applications
- ongoing refinements to the current drafting application.

Objective 3—Achieving excellence in service provision



PCO aims to provide excellence in service provision and comply with its governance and compliance obligations.

This section details the operational, strategic and corporate mechanisms in place at PCO in order to achieve excellence in service provision and ensure compliance with public sector requirements, as well as to review and reflect on opportunities for continuous improvement. Service provision at PCO is reported as follows—

- 3.1 Business performance and planning
- 3.2 Corporate governance and reporting
- 3.3 Finance

3.1 Business performance and planning

Achieving service measures

PCO uses the following mechanisms for management review to ensure that the office achieves its service measures—

- a leadership team comprised of the Parliamentary Counsel, Deputy Parliamentary Counsel and Directors of the Production and Access, IT and Corporate Services teams meets monthly and reviews progress against PCO's core objectives
- purpose-built reporting tools within LEGIS to enable drafting program managers to monitor the progress of projects against agreed turnaround times
- regular meetings of the Parliamentary Counsel, Deputy Parliamentary Counsel and Principal Assistant Parliamentary Counsel to discuss drafting priorities and workloads
- regular meetings of the Parliamentary Counsel and the Directors leading Production and Access, IT and Corporate Services to discuss priorities, projects, staffing and office resources, and to identify any emerging issues
- monthly meetings of the Committee for Digital Transformation, which has oversight of business process and systems development. The Committee sets priorities for new projects and monitors current projects and related operational matters.

Challenges

An ongoing challenge for PCO is the management of externally driven drafting and publishing workloads. PCO's drafting services are largely demand-driven according to the Government's legislative agenda and that of non-Government members. As a result, PCO must manage fluctuating and varying drafting requirements. As well as the challenge of balancing workloads, this can make meaningful service measures problematic, as PCO often cannot control its workflow in terms of volume and qualitative complexity. Furthermore, the bushfire and pandemic crises experienced during this reporting period reinforced the importance of timely access to NSW legislation.

PCO manages these challenges by maintaining a multi-skilled workforce who can work across all programs, reviewing and streamlining processes, and maintaining good working relationships and clear communication lines with key client agencies.

Forward projects and planning

In addition to its ongoing services, the management team has a strong commitment to modernising PCO and driving efficiency and innovation in service delivery. This includes—

- **digital transformation**—An end-to-end review of legislative drafting and production processes undertaken in 2018–2019 identified a range of opportunities and imperatives to transform PCO's drafting and publishing systems and legislative access services. Significant projects commenced during 2019–2020 included partial conversion of PCO's SGML database to XML and enhancements to the NSW legislation website and Government Gazette lodgement process to improve access to legislation and legislative information. Key forward projects include—
 - configuring the office's drafting application software to enable end-to-end production of legislation in XML
 - enhancement of PCO's legislative drafting database LEGIS to support automated compilation and consolidation of legislation
 - further development of the legislation website and gazette lodgement process
 - Providing access on the website to all historical consolidated versions as well as the current version of COVID-19 legislation and the amendments consolidated in each version
 - Building a new website page for Miscellaneous Statutory Instruments.
- **reaching out to the sector to improve relationships with instructing agencies and enhance delivery of services to those agencies**—PCO will continue to reach out to stakeholders through formal information sessions, engaging in speaking opportunities and actively raising PCO's profile with stakeholders.
- **continuing to build workforce capacity to meet future service delivery demands**—PCO is in the process of implementing structural changes in the Corporate Services and IT teams. PCO's focus is to fill capability gaps, enhance staff development activities and to upskill leaders and managers to drive future performance. PCO will also continue to promote wellbeing and other workforce programs that encourage good mental health and a workplace where staff display the resilience, adaptability and self-direction needed to meet service demands.

3.2 Corporate governance and reporting

As a public sector organisation, PCO complies with Government policies and reporting requirements. PCO complies with external governance and public sector requirements for business performance. This section outlines PCO's key corporate services and governance functions, statutory reporting requirements and audit and risk management reporting.

Triennial reporting of certain matters

PCO falls within the exemption provisions of clause 14 of the *Annual Reports (Departments) Regulation 2015*, which provides for small departments to report triennially rather than annually on certain matters. However, it is noted that PCO chooses to report annually on these areas and performance reports have been included in PCO's previous annual reports.

The 2018–19 year was PCO's last triennial reporting year. Required reporting areas are listed below and information on these issues is included in the next section of this report—

- workforce diversity
- disability inclusion action plan
- multicultural policies and services program
- work health and safety.

Audit and risk management

PCO maintains a Risk Management Policy and Framework, under which risks are identified, assessed and treated as required. Risks and any relevant treatment plans are recorded in PCO's Risk Register, which is regularly reviewed. Responsibility for risk treatment activities is assigned to specific senior executives and activities are regularly monitored by PCO management to ensure that risks are being appropriately managed.

Treasury Policy Paper (TPP) 15–03 *Internal Audit and Risk Management Policy for the NSW Public Sector* requires that agencies include a statement attesting to their compliance with that TPP in their annual reports. The Parliamentary Counsel's attestation for 2019–20 is shown on page 37.

Cybersecurity

The NSW Cybersecurity Policy is focused on strengthening cybersecurity governance, identifying an agency's most valuable or operationally vital systems or information ("crown jewels"), strengthening cybersecurity controls, developing a cybersecurity culture across all staff, working across government to share security and threat intelligence and supporting a whole of government approach to cyber incident response. Reporting obligations under this policy include an annual cybersecurity attestation statement. The Parliamentary Counsel's attestation is shown on page 38.



Parliamentary Counsel's Office

Internal Audit and Risk Management Attestation Statement for the 2019–2020 Financial Year for the Parliamentary Counsel's Office

I, Annette O'Callaghan, am of the opinion that the Parliamentary Counsel's Office has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Risk Management Framework

- | | | |
|-----|---|-----------|
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency. | Compliant |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009. | Compliant |

Internal Audit Function

- | | | |
|-----|---|-----------|
| 2.1 | An internal audit function has been established and maintained. | Compliant |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing. | Compliant |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the "model charter". | Compliant |

Audit and Risk Committee

- | | | |
|-----|--|-----------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established (shared arrangement with Department of Premier and Cabinet). | Compliant |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the "model charter". | Compliant |

Membership

The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Gerardine Brus (January 2018 – January 2021)
- Independent Member, Garry Dinnie (October 2017 – April 2021)
- Independent Member, Christine Feldmanis (December 2017 – December 2020)

Annette O'Callaghan
Parliamentary Counsel

Date: 10.9.20

Contact Officer:
Karen Burrard
Acting Manager, Business Services
Ph 9321 3332



Parliamentary Counsel's Office

Cyber Security Annual Attestation Statement for the 2019-2020 Financial Year for Parliamentary Counsel's Office

I, Annette O'Callaghan, Parliamentary Counsel, am of the opinion that the Parliamentary Counsel's Office has identified and will be managing cyber security risks in a manner consistent with the Mandatory Requirements set out in the *NSW Government Cyber Security Policy* that came into effect from 1 February 2019 and updated in February 2020.

Risks to the information and systems of the Parliamentary Counsel's Office have been assessed, identified and will be managed.

Governance will be put in place to manage the cyber-security maturity and initiatives of the Parliamentary Counsel's Office.

A cyber incident response plan will be created, to incorporate the current Business Continuity and Disaster Recovery Plans that have been tested during the reporting period.

The Parliamentary Counsel's Office performed a self-assessment against the requirements of the NSW Cyber Security Policy with independent advice from The Missing Link and have identified the Office's current maturity level at 1.75. The Missing Link have also provided a roadmap to increase the Parliamentary Counsel's Office's maturity level and this will be addressed in a timely manner.

References:

Parliamentary Counsel's Office's service providers, Unisys, Infosys and Leidos, have provided their attestation for the financial year 2019-2020. All service providers are ISO27001:2013 certified with active certifications.

The Missing Link: Independent assessment of PCO's Cyber Security Maturity.

The Missing Link: Independent assessment of PCO's ASD8 (Essential 8) Maturity.

A handwritten signature in black ink, appearing to read 'A. O'Callaghan'.

Annette O'Callaghan

Parliamentary Counsel
27th August 2020

Insurance

In 2019–20, PCO had insurance cover for all major assets and significant risks through the NSW Government self-insurance scheme (the NSW TMF). This included full workers compensation, property, liability and miscellaneous insurance cover.

Government information

To promote open, accountable, fair and effective government in NSW, members of the public have a right to access government information. PCO continually aims to increase access to legislation and information about legislation for lawyers, researchers and other users of legislation.

The *Government Information (Public Access) Act 2009* (GIPA Act) provides for public access to government-held information and the proactive public release of government information. Information the Act requires to be proactively released is available on PCO's corporate website. This right of access is restricted only when there is an overriding public interest against disclosing the information. It is noted that many of the documents kept by PCO cannot be released as they are Cabinet documents or documents attracting legal professional privilege and there is an overriding public interest against disclosing these documents to the public.

Review and proactive release of information program

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months and PCO complied with this requirement in 2019–20.

In addition to the current and historical legislation of NSW, the following documents are made available to the public—

- a range of corporate publications and policies, such as previous Annual Reports and the Code of Conduct
- information sheets, manuals and circulars about the process for the making of legislation
- a series of drafting practice documents that provide insight into drafting matters such as the use of plain language, gender neutral language and the use of savings and transitional provisions in legislation.

Release of information in 2019–20

PCO's program for the proactive release of information involves increasing the availability of legislation and information about legislation on the NSW legislation website and/or the PCO corporate website.

During 2019–20, the following material was made available—

- all new legislative material relevant to the statute book of NSW was added to the legislation website in accordance with the *Interpretation Act 1987*. The "In Force" and "Repealed" versions of legislation continue to be available as downloadable XML so they can be easily re-used by publishers and other users of legislation,

- revised FAQs and templates were published outlining the procedures for gazettal and notifying legislation on the legislation website,
- a new Manual for the Drafting of Non-Government Legislation and a set of factsheets on understanding and making legislation were published on the corporate website,
- up-to-date versions of corporate documents such as the Annual Report and the Code of Conduct were included on the corporate website.

PCO also reviews any information sought and released pursuant to GIPA access applications received over the reporting year to determine whether the information should be released to the public generally, as well as to the applicant. Information of this type was publicly released in 2019–20 in relation to one application.

Number of access applications received and refused and statistical information

Clause 8(b) and (c) of the *Government Information (Public Access) Regulation 2018* (GIPAR) requires agencies to report on the number of applications received and refused respectively. PCO has reported this information to the Information Commissioner via the GIPA online reporting tool.

GIPA Act applications 2019–20	No.
Number of access applications received—clause 8(b) GIPAR	3
Number of refused applications for Schedule 1 information—clause 8(c) GIPAR	0

Under GIPAR clause 8(d), statistical information is required to be provided about access applications in the format set out in Schedule 2 to GIPAR.

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	–	–	–	–	–	–	–	–
Members of Parliament	–	–	–	–	–	–	–	–
Private sector business	–	–	–	–	–	–	–	–
Not for profit organisations or community groups	–	–	–	–	–	–	–	–
Members of the public (application by legal representative)	–	–	–	–	–	–	–	–
Members of the public (other)	–	1	1	–	–	–	–	1

* More than one decision can be made about an access application. If so, each such decision must be recorded. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	–	–	–	–	–	–	–	–
Access applications (other than personal information applications)	–	1	1	–	–	–	–	1
Access applications that are partly personal information applications and partly other	–	–	–	–	–	–	–	–

* A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	2

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	1	1
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	1	1

* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Privacy Management Plan

Clause 6 of the *Annual Reports (Departments) Regulation 2015* requires a statement of the action taken by PCO in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (the PPIP Act), and statistical details of any review conducted by or on behalf of PCO under Part 5 of that Act.

PCO has a Privacy Management Plan that is published to PCO staff on Gulbarra and is available on www.pco.nsw.gov.au. The Plan has two purposes—

1. to demonstrate to members of the public how PCO upholds and respects the privacy of clients, staff and others about whom personal information is held
2. to act as a reference tool for employees to explain how PCO may best meet its privacy obligations under the PPIP Act and the *Health Records and Information Privacy Act 2002* (NSW).

During 2019–20, the Director, Governance and Operations, was PCO's Privacy Contact Officer. PCO's corporate website contains a Privacy Notice advising that personal information will be handled in accordance with the PPIP Act.

PCO's business operations do not require significant interaction with the public. As a result, most of the personal information held by PCO relates to its employees. Information about how PCO handles the personal information of its employees is accessible to staff on Gulbarra.

No internal reviews were conducted by or on behalf of PCO under Part 5 of the PPIP Act during the 2019–20 year.

Public interest disclosures

Section 31 of the *Public Interest Disclosures Act 1994* requires each public authority to prepare an annual report on its obligations under the Act.

In accordance with clause 4 of the *Public Interest Disclosures Regulation 2011*, the following information is provided on public interest disclosures for the period 1 July 2019 to 30 June 2020:

Public interest disclosures 2019–20	No.
Public interest disclosures made by public officials in performing their day-to-day functions	0
Public interest disclosures not covered by the above that are made under a statutory or other legal obligation	0
All other public interest disclosures	0
Number of public interest disclosures relating to possible or alleged:	
• corrupt conduct	0
• maladministration	0
• serious and substantial waste of public money	0
• government information contraventions	0
• local government pecuniary interest contraventions.	0
Total number of public interest disclosures received	0

PCO has a Public Interest Disclosures Policy that is available to all staff. Relevant officers have attended a Public Interest Disclosure Management workshop conducted by the NSW Ombudsman's office.

Section 6CA of the *Public Interest Disclosures Act 1994* requires each public authority to provide a report for each 6-month period to the Ombudsman on its compliance with that Act. PCO reported to the Ombudsman that there were no disclosures during 2019–20.

3.3 Finance

Budget performance

PCO's net result was a loss of \$1,724,000 against the budgeted loss of \$550,000. This is primarily due to the right-of-use impairment by \$1,261,000 under AASB 136 as a result of the impact of COVID-19 on the rental market. It was also impacted by an underspend in employee related expenses following the retirements of longer serving senior executive staff, office re-structures and unsuccessful recruitment actions. The exigencies of the year led to delays in filling vacancies and implementing team re-structures.

Management invested in several capacity building, efficiency and risk management exercises that resulted in higher than usual operating expenses. This included work on cybersecurity uplift, strategic planning, workforce planning, performance management and learning systems. Other works were impacted by COVID-19 responses including the need to delay travel and face-to-face training activities.

Account payment performance

Aged analysis at the end of each quarter (all suppliers)

Quarter	Current (within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
September 2019	151,125	0	0	0	0
December 2019	96,330	0	0	0	0
March 2020	13,074	0	0	0	6,497
June 2020	27,102	0	0	0	0

Accounts due or paid within each quarter (all suppliers)

Measure	September 2019	December 2019	March 2020	June 2020
Number of accounts due for payment	63	85	73	97
Number of accounts paid on time	53	64	51	76
Actual percentage of accounts paid on time (based on number of accounts)	84.12	75.29	69.86	78.35
Dollar amount of accounts due for payment	635,076	608,665	622,066	912,090

Dollar amount of accounts paid on time	599,274	479,076	321,097	642,102
Actual percentage of accounts paid on time (based on dollars)	94.36	78.71	51.61	70.39

Small business suppliers

Measure	September 2019	December 2019	March 2020	June 2020
Number of accounts due for payment	1	0	0	0
Number of accounts paid on time	1	0	0	0
Actual percentage of accounts paid on time (based on number of accounts)	100	0	0	0
Dollar amount of accounts due for payment	1,258	0	0	0
Dollar amount of accounts paid on time	1,258	0	0	0
Actual percentage of accounts paid on time (based on dollars)	100	0	0	0
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Shared corporate services

PCO carries out some of its corporate support functions and financial management reporting in-house but has outsourced many high-volume services such as payroll, personnel records and payment of accounts for many years.

Since 2015–2016, the service provider has been GovConnect NSW. PCO is not a direct party to this contract but is a beneficiary agency under the contract. A service level agreement is in place as part of that contract and those same service levels apply to beneficiary agencies.

During 2019-20, service levels were closely monitored and PCO was an active participant in client forums and other oversight activities. Management certification letters were received from GovConnect, which noted some deficiencies in the internal controls of the shared service provider, as identified by an independent control assessment. PCO has effective internal controls to manage these deficiencies, and therefore they are not considered to have material impact on financial information and other compliance requirements.

Objective 4—Having the right people to deliver the leading legislative drafting and advisory service in Australia



4.1 Structure and organisation

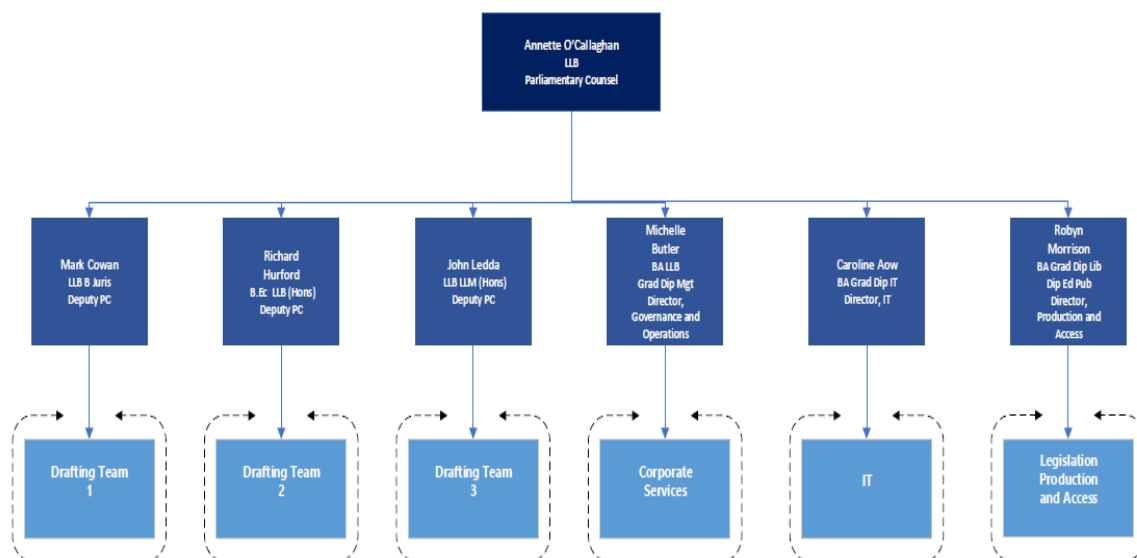
PCO is a Public Service executive agency in the Premier and Cabinet cluster and is responsible to the Premier. The Parliamentary Counsel is the Agency Head.

Leadership team



PCO's Leadership Team (L-R)—Annette O'Callaghan, John Ledda, Robyn Hodge, Mark Cowan, Richard Hurford, Michelle Butler, Caroline Aow, Robyn Morrison.

Organisation chart (as at 30 June 2020)



Staff profile

As at 30 June 2020, PCO employed 61 staff with an equivalent full-time staff of 49.8. Approximately half of PCO's employees are legislative drafters. The executive staff and legal officers are principally involved in the drafting and development of legislation and in providing the range of legal and administrative services associated with these activities. The balance of PCO staff includes editorial, publishing, IT, administrative and support staff. Publishing and editorial staff are multi-skilled and trained to work across all production areas as workload demands require.

The following table shows the number of PCO staff by employment category and gender over the past 5 years (excluding contract drafters engaged on a project basis).

As at	30 June 2016		30 June 2017		30 June 2018		30 June 2019		30 June 2020	
Gender	M	F	M	F	M	F	M	F	M	F
Permanent full-time	8	18	8	17	8	17	7	19	9	19
Permanent part-time	0	8	0	7	0	10	0	5	0	7
Temporary full-time	0	2	1	1	1	2	0	7	2	5
Temporary part-time	0	0	0	2	0	0	0	2	0	2
Senior Executive	6	6	6	7	4	7	6	7	6	8
On long-term leave without pay	0	2 [#]	0	0	0	0	1	2	0	3

Total by gender	14	36	15	34	13	36	14	42	17	44
Total	50		49		49		56		61	

Includes one senior executive

Retirements of senior staff in 2019–20

In 2019–20, two of PCO's most experienced drafters, Robyn Hodge and Nigel Hill, retired. Both had spent some 36 years in the office and both had made a contribution to office life and culture well beyond their drafting achievements. PCO wishes to recognise the very significant contribution both Robyn and Nigel made to PCO and the Statute Book of NSW.

Robyn Hodge—retired as Deputy Parliamentary Counsel in November 2019.

Robyn's drafting ranged across many areas of legislation, from health to transport to strata management and superannuation. She was the drafter of many important Acts including the *Public Health Act 2010*, the *Strata Schemes Management Act 2015* and the *Passenger Transport Act 2014*. Robyn also managed the program for environmental planning legislation for many years, conceiving and drafting the Standard Instrument for local environmental plans.

Robyn's role in the office outside her own drafting was equally significant. She worked tirelessly as a mentor for junior drafters and played a lead role in their training and education. She will also be remembered and respected as the PCO trailblazer who successfully balanced career and family responsibilities and always actively supported other female drafters balancing those responsibilities.

Nigel Hill—retired as Deputy Parliamentary Counsel in June 2020.

Nigel led the non-Government bills drafting program for many years but was also responsible for drafting some very significant Acts, particularly in the area of liquor and gambling, including the *Liquor Act 2007*, the *Casino Control Act 1992* and the *Gaming Machines Act 2001*. Nigel also became the PCO expert on drafting the intricacies of the Administrative Arrangements Orders.

Nigel will be fondly remembered for his self-deprecating and self-effacing sense of humour and his devotion to his favourite pastime—serious lycra-clad bike-riding. Like Robyn, Nigel was also always generous with his time and always supportive of his colleagues, particularly assisting more junior drafters to develop their professional skills.

4.2 Workforce profile and management

Workforce planning

PCO is committed to developing its staff and recognises the need to plan effectively for resourcing its future workforce. In 2018–19 PCO commenced a full review of its structure at both the executive and the team level. This work continued in 2019–20 with a review of the Corporate Services and Information Technology teams commencing in January 2020. The results of the review were delivered in late March but implementation was postponed due to the onset of COVID-19 and changed working arrangements. The review considered the capabilities and staffing numbers needed in each team and at each level to

ensure we have the right people in place to deliver successful outcomes for stakeholders both now and into the future. The outcomes of the review are scheduled for implementation in 2020–21.

In terms of succession planning, PCO undertook additional entry-level recruitment in 2019–20 and focused its training and development effort on entry-level, leadership level and “pipeline” development activities. PCO continued to proactively prevent knowledge loss through close “mentor-style” supervision of developing drafters. PCO also uses flexible work practices to accommodate parental leave and other career breaks, which assists in retaining specialist staff in the long term.

Workforce and career development

PCO actively supported career development and workforce depth by supporting the following programs and opportunities during the 2019–20 year—

NSW Government Graduate Program—PCO participated in the program with two graduates from the 2019 program and one from the 2020 program.

Indigenous internship—PCO hosted an Aboriginal Intern under the CareerTrackers Indigenous Internship Program.

Practical Legal Training (PLT)—PCO provided a PLT placement for one officer. The completion of PLT is a pre-requisite for admission in New South Wales.

Secondments—during the period there were 3 secondments/assignments from other agencies to PCO and 2 secondments from PCO to other agencies.

Overseas work experience—two PCO officers worked in overseas drafting offices during the reporting period, being in Scotland and Jersey respectively.

Overseas studies—one PCO drafter returned from an overseas scholarship. He completed a EUPADRA Masters program studying parliamentary procedures and legislative drafting in Europe.

Overseas intern—PCO hosted a 2-month intern placement of a drafter from Botswana.

Learning and development

The aim for this internal service is to facilitate knowledge transfer and sharing within PCO, ensure knowledge retention and promote consistency and the maintenance of standards in the drafting and publication of NSW legislation for coming decades. The service proactively addresses the identified risk at PCO of knowledge being lost with retirements and staff movements.

Appropriate training is integral to the development and maintenance of professional standards and quality control processes. PCO aims to provide all drafting and publishing staff with skills and experience across all program areas to meet the varying peak periods for each drafting and publishing program and to provide variation of work for employees. In-house subject matter experts contribute to the development and delivery of training programs.

PCO currently provides a mix of formal and on-the-job training for legislative drafters, editorial, technical and support staff. This includes the following—

- junior officers work under the supervision of a senior officer, which allows for training, mentoring, coaching and knowledge transfer on a one-to-one basis

- formal training, both in-house and externally, consisting of seminars, workshops and courses in areas appropriate to the capabilities needed for PCO's workforce
- opportunities are provided for involvement in external stakeholder activities, such as attending meetings of the Supreme Court and PCO Consultative Group where issues of general principle concerning statutory interpretation and legislative drafting practices are discussed. An in-house (Continuing Professional Development) program is provided which meets the requirements for lawyers under the rules of the NSW Bar Association and the Law Society of NSW
- leadership training and coaching for PCO's senior leaders
- participation in sector-wide training activities to keep up with changes in financial, HR, IT and compliance areas
- individuals undertaking relevant external study to further develop their skills are assisted with study leave. In 2019–20, this included an employee undertaking formal studies in financial accounting.

Highlight—Gulbarra relaunch

A major achievement for the year was the relaunch of Gulbarra (meaning “to know” in Wiradjuri) on the Microsoft SharePoint platform. Gulbarra is the primary tool for intra-office communications and for capturing and sharing information. It enables staff to store and share professional drafting and publishing knowledge, both formal and informal. It is also the forum for communications about office changes, policies and events. The move from DokuWiki to the SharePoint platform was in response to feedback from staff that the previous platform was difficult to update and not user-friendly. PCO took the opportunity to restructure and review its material on Gulbarra and this was led by the SharePoint Committee. Review of content is continuing. The new platform has enabled easier interaction with Gulbarra's content and facilitated staff engagement across all areas of the Office.

Overseas visits

PCO occasionally funds overseas visits for its staff for the purposes of knowledge development, benchmarking and keeping abreast of global best practice in drafting. There were no overseas visits undertaken by PCO staff during 2019–20.

Performance management

All staff are subject to formal performance management systems involving performance agreements and progress and annual reviews. PCO's performance management framework is based around three key themes—ongoing conversations, no surprises and collegiate feedback.

This framework outlines the responsibilities of employees and managers and emphasises the importance of collegiate feedback when assessing an employee's performance, recognising that most PCO employees work across multiple business programs and report to multiple managers. Collegiate feedback also enables peers and employees to provide feedback on colleagues and supervisors, if desired.

Senior executives

In accordance with Public Service Commission Circular 2014–09, the following information is provided about senior executives at PCO.

Senior executives by band and gender				
Band	2018–19		2019–20	
	Male	Female	Male	Female
Band 4	—	—	—	—
Band 3	—	1	—	1
Band 2	3	1	4	—
Band 1	4	6	2	7
Totals	7	8	6	8
	15 ¹		14 ²	

1 Six roles were filled by temporary assignment as at 30 June 2019 and one was effectively vacant due to an executive being on long-term leave.

2 Three roles were filled by temporary assignment as at 30 June 2020.

Senior executives by band and remuneration (at 30 June 2020)			
Band	Range (\$)	Average remuneration	
		2018–19 (\$)	2019–20 (\$)
Band 4	487,051–562,650	—	—
Band 3	345,551–487,050	440,750	451,769
Band 2	274,701–345,550	266,647 ¹	279,946 ¹
Band 1	192,600–274,700	215,832	187,428 ²

1 Includes one executive engaged on a part-time basis.

2 Includes three executives engaged on a part-time basis.

% Expenditure	2017–18	2018–19	2019–20
% of PCO's employee-related expenditure related to senior executives	49.07	52.33	39.54

Exceptional movements in wages, salaries or allowances

There were no exceptional movements in wages, salaries or allowances. A salary increase of 2.5% was paid to clerical and legal staff in accordance with the *Crown Employees (Public Sector—Salaries 2019) Award*. The Statutory and Other Offices Remuneration Tribunal determined an increase of 2.5% for senior executive officers, effective from 1 July 2019.

Consultants

Consultants were engaged by PCO during the 2019–20 year for a total value of \$144,055 as follows—

Consultancies under \$50,000

Five consultants were engaged by PCO during 2019–20 with the total cost for the 5 engagements being \$96,455.

Consultancies \$50,000 and over

One consultant was engaged by PCO as follows—

Consultant—Deloitte Consulting P/L

Project—Implementation of an electronic Human Capital Management System (Success Factors) for performance management and learning.

Actual costs—\$47,600 paid in 2019–20 of a total project cost of \$68,000 (balance to be paid in 2020–21 year).

4.3 Workforce diversity and inclusion

PCO is committed to promoting diversity and inclusion in the workplace and is focused on established diversity groups—Aboriginal people, women, people with a disability and people from culturally and linguistically diverse backgrounds. PCO aims to establish and develop a workforce that draws on the diversity of the people of NSW. It recognises that a diverse workforce provides opportunities for improving service delivery. PCO is committed to the NSW Government's goals of a workplace culture displaying fair practices and behaviours and improved employment access and participation for diversity groups. The Parliamentary Counsel is responsible for ensuring workforce diversity and its integration into workforce planning at PCO.

PCO has continued to adhere to the objectives and actions set out in its Diversity and Inclusion Policy which are—

- providing services to support a diverse community
- attracting and recruiting a diverse workforce
- retaining and developing a diverse workforce by workplace arrangements
- providing support for targeted diversity workgroups.

Some of the actions included providing an environment where staff can share their views with other staff, encouraging staff to balance work and family commitments using flexible work practices (including part-time work and working from home), promoting diversity principles during staff induction and ensuring that all policies and procedures comply with and support equity standards.

PCO also develops and retains a diverse workforce by incorporating the capability framework in its role descriptions, recruitment processes and performance management system.

As PCO is a small agency, it is only required to report on workforce diversity on a triennial basis. However, PCO chooses to provide an annual performance report. The representation and distribution of workforce diversity groups at PCO as at 30 June 2020 are provided in the tables below. All data in these tables has been sourced from the Public Service Commission's Workforce Profile.

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark Target (%)	2018 (%)	2019 (%)	2020 (%)
Women	50.0	73.5	76.8	72.1
Aboriginal People and Torres Strait Islanders	3.3	2.4	1.8	3.9
People whose first language spoken as a child was not English	23.2	27.7	20.9	20.5
People with a disability	5.6	9.2	8.8	10.6
People with a disability requiring work-related adjustment	N/A	2.0	4.5	1.6

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: [Jobs for People with Disability: A plan for the NSW public sector](#). The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark Target (%)	2018 (%)	2019 (%)	2020 (%)
Women	100	N/A	N/A	N/A
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	N/A	N/A
People with a disability	100	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

Women

PCO exceeded the benchmark figure for representation of women in the workforce by 22.1%.

Aboriginal People and Torres Strait Islanders

This year PCO exceeded the benchmark figure by 0.6%. PCO aims to improve employment, access and workforce participation for Aboriginal people and Torres Strait Islanders but recognises that due to the small size of PCO this is a challenging benchmark figure for a small agency to maintain.

People whose first language spoken as a child was not English

The objectives and actions in PCO's Diversity and Inclusion Policy include ensuring the promotion of plain language, awareness of cross-cultural issues arising in drafting, facilitating easy access to legislation, promoting a culturally diverse workforce and accommodating cultural requirements in the workplace where possible.

PCO has not entered into any agreements with Multicultural NSW under the *Multicultural NSW Act 2000*. PCO incorporates its Multicultural Policies and Services Plan into its Diversity and Inclusion Policy and Plan.

People with a disability, including those requiring work-related adjustment

PCO is committed to the NSW Government's goals of a workplace culture displaying fair practices and behaviours and improved employment access and participation for people with a disability. PCO is not required to have a Disability Inclusion Action Plan, as defined in the *Disability Inclusion Act 2014*, as it is not a Department but an executive agency related to a Department.

However, PCO currently has practices in place to ensure that people with disabilities are catered for, including the following—

The workplace

- Building access—there is disabled access, including lifts and bathrooms for the disabled
- Workplace adjustments, including specialist equipment and flexible working arrangements, are provided for employees with disabilities

Service delivery

- Plain language—the application of plain language to drafting (including the preparation of any new legislation relating to disability) optimises access to legislation by all users, including those with a disability
- Accessible web design—PCO's websites and intranet have been developed to ensure that content is available to the widest possible audience, including readers using assistive technology or accessibility features. By adhering to guidelines for accessible web design, PCO acknowledges the diversity of communication methods, available technologies and

abilities of internet users in the community. PCO strives to maintain conformance to W3C's Web Content Accessibility Guidelines

- PCO consulted directly with volunteer visually impaired users during development of the new legislation website to ensure improved interaction with the available assistive technologies and avoid the need for access keys
- Copies of legislation in electronic format are also provided on request, at no cost, for the visually impaired, and the visually impaired can also access legislation in PDF using the accessibility tools in software products
- Assistance for hearing and speech impaired persons—customers and staff can access PCO services using the National Relay Service
- Recruitment information—PCO's Guide for Job Applicants is available on the corporate website and encourages suitably qualified applicants who have a disability to apply and to discuss any specific requirements with the contact officer for the role

4.4 Looking after our staff—work health and safety

PCO is committed to ensuring the health and safety of those engaged in the work of PCO and of visitors to the premises. PCO places a strong emphasis on the prevention of accidents and injuries, the early notification of injuries and the supportive management of claims to facilitate a speedy return to work. There was 1 workers compensation claim in 2019–20.

	2018–19	2019–20
Details of injuries and prosecutions under the <i>Work Health and Safety Act 2011</i>	0	1

Work, health and safety issues were a key consideration when PCO designed its current premises and fit out and include ergonomic furniture and other equipment. Assessments of individual workspaces are conducted for all staff when commencing with PCO or when otherwise required.

The Work Health and Safety Committee meets quarterly and reviews the measures taken to ensure that Work Health and Safety (WHS) practices are appropriate. The minutes of Committee meetings are made available to both management and staff.

PCO continues to ensure the safety of staff by training staff in emergency evacuation exercises and first aid, and emergency management and after-hours access procedures are kept updated on Gulbarra. Regular training is also provided for Fire Wardens and First Aid Officers.

The following WHS policy and procedures are currently in place at PCO—

- Work Health and Safety Policy
- Work Health and Safety Strategic Plan and Procedures
- Work Health and Safety Management Report, including a WHS training register.

PCO also facilitates the following corporate wellbeing activities—

- sponsoring participation in the Global Challenge, a workplace health and wellness program aimed at changing the behaviour and improving the health of employees around the world by promoting 10,000 steps per day. This year, 21 employees took part in the 2020 Global Challenge (34% of PCO staff). PCO actively facilitated employees being able to participate

even though most participants were working at home for some or all of the Challenge period

- providing staff with annual influenza vaccinations—37% of staff were vaccinated in April 2020
- providing a free counselling service to all employees and immediate family through Converge International

Objective 5—Being responsive to the needs of the community and stakeholders



5.1 Participating in forums for feedback and benchmarking

PCO engages in the following forums that provide feedback and potential for collaboration with stakeholders—

- The NSW Parliamentary Counsel is the Secretary-Chair of the Australasian Parliamentary Counsel's Committee (PCC), which provides a forum for benchmarking activities with drafting offices in other Australasian jurisdictions.
- Representatives from PCO attend the annual PCC IT, Publishing and Office Systems Forum, which provides an effective mechanism for exchanging technical and operational information, seeking solutions to common problems, and evaluating new and emerging technology in the legislative drafting and publishing fields.
- Drafters from PCO attend the PCC Drafting Conference, which is held every 2 to 3 years and provides a forum for drafters to exchange ideas, keep up to date on the latest drafting developments and learn from the experience of other jurisdictions. Junior drafters are particularly encouraged to attend this conference to complement their on-the-job training.
- PCO actively contributes to the development of the legislative drafting profession internationally through ongoing involvement in the Commonwealth Association of Legislative Counsel.
- Representatives from PCO participate in a Supreme Court consultative group to facilitate engagement and feedback on issues of general principle concerning statutory interpretation and legislative drafting practices.
- The Parliamentary Counsel and Director, Production and Access maintain contact with the Clerks of both Houses of Parliament to ensure PCO's support for Parliament continues to be effective and efficient.
- The Director, Governance and Operations, and the Director, IT represent PCO at a range of forums within the DPC Cluster, the GovConnect NSW client base and in the wider public sector to ensure that PCO is kept abreast of corporate and governance practices and other sector-wide initiatives.
- PCO conducted two stakeholder surveys in June 2020 to obtain feedback and assess satisfaction with PCO's services over the past year. One survey targeted drafting and publishing stakeholders and the other was for users of the legislation website.
- PCO works co-operatively with other small NSW government agencies to share ideas and resources and to collaborate where possible.
- PCO hosts guest speakers from the judiciary and the wider legal community to speak with PCO staff about matters relevant to the drafting and interpretation of legislation.
- PCO regularly welcomes staff from other departments for information sessions on the work of PCO and this now includes running formal information sessions for those public servants who instruct PCO on legislation that is being drafted.

5.2 Consumer response

PCO is committed to providing quality customer services through courteous and prompt assistance. During the reporting period, PCO did not receive any formal complaints. Options available to the public to obtain or request information, or to provide feedback, include telephone enquiries and email, with relevant contact details available on PCO's websites.

The Parliamentary Counsel considers any feedback in relation to drafting and publishing services and implements changes as required. The Committee for Digital Transformation considers any feedback or suggestions received throughout the year in relation to systems and processes.

5.3 Engaging with the community and stakeholders

Stakeholder surveys

Two stakeholder surveys were conducted to obtain feedback and assess satisfaction with PCO's services over the past year. One survey targeted drafting and publishing stakeholders and the other was for users of the legislation website. Both surveys showed that stakeholders were overwhelmingly positive about PCO's services.

Overall stakeholders remained extremely satisfied with PCO drafting and publishing services with a 97% satisfaction rating—a result consistent with the 2019 survey. The high level of satisfaction was reflected across all stakeholder groups including government legal officers instructing on legislation and government policy officers.

Stakeholders noted as strengths the professional, courteous and helpful nature of PCO staff, the high quality of drafting and the timely way in which PCO staff met deadlines. Suggested opportunities for development included increased communication and feedback to clients, improvements in the quality and consistency of drafting and notification services and enhanced organisational processes.

Stakeholders reported high satisfaction with PCO's gazette/notification officers and system—83% agreed that PCO officers were both knowledgeable and helpful, a 2-percentage point increase on the 2019 survey. A new question added to the 2020 survey also highlighted a communication opportunity. Just under half of all stakeholders (45%) indicated that they were aware of the process for the automatic notification of PCO drafted instruments approved at Executive Council (an enhancement introduced from the first Executive Council meeting after the 2019 State election).

Users of the legislation website continue to be positive about the service, and a satisfaction rating of 87% was achieved, 8% higher than in 2018–19. The reliability and currency of the content was particularly well regarded with 95% of users finding the website content reliable and 98% finding it up to date. There was also an increase in satisfaction with the level of knowledge of staff assisting with website enquiries—a jump of 8 percentage points to 92%. While users clearly continue to trust the service, slow loading time remains a key concern for some users. PCO continues to make technical changes within its control to improve loading times but there are limitations due to the size and complexity of some titles. Loading times are also impacted by website traffic at particular times. There was also a noted decrease in the percentage of users who reported finding the website easy to navigate. This figure dropped to 75%, down from 88%. Interpretation of this result has been difficult

given that no real changes in the layout of the site were made in 2019–20. Feedback on navigation will be reassessed following PCO's launch of its new official legislation website, which will take place in August 2020.

A Stakeholder Consultation Committee was also established during the reporting period and the committee had the opportunity to meet on one occasion. The Committee includes representatives from Parliament, large client departments and councils, the courts, the legal profession, law librarians, a university law school and the government printer. The Committee, hosted by the Parliamentary Counsel, offers a forum to exchange information, seek feedback and discuss suggestions relating to the digital transformation of legislative drafting, publishing and access, including—

- access enhancements for the NSW legislation website (including the Government Gazette), particularly its presentation, content, accessibility and usability
- future developments for PCO's LEGIS database and work system, particularly streamlining and further automating legislative drafting and publishing workflows and related processes
- the viability of legislation as code.

Other engagement activities

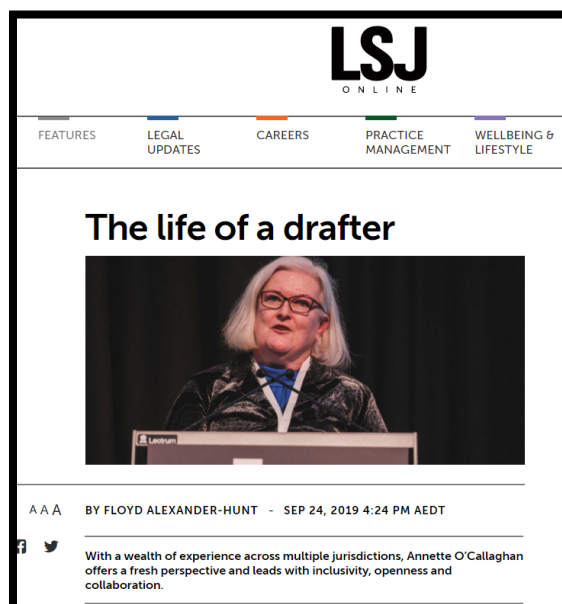
During the reporting year, PCO held instructor information sessions on the morning and afternoon of 24 July 2019, 11 March and 25 June 2020. The information sessions give instructors an overview of the roles of the drafter and instructor in preparing draft legislation and aim to assist instructors in the preparation of effective drafting instructions. The sessions are an opportunity for drafters to explain the drafting process and suggest how drafters and instructors may best work together to produce high quality legislation within deadlines set by the Government. In turn, instructors are encouraged to share their insights into the processes of policy development and instructing PCO. Instructor information sessions foster effective working relationships between drafters and stakeholders across Government.

Feedback from attendees is consistently positive and has been used to tailor the content of the sessions to aspects that instructors find most useful. For example, the sessions held in June 2020 incorporated practical examples of common problems that arise in the drafting process. Attendees were invited to discuss the problems and propose possible solutions to mitigate associated risks. The sessions held on 25 June 2020 were live-streamed in light of physical distancing restrictions associated with the COVID-19 pandemic.

Additional engagements undertaken during the reporting period include:

- The Parliamentary Counsel made a submission to Legislative Council's Inquiry into the making of delegated legislation in New South Wales in May 2020.
- John Ledda, Deputy Parliamentary Counsel, presented a session to the NCAT Annual Members Conference on "Reading NSW legislation—there is method in the madness".
- The Parliamentary Counsel presented a session at the Government Solicitors Conference on "How to write an Act of Parliament".
- The Parliamentary Counsel and a Deputy Parliamentary Counsel met with some non-Government Members of Parliament at the start of the year to discuss stakeholder relations.

- The Parliamentary Counsel was featured in an article, “The Life of a Drafter”, in the *Law Society Journal* in September 2019.



Highlights

Overseas intern

- 2-month intern placement of a drafter from Botswana, Tshepo Mokgothu

Guest speakers and workshops

- Presentation by Professor Anne Twomey, Professor of Constitutional Law at the University of Sydney on *Spence v Queensland*
- A drafters workshop with Justice Lucy McCallum, NSW Court of Appeal on Criminal law and procedure
- Report from Peter Quiggin, First Parliamentary Counsel, Commonwealth Office of the Parliamentary Counsel, about the Sixth International Conference on Legislation and Law Reform held in Canada in November 2019
- Presentation about COVID-19 from Professor Ramon Shaban, Inaugural Clinical Chair and Professor of Infection Prevention and Disease Control at the University of Sydney and Western Sydney Local Health District.

Visiting delegations

- Myanmar delegation—organised by Member for Lismore, Janelle Saffin MP, supported by the UNDP, DFAT and the Australian Embassy in Yangon
- Chinese Law Society—the delegation included 21 visitors with interpreters and guides
- Chinese Parliament Drafting Office—the delegation included 25 visitors



The visiting delegation from Myanmar, hosted by PCO in October 2019.

Statement of Opinion



Parliamentary Counsel's Office

Statement by the Parliamentary Counsel as head of the Parliamentary Counsel's Office for the year ended 30 June 2020

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state to the best of my knowledge and belief that:

- a) the accompanying financial statements have been prepared in accordance with:
 - applicable Australian Accounting Standards (which includes Australian Accounting interpretations), and
 - the provisions of the *Public Finance and Audit Act 1983* and applicable clauses of the *Public Finance and Audit Regulation 2015*, and
 - NSW Treasury Directions issued under the Act; and
- b) the statements and notes exhibit a true and fair view of the financial position and financial performance of the Parliamentary Counsel's Office; and
- c) there are no circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Annette O'Callaghan
Parliamentary Counsel

6 October 2020

Financial Statements





INDEPENDENT AUDITOR'S REPORT

Parliamentary Counsel's Office

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Parliamentary Counsel's Office (the Office), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The Office's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Parliamentary Counsel of the Office is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Parliamentary Counsel pursuant to section 45F of the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Parliamentary Counsel's Responsibilities for the Financial Statements

The Parliamentary Counsel is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Parliamentary Counsel determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Counsel is responsible for assessing the Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in dark ink, appearing to read 'D Daniels'.

David Daniels
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

9 October 2020
SYDNEY

Financial Statements

of

Parliamentary Counsel's Office

for the year ended 30 June 2020

Parliamentary Counsel's Office
Statement of Comprehensive Income for the year ended 30 June 2020

		Actual	Budget	Actual
		2020	2020	2019
	Notes	\$000	\$000	\$000
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	8,524	9,744	7,608
Other operating expenses	2(b)	1,172	1,036	1,860
Depreciation and amortisation expense	2(c)	1,355	1,233	427
Finance costs	2(d)	173	269	6
Total expenses excluding losses		11,224	12,282	9,901
Revenue				
Recurrent grants from principal department	3(a)	9,866	10,917	9,209
Capital grants from principal department	3(a)	320	320	180
Sale of goods and services	3(b)	20	97	102
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	570	398	375
Total revenue		10,776	11,732	9,866
Other gains / (losses)	4	(1,276)	-----	(4)
Net Result		(1,724)	(550)	(39)
Total Comprehensive Income\loss		(1,724)	(550)	(39)

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office
Statement of Financial Position as at 30 June 2020

		Actual 2020 \$000	Budget 2020 \$000	Actual 2019 \$000
	Notes			
Assets				
Current assets				
Cash and cash equivalents	5	1,324	689	953
Receivables	6	107	320	200
Total current assets		1,431	1,009	1,153
Non-Current assets				
Property, plant and equipment				
- Plant and equipment	7	1,437	1,131	1,637
Right-of-use assets	8	6,789	6,736	-----
Intangible assets	9	387	602	298
Total Non-Current assets		8,613	8,469	1,935
Total Assets		10,044	9,478	3,088
Liabilities				
Current Liabilities				
Payables	10	465	527	273
Borrowings - Current Lease liabilities	11	703	574	-----
Provisions	12	1,103	837	934
Total Current Liabilities		2,271	1,938	1,207
Non-current Liabilities				
Borrowings - Non Current Lease liabilities	11	7,594	6,387	-----
Provisions	12	333	317	311
Total Non-Current liabilities		7,927	6,704	311
Total Liabilities		10,198	8,642	1,518
Net Assets		(154)	836	1,570
Equity				
Accumulated Funds		(154)	836	1,570
Total Equity		(154)	836	1,570

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office
Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2019		1,570	1,570
Net Result for the year		(1,724)	(1,724)
Other comprehensive income:			
Net Increase/(Decrease) in Property, Plant & Equipment		----	----
Total other comprehensive income		----	----
Total comprehensive income for the year		(1,724)	(1,724)
Balance at 30 June 2020		(154)	(154)

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2018		1,609	1,609
Net Result for the year		(39)	(39)
Other comprehensive Income:			
Net Increase/(Decrease) in Property, Plant & Equipment		----	----
Total other comprehensive income		----	----
Total comprehensive income for the year		(39)	(39)
Balance at 30 June 2019		1,570	1,570

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office
Statement of Cash Flows for the year ended 30 June 2020

		Actual 2020 \$000	Budget 2020 \$000	Actual 2019 \$000
	Notes			
Cash flows from operating activities				
Payments				
Employee related		(7,887)	(9,347)	(8,170)
Finance Costs		(170)	(264)	----
Other		(1,071)	(1,069)	(1,833)
Total payments		(9,128)	(10,680)	(10,003)
Receipts				
Recurrent grants from principal department		9,866	10,917	9,209
Capital grants from principal department (excluding equity appropriation)		320	320	180
Reimbursements from the Crown Entity		177	1	1,006
Sale of goods and services		133	97	(22)
Other		----	200	----
Total receipts		10,496	11,535	10,373
Net cash flows from operating activities	15	1,368	855	370
Cash flows from investing activities				
Purchases of plant and equipment		(185)	(30)	(110)
Purchases of intangible assets		(156)	(290)	(63)
Net cash flow from investing activities		(341)	(320)	(173)
Cash flows from Financing activities				
Payment of principal portion of lease liabilities		(656)	(530)	----
Net cash flow from Financing activities		(656)	(530)	----
Net increase/(decrease) in cash		371	5	197
Opening cash and cash equivalents		953	685	756
Closing cash and cash equivalents	5	1,324	690	953

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Parliamentary Counsel's Office (the Agency) is an executive agency related to the Department of Premier and Cabinet (the principal department). The Agency is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the Parliamentary Counsel on 6 October, 2020.

(b) Basis of preparation

The Agency's financial statements are general purpose financial statements that have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations),
- the requirements of the *Public Finance and Audit Act 1983 (the Act)* and *Public Finance and Audit Regulation 2015*, and
- Treasurer's Directions issued under the Act

The Agency's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations. The Agency receives its funding under appropriations from the grant funding received from the Department of Premier and Cabinet, which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed until November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the release of the 2020-21 Budget or Appropriation Bill.

The Agency held cash at bank as at 30 June 2020 of \$1,324,000 (2019: \$953k). As at 30 June 2020 it had a net working capital deficit of \$840,000 (2019: \$55k). The deficit appears higher than the previous year due to the inclusion of lease related liabilities in the current liabilities as a result of the application of AASB 16 Leases but this is funded by the agency's grant.

Plant and equipment and financial assets at fair value through profit or loss and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

The Agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flow on a gross basis. However, the GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

1 Summary of Significant Accounting Policies

(f) Income recognition

Until 30 June 2019, income is recognised in accordance with AASB 118 Revenue and AASB 1004 Contributions.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, depending on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers.

(i) Recurrent and capital grants from principal department

Grants received to support the broad objectives of the agency, for which there are no sufficiently specific performance obligations, are recognised as income under AASB 1058 when the agency obtains control of the granted asset. For cash grants, this is usually on receipt.

(ii) Sale of goods

Until 30 June 2019 revenue from the sale of goods is recognised as revenue when the Agency transfers the significant risks and rewards of ownership of the assets.

From 1 July 2019 onward revenue from sale of goods is recognised as when the entity satisfies a performance obligation by transferring the promised goods.

The Agency previously generated income from notices lodged in the Gazette. That source of income ceased to exist in the financial year 2019-20. The Agency continues to generate some revenue from the provision of drafting services to other public sector entities.

(iii) Rendering of services

Revenue from rendering of service is recognised when the entity satisfies the performance obligation by transferring the promised services.

(g) Property, plant and equipment

(i) Acquisitions of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the Valuation of Physical Non Current Assets at Fair Value Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment*.

The Agency has non-specialised plant and equipment assets with short useful lives. These are measured at depreciated historical cost, as a surrogate for fair value.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. However, the right-of-use assets are subject to impairment.

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(v) Depreciation of property, plant and equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Agency.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Depreciation rates

Category of Assets	Depreciation Rates (2018-19)	Depreciation Rates (2019-20)
<i>Plant and equipment</i>		
Office furniture and fittings	10%	10%
Computer equipment	25%	25%
General plant and equipment	14%	14%
Leasehold improvements	over the period of the lease	over the period of the lease
Right of use leases asset		over the period of the remaining lease
<i>Amortisation of intangible assets</i>		
The following amortisation rates have been adopted:		
Software	14% to 25%	25% except for: LEGIS - 14.29% LEGIS Website - 14.29%

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

(vi) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(viii) Maintenance

Day to day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

(ix) Leased assets

Up to 30 June 2019, operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

The details of application of AASB 16 are disclosed in Note 1(m)(i) and 8.

(x) Intangible assets

The Agency recognises intangible assets only if it is probable that future economic benefits will flow to the Agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Agency's intangible assets are amortised using the straight line method over a period of 4 to 7 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

(xi) Receivables

The agency holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

1 Summary of Significant Accounting Policies

(h) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Borrowings

Operating leases were determined in accordance with AASB 117 until 30 June 2019 and disclosed in the notes to the financial statement. From 1 July 2019, leases liabilities are determined in accordance with AASB 16 and disclosed as borrowing.

(iii) Employee benefits and other provisions

a. Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amount of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Agency has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

b. Long service leave and superannuation

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Agency accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 18-13) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

c. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

1 Summary of Significant Accounting Policies

(h) Liabilities (Cont'd)

(iv) Other provisions

Other provisions exist when the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 0.26% (2019: 0.99%), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(i) Fair value hierarchy

A number of the entity's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets/liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(j) Equity and reserves

Accumulated Funds

The category "Accumulated Funds" includes all current and prior period retained funds.

(k) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained in Note 14.

(l) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

1 Summary of Significant Accounting Policies

(m) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2019-20

The Agency applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the agency.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The adoption of AASB 15 did not have an impact on the financial statements.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to contributions by the owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligation under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity
- immediately, for all other income within the scope of AASB 1058.

The adoption of AASB 1058 did not have an impact on the financial statements.

AASB 16 Leases

As the lessee, the Agency recognised a lease liability and the right-of-use asset as at 1 July 2019. The lease liability is measured at the present value of the future lease payments, discounted using the interest determined by Treasury. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for the lease payment before inception.

The right-of-use assets are depreciated on a straight line basis over the remaining period of the lease.

In accordance with Treasury's mandate, the Agency has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to the leases that had previously been classified as "operating leases" under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate applied at the date of initial application. The weighted average lessee's incremental rate applied to the lease liabilities on 1 July 2019 was 2%.

1 Summary of Significant Accounting Policies

(m) Changes in Accounting Policy, including new or revised Australian Accounting Standards (cont'd)

The effect of adoption of AASB 16 as at 1 July 2019 increase/(decrease) is as follows:

	\$'000
Asset	
Property, plant and equipment	8,953
Total assets	8,953
Liabilities	
Borrowings	8,953
Total liabilities	8,953
Equity	-
Accumulated Funds	-

In applying AASB 16 for the first time, the Agency has used the following practical expedients permitted by the standard:

- not reassessing whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and interpretation 4
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognising a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The lease liabilities as at 1 July 2019 can be reconciled to the Operating Lease commitment as of 30 June 2019 as follows:

	\$'000
Operating Lease commitments as at 30 June 2019 (GST included)	4,016
Less Variable lease payment component included in above	(209)
	3,807
(Less): GST included in Operating Lease commitments	(346)
Operating Lease commitments as at 30 June 2019 (GST excluded)	3,461
Weighted average incremental borrowing rate as at 1 July 2019	2%
Discounted Operating Lease commitment as at 1 July 2019	3,293
Add: Commitments relating to leases previously classified as finance leases (GST excluded)	-
(Less): Commitments relating to short-term leases	-
(Less): Commitments relating to leases of low-value assets	-
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	5,660
Add/(less): Adjustments relating to changes in the index or rate affecting variable payments	-
Lease liabilities as at 1 July 2019	8,953

(ii) Issued but not yet effective:

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 20-01):

- AASB 17 *Insurance Contracts*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-5 Amendments to Australian Accounting Standards-Deferral of AASB 1059
- AASB 2019-2 Amendments to Australian Accounting Standards-Implementation of AASB 1059
- AASB 2019-3 Amendments to Australian Accounting Standards-Interest Rate Benchmark Reform

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

2 Expenses Excluding Losses

	2020	2019
	\$000	\$000
(a) Employee related expenses		
Salaries and wages (including annual leave)	6,989	6,468
Superannuation - defined benefit plans	73	71
Superannuation - defined contribution plans	347	330
Long Service Leave	529	268
Workers' Compensation Insurance	26	25
Payroll tax and fringe benefits tax	442	412
Agency contractors	118	34
	8,524	7,608

	2020	2019
	\$000	\$000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of financial statements	32	31
Corporate services	378	363
Fees for services rendered	107	97
Insurance	8	8
Consultants	144	22
Operating lease rental expense, not included in lease liabilities	63	800
Telephone and communication costs	4	9
Stores and minor assets	8	9
Training (staff development)	55	104
Travel costs	29	30
Other occupancy costs	16	55
Information dissemination	19	32
Maintenance	152	127
Other Expenses	157	173
	1,172	1,860
<u>Total maintenance costs</u>		
Maintenance expense - contracted labour and other (non-employee related), as above	152	127
Total maintenance expenses	152	127

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

	2020	2019
	\$000	\$000
(c) Depreciation and amortisation expense		
Depreciation:		
Plant and equipment	103	88
Right-of-use assets	903	-----
Amortisation:		
Leasehold improvements	282	279
Intangible assets	67	60
	1,355	427

	2020	2019
	\$000	\$000
(d) Finance costs		
Interest Expense from lease liabilities	170	-----
Total Interest Expense	170	-----
Unwinding of discount rate on make good provision	3	6
	173	6

3 Revenue

	2020	2019
	\$000	\$000
(a) Recurrent and capital grants from principal department		
Recurrent grants from principal department		
Recurrent grants from principal department (per Statement of comprehensive income)	9,866	9,209
	9,866	9,209
Capital grants from principal department		
Total capital drawdowns from principal department (per Statement of comprehensive income)	320	180
	320	180

Movement of section 4.7 GSF Act- deemed appropriations:

	2020	2019
	\$000	\$000
Opening balance	-----	-----
Adjustment for appropriations deemed on commencement of section 4.7	953	-----
Adjusted Opening balance	953	-----
Add: additions of deemed appropriations	10,496	10,176
Less: expenditure charged against deemed appropriations	(10,125)	10,176
Closing Balance	1,324	-----

	2020	2019
	\$000	\$000
(b) Sale of goods and services		
Government Gazette Notices	-----	102
Other Revenue	20	-----
	20	102

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
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	2020 \$000	2019 \$000
(c) Acceptance by the Crown Entity of employee benefits and other liabilities		
Superannuation - defined benefit	70	67
Long service leave	496	304
Payroll tax on superannuation	4	4
	570	375

4 Other gains / (losses)

	2020 \$000	2019 \$000
Gain / (loss) from movement in provision for restoration costs	15	(4)
Impairment of Right of use asset (refer Note 8)	1,261	-----
	1,276	(4)

5 Current Assets - Cash and cash equivalents

	2020 \$000	2019 \$000
Cash at bank and on hand	1,324	953
	1,324	953

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2020 \$000	2019 \$000
Cash and cash equivalents (per statement of financial position)	1,324	953
Closing cash and cash equivalents (per statement of cash flows)	1,324	953

Refer Note 16 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

6 Current Assets - Receivables

	2020 \$000	2019 \$000
Sale of goods and services	16	143
Goods and Services Tax recoverable from ATO	27	19
Accrued income	5	-----
Prepayments	59	38
	107	200

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

7 Non-Current Assets - Property, plant and equipment

	Plant and Equipment	Total
	\$000	\$000
At 1 July 2019 - fair value		
Gross carrying amount	2,347	2,347
Accumulated depreciation and impairment	(710)	(710)
Net carrying amount	1,637	1,637
At 30 June 2020 - fair value		
Gross carrying amount	2,527	2,527
Accumulated depreciation and impairment	(1,090)	(1,090)
Net carrying amount	1,437	1,437

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below.

	Plant and Equipment	Total
	\$000	\$000
Year ended 30 June 2020		
Net carrying amount at start of year	1,637	1,637
Additions	185	185
Disposals	(4)	(4)
Depreciation on assets disposed off (added back)	4	4
Depreciation and amortisation expense	(385)	(385)
Net carrying amount at end of year	1,437	1,437

	Plant and Equipment	Total
	\$000	\$000
At 1 July 2018 - fair value		
Gross carrying amount	2,241	2,241
Accumulated depreciation and impairment	(347)	(347)
Net carrying amount	1,894	1,894
At 30 June 2019 - fair value		
Gross carrying amount	2,347	2,347
Accumulated depreciation and impairment	(710)	(710)
Net carrying amount	1,637	1,637

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below.

	Plant and Equipment	Total
	\$000	\$000
Year ended 30 June 2019		
Net carrying amount at start of year	1,894	1,894
Additions	110	110
Disposals	(4)	(4)
Depreciation on assets disposed off (added back)	4	4
Depreciation and amortisation expense	(367)	(367)
Net carrying amount at end of year	1,637	1,637

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

8 Leases

From 1 July 2019, the Agency applied AASB 16 for the first time. Upon assessment of the existing contracts the Agency has only one operating lease that is for its office premises at Level 1, 60 Elizabeth Street, Sydney. The lease commenced on 2 June 2017 and finishes on 1 June 2023, with an option to extend for another 6 years. The Agency is reasonably likely to exercise the option to extend. This has been factored in the calculation of the initial right-of-use asset and the lease liability. The management will assess it further if the situation changes during the year.

The COVID-19 outbreak occurring throughout the 2019-20 financial year had an unprecedented effect on the NSW and global economies, including impacting the market rent for the Agency's leased premises and the value of its right-of-use assets in the Statement of Financial Position. The Agency has undertaken an impairment assessment for this right-of-use asset, to determine whether the carrying amount exceeded their recoverable amount. The Agency considered internal and external sources of information to determine the impairment.

PropertyNSW, being the manager of leases held by the Crown, has performed a central assessment including market rent index movement and provided the valuation of the impairment. The advised impairment amount has been assessed by the Agency and is considered material. The Agency therefore recognised impairment losses for right-of-use assets during the 2019-20 financial year of \$1.26 million under AASB 136. Impairment losses for right-of-use assets are included in Other Net Gains/(Losses) as part of 'Other Economic Flows Included in the Operating Result' in the Statement of Comprehensive Income.

Right-of-use assets under leases

The following table presents right-of-use assets that are shown in the statement of financial position.

	Right-of-use asset	Total
	\$000	\$000
Balance at 1 July 2019		
Gross carrying amount	8,953	8,953
Additions	----	----
Depreciation Expense	(903)	(903)
Impairment loss as at 30 June 2020	(1,261)	(1,261)
Balance at 30 June 2020	6,789	6,789

Lease liabilities

The following table presents liabilities under leases:

Balance at 1 July 2019	8,953
Additions	----
Interest expenses	170
Payments	(826)
Balance at 30 June 2020	8,297

The following amounts were recognised in the Statement of Comprehensive income for the period ending 30 June 2020 in respect of leases where the Agency is the lessee:

Depreciation expense of right-of-use assets	903
Interest Expenses on lease liabilities	170
Expenses relating to short term leases	----
Expenses relating to leases of low-value asset	----
Variable lease payments, not included in the measurement of lease liabilities	63
Impairment of right-of-use asset as at 30 June 2020	1,261
Total amount recognised in the Statement of Comprehensive income	2,397

The Agency had total cash outflows for leases of \$889k in FY2019-20.

Future minimum lease payments under non-cancellable leases as at 30 June 2019 are as follows:

	Operating lease
Within one year	960
Later than one year and not later than five years	3,056
Later than five years	----
Total (including GST)	4,016
Less: GST recoverable from the Australian Taxation Office	(365)
Total (excluding GST)	3,651

9 Intangible assets

	Software \$000	Total \$000
At 1 July 2019		
Cost (gross carrying amount)	955	955
Accumulated amortisation and impairment	(657)	(657)
Net carrying amount	298	298
At 30 June 2020		
Cost (gross carrying amount)	1,111	1,111
Accumulated amortisation and impairment	(724)	(724)
Net carrying amount	387	387
Year ended 30 June 2020		
Net carrying amount at start of year	298	298
Additions	156	156
Amortisation (recognised in "Depreciation and amortisation")	(67)	(67)
Net carrying amount at end of year	387	387

	Software \$000	Total \$000
At 1 July 2018 - fair value		
Cost (gross carrying amount)	892	892
Accumulated amortisation and impairment	(597)	(597)
Net carrying amount	295	295
At 30 June 2019 - fair value		
Cost (gross carrying amount)	955	955
Accumulated amortisation and impairment	(657)	(657)
Net carrying amount	298	298
Year ended 30 June 2019		
Net carrying amount at start of year	295	295
Additions	63	63
Amortisation (recognised in "Depreciation and amortisation")	(60)	(60)
Net carrying amount at end of year	298	298

10 Current Liabilities - Payables

	2020 \$000	2019 \$000
Accrued salaries, wages and on-costs	117	51
Creditors	348	222
	465	273

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 16.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11 Current / Non-Current Liabilities - Borrowings

	2020 \$000	2019 \$000
Current Lease Liability	703	----
Non-Current Lease Liability	7,594	----
	8,297	----

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 16.

12 Current / Non-Current Liabilities - Provisions

	2020 \$000	2019 \$000
Current Provisions		
Annual leave including on-costs	681	566
Long service leave on-costs	250	219
Payroll Tax	172	149
Current Employee benefits and related on-cost provisions	1,103	934
Total current provisions	1,103	934
Non-Current provisions		
Long service leave on-costs	22	19
Payroll Tax	12	11
Non-Current employee benefits and related on-cost provisions	34	30
Restoration costs	299	281
Total Non-Current provisions	333	311
Employee benefits and related on-costs	1,137	964
Restoration costs	299	281
Total provisions	1,436	1,245

	2020 \$000	2019 \$000
Aggregate employee benefits and related on-costs		
Provisions - current	1,103	934
Provisions - non-current	34	30
Accrued salaries, wages and on-costs (Note 10)	117	51
	1,254	1,015

The Agency's liability for long service leave is assumed by the Crown Entity. However, the Agency has an obligation to meet the long service related on-costs.

Based on annual leave provision data showing 6 employees with slightly more than 30 days annual leave as at 30 June 2020, it is estimated that \$9k of the accrued annual leave with associated on-costs would be settled after the next 12 months.

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2020 \$000	2019 \$000
Provision for restoration costs		
Carrying amount at the beginning of financial year	281	271
Write back provision on 60 Elizabeth Street	15	4
Additional provisions recognised for 60 Elizabeth Street	3	6
Carrying amount at the end of financial year	299	281

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

13 Contingent Liabilities and Contingent Assets

Contingent liabilities

The Agency is not aware of any contingent liabilities associated with its operations.

Contingent assets

The Agency is not aware of any contingent assets associated with its operations.

14 Budget Review

Net Result:

The Net Result is a loss of \$1,724k against the budgeted loss of \$550k. This is primarily due to the right-of-use asset impaired by \$1,261k under AASB 136 as a result of the impact of COVID-19 on the rental market. This is also impacted by an underspend in Employee Related expenses of approximately \$1.2m following the retirements of longer-serving senior executive staff, office re-structures and unsuccessful attempts to fill some vacancies. In addition, the work required to draft and publish emergency instruments during the bushfire and COVID-19 response periods lead to delays in filling vacancies and implementing the outcome of team restructures.

Management invested in several capacity building, efficiency and risk management exercises that resulted in higher than usual Other Operating expenses. This included work on cybersecurity uplift, strategic planning, workforce planning, performance management and learning systems and records management. Other works were impacted by COVID-19 responses, including the need to delay travel and face-to-face training activities.

Treasury has approved the carrying forward to 2020–21 of \$998K in Employee Related budget and \$50K in Other Operating budget to address the backlog of work resulting from the need to focus on bushfire and COVID-19 emergency work during 2019-20.

Assets and liabilities:

The Agency's total current assets are \$1.4m against the budgeted total current assets of \$1m, which includes cash at bank of \$1.3m against a projected cash of \$689k. The build-up of cash is due to long serving employees leaving the office in 2018-19, which resulted in nearly \$1m of long service leave being paid out and subsequently reimbursed by the Crown Entity leading to higher cash balance in the beginning of 2019-20. The Agency had proposed to use these cash reserves to fund a project that would automate several drafting and publication services and enable to create employee related efficiencies for the future. However, approval of the new project funding requests has now been delayed by NSW Treasury as a result of the COVID-19 response and will not be known until the 2020 budget is delivered later in 2020.

The total non-current assets are \$8.6m. The total liabilities are \$10m. The closing equity is lower than the budget by \$990k, this is mainly due to the impact of COVID-19 on the rental market, which has resulted in an impairment of right-of-use asset. The Agency's liability under the lease agreement is unchanged as the amount of rent is fixed as per the lease.

A further impact of COVID-19 was the need to purchase additional equipment to support remote and mobile working. NSW Treasury approved the Agency reclassifying \$21k of its recurrent funding as capital so as not to exceed the capital expense limit.

Cash flows:

The net cash flow from operating activities is \$1.3m against the budget outflow of \$855k (\$513k higher than expected). The cash outflow on investing activities is \$341k.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

15 Reconciliation of Cash Flows From Operating Activities to Net Result

	2020	2019
	\$000	\$000
Net cash used on operating activities	1,368	370
Depreciation and amortisation	(1,355)	(427)
Allowance for Impairment	(1,261)	-----
Finance Costs	(3)	(6)
Decrease/(increase) in provisions	(172)	(33)
Increase/(decrease) in receivables	(94)	162
(Increase)/decrease in creditors	(192)	(101)
Other gain/(loss)	(15)	(4)
Net result	(1,724)	(39)

16 Financial Instruments

The Agency's principal financial instruments are outlined below. These financial instruments arise directly from the Agency's operations or are required to finance the Agency's operations. The Agency does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

The Agency's main risks arising from financial instruments are outlined below, together with the Agency's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Parliamentary Counsel has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Agency, to set risk limits and controls and to monitor risks.

(a) Financial instrument categories

Class	Note	Category	Carrying	Amount
			2020	2019
Financial Assets			\$000	\$000
Cash and cash equivalents	5	Amortised cost	1,324	953
Receivables ¹	6	Amortised cost	21	143

Class	Note	Category	Carrying	Amount
			2020	2019
Financial Liabilities			\$000	\$000
Payables ²	10	Financial liabilities measured at amortised cost	422	232
Borrowings	11	Financial liabilities measured at amortised cost	8,297	-----

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Financial Instruments (cont'd)

(b) Credit Risk

Credit risk arises when there is a possibility of the Agency's debtors defaulting on their contractual obligations, resulting in a financial loss to the Agency. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Agency, including cash, receivables and authority deposits. No collateral is held by the Agency. The Agency has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts that are known to be uncollectible are written off.

The Agency applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 180 days past due.

The loss allowance for trade debtors as at 30 June 2020 and 30 June 2019 was determined as follows:

	30 June 2020 \$000					Total
	Current	<30 days	30-60 days	61-90 days	>91Days	
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount	16	0	----	----	----	16
Expected credit loss	0	0	0	0	0	0

	30 June 2019 \$000					Total
		<30 days	30-60 days	61-90 days	>91Days	
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount	25	117	1	0	0	143
Expected credit loss	0	0	0	0	0	0

Notes: The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore the "total" will not reconcile to the receivables total in Note 6.

The Agency is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020 and 30 June 2019. Most of the Agency's debtors have a AAA credit rating.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

16 Financial Instruments (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Agency will be unable to meet its payment obligations when they fall due. The Agency continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. However, as part of the Government's COVID-19 response, all suppliers are temporarily being paid immediately on receipt of a correctly rendered invoice. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Minister may automatically pay the supplier simple interest. There was no interest for late payments applied during the period (2019: Nil).

The table below summarises the maturity profile of the Agency's financial liabilities, together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

		\$000						
	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 years	> 5 yrs
2020								
Payables:								
Accrued salaries, wages and on-costs		74	----	----	74	74	----	----
Creditors		348	----	----	348	348	----	----
Borrowings:								
Lease liabilities	2%	8,297	----	----	----	703	3,917	3,677
Total		8,719	----	----	422	1,125	3,917	3,677
2019								
Payables:								
Accrued salaries, wages and on-costs		22	----	----	22	22	----	----
Creditors		210	----	----	210	210	----	----
Total		232	----	----	232	232	----	----

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Agency has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Agency operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

16 Financial Instruments (Cont'd)

Interest rate risk

Exposure to interest rate risk arises primarily through the Agency's interest bearing liabilities. The Agency does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Agency's exposure to interest rate risk is set out below.

		-1%		1%	
	Carrying	Profit	Equity	Profit	Equity
Consolidated	Amount	\$'000	\$'000	\$'000	\$'000
2020					
Financial assets:					
Cash and cash equivalents	1,324	(13)	(13)	13	13
Receivables	21	0	0	0	0
Financial liabilities:					
Payables	422	4	4	(4)	(4)
Borrowings	8,297	83	83	(83)	(83)
2019					
Financial assets:					
Cash and cash equivalents	953	(10)	(10)	10	10
Receivables	143	(1)	(1)	1	1
Financial liabilities:					
Payables	232	2	2	(2)	(2)

(e) Fair value measurement

Fair value compared to carrying amount

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short term nature of all of the financial instruments. There are no financial instruments where the fair value differs from the carrying amount.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

17 Related Party Disclosures

The Agency's key management personnel compensation is as follows:

	2020 \$000	2019 \$000
Short-term employee benefits:		
Salaries	451	433
Other monetary allowances	-----	-----
Non-monetary benefits	-----	39
Other long-term employee benefits	20	43
Post-employment benefits	-----	-----
Termination benefits	-----	-----
Total remuneration	471	515

During the year, the Agency did not enter into any transactions with the key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, no key management personnel services were provided by a separate management entity.

18 Events After the Reporting Period

A restructure of two teams was announced in July 2020, the detailed plan is not yet finalised. The financial impact of the new structure is not expected to be significant.

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