

Annual
Report
2020–21



Parliamentary
Counsel's Office



Parliamentary Counsel's Office

The Hon Dominic Perrottet MP
Premier and Member for Epping
52 Martin Place
Sydney NSW 2000

Dear Premier

I am pleased to forward to you the 2020–21 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 *Government Sector Audit Act 1983*.

Yours sincerely

A handwritten signature in black ink that reads 'A. O'Callaghan'.

ANNETTE O'CALLAGHAN
Parliamentary Counsel
29 October 2021

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Who we are

ABOUT US

The Parliamentary Counsel's Office (PCO) is a Public Service executive agency and part of the Department of Premier and Cabinet cluster.

We're staffed by approximately 50 highly professional and committed employees who are a mix of lawyers, editors, publishing and IT specialists and executive support staff.

We draft and produce legislative instruments for the State and provide the public with access to legislation through the authorised NSW legislation website: www.legislation.nsw.gov.au.

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. We aim 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 collaboratively with a range of stakeholders to make legislation that is fit for purpose and constitutionally sound.

SERVICES

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

CHARTER AND OBJECTIVES

OUR HISTORY

PCO was established in 1878 with the appointment of the first Parliamentary Draftsman in NSW. In 1970 the Parliamentary Draftsman became known as the Parliamentary Counsel.

The Parliamentary Counsel reported to the Attorney General until 1991, when PCO became a separate Administrative Office reporting to the Premier via the Director-General of the Cabinet Office.

In 2006, PCO became a separate office within the Cabinet Office. In 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 in 2014 with the commencement of the *Government Sector Employment Act 2013*.

LEGISLATION ADMINISTERED

The Parliamentary Counsel administers 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.

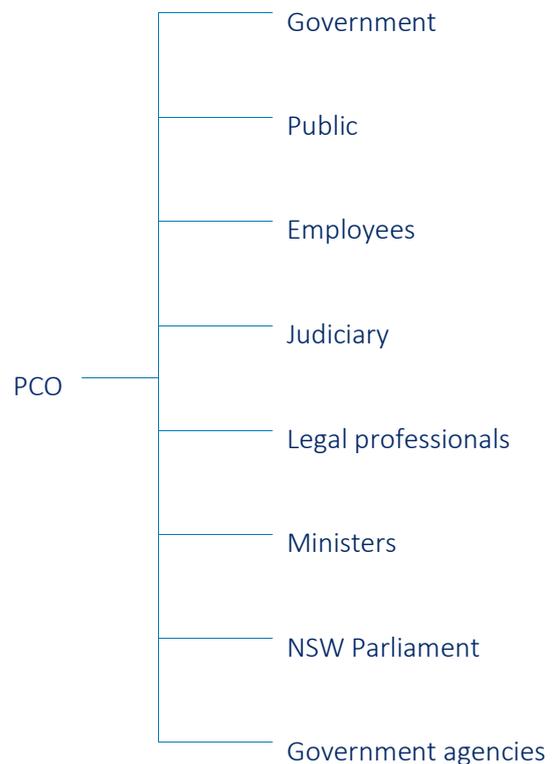
PCO also administers the *Subordinate Legislation Act 1989*, which deals with the making of statutory rules and the issue of opinions by the Parliamentary Counsel that proposed statutory rules may legally be made. The Act also provides for the staged repeal of statutory rules following the fifth anniversary of their date of publication. PCO manages this Staged Repeal program, including drafting new instruments made under that program.

OUR PURPOSE

Our purpose is to provide—

- high-quality legislative drafting services for NSW
- optimal access to, and information about, legislation
- an inclusive and supportive workplace for staff.

KEY STAKEHOLDERS



Our primary stakeholder is the NSW Government.

We support the implementation of the Premier’s and Government’s priorities.

We work closely with stakeholders at a range of Government agencies to deliver best-practice legislation for NSW.

Our impact

2020–21 HIGHLIGHTS

57

Government Bills
introduced



215

Government Amendments
in Committee

42

non-Government Bills
introduced



719

non-Government
Amendments in Committee

"PCO staff were proactive in reaching out and extremely helpful and collaborative in their approach to our work."

94%

of respondents to our annual stakeholder survey were satisfied with PCO's services

516



statutory
instruments drafted

441



environmental
planning instruments
drafted

DRAFTING LEGISLATION FOR NSW

2020–2021 HIGHLIGHTS

The dominant, significant challenge in 2020–2021 to legislative drafting presented by the COVID-19 pandemic was twofold.

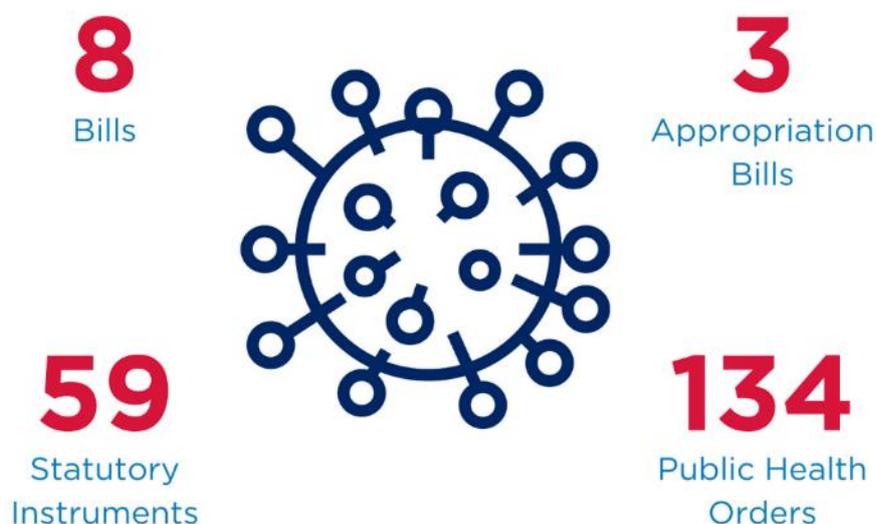
First, all those involved in the drafting, checking, finalisation and publishing of legislation, and those supporting in IT and other roles, were, for much of the year, working remotely and at times in lockdown. Reliance on remote and electronic drafting, production, publishing and communication at all stages of legislation projects put PCO's systems and processes to the test. The successful delivery of the legislative program in this challenging environment has affirmed the agility and integrity of those systems and processes.

Second, PCO's legislative drafting workload increased significantly and deadlines for

many of the projects were urgent. The COVID-19 pandemic impelled legislative responses to protect the NSW population and measures to accommodate restrictions and challenges.

In 2020–2021, PCO drafted 134 COVID-19 public health orders. A further 59 statutory instruments involved amending regulations in response to COVID-19 or principal regulations that included COVID-19-related provisions. PCO drafted 8 Bills responding to COVID-19 and 3 Appropriation Bills that contained provisions and special appropriations related to COVID-19. As well, COVID-19-related amendments to various Acts were included in the *Statute Law (Miscellaneous Provisions) Bill 2020* and the *Statute Law (Miscellaneous Provisions) Bill 2021*.

2020–2021 COVID-19-related legislation



DRAFTING LEGISLATION FOR NSW

SIGNIFICANT DRAFTING PROJECTS: A SELECTION



NSW conveyancing goes entirely electronic

The [*Real Property Amendment \(Certificates of Title\) Act 2021*](#) makes extensive amendments to the *Real Property Act 1900* to remove references to, and requirements to make use of, certificates of title in connection with real property transactions. The amendments are an important component of the reform of the property transactions system to encourage greater use of electronic conveyancing.

Certificates of title have been used for a very long time to record and establish ownership of real property and for the recording of interests in real property. Reforms in recent years have made provision for certificates of title to be issued in electronic, rather than physical, form, enabling the use of electronic conveyancing practices. Genuine implementation of electronic conveyancing, however, and the

realisation of the efficiencies and benefits of that approach, has been restricted by a range of requirements concerning the use of certificates of title.

The importance of real property transactions is reflected in the ubiquity of references to certificates throughout the statute book. Accordingly, the Act made consequential amendments to a large number of other statutory instruments to remove or modify references to certificates of title.

The amendments implemented by this Act will facilitate the implementation of further national reforms in electronic conveyancing.

The Act passed Parliament on 11 May 2021 and the uncommenced amendments are scheduled to commence in October 2021.



Creating a clear pathway to justice for survivors of child abuse

The [*Civil Liability Amendment \(Child Abuse\) Bill 2021*](#) amends the *Civil Liability Act 2002* to enable courts to set aside certain agreements that settle child abuse claims if it is just and reasonable to do so. The amendments also seek to ensure that a person who was injured as a result of child abuse sustained while in custody is not limited in terms of the damages they can recover for that abuse under the Act.

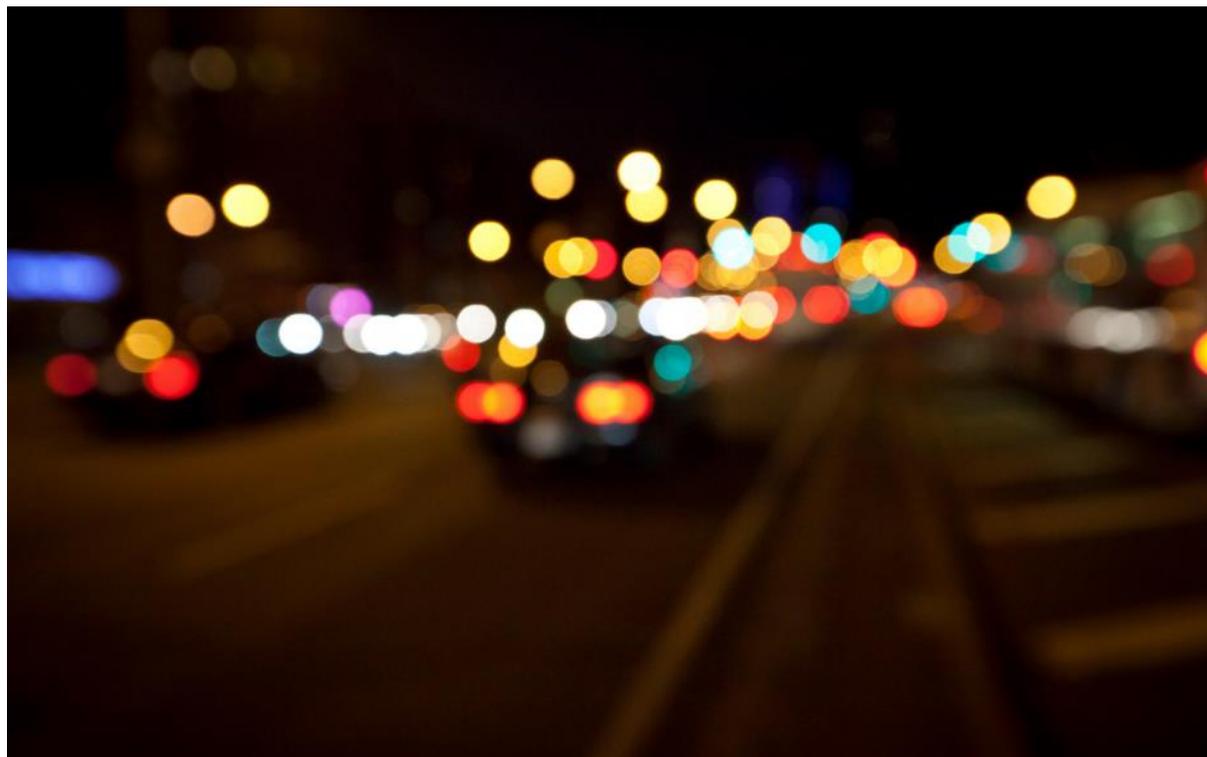
The Bill builds on previous reforms made in response to the Royal Commission into Institutional Responses to Child Sexual Abuse. Prior to reforms made by the NSW Government in 2016 and 2018, many survivors entered into settlements that they identified to the commission as being inadequate but that they felt forced to accept because of legal technicalities. The Bill seeks to enable these survivors to have the same access to justice as those who brought a claim after the reforms.

The Bill also ensures that Part 2A of the *Civil Liability Act 2002*, which deals with personal

injury claims by offenders in custody, does not restrict awards of damages for child abuse. The retrospective application of this reform will ensure that, regardless of when the abuse occurred, survivors will have equal access to civil remedies.

The reforms proposed by the Bill were subject to an extensive consultation process. A discussion paper was released for public consultation in March 2020. Submissions received in response to this paper informed the development of a consultation draft of the Bill which was provided to a large number of stakeholders including survivor groups, religious institutions, children's service providers, legal stakeholders and the insurance industry.

The Bill was introduced in the Legislative Assembly on 17 March 2021 and is currently awaiting a second reading speech in the Legislative Council.



The Four Angels Law

The [*Road Transport Legislation Amendment \(Drink and Drug Driving Offence\) Act 2021*](#) introduces an offence under the *Road Transport Act 2013* for combined drink and drug driving. It arose in response to the death of 4 children in a car accident in 2020 where the driver of the car was under the influence of both alcohol and drugs.

The new offence provides for higher penalties for a person driving under the influence of both a proscribed illicit drug and alcohol. The offence applies if a person has a high- or mid-range concentration of alcohol present, or if a lower concentration of alcohol is present, but the person has already committed a combined offence in the last 5 years. The new offence provision provides that a person cannot be convicted of another similar offence in relation to the same conduct and sets out a defence for certain conduct or the option for an alternative verdict to be taken.

The new offence is categorised as a major offence under section 9 of the *Road Transport Act 2013*, which provides for deciding whether an offence is a first, second or subsequent offence. Additionally, other sanctions may be imposed if a person commits a combined alcohol and drug driving offence, including disqualification or suspension of a licence and mandatory interlock orders.

Finally, the Act provides for the existing arrangements relating to the process for testing for alcohol and drug use to cover the new combined alcohol and drug driving offence.

The Act passed Parliament on 18 February 2021.



Responding to NSW's Black Summer

The [*Bushfires Legislation Amendment Act 2020*](#) amends the *Rural Fires Act 1997* and other legislation in response to the devastating bushfires of the 2019–20 bushfire season. The Act responds to recommendations of the independent NSW Bushfire Inquiry helping to protect life and property while also supporting those who are rebuilding in the wake of the fires.

The 2019–20 fire season in NSW saw 5.5 million hectares of the State burn and destroyed more than 2,000 homes. Infrastructure losses—mainly to farms—were close to \$1 billion, including damage to more than 600,000 hectares of pasture.

To support landowners and occupiers in preparing for bushfires, the Act empowers them to clear vegetation on their property without the need for authorisation under the *Biodiversity Conservation Act 2016*, the *Environmental Planning and Assessment Act*

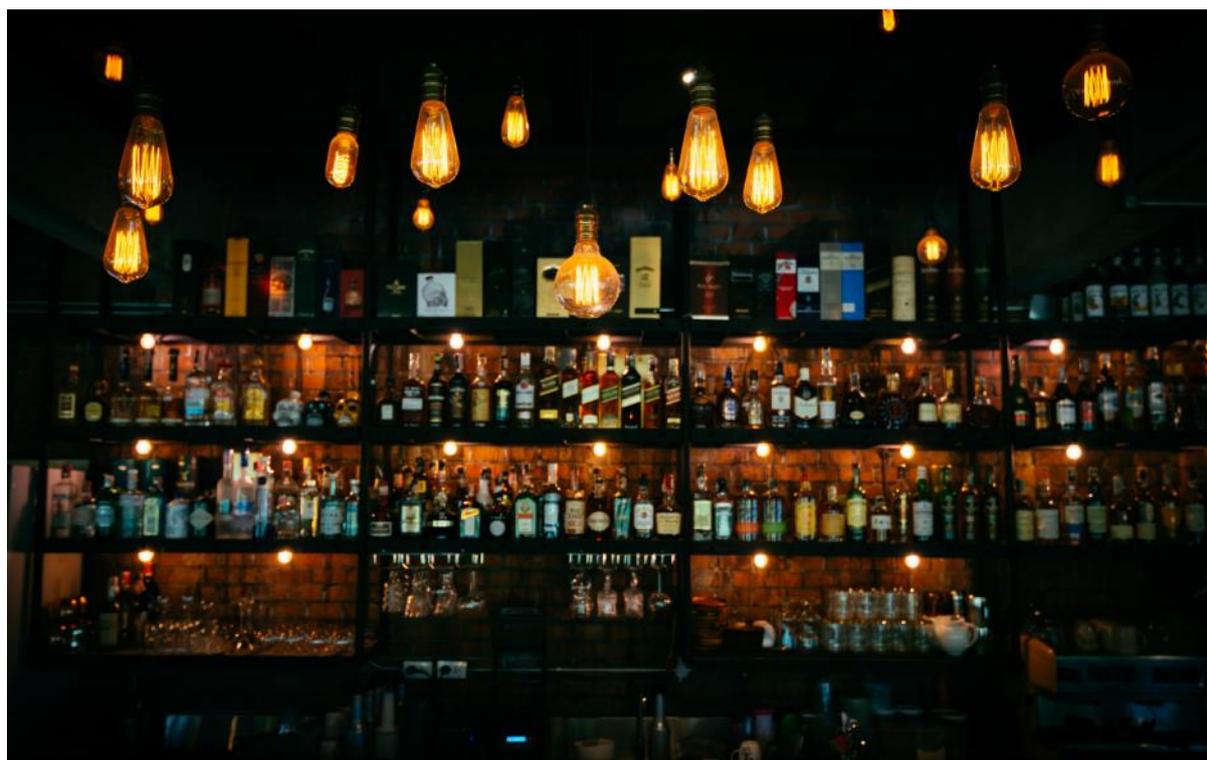
1979 or any other Act or instrument, providing they meet certain conditions.

The Act creates greater consistency between public and private landholders by allowing a senior Rural Fire Service officer to serve bushfire hazard reduction notices on public authorities. It also introduces a penalty for public authorities and corporations that fail to comply with such notices.

The Act improves governance arrangements by bringing all planning for hazard reduction and bushfire preparedness under the oversight of the Commissioner of the NSW Rural Fire Service.

The Act also provided special measures to protect areas of environmental and cultural significance such as the endangered Wollemi pines, which were threatened by last summer's fires.

The Act passed Parliament on 19 November 2020.



Simplifying liquor licensing and planning laws

The [Liquor Amendment \(Night-time Economy\) Act 2020](#) has three key purposes—

- to establish an integrated demerit points and incentives scheme
- to provide for cumulative impact assessments when considering liquor licence applications
- to regulate same-day deliveries of alcohol.

This Act was a priority for the Government and was of significant interest to industry, placing additional pressure on the drafting process as Bill drafts were required urgently to facilitate consultation.

The Act streamlines the compliance regime by replacing 3 existing schemes with an integrated scheme, under which—

- demerit points are allocated against licensees, managers and club licences for committing particular offences or in response to particular complaints

- remedial action may be taken against licensees or managers of licensed premises who incur demerit points or in relation to licences against which demerit points are incurred
- licensees pay higher annual licence fees if demerit points have been incurred against their licence and reduced licence fees if they maintain a “zero demerit” balance.

The Act provides for cumulative impact assessments in areas where further prescribed licences or related authorisations for premises would likely be inconsistent with the Independent Liquor and Gaming Authority’s duty under the Act.

The Act also requires same day delivery providers to observe responsible service of alcohol practices.

The Act passed Parliament on 17 November 2020.

DRAFTING LEGISLATION FOR NSW

NEW SOUTH WALES
BIRTHS DEATHS AND MARRIAGES REGISTRATION ACT 1995
INTEGRATED BIRTH CERTIFICATE

		This column represents the person's Legal Name and Legal Parent/s	
1. Child	Family Name Given Name(s) Sex Date of Birth Place of Birth	Child's Name After Adoption SHARP Michael James Jones Male 02 October 2019 Campbelltown Hospital, Campbelltown	Child's Name At Birth JONES Michael James Male 02 October 2019 Campbelltown Hospital, Campbelltown
2. Parent	Family Name Family Name at Birth Given Name(s) Occupation Age Place of Birth	Mother After Adoption SHARP DANDY Janet Teacher 34 years Orange, NSW	Mother At Birth JONES Unknown Sally Shop Assistant 20 years Westmead, NSW
3. Parent	Family Name Family Name at Birth Given Name(s) Occupation Age Place of Birth	Father After Adoption SHARP SHARP Stuart Electrician 31 years Randwick, NSW	Father At Birth JACKSON - Mick Builder 24 years Katoomba, NSW
4. Marriage of Parents			

Integrated birth certificates with both birth and adoption information

The [Adoption Legislation Amendment \(Integrated Birth Certificates\) Act 2020](#) amends the *Adoption Act 2000* and the *Births, Deaths and Marriages Registration Act 1995* to provide that the Registrar of Births, Deaths and Marriages may issue a certificate that contains the information recorded on the Register about both an adoption and a birth.

An integrated birth certificate contains information about the birth of a person, including an adopted person's birth parents and birth siblings as well as the person's adoption information, including their adoptive parents and adoptive siblings. The integrated birth certificate is recognised as admissible in legal proceedings as evidence of the entry in the Register to which the certificate relates

and also of the facts recorded in the entry. This practice allows for an adopted person to choose which certificate they would like to use.

The Act provides that, for an adoption registered on or after the commencement of the Act, the Registrar must issue an integrated birth certificate in addition to a post-adoption birth certificate. For all persons registered before the commencement, the Act sets out the access entitlements for particular people (such as the adopted person, if under the age of 18, the adoptive parents and birth parents) to receive an integrated birth certificate.

The Act passed Parliament on 17 September 2020.



Reforming defamation for the 2020s

The [Defamation Amendment Act 2020](#) implements reforms to the law of defamation agreed to by the Council of Attorneys-General following a review conducted by the Model Defamation Law Working Party. The review was led by NSW.

The nationally agreed reforms were contained in the *Model Defamation Amendment Provisions 2020*, which were drafted by the PCO for the Australasian Parliamentary Counsel's Committee. They were the first set of amendments to the *Model Defamation Provisions* agreed to and enacted by each State and Territory since the early 2000s.

The Act introduces some significant reforms to the law of defamation, including—

- providing for serious harm to be an element of the cause of action for defamation and requiring the serious harm issue to be dealt with early in proceedings
- requiring a concerns notice to be given to the publisher of matter that is or may be defamatory before defamation proceedings may be commenced against the publisher
- creating new defences for the publication of defamatory matter concerning an issue of public interest and for peer-reviewed matters published in academic or scientific journals
- introducing a single publication rule concerning the limitation period for multiple publications, including those on the internet, of the same defamatory matter by the same publisher or an associate of the publisher.

The Act passed Parliament on 6 August 2020 and commenced on 1 July 2021.

DRAFTING LEGISLATION FOR NSW

STAKEHOLDER SURVEY 2021

Focus

In June 2021, our annual stakeholder survey collected feedback from clients across government agencies (state and local), Members of Parliament and their staff.

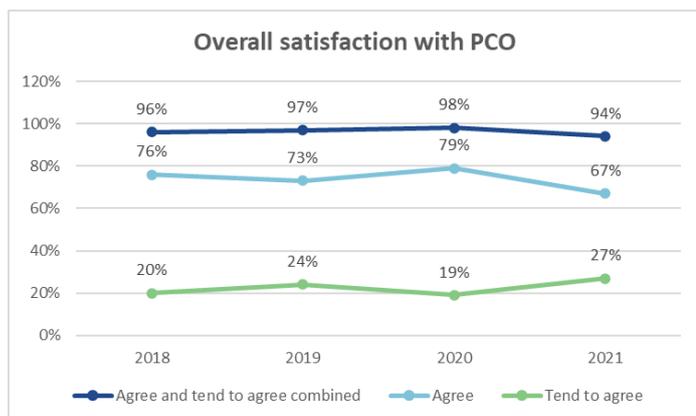
Questions were intended to gauge our stakeholders' satisfaction with PCO services across a range of areas, including our professionalism and the quality of our drafting.

We use these survey results to make improvements to our internal processes and policies and the way we interact with our stakeholders.

“Absolutely terrific team, prompt, professional and willing to assist. Invaluable support for a Chief of Staff to a Minister with a large legislative agenda.”

Key findings

Of the respondents, 94% agreed or tended to agree with the statement that ‘Overall, I am satisfied with the service provided by PCO’. Despite decreasing slightly from 2020, satisfaction with PCO services has remained steady over time.



What we do well

Of the respondents, 99% either agreed or tended to agree that PCO staff are courteous and 97% agreed or tended to agree that PCO staff are reliable.

“I cannot speak highly enough of the services PCO have provided during this COVID-19 era. There have been many urgent matters that the staff have all worked very hard towards meeting.”

Areas for improvement

The most noticeable decline from 2020 to 2021 was for the statement ‘When resolving problems, PCO staff clearly explain the issues and possible solutions’, which reduced from 71% ‘Agree’ to 56% ‘Agree’. This area continues to be the lowest scoring item across all iterations of the survey and is an ongoing focus for improvement.

NSW Gazette and Notification survey

In May 2021, we separately surveyed recent users of the NSW Gazette and Notification services. Overall respondents were satisfied with the service (91% either agreed or tended to agree).

Respondents praised the helpfulness and responsiveness of staff. Many also noted that the new Gazette portal and templates made the submission process easier.

“I have found the process and indeed all staff extremely helpful and an absolute pleasure to work with.”

In June 2021, Director of Production and Access, Robyn Morrison, emailed all survey recipients with a detailed response to questions and concerns raised by the survey and news of upcoming developments to the Gazette portal.

DRAFTING LEGISLATION FOR NSW

GOVERNMENT BILL DRAFTING AND PRODUCTION

PCO drafts and produces Bills and Amendments in Committee to the time frames and standards required by the Government's parliamentary program. We also provide advice to the Government on legislative proposals as part of this service.

The Parliamentary Counsel works closely with the Premier's Office to ensure Bills are ready for introduction when required and reports on the progress of draft Bills. She also works closely with the Cabinet Secretary to ensure Bills conform with the relevant Cabinet approvals.

Draft Bills are reviewed by a group of senior drafters and receive comprehensive editorial, legal and quality assurance checks. As a service to Parliament, we produce "print-ready" versions of Bills and amended Bills for all stages reported.

2020–21 performance

We aim 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.

This year, a total of 57 Government Bills were introduced and 7 Bills were prepared for public consultation. For reasons of confidentiality, only those Bills introduced into Parliament or formally exposed are reported.

The number of Bills drafted was similar to previous years, with the exception of 2019–20, in which a lower number of Bills was drafted due to the impact of COVID-19. This reporting period saw a significant increase in requests for Amendments in Committee, particularly because of the broad range of minor parties in the Legislative Council.

	2017–18	2018–19	2019–20	2020–21
Bills introduced	77	59	40	57
Pages	2,369	1,228	972	1,317
Bills public consultation drafts	4	2	2	7
Pages	266	90	92	115
Amendments in Committee	100	61	134	215

Statute Law Revision

The Statute Law Revision sub-program is an 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.

DRAFTING LEGISLATION FOR NSW

2020–21 performance

We aim to manage the drafting and production service for the Statute Law Revision program to the standard and timetable set by the Government.

There were 2 Statute Law Bills introduced during 2020–21. The first of these Bills was passed during the 2020–21 period and amended 244 Acts and instruments. However, the second Bill, which proposes amendments to 128 Acts and instruments, was not passed during the 2020–21 period.

STATUTORY INSTRUMENTS

PCO drafts 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.

2020–21 performance

We aim to draft, publish and provide opinions (where required) on 80% of statutory instruments within 20 working days of receipt of instructions.

PCO was slightly short of the target for turnaround time in 2020–21, with 76% of statutory instruments completed within 20 working days. The minor increase in turnaround times reflects the impact of the more challenging circumstances in which statutory instruments, which include public health orders and statutory instruments required to respond to the impact of COVID-19, have been drafted in the past 18 months. We have prioritised urgent legislative drafting, resulting in a slight increase in turnaround times for less urgent matters.

	2017–18	2018–19	2019–20	2020–21
Number completed by PCO	693	618	500	516
Percentage within 10 days or less	59	61	57	52
Percentage within 11–20 days	22	22	23	24
Percentage within 21–40 days	15	11	15	16
Percentage after 40 days	5	5	5	9

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. The most recent stage of the sub-program began on 1 September 2020 and, as at 30 June 2021, was still in progress.

DRAFTING LEGISLATION FOR NSW

ENVIRONMENTAL PLANNING INSTRUMENTS

PCO drafts environmental planning instruments and publishes them on the NSW legislation website. Environmental planning instruments (EPIs) are made under the *Environmental Planning and Assessment Act 1979*, which is administered by the Minister for Planning and Public Spaces. There are 2 types of environmental planning instruments—State environmental planning policies (SEPPs) and local environmental planning instruments (LEPs).

SEPPs are made by the Governor and can apply to the whole of the State or a particular area of the State. LEPs are made by the Minister or, if authorised by the Minister, the individual council for the local area. Each LEP generally applies to a local government area.

PCO drafts all SEPPs and most LEPs in NSW, based on instructions received from the Department of Planning, Industry and Environment (DPIE) on behalf of the Minister. If the Minister authorises a council to make an LEP, PCO receives instructions to draft the LEP directly from the council. Once a SEPP or LEP is made, PCO is responsible for publishing the instrument on the NSW legislation website.

Most SEPPs and LEPs drafted by PCO are amending instruments. That is, they amend an existing SEPP or LEP. Under the *Environmental*

Planning and Assessment Act 1979, section 3.24(11), a SEPP can be amended by another SEPP or by an LEP and an LEP can be amended by another LEP or by a SEPP.

A large proportion of SEPPs and LEPs include maps as part of the instrument. Until 30 April 2021, these maps were available on the NSW legislation website. They are now hosted on the [NSW planning portal](#), which is managed by DPIE. As part of this change, DPIE is now responsible for drafting amending LEPs that amend the maps only and do not contain any amendments to the text of a principal LEP. The amending LEP is published on the NSW legislation website in the same way as LEPs drafted by PCO. From the beginning of this change until 30 June 2021, 13 of these map-only LEPs were made.

2020–21 performance

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

PCO delivered 79% of EPIs within 20 working days in 2020–21. The turnaround was slightly less than the target due to the large volume of EPIs required to be drafted by PCO and other high priority drafting caused by COVID-19.

	2017–18	2018–19	2019–20	2020–21
Number completed by PCO	589	398	368	441
Percentage within 10 days or less	62	60	46	50
Percentage within 11–20 days	26	37	32	29
Percentage within 21–40 days	8	11	16	17
Percentage after 40 days	5	2	6	4

DRAFTING LEGISLATION FOR NSW

NON-GOVERNMENT DRAFTING

PCO drafts Bills and Amendments in Committee for non-Government Members of Parliament 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.

2020–21 performance

We aim 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.

The increase in the volume of non-Government drafting in 2019–20 was replicated in 2020–21. There was a substantial increase in the number of Bills drafted for non-Government members and the substantial increase in the drafting of Amendments in Committee experienced in 2019–20 was sustained in 2020–21. Unlike 2019–20, when a single Bill accounted for the bulk of Amendments in Committee, amendments were drafted in 2020–21 for many Bills, though a significant number were for the *Local Land Services Amendment (Miscellaneous) Bill 2020* and the *Better Regulation Legislation Amendment (Miscellaneous) Bill 2021*, respectively.

	2017–18	2018–19	2019–20	2020–21
Non-Government Bills introduced	29	24	33	*42
Pages	258	154	335	398
Non-Government Amendments in Committee	271	124	775	719

*Excludes the *South32 Dendrobium Extension Project Approval Bill*, which was not drafted by PCO.



DRAFTING LEGISLATION FOR NSW

AUSTRALASIAN PARLIAMENTARY COUNSEL'S COMMITTEE DRAFTING PROGRAM

The Parliamentary Counsel's Committee (PCC) comprises the heads of Australian and New Zealand legislative drafting offices. The Committee coordinates the drafting of national uniform legislation that applies in Australian jurisdictions and New Zealand.

In addition to providing a forum for the drafting of national scheme legislation, the Committee enables the heads of Australian and New Zealand drafting offices to share information about the preparation of legislation and the management of drafting offices.

The NSW Parliamentary Counsel is the current Secretary-Chair of the PCC and is responsible for coordinating the work of the PCC. A junior drafter within the NSW PCO provides secretariat support to the PCC, including by—

- keeping records of the PCC's meetings
- liaising with instructors and drafters in relation to PCC drafting projects
- updating the PCC website and PCC Portal.

A NSW PCO staff software developer also redesigned the PCC website in 2020–21. It is expected to be released in 2021–22.

In addition to regular meetings of the PCC, the PCC facilitates the following—

- **drafting conferences** are generally held every 2 years to give legislative drafters from all Australian, New Zealand and Asia-Pacific jurisdictions an opportunity to network and learn from one another. Conferences include seminars about specific aspects of legislative drafting,

including sessions targeted at junior legislative drafters

- **IT, publishing and office systems forums** are ordinarily held annually to allow Australian, New Zealand and Asia-Pacific drafting offices to exchange information about the development of and improvements to systems common to legislative drafting offices, including legislative drafting systems and systems for accessing legislation and delivering information about legislation to the public. The forum was not held in 2020–21 because of COVID-19 restrictions.

The PCC drafting program is managed electronically with the support of the PCC Portal, a secure wiki tool designed to assist PCC drafting offices to collaborate and share knowledge efficiently. The PCC Portal was developed by the NSW Parliamentary Counsel's Office and continues to be maintained by PCO staff. The Portal allows drafters to circulate and comment on drafts prepared by other jurisdictions. The Portal is accessed by drafters responsible for PCC drafting projects and other staff in drafting offices who require access. Access to parts of the Portal containing sensitive information is restricted to the members of PCC.

Information about the work of the PCC, model legislation drafted by the PCC and the protocol applied to the drafting of uniform legislation is available at www.pcc.gov.au. The public website is updated by staff of the NSW Parliamentary Counsel's Office.



DRAFTING LEGISLATION FOR NSW

AUSTRALASIAN PARLIAMENTARY COUNSEL'S COMMITTEE DRAFTING PROGRAM

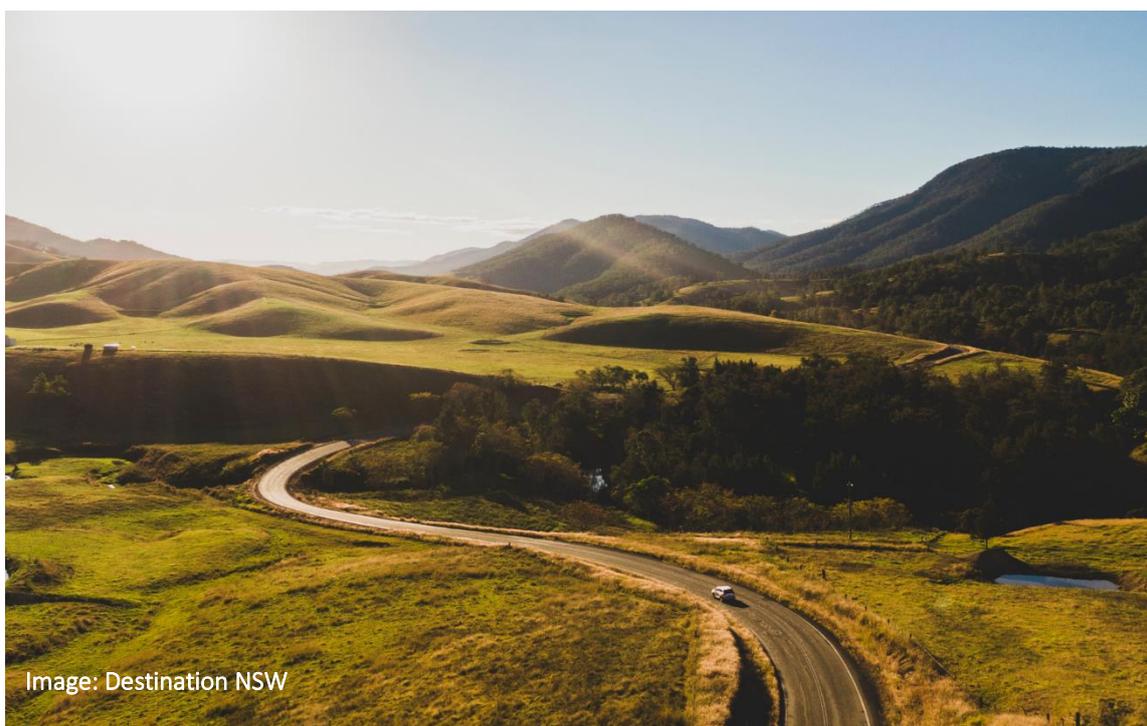
2020–21 performance

We aim to participate in the PCC and prepare draft uniform legislation in accordance with the timetable set by instructors and standards imposed by the PCC.

Drafting projects completed by the PCC included the *Mutual Recognition Amendment Act 2021* of the Commonwealth and model provisions for States seeking to refer legislative power to the Commonwealth or adopt the *Mutual Recognition Act 1992* as amended by the Commonwealth Act (**model provisions**). Other projects included amendments to the

Australian Road Rules and the *Heavy Vehicle Charges Model Law*. The NSW PCO drafted a significant proportion of PCC projects in 2020–21, including the model provisions, amendments to the *Australian Road Rules* and two sets of amendments to the *Heavy Vehicle Charges Model Law*.

In 2020–21, the Committee met formally on 2 occasions. The first of the two meetings was held remotely due to the COVID-19 pandemic. A third meeting planned for March 2021 was cancelled due to a number of ad-hoc meetings held in early 2021 to discuss the drafting of the model provisions.



DRAFTING LEGISLATION FOR NSW

ENGAGEMENT: INSTRUCTOR TRAINING



Instructor training with colleagues at the Department of Communities and Justice in May 2021. From left to right: Ariana Ladopoulos, Lucian Tan, Alex Sprouster, Mark Cowan, Ya'El Frisch, Melissa Low, Tanya Railton, Iain Martin and Vi Ngo.

PCO provides training for staff of the NSW government agencies who instruct us on the drafting of Bills and statutory instruments. The sessions aim to improve how we work together and include an overview of the drafting process from the legislative drafter's perspective. They also provide an opportunity for drafters and instructors to meet face to face, ask questions and discuss matters of common interest.

Instructors are invited to share insights into the policy process from their perspective, which assists the drafting team to respond better to the needs of our clients. The program has been expanded to include scenario problems that are discussed with participants and to provide a summary of the session content to attendees after the session.

While COVID restrictions caused us to postpone some sessions planned for 2020, we were able to resume sessions online in November. In December 2020, we visited colleagues at the Department of Planning, Industry and Environment at their offices for training tailored to their specific needs.

In April 2021, we again ran open sessions at our offices and a small team, including the Parliamentary Counsel, visited the National Transport Commission in Melbourne for training to support an ongoing collaboration on automated vehicle and heavy vehicle national legislation. In May 2021, we provided a number of tailored sessions for colleagues at the Department of Communities and Justice.

NSW Government Solicitors' Induction Training

In February 2021, Senior Assistant Parliamentary Counsel, Abbie Hartley, presented a session on the legislative process as part of the NSW Government Solicitors' Induction Training seminar run by the Crown Solicitor's Office.



NSW Crown Solicitor Karen Smith with Senior Assistant Parliamentary Counsel (Programs) Abbie Hartley.

2020–21 HIGHLIGHTS FOR THE NSW LEGISLATION WEBSITE

401,454

Average number of users per month
of the NSW legislation website



1,845,229

Average number of unique page views per
month on the NSW legislation website

"I've used many other Australian jurisdiction websites to search legislation and NSW is head and shoulders above the rest. It is so intuitive to use and the website design is fantastic in the way it presents information."

2021 website survey respondent

89%

of survey respondents
were satisfied with the
NSW legislation website

"You do a fantastic job keeping legislation up to date. I also really like the layout and how easy it is to find relevant sections of an Act."

2021 website survey respondent

"The NSW legislation site is accurate, super current and authoritative."

2021 website survey respondent

95%

of survey respondents were
satisfied that the site provides
the information they need

MAKING LEGISLATION ACCESSIBLE IN NSW

WEBSITE SURVEY 2021

Focus

In May and June 2021, we ran a website intercept survey with respondents recruited through a banner ad on the NSW legislation website. Questions about the website were also included in our stakeholder survey. The survey collected feedback on website features and content, navigation, support services and potential new features. It was open for 29 days and collected 962 responses.

Respondents who used the website several times a day were most likely to be government legal officers (86%), legal practitioners (63%), local government employees (59%) or librarians/researchers (50%).

Key findings

Overall, NSW legislation website users are highly satisfied with the site (89% either agreed or tended to agree).

The survey items ‘the NSW legislation website provides the information I need’, ‘the NSW legislation website is easy to navigate’ and ‘I can rely on the content of the NSW legislation website’ recorded an improvement from last year’s results. The survey item ‘I use some of the new functionality and features on the NSW legislation website’—a new item in this year’s survey—received a high response rate (81%) indicating that recent additions to site functionality have been well received.

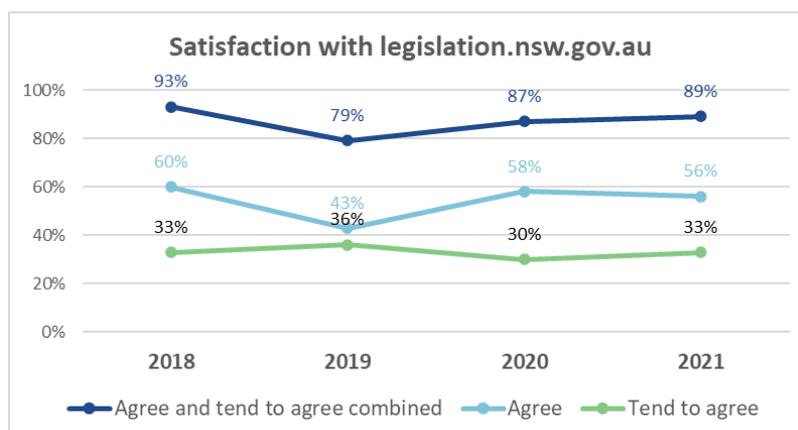
Areas for improvement

Of those who had contacted PCO for support, the majority (81% either agreed or tended to agree) were satisfied with the support they received. However, the survey item ‘When I have had inquiries about the NSW legislation website, the staff responding to calls or emails have the knowledge to assist me’ decreased by 10% overall from last year, indicating an area for future focus.

We continue to receive comments suggesting the website is slow and loading/downloading times could be improved. However, the number of respondents making these comments is significantly lower than in previous years, reflecting improvements achieved by the recent site upgrade. (Downloading speeds are also a reflection of user equipment, internet connections or network traffic.)

The lowest-scoring item in the survey continues to be ‘the NSW legislation website is easy to use on mobile devices’. Some respondents also indicated dissatisfaction with the recent transfer of maps to the NSW Planning Portal.

Comprehensive responses for all issues raised in the survey were prepared and made available on the website for users.



MAKING LEGISLATION ACCESSIBLE IN NSW

WEBSITE PROJECT



The NSW legislation website is the primary source of NSW legislation for the people of NSW, averaging 400,000 users a month. When Annette O’Callaghan became Parliamentary Counsel in 2018, the site’s essential functionality hadn’t been updated for many years. She saw an opportunity to modernise the user interface for the site and improve the way users are able to search and find information about the complex content of the NSW statute book.

In 2019, tasked with leading the upgrade project, Robyn Morrison, Director of Production and Access, assembled a stakeholder group of representatives from Parliament, the courts, Government agencies, local government, legal academics, law librarians and legal practitioners to identify priorities for improvement.

The developer, Leidos, helped PCO convert and modernise the mark-up language used to encode legislation for the site. The new XML format expanded the site’s search capabilities and introduced a range of new features and functionality for website users.

Search capability was expanded to better target particular website content or collections to be searched and to present a preview of each hit in context. The team also added more options for browsing, sorting, filtering and displaying results and more RSS feeds to alert

subscribers when legislation is published. Timeline and table options also made it easier for users to find historical versions of in force or repealed legislation and easily compare selected versions.

The team improved the navigability of the site and refreshed its appearance with a gallery of vivid and changing photography from Destination NSW. A ‘This week’ column and noticeboard on the home page highlight the latest additions to the site in terms of both legislation and general website updates.

The site is now acknowledged as one of the leading legislation websites in Australia. Overall satisfaction with the site has improved by 10% since 2019 and, at 89%, is 9% above the commonly used NSW and Commonwealth Government performance threshold of 80%.

The site’s specialised functionality will be further developed in the next 12–18 months to give users access to consolidated versions of legislation targeted by amendments proposed in Parliamentary Bills, and some level of system integration with Parliament House is being investigated. The project has also laid the foundations for streamlining the publishing processes driving the site, which will ultimately increase the speed and efficiency with which legislation is published in NSW.

MAKING LEGISLATION ACCESSIBLE IN NSW

ADAPT PROJECT

Over the past two financial years, PCO has planned and implemented several foundational projects designed to ensure that the office's specialist legislative drafting and publishing system is dynamic, contemporary and customer focused. To date, the most significant of these initiatives has been the redesign and relaunch of the NSW legislation website, hosting the official collection of NSW legislation, managed and maintained by PCO.

The ADaPT project, a major upgrade to PCO's legislation database set, builds on this foundational work, and represents a major transformation of the system. This enhanced drafting and publishing environment will support end-to-end XML-based document flows, 'in target document' marked-up changes for amended legislation and automated work processes, including the consolidation of legislative amendments.

There are multiple key project drivers.

- There is increased demand from Members of Parliament and other drafting clients to see 'in target document' marked-up changes for amended legislation so that policy issues and drafting queries can be resolved more quickly, supporting the timely production of amendment Bills and other legislative instruments. Members of Parliament also need to clearly understand how legislation is changed by proposed amendments before the Parliament. The change-tracking and automatic amendment wording generation functionality delivered through the ADaPT project will address these demands.
- There is increased demand from legislation website users for fast and accurate updates to the NSW legislation website in an environment of increasing consolidation workloads. The move away from resource-intensive manual

consolidation to automatic consolidation functionality delivered through the ADaPT project will address this demand.

- There is increased demand for more value-added information for users of the NSW legislation website. The automation of many consolidation and publishing work processes will allow staff to devote more time to developing and making available information that requires a level of intellectual input that cannot be automated.

Key deliverables from the ADaPT project include—

- a refresh of the FrameMaker-based legislative authoring environment to support XML
- upgrading the legislation database document management environment, LEGIS, to also manage draft and published documents as XML rather than SGML
- additional database repositories within the LEGIS infrastructure to support process automation and separate legislative drafting and publishing tasks—a Published Document Repository and Commencement Database
- development of change-tracking and automatic amendment wording generation functionality for legislative drafting processes
- automating the consolidation of amendments once the amending legislation has commenced.

Detailed work on the first two deliverables commenced in early 2021 with the project due for completion in mid-2022.



MAKING LEGISLATION ACCESSIBLE IN NSW

NSW LEGISLATION WEBSITE AND DATABASE

PCO provides free public access to an authorised, up-to-date collection of NSW legislation through the [NSW legislation website](#). The website collections include In Force and Repealed legislation, including point-in-time historical versions of those titles, As Made legislation, and other information about legislation in an easily accessible and searchable format. Website features include—

- a dynamic up-to-date collection of In Force and Repealed 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 NSW 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*)
- a 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
- a COVID-19 legislation page providing links in one place to all NSW COVID-related legislation, including up-to-date versions of all public health orders and point-in-time access to versions no longer in force.

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 currently compiled and stored in Standard Generalized Markup Language (SGML) format. All superseded versions are preserved to provide a point-in-time repository.

PCO has embarked on the Automated Drafting and Publishing Technology (ADaPT) digital transformation project to convert the database to XML format and significantly automate website publishing processes. The new system is expected to be delivered in mid 2022.

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

	2017–18	2018–19	2019–20	2020–21
Acts	16,100	16,960	17,400	17,800
Statutory instruments (excl. EPIs)	8,800	9,200	9,600	10,000
EPIs	7,200	8,250	9,100	10,100

MAKING LEGISLATION ACCESSIBLE IN NSW

2020–21 performance

We aim to—

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

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.

	2017–18	2018–19	2019–20	2020–21
New Acts captured	75	55	27	20
New principal statutory instruments (incl. EPIs) captured	71	48	56	52
Amendments incorporated (creating a new version)	2,151	1,363	1,417	1,459
Other updates made	2,549	2,543	1,255	2,230

A website feedback email box is in operation for the website offering a response service for questions and problems and a mechanism for capturing website development suggestions.



MAKING LEGISLATION ACCESSIBLE IN NSW

PUBLICATION OF ORDERS AND NOTIFICATIONS

PCO provides official notification on the NSW legislation website of the making of new statutory instruments. We also produce and publish the NSW Government Gazette on the same website.

The new legislation website has search functionality to enable filtered searching across specific types of legislation, including as made (notified) instruments from 1990.

The website also 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.

RSS feeds further enhance public access for those users monitoring particular types of legislation.

From August 2020, gazette notices are lodged via a portal and published in subject category volumes, as nominated by the person lodging the notice.

2020–21 performance

We aim to—

- *publish new statutory instruments, including EPIs, on the NSW legislation website on a cumulative basis each week, including urgent publications*
- *publish government gazettes on the NSW legislation website on a cumulative basis each week, including urgent publications.*

The table below shows a very significant increase in the number of government gazettes published during 2020–21. This increase is partly accounted for by the move away from compiled weekly gazettes to subject-category gazettes following the launch of the gazette lodgement portal in September 2020. But it is also attributable to a higher demand for ‘special’ gazettes published on any day of the week (rather than predominantly on Fridays), including for COVID-19 public health orders.

PCO is nearing the end of its gazette streamlining project and is on track to launch a standalone gazette website, which facilitates the self-publishing of notices, in September 2021.

Statutory instruments (excl. EPIs)	2017–18	2018–19	2019–20	2020–21
Number officially made	442	455	460	417
Pages	4,285	2,778	4,036	3,166
EPIs				
Number officially made	337	356	315	365
Pages	1,181	1,056	1,211	1,373
Government Gazette				
Number	134	150	256	552
Pages	8,609	8,495	7,127	7,155

MAKING LEGISLATION ACCESSIBLE IN NSW

MAINTAINING AND DEVELOPING LEGISLATIVE SYSTEMS

PCO's integrated legislative system comprises the highly customised FrameMaker drafting and publishing tool, the bespoke LEGIS document management system and the public-facing NSW legislation website.

2020–21 performance

We aim to—

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

During 2020–21, 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. This is calculated on the basis that 98% uptime allows for no more than 3 hours downtime per day.

Major projects undertaken in 2020–21 included—

- transfer of legislation system servers to the cloud-based Amazon AWS virtual servers, resulting in greater uptime, accessibility, security and better disaster recovery
- implementation of Transport Layer Security (TLS) onto the internally accessed legislation document management system
- launch of a new legislation website with additional functionality and features
- launch of a gazette notice lodgement portal to streamline lodgement of gazette notices
- commencement of the ADaPT project to upgrade PCO's authoring and LEGIS database environment to support end-to-end XML-based document flows and automated work processes
- recruitment of a second application developer to support PCO's legislative drafting and publishing environment
- establishment of an in-house application development system
- implementation of a Mobile Device Management (MDM) solution via the DCS Intune system
- establishment of a communication system for business continuity support
- development of security awareness training for cyber hygiene
- provision of cyber hygiene workshops for all staff
- implementation of two phishing attack exercises to raise awareness of email vulnerabilities.



MAKING LEGISLATION ACCESSIBLE IN NSW

PROVIDING INFORMATION ABOUT LEGISLATION

PCO's Website Help and Website Feedback services assist with enquiries by telephone and email about the status of NSW legislation and using the legislation website and can provide referrals to other organisations. (The service cannot provide legal advice or statutory interpretation.)

2020–21 performance

We aim to respond within 2 hours to all telephone and email inquiries with accurate, up-to-date information or referral to a more appropriate source.

The Website Help and Website Feedback teams offer a guaranteed 2-hour response time to voicemail messages or emails received

during business hours. This response window allows time for comprehensive research and provision of tailored advice to customers or appropriate on-referral to other agencies if appropriate. We have prepared a set of template responses to ensure a consistent approach and quality of information. This knowledge base will be maintained and expanded over time.

In the 2020–21 financial year, the Legislation Information Service team responded to **335** voicemail messages and **795** emails. In total this was more than double the volume of messages received the previous year, likely due to the launch of the new website on August 30, 2020.



MAKING LEGISLATION ACCESSIBLE IN NSW

ENGAGEMENT: SOCIAL MEDIA

PCO reaches a broad audience through social media, including staff, prospective employees, instructors, MPs and other key stakeholders.

We use social media to—

- raise the profile of PCO's work by highlighting Bills introduced in NSW Parliament
- support awareness of public health orders and other gazetted notifications
- generate awareness of new features and functionality on the NSW legislation website
- drive traffic to the NSW legislation and PCO websites
- support PCO recruitment efforts
- highlight the culture and values of PCO
- celebrate achievements within the global legislative drafting community.

LinkedIn

The PCO LinkedIn account had 663 followers at the end of the reporting period, an increase of 360 from the previous period. We started posting regularly on LinkedIn in November 2020 and have made 83 posts since then. We generated a total of 3,898 engagements and 45,307 impressions during the reporting period. Our average engagement rate was 8.6% compared with the industry benchmark of 2%.

Notable posts covered instructor training with colleagues at the Department of Communities and Justice (299 clicks, 25% engagement rate), a gazetted order protecting a whale for the Department of Planning, Industry and Environment (53 reactions) and news of a PCO staff member's win at the Australian Scrabble Championship (2,221 impressions).



Twitter

PCO made its first tweet in late January 2021 and has made 70 tweets in total in the reporting period. Our Twitter account (@NSWPCO) has 72 followers. This small but focused audience includes 12 MPS, The UK and Scottish Parliamentary Counsel and the NSW Attorney General. From January to June 2021, we generated a total of 865 engagements and 22,989 impressions. Our engagement rate for the period averaged 2.51% compared with the industry benchmark of 0.07%.

Top Tweet earned 10.2K impressions

A public health order providing for temporary restrictions to gathering and movement has been gazetted and is available on the NSW legislation website. bit.ly/2ULxgBd #nswlegislation pic.twitter.com/KPmVbxjX9I



Our people

OUR PEOPLE—A SNAPSHOT



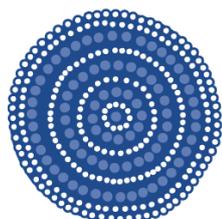
31 PCO staff are women
16 PCO staff are men

8 PCO senior executives are women
7 PCO senior executives are men



6.4% of PCO staff are people with a disability

14.9% of PCO staff are people whose first language, spoken as a child, was not English



18
years

Daniel Gray joined PCO in 2003 as part of the first intake of the Aboriginal Cadetship Program

MANAGEMENT AND STRUCTURE

LEADERSHIP TEAM

Parliamentary Counsel



ANNETTE O'CALLAGHAN

Annette became the NSW Parliamentary Counsel in 2018 and is the first woman to hold the role. She runs PCO's Government Bills Program and is also the Secretary of the Australasian Parliamentary Counsel's Committee. Prior to joining PCO, she was the Queensland Parliamentary Counsel. She began her legislative drafting career in 1993 and has worked as a legislative drafter in New South Wales, Queensland and Victoria.

Deputy Parliamentary Counsel



MARK COWAN

Mark leads a team of legislative drafters and assists the Parliamentary Counsel in managing PCO's Government Bills program. He joined the office as a legislative drafter in 2001.



RICHARD HURFORD

Richard leads PCO's non-Government Bills program. He joined the office as a legislative drafter in 1997.



JOHN LEDDA

John leads a team of legislative drafters and assists the Parliamentary Counsel in managing PCO's Government Bills program. He joined the office as a legislative drafter in 1992.

Director, Production and Access



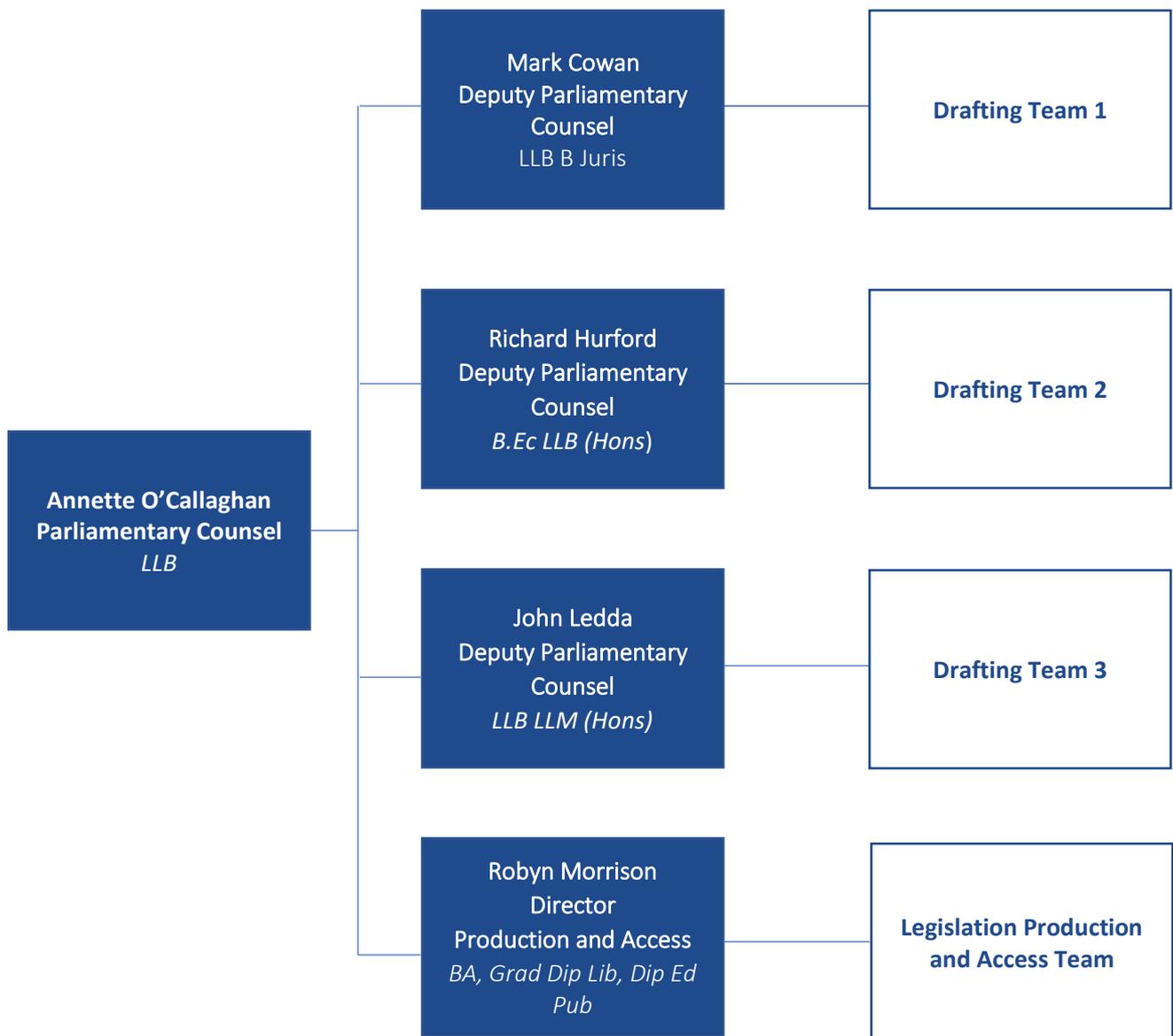
ROBYN MORRISON

Robyn oversees the production of finalised legislation and our legislation access services. She joined PCO in 2019 from the Office of the Queensland Parliamentary Counsel, where she was Manager, Legislation Editing and Publishing Services.

MANAGEMENT AND STRUCTURE

ORGANISATION CHART

As at 30 June 2021.



RESPONDING TO THE PMES SURVEY

In the 2020 People Matter Employee Survey (PMES), PCO recorded an employee engagement score of 64%, which was lower than our 2019 score (69%) and lower than the NSW public sector as a whole (67%). We acknowledge that we have some work to do to improve this score.

In the past year it has been challenging for PCO to implement new initiatives because of the combination of a significant COVID-related workload and our focus on an office restructure. However, with the office restructure largely finalised, we are committed to responding to all survey results past and future. Actions in response to PMES results include—

Learning and development

- A renewed focus on learning and development has seen 20% of our staff take advantage of leadership development training.
- The implementation of the myCareer system will further support the setting and tracking of development goals for all staff.

Communication

- The office restructure saw a Communications and Engagement Officer join our team in November 2020 to improve both internal and external communication.
- The implementation of a news section on the PCO intranet, Gulbarra, has refreshed our internal communications and given them greater prominence on the site.
- We ensured that PMES results were shared with all staff.

Flexible work

- We continue to support flexible work through our participation in the Department of Premier and Cabinet's Flexible Working Hours Agreement (FWHA).
- We extended temporary amendments to the FWHA, allowing greater flexibility during the pandemic around core time and bandwidth.



WORKFORCE PLANNING AND DEVELOPMENT

PLANNING

In early 2021, we recommenced work on changes to the structure of our Corporate Services and Executive Support teams. Some of these changes were planned for 2020 but were delayed due to the onset of COVID-19 and the associated changes in working arrangements.

The changes are intended to improve PCO's ability to meet stakeholder needs and to provide clarity to staff around accountabilities, reporting lines and career paths. New roles have been added to both teams and some existing roles have been removed.

The recruitment process commenced in March and most roles were filled by June with the result that the new Executive Support team is now fully staffed and functioning.

We continue to focus on retaining organisational knowledge through close mentoring of developing drafters. We also offer flexible working arrangements to accommodate parental leave and other career breaks, which assists in retaining specialist staff in the long term.

DEVELOPMENT

We aim to provide our drafting and publishing staff with the skills and experience to work across all program areas managed by PCO. This helps us to manage the varying peaks in demand for our services and also provides diverse work for staff.

We provide a mix of formal and on-the-job training for legislative drafters, editorial, technical and support staff. Our own subject-matter experts contribute to the design and delivery of training programs. Training provided in the 2020-21 period includes—

- **Direct supervision:** Senior officers supervise junior officers, providing training, mentoring, coaching and knowledge transfer on a one-to-one basis.
- **Seminars, workshops and courses:** Formal training is provided, both in-house and externally.
- **Professional meetings:** Staff attend meetings of the Supreme Court, the PCO Consultative Group and similar organisations to discuss statutory interpretation and legislative drafting practices.
- **CPD:** We provide an in-house continuing professional development program, which meets the requirements of the NSW Bar Association and the Law Society of NSW.
- **Leadership development:** Senior leaders receive leadership training and coaching.
- **Sector-wide training activities:** Staff attend training to keep up with changes in finance, HR, IT and compliance areas.
- **Study leave:** Individuals undertaking external study to develop their skills are assisted with study leave.

We also support the following programs and development opportunities—

- **NSW Government Graduate Program:** PCO participated in the program with one graduate from the 2020 program.
- **CareerTrackers:** 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:** Two staff members joined PCO on secondment from another agency and two PCO staff were seconded to other agencies during the period.

WORKFORCE DIVERSITY

TRENDS IN THE DISTRIBUTION OF EQUAL EMPLOYMENT OPPORTUNITY (EEO) GROUPS

As a small agency, PCO is only required to report on workforce diversity on a triennial basis. However, we choose to provide an annual performance report.

EEO Group	Benchmark/ target	2019	2020	2021
Source: Public Service Commission Workforce Profile Data				
Women ¹	50%	76.8%	72.1%	65.9%
Aboriginal People and Torres Strait Islanders ²	3.3%	1.8%	3.9%	0%
People whose first language spoken as a child was not English ³	23.2%	20.9%	20.5%	14.9%
People with a disability ⁴	5.6%	8.8%	10.6%	6.38%
People with a disability requiring work-related adjustment	NA	4.5%	1.6%	6.38%

Notes on trends in the representation of EEO groups—

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

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%.

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

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.

EEO Group	Benchmark/ target	2019	2020	2021
Source: Public Service Commission Workforce Profile Data				
Women	100%	NA	NA	NA
Aboriginal People and Torres Strait Islanders	100%	NA	NA	NA
People whose first language spoken as a child was not English	100%	NA	NA	NA
People with a disability	100%	NA	NA	NA
People with a disability requiring work-related adjustment	100%	NA	NA	NA

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.

WORKFORCE DIVERSITY

WORKFORCE DIVERSITY STRATEGIES

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

Our Diversity and Inclusion Plan includes the following objectives—

- Provide services to support a diverse community.
- Attract and recruit a diverse workforce.
- Retain and develop a diverse workforce.
- Provide support for targeted diversity workgroups.

We're meeting these objectives by—

- providing an environment where staff are comfortable sharing their views
- promoting diversity principles during staff induction
- ensuring all policies and procedures comply with and support equity standards
- referencing the capability framework in role descriptions, recruitment processes and our performance management system
- offering flexible work options (including part-time work and working from home).

PCO will participate in the new Flexible Working Hours Agreement (FWHA) being negotiated between DPC and PSA. The new FWHA is intended to offer eligible employees a continuing high degree of flexibility in balancing work and personal responsibilities. Eligible PCO staff will be covered under this new agreement once it is rolled out.

DISABILITY INCLUSION ACTION PLANS

As an executive agency, PCO is not required to have a Disability Inclusion Action Plan, as defined in the *Disability Inclusion Act 2014*. We are, however, committed to a workplace of improved employment access and participation for people with a disability.

This commitment includes—

- facilitating building access, including lifts and bathrooms for the disabled
- prioritising workplace adjustments, including specialist equipment and flexible working arrangements for employees with disabilities
- utilising plain-language drafting to optimise access to legislation for all users
- providing accessible web design—PCO's websites and intranet adhere to guidelines for accessible web design (including W3C's Web Content Accessibility Guidelines) to ensure that content is available to the widest possible audience, including those using assistive technology or accessibility features
- consulting with visually impaired users on the development of the legislation website to ensure improved interaction with the available assistive technologies and avoid the need for access keys
- providing copies of legislation in electronic format to the visually impaired on request and at no cost (the visually impaired can also access legislation in PDF using accessibility tools)
- facilitating access to PCO services for hearing and speech impaired persons through the National Relay Service
- while undertaking recruitment, encouraging suitably qualified applicants who have a disability to apply and to discuss any specific requirements with the contact officer for the role.

WORKFORCE DIVERSITY

WOMEN

PCO exceeded the benchmark figure for women in the workforce by 15.9%.

Profile: Abbie Hartley, Senior Assistant Parliamentary Counsel (Programs)



Abbie joined PCO in 2008 following roles in employment law with a trade union and in criminal law at the Aboriginal Legal Service. She is currently responsible for our environmental planning instrument program.

As she has progressed through increasingly senior roles at PCO, Abbie has participated in various types of leadership training, including some aimed particularly at women in the public service.

'These female-focused training opportunities are valuable—they've given me the skills, confidence and inspiration to pursue leadership roles. PCO is a workplace with many women in leadership positions, including of course the Parliamentary Counsel herself.'

PCO has supported flexible working arrangements for Abbie, enabling her to work 4 days a week managing a senior role while sharing the home workload with her husband.

'I'm about to begin a 1-year advanced leadership program through Women & Leadership Australia. I hope to develop my skills in building effective teams and to progress in my career, with whatever challenges come my way.'

CULTURAL AND LINGUISTIC DIVERSITY

PCO's Diversity and Inclusion Policy promotes a culturally diverse workforce and accommodates cultural requirements in the workplace where possible.

Profile: Wissam Kazi, IT Support and Infrastructure Team Lead



Wissam (Sam) Kazi joined PCO in February 2021 on secondment from the Department of Customer Service. In May, he accepted an ongoing role with PCO as IT Support and Infrastructure Team Lead. He has worked for the NSW Government for 13 years across a range of different agencies including the State Insurance Regulatory Authority and the Personal Injury Commission.

'I've experienced lots of diversity in the agencies I've worked for—lots of different people from different cultures with different beliefs. Everyone respected each other's beliefs—it has been a very open and transparent environment to work in.'

Sam was born in Beirut, Lebanon. He came to Australia with his family in 1986, escaping the long-running civil war in Lebanon. His family eventually settled on a farm near Badgerys Creek and Sam learned English while he attended high school in Sydney.

Sam speaks Arabic with his family at home. He also speaks some French as a legacy of the French influence over the Lebanese education system.

WORKFORCE DIVERSITY

ABORIGINAL AND TORRES STRAIT ISLANDERS

Profile: Daniel Gray, Assistant Parliamentary Counsel



I'm a Wiradjuri man, my people are from the Wellington/Peak Hill area of New South Wales. I was raised on Gandangara land (in the Tharawal LALC area) and my Wiradjuri origins have always been a part of my identity.

I joined PCO in 2003 as part of the first intake of the Aboriginal Cadetship Program. The program aimed to improve academic outcomes for Aboriginal students and create a clear path into the NSW Public Service.

I joined PCO as a cadet while I was still studying law. The program required that I work during the semester breaks and study full time during semester. I quickly realised I liked the work and the people, so arranged to work a couple of days a week during the semester as well as full-time during breaks. I took on various drafting roles but also played a role in other aspects of the office, drawing on my IT degree and experience in computing. I contributed to the building of LEGIS and Gulbarra and to FrameMaker upgrades.

I was fortunate to work with some patient and tolerant drafters, such as Mark Cowan, Janet Ockenden, Robyn Hodge and John Ledda. They were willing to take a very green law student and endeavour to craft a contributing drafter. Robyn Hodge, in particular, was a mentor to me, encouraging and guiding, something that I endeavour to pay forward.

In 2020, I was seconded to the Legislation and Policy branch at DPIE as a Principal Legal Officer. An opportunity arose towards the end of the secondment to continue in the role and

I joined DPIE permanently in June 2021. I now work primarily with local government, crown lands, energy and water legislation—advising on legislative proposals before they make their way to Cabinet and again as they go through the drafting process with PCO.

When I started at PCO, it was a career for life—a 7-year “apprenticeship” to become a middle-tier legislative drafter. Opportunities for secondment were few and far between. In more recent years, Annette has created a culture of opportunity, both for instructors to try their hand at drafting and for drafters to explore opportunities in other agencies.

I didn't join the program to change the world; I always aimed to be an Aboriginal voice in the room. Not the voice of or for all Aboriginal people, but one Aboriginal voice bringing a perspective influenced by 50,000+ years of habitation of this country before NSW existed.

Don and Annette, the two Parliamentary Counsel in my time with the office, were supportive and encouraging in this pursuit. They helped bring an Aboriginal voice to the drafting of key Aboriginal legislation such as the *Aboriginal Land Rights Act 1983*, *Aboriginal Languages Act 2017* and the *Aboriginal Cultural Heritage Bill 2018*. As a small agency, PCO does an exemplary job of encouraging and supporting Aboriginal staff and recognising the value of diversity, including allowing me to take leave to pursue an opportunity to learn the Wiradjuri language from elders on country.

When I officially left PCO in June 2021, I had been drafting legislation for the best part of 18 years. It would be impossible to overstate the value of my experience with PCO in being able to understand the legislative process, the things that have been done before and the relationship between departments that is necessary to create a legislative product.

WORK HEALTH AND SAFETY

STATEMENT OF PERFORMANCE

PCO is committed to ensuring the health and safety of staff and visitors to our office.

Our Work Health and Safety Committee meets quarterly to ensure that our work health and safety (WHS) practices are appropriate. The minutes of Committee meetings are made available to all staff.

We train staff in emergency evacuation exercises and first aid. Emergency management and after-hours access procedures are kept updated on Gulbarra. Regular training is also provided for fire wardens and first aid officers.

Work health and safety was a key consideration in the design of our current premises. We conduct assessments of individual workspaces for all staff when they start with PCO and we provide ergonomic furniture. We conduct regular ergonomic assessments for staff and new starters.

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—

- Annual influenza vaccinations—62% of staff were vaccinated in May 2021.
- Free counselling to all employees and immediate family is provided through Converge International.
- Skin checks are planned for the new financial year.

INJURIES AND PROSECUTIONS UNDER THE *WORK HEALTH AND SAFETY ACT 2011*

We place 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 were no workers compensation claims in 2020–21.

Details of injuries and prosecutions under the *Work Health and Safety Act 2011*

2019–20	2020–21
1	0

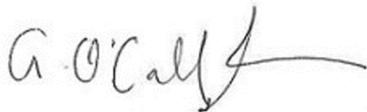


Financial Statements

**Statement by the Parliamentary Counsel as head of the
Parliamentary Counsel's Office
for the year ended 30 June 2021**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state

- a) these financial statements have been prepared in accordance with:
- Australian Accounting Standards (which includes Australian Accounting interpretations);
 - applicable requirements of the Act, the Government Sector Finance Regulation 2018; and
 - Treasurer's directions issued under the Act.
- b) these financial statements present fairly the Parliamentary Counsel's Office's financial position as at 30 June 2021 and the financial performance and cash flows for the year then ended; and
- c) there are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Annette O'Callaghan
Parliamentary Counsel

18 October 2021



Ranju Sharma
Chief Financial Officer

15.10.21



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 comprises the Statement by the Parliamentary Counsel as head of the Parliamentary Counsel's Office, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Office's financial position, financial performance and cash flows.

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.

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, the GSF Act, GSF Regulations and Treasurer's Directions. The Parliamentary Counsel's responsibility also includes such internal control as the Parliamentary Counsel determines is necessary to enable the preparation and fair presentation of 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.



David Daniels
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

19 October 2021
SYDNEY

Financial Statements

of

Parliamentary Counsel's Office

for the year ended 30 June 2021

Parliamentary Counsel's Office
Statement of Comprehensive Income for the year ended 30 June 2021

		Actual	Budget	Actual
		2021	2021	2020
	Notes	\$000	\$000	\$000
Continuing operations				
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	8,914	10,015	8,524
Other operating expenses	2(b)	1,118	912	1,172
Depreciation and amortisation expense	2(c)	1,169	1,376	1,355
Finance costs	2(d)	129	137	173
Total expenses excluding losses		11,330	12,440	11,224
Revenue				
Recurrent grants from principal department	3(a)	10,624	10,979	9,866
Capital grants from principal department	3(a)	250	250	320
Sale of goods and services	3(b)	66	187	20
Acceptance by the Crown of employee benefits and other liabilities	3(c)	38	404	570
Total revenue		10,978	11,820	10,776
Operating result		(352)	(620)	(448)
Other gains / (losses)	4	563	-----	(1,276)
Gain / (loss) on disposal	5	(1)	-----	-----
Net Result		210	(620)	(1,724)
Other comprehensive income		-----	-----	-----
Total Comprehensive Income(loss)		210	(620)	(1,724)

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office
Statement of Financial Position as at 30 June 2021

	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Assets				
Current assets				
Cash and cash equivalents	6	1,215	578	1,324
Receivables	7	88	102	107
Total current assets		1,303	680	1,431
Non-Current assets				
Property, plant and equipment				
- Plant and equipment	8	1,043	1,070	1,437
Right-of-use assets	9	870	5,957	6,789
Intangible assets	10	655	1,210	387
Total Non-Current assets		2,568	8,237	8,613
Total Assets		3,871	8,917	10,044
Liabilities				
Current Liabilities				
Payables	11	727	383	465
Borrowings - Current Lease liabilities	12	884	698	703
Provisions	13	1,016	1,102	1,103
Total Current Liabilities		2,627	2,183	2,271
Non-current Liabilities				
Borrowings - Non-Current Lease liabilities	12	864	7,175	7,594
Provisions	13	324	333	333
Total Non-Current liabilities		1,188	7,508	7,927
Total Liabilities		3,815	9,691	10,198
Net Assets		56	(774)	(154)
Equity				
Accumulated Funds		56	(774)	(154)
Total Equity		56	(774)	(154)

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office
Statement of Changes in Equity for the year ended 30 June 2021

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2020		(154)	(154)
Net Result for the year		210	210
Other comprehensive income:			
Net Increase/(Decrease) in Property, Plant & Equipment		----	----
Total other comprehensive income		----	----
Total comprehensive income for the year		210	210
Balance at 30 June 2021		56	56

	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)

The accompanying notes form part of these financial statements.

Parliamentary Counsel's Office
Statement of Cash Flows for the year ended 30 June 2021

	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Cash flows from operating activities				
Payments				
Employee related		(9,484)	(9,611)	(7,887)
Finance Costs		(129)	(133)	(170)
Other		(885)	(1,001)	(1,071)
Total payments		(10,498)	(10,745)	(9,128)
Receipts				
Recurrent grants from principal department		10,624	10,979	9,866
Capital grants from principal department (excluding equity appropriation)		250	250	320
Reimbursements from the Crown Entity		589	----	177
Sale of goods and services		47	187	133
Other		----	7	----
Total receipts		11,510	11,423	10,496
Net cash flows from operating activities	16	1,012	678	1,368
Cash flows from investing activities				
Purchases of plant and equipment		(30)	(30)	(185)
Purchases of intangible assets		(358)	(970)	(156)
Net cash flow from investing activities		(388)	(1,000)	(341)
Cash flows from Financing activities				
Payment of principal portion of lease liabilities		(733)	(424)	(656)
Net cash flow from Financing activities		(733)	(424)	(656)
Net increase/(decrease) in cash		(109)	(746)	371
Opening cash and cash equivalents		1,324	1,324	953
Closing cash and cash equivalents	6	1,215	578	1,324

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 2021

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

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Parliamentary Counsel on 18 October, 2021.

(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 *Government Sector Finance Act 2018 (GSF Act)*- and the Government Sector Finance Regulation 2018, and
- Treasurer's Directions issued under the GSF 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.

During the last 15 months the global COVID-19 pandemic heavily influenced the legislative program for NSW which impacted the Agency's drafting commitments significantly. 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 drafting and publishing of public health orders.

The Agency held cash at bank as at 30 June 2021 of \$1,215,000 (2020: \$1,324k). As at 30 June 2021 it had a net working capital deficit of \$1,324,000 (2020: \$840k). The Department of Premier and Cabinet and NSW Treasury continue to fund the Agency through the annual budget process.

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

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, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers. Comments regarding the accounting policies for the recognition of income are discussed below.

(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) Rendering of services

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

(g) Assets

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.

(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.

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

(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 (2019-20)	Depreciation Rates (2020-21)
<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	over the period of the remaining lease
<i>Amortisation of intangible assets</i>		
The following amortisation rates have been adopted:		
Software	25% except for: LEGIS - 14.29% LEGIS Website - 14.29%	25% except for: LEGIS (ADaPT) - 14.29% LEGIS Website - 14.29%

(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.

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

(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

The Agency has only one lease contract in place that is for its current office premises at 60-70 Elizabeth Street Sydney. Lease contract is for 6 years finishing on 1 June 2023 with an option to extend for another six years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The entity does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$6.1m have not been included in the lease liability because it is not reasonably certain that the lease will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

i Right-of-use assets

The Agency recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Agency assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Agency 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. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii Lease Liabilities

At the commencement date of the lease, the Agency recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

1 Summary of Significant Accounting Policies

(g) Assets (Cont'd)

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii Short-term leases and leases of low value assets

The Agency applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly of office equipment including laptops and personal computers, telephone and office items. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment.

(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 is 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

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

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

(g) Assets (Cont'd)

Impairment

The Agency recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Agency applies a simplified approach in calculating ECLs. The Agency recognises a loss allowance based on lifetime ECLs at each reporting date. The Agency has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

(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

The Agency's lease liabilities are included in borrowings.

(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 8.4% 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. 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 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 21-03) 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.

During financial year 2020-21 the actuarial review of the Agency's long service leave provision provided a negative adjustment of \$323k to the present value of long service leave. This resulted in the Agency having a negative balance in long service leave expense and the corresponding Crown accepted revenue was also reduced.

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.

1 Summary of Significant Accounting Policies

(h) Liabilities (Cont'd)

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.

(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 0.06% (2020: 0.26%), 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 15.

(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 2020-21

The entity applied AASB 1059 Service Concession Arrangements- Grantors for the first time. The nature and effect of the change as a result of adoption of this new accounting standard did not have any impact on the financial statements.

(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 20-08):

- AASB 17 *Insurance Contracts*
- AASB 1060 *General Purpose Financial Statements- Simplified Disclosure for For-Profit and Not-for Profit Tier 2 Entities*
- AASB 2020-1 *Amendment to Australian Accounting Standard- Classification of Liabilities as Current or Non-current*
- AASB 2020-6 *Amendments to Australian Accounting Standards-Classification of Liabilities as current or Non-current- Deferral of Effective Date*
- AASB 2020-8 *Amendments to Australian Accounting Standards-Interest Rate Benchmark Reform-Phase 2*

The Agency anticipates that the adoption of these standards in the period of initial application will have no material impact on the financial statements.

(n) Impact of COVID-19 on Financial Reporting for 2020-21

The agency has considered the impact of COVID-19 on:

- Fair value of plant and equipment - Level 3
- Impairment of non-financial assets
- Financial instruments
- Expected credit losses

It has been determined that COVID-19 does not have any impact on the above listed items and the financial statements of the Agency except on the impairment of right-of-use asset, the details of which are disclosed in note 9.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

2 Expenses Excluding Losses

	2021	2020
	\$000	\$000
(a) Employee related expenses		
Salaries and wages (including annual leave)	7,779	6,989
Superannuation - defined benefit plans	55	73
Superannuation - defined contribution plans	404	347
Long Service Leave	(47)	529
Workers' Compensation Insurance	50	26
Payroll tax and fringe benefits tax	391	442
Agency contractors	282	118
	8,914	8,524

	2021	2020
	\$000	\$000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of financial statements	36	32
Corporate services	394	378
Fees for services rendered	82	107
Insurance	24	8
Consultants	42	144
Operating lease rental expense, not included in lease liabilities	70	63
Telephone and communication costs	3	4
Stores and minor assets	6	8
Training (staff development)	40	55
Travel costs	16	29
Other occupancy costs	19	16
Information dissemination	14	19
Maintenance	193	152
Other Expenses	179	157
	1,118	1,172
<u>Total maintenance costs</u>		
Maintenance expense - contracted labour and other (non-employee related), as above	193	152
Total maintenance expenses	193	152

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

	2021	2020
	\$000	\$000
(c) Depreciation and amortisation expense		
Depreciation:		
Plant and equipment	138	103
Right-of-use assets	657	903
Amortisation:		
Leasehold improvements	284	282
Intangible assets	90	67
	1,169	1,355

	2021	2020
	\$000	\$000
(d) Finance costs		
Interest Expense from lease liabilities	128	170
Total Interest expenses	128	170
Unwinding of discount rate on make good provision	1	3
	129	173

3 Revenue

	2021	2020
	\$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)	10,624	9,866
	10,624	9,866
Capital grants from principal department		
Total capital drawdowns from principal department (per Statement of comprehensive income)	250	320
	250	320

Movement of section 4.7 GSF Act- deemed appropriations:

	2021	2020
	\$000	\$000
Total spending authority from parliamentary appropriations, other than deemed appropriations	10,874	10,186
Add: Own source revenue on 1 July 2019	-----	953
Add: Own source money received during the year	636	310
Add: Own source revenue balance brought forward from prior years	1,324	-----
Less: total expenditure	(11,619)	(10,125)
Own source revenue balance carried forward to following years	1,215	1,324

The table includes monies received from agency's own-source income from other clusters who have different responsible ministers, as comprising part of the authority to spend.

There is some complexity and uncertainty in respect of the legal implications of the monies received by the agency from an agency in another cluster who has a different responsible minister. Therefore there is a technical risk that the actual expenditure exceeds the aggregate legal limit authorised for the receiving responsible minister(s) for the relevant reporting period, on the other hand, the paying responsible minister(s) may have unutilised legal spending authority.

The impact of this legal uncertainty means the balance of own source revenue brought forward and carried forward in the table will not necessarily be reflective of the appropriations authority available to the agency or its responsible ministers.

	2021	2020
	\$000	\$000
(b) Sale of goods and services		
Revenue from drafting services	66	20
	66	20

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

	2021 \$000	2020 \$000
(c) Acceptance by the Crown of employee benefits and other liabilities		
Superannuation - defined benefit	53	70
Long service leave	(17)	496
Payroll tax on superannuation	2	4
	38	570

4 Other gains / (losses)

	2021 \$000	2020 \$000
Gain / (loss) from movement in provision for restoration costs	9	(15)
Impairment of Right of use asset (refer Note 9)	554	(1,261)
	563	(1,276)

5 Gain / (loss) on disposal

	2021 \$000	2020 \$000
Gain / loss on disposal of assets		
Proceeds from Disposal	-----	-----
Written down value of asset disposed	(1)	-----
	(1)	-----

6 Current Assets - Cash and cash equivalents

	2021 \$000	2020 \$000
Cash at bank and on hand	1,215	1,324
	1,215	1,324

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:

	2021 \$000	2020 \$000
Cash and cash equivalents (per statement of financial position)	1,215	1,324
Closing cash and cash equivalents (per statement of cash flows)	1,215	1,324

Refer Note 17 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

7 Current Assets - Receivables

	2021 \$000	2020 \$000
Sale of goods and services	1	16
Goods and Services Tax recoverable from ATO	36	27
Accrued income	29	5
Prepayments	22	59
	88	107

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

8 Non-Current Assets - Property, plant and equipment

	Plant and Equipment	Total
	\$000	\$000
At 1 July 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
At 30 June 2021 - fair value		
Gross carrying amount	2,492	2,492
Accumulated depreciation and impairment	(1,449)	(1,449)
Net carrying amount	1,043	1,043

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 2021		
Net carrying amount at start of year	1,437	1,437
Additions	30	30
Disposals	(65)	(65)
Depreciation on assets disposed off (added back)	64	64
Depreciation and amortisation expense	(423)	(423)
Net carrying amount at end of year	1,043	1,043

	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

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

9 Leases

From 1 July 2019, the Agency applied AASB 16 for the first time. The Agency had 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. Upon review of existing lease agreement in light of current rental market and impact of COVID-19, the management has determined that it is unlikely to exercise the option to extend the lease. The revised lease extension assessment resulted in a remeasurement of the lease.

The impairment assessment of the right-of-use asset as at 30 June 2021 was undertaken based on impairment valuation provided by Property NSW. The remeasurement due to lease extension reassessment led to reversal of the majority of the impairment loss booked as at 30 June 2020.

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 \$000	Total \$000
Balance at 1 July 2020		
Gross carrying amount	6,789	6,789
Remeasurement during the year	(5,816)	(5,816)
Depreciation Expense	(657)	(657)
Impairment gain as at 30 June 2021	554	554
Balance at 30 June 2021	870	870

	Right-of-use asset \$000	Total \$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:

	2021 \$000	2020 \$000
Balance at 1 July 2020	8,297	8,953
Remeasurement during the year	(5,816)	----
Interest expenses	128	170
Payments	(861)	(826)
Balance at 30 June 2021	1,748	8,297

The following amounts were recognised in the Statement of Comprehensive income for the period ending 30 June 2021 in respect of leases where the Agency is the lessee:

	2021 \$000	2020 \$000
Depreciation expense of right-of-use assets	657	903
Interest Expenses on lease liabilities	128	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	70	63
Impairment of right-of-use asset	(554)	1,261
Total amount recognised in the Statement of Comprehensive income	301	2,397

The Agency had total cash outflows for leases of \$931k as of 30 June 21 (FY 2019-20:\$889k)

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

10 Intangible assets

	Software \$000	Total \$000
At 1 July 2020		
Cost (gross carrying amount)	1,111	1,111
Accumulated amortisation and impairment	(724)	(724)
Net carrying amount	387	387
At 30 June 2021		
Cost (gross carrying amount)	971	971
Accumulated amortisation and impairment	(316)	(316)
Net carrying amount	655	655
Year ended 30 June 2021		
Net carrying amount at start of year	387	387
Additions	358	358
Disposals	(498)	(498)
Amortisation on assets disposed off (added back)	498	498
Amortisation (recognised in "Depreciation and amortisation")	(90)	(90)
Net carrying amount at end of year	655	655

	Software \$000	Total \$000
At 1 July 2019 - fair value		
Cost (gross carrying amount)	955	955
Accumulated amortisation and impairment	(657)	(657)
Net carrying amount	298	298
At 30 June 2020 - fair value		
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

11 Current Liabilities - Payables

	2021 \$000	2020 \$000
Accrued salaries, wages and on-costs	123	117
Creditors	604	348
	727	465

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 17.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

12 Current / Non-Current Liabilities - Borrowings

	2021 \$000	2020 \$000
Current Lease Liability	884	703
Non-Current Lease Liability	864	7,594
	1,748	8,297

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 17.

13 Current / Non-Current Liabilities - Provisions

	2021 \$000	2020 \$000
Current Provisions		
Annual leave including on-costs	620	681
Long service leave on-costs	220	250
Payroll Tax	176	172
Current Employee benefits and related on-cost provisions	1,016	1,103
Total current provisions	1,016	1,103
Non-Current provisions		
Long service leave on-costs	22	22
Payroll Tax	11	12
Non-Current employee benefits and related on-cost provisions	33	34
Restoration costs	291	299
Total Non-Current provisions	324	333
Employee benefits and related on-costs	1,049	1,137
Restoration costs	291	299
Total provisions	1,340	1,436

	2021 \$000	2020 \$000
Aggregate employee benefits and related on-costs		
Provisions - current	1,016	1,103
Provisions - non-current	33	34
Accrued salaries, wages and on-costs (Note 11)	123	117
	1,172	1,254

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 2021, it is estimated that \$11k 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:

	2021 \$000	2020 \$000
Provision for restoration costs		
Carrying amount at the beginning of financial year	299	281
Write back provision on 60 Elizabeth Street	(9)	15
Additional provisions recognised for 60 Elizabeth Street	1	3
Carrying amount at the end of financial year	291	299

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

14 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.

15 Budget Review

Net Result:

The net result is a gain of \$210k against the budgeted loss of \$620k. This is primarily due to revised impairment assessment as at 30 June 2021 that resulted in impairment gain of \$554k on right-of-use asset. A remeasurement of right-of-use asset and lease liability was undertaken to reflect management's reassessment of the office lease extension option.

The original Employee related budget and recurrent grant budget were reduced to reflect payroll tax rate adjustment during the year. Employee related expenses are underspend by approximately \$1m. Underspend in employee related expenses has arisen due to ongoing impacts of COVID-19 that hindered management's capacity to undertake recruitment action for senior level drafting roles and implementing restructure of the corporate services team. Another significant factor contributing to this underspend is an unanticipated negative long service leave present valuation provided by Crown Entity at the end of financial year which returned a reduction of \$323k in long service leave expense instead of anticipated additional expense. This reduced the office's overall long service leave expense and the corresponding Crown acceptance revenue.

Treasury has approved the carrying forward of \$310k of this surplus to 2021-22.

The higher than budgeted Other Operating expenses are a result of increased Govconnect costs and additional IT costs associated with software licensing including cyber security uplift. The deficiency in Other Operating expenses is offset by the surplus in Employee related expenses.

Assets and liabilities:

The Agency's total current assets are \$1.3m against the budgeted total current assets of \$680k, which includes cash at bank of \$1.2m against a projected cash of \$578k. The majority of the surplus cash at bank is reserved for a self funded capital project that was approved in October 2020. Completion date for stage 1 of the project has been pushed into 2021-22 financial year due to delays in project start up as a result of resourcing issues and work arrangements affected by COVID-19. A carry forward for \$588k has been approved by Treasury.

The total non-current assets are \$2.5m. The total liabilities are \$1.1m. The closing equity is higher than the budget by \$830k. This is mainly driven by remeasurement of right-of-use asset and corresponding impairment gain.

Cash flows:

The net cash flow from operating activities is \$1.01m against the budget outflow of \$678k (\$335k higher than expected). The cash outflow on investing activities is \$388k.

Parliamentary Counsel's Office

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

16 Reconciliation of Cash Flows From Operating Activities to Net Result

	2021	2020
	\$000	\$000
Net cash used on operating activities	1,012	1,368
Depreciation and amortisation	(1,169)	(1,355)
Allowance for Impairment	554	(1,261)
Finance Costs	(1)	(3)
Decrease/(increase) in provisions	86	(172)
Increase/(decrease) in receivables	(18)	(94)
(Increase)/decrease in creditors	(262)	(192)
Other gain/(loss)	8	(15)
Net result	210	(1,724)

17 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
			2021	2020
Financial Assets			\$000	\$000
Cash and cash equivalents	6	Amortised cost	1,215	1,324
Receivables ¹	7	Amortised cost	30	21

Class	Note	Category	Carrying	Amount
			2021	2020
Financial Liabilities			\$000	\$000
Payables ²	11	Financial liabilities measured at amortised cost	695	422
Borrowings	12	Financial liabilities measured at amortised cost	1,748	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 2021

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 2021 and 30 June 2020 was determined as follows:

	30 June 2021					Total
	\$000					
	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	----	----	----	----	1	1
Expected credit loss	0	0	0	0	0	0

	30 June 2020					Total
	\$000					
		<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	----	----	----	----	16
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 7.

The Agency is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021 and 30 June 2020. 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 2021

17 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 (2020: 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
2021								
Payables:								
Accrued salaries, wages and on-costs		94	----	----	94	94	----	----
Creditors		601	----	----	601	601	----	----
Borrowings:								
Lease liabilities	0.51%	1,751	----	----	----	820	931	----
Total		2,446	----	----	695	1,515	931	----
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

Notes: The amount disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amount disclosed in the statement of financial position.

(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 2021

17 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.

Consolidated	Carrying Amount	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2021					
Financial assets:					
Cash and cash equivalents	1,215	(12)	(12)	12	12
Receivables	30	0	0	0	0
Financial liabilities:					
Payables	695	7	7	(7)	(7)
Borrowings	1,751	18	18	(18)	(18)
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)

(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 2021

18 Related Party Disclosures

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

	2021 \$000	2020 \$000
Short-term employee benefits:		
Salaries	457	451
Other monetary allowances	----	----
Non-monetary benefits	----	----
Other long-term employee benefits	18	20
Post-employment benefits	----	----
Termination benefits	----	----
Total remuneration	475	471

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.

19 Events After the Reporting Period

The agency is not aware of any events after the reporting period which would have a material impact on these financial statements.

End of audited financial statements

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LEGAL CHANGE

Changes in Acts and subordinate legislation

The *COVID-19 Legislation Amendment (Emergency Measures—Miscellaneous) Act 2020* inserted a regulation-making power into the *Interpretation Act 1987* to provide power for modification of legislative requirements across the statute book dealing with statutory timeframes and attendance at places or meetings. These special arrangements apply for the purposes of responding to the public health emergency caused by the COVID-19 pandemic and apply only for a limited period.

HUMAN RESOURCES

OFFICERS AND EMPLOYEES BY CATEGORY

As at 30 June 2021, PCO employed 47 staff (full-time equivalent). 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.

PCO staff by employment category and gender*

As at:	30 June 2017		30 June 2018		30 June 2019		30 June 2020		30 June 2021		
	Gender:	M	F	M	F	M	F	M	F	M	F
Permanent full-time		8	17	8	17	7	19	9	19	14	27
Permanent part-time		0	7	0	10	0	5	0	7	0	7
Temporary full-time		1	1	1	2	0	7	2	5	3	5
Temporary part-time		0	2	0	0	0	2	0	2	1	1
Senior executives		6	7	4	7	6	7	6	8	7	8
On long-term leave without pay		0	0	0	0	1	2	0	3	0	1
Total by gender		15	34	13	36	14	42	17	44	25	49
Total		49		49		56		61		74	

*Excludes contract drafters engaged on a project basis.

EXCEPTIONAL MOVEMENTS IN WAGES, SALARIES OR ALLOWANCES

There were no exceptional movements in wages, salaries or allowances. A salary increase of 0.3% was paid to clerical and legal staff in accordance with the *Crown Employees (Public Sector - Salaries 2019) Award*.

PERSONNEL POLICIES AND PRACTICES

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.

CONSULTANTS

Consultants were engaged by PCO during the 2020–21 year for a total value of \$42,000.00 as follows—

Under \$50,000

3 consultants were engaged by PCO during 2020–21, with the total cost for the 5 engagements being \$35,000.00.

Over \$50,000

1 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—Balance of \$6,800 paid in 2020–21 of a total project cost of \$68,000 (initial payment made in 2019–20 year).

PROMOTION

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 2020–21.

CONSUMER RESPONSE

PCO is committed to providing courteous and prompt assistance to clients and members of the public. During the reporting period, we 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 ADaPT project team considers any feedback or suggestions received throughout the year in relation to systems and processes.

PAYMENT OF ACCOUNTS

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
Sept 2020	9,406	0	0	0	0
Dec 2020	3,153	0	0	0	0
Mar 2021	0	0	0	0	6,497
Jun 2021	663	0	0	0	34,657

ACCOUNTS DUE OR PAID WITHIN EACH QUARTER (ALL SUPPLIERS)

Measure	Sept 2020	Dec 2020	Mar 2021	Jun 2021
Number of accounts due for payment	114	71	95	97
Number of accounts paid on time	84	51	75	76
Actual percentage of accounts paid on time (based on number of accounts)	74%	72%	79%	78%
Dollar amount of accounts due for payment	478,593	451,249	433,385	912,090
Dollar amount of accounts paid on time	377,900	272,598	398,992	642,102
Actual percentage of accounts paid on time (based on dollars)	79%	60%	92%	70%

SMALL BUSINESS SUPPLIERS

Measure	Sept 2020	Dec 2020	Mar 2021	Jun 2021
Number of accounts due for payment	7	1	0	3
Number of accounts paid on time	3	1	0	1
Actual percentage of accounts paid on time (based on number of accounts)	43%	100%	0	33%
Dollar amount of accounts due for payment	21,802	13,931	0	18,266
Dollar amount of accounts paid on time	8,130	13,931	0	9,108
Actual percentage of accounts paid on time (based on dollars)	37%	100%	0	50%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

RISK MANAGEMENT AND INSURANCE ACTIVITIES

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 our 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.

INSURANCE

In 2020–21, 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, public liability and miscellaneous insurance cover.

INTERNAL AUDIT AND RISK MANAGEMENT POLICY ATTESTATION



Parliamentary Counsel's Office

Internal Audit and Risk Management Attestation Statement for the 2020-2021 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 seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW General Government Sector*, specifically:

Risk Management Framework

- | | | |
|-----|---|-----------|
| 1.1 | The agency head shall accept ultimate responsibility and accountability for risk management in the agency. | Compliant |
| 1.2 | The agency head shall establish and maintain a risk management framework that is appropriate for the agency. The agency head shall ensure the framework is consistent with AS ISO 31000:2018. | Compliant |

Internal Audit Function

- | | | |
|-----|---|-----------|
| 2.1 | The agency head shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose. | Compliant |
| 2.2 | The agency head shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice of Internal Auditing. | Compliant |
| 2.3 | The agency head shall ensure the agency has an Internal Audit Charter that is consistent with the content of the "model charter". | Compliant |

Audit and Risk Committee

- | | | |
|-----|---|-----------|
| 3.1 | The agency head shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance on the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.2 | The agency head shall ensure 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 – October 2021)
- Independent Member, Garry Dinnie (October 2017 – March 2024)
- Independent Member, Christine Feldmanis (December 2017- November 2023)

Shared Arrangements

I, Annette O'Callaghan, advise that the Parliamentary Counsel's Office has entered into an approved shared arrangement with Department of Premier and Cabinet, State Archives and Records Authority and Greater Sydney Commission.

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

ANNETTE O'CALLAGHAN
Parliamentary Counsel
17 September 2021

Contact Officer:
Belinda Cameron
Risk & Compliance Officer
T: (02) 9321 3347

AGREEMENTS WITH MULTICULTURAL NSW

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.

PRIVACY AND PERSONAL INFORMATION

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 the office intranet site (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 2020–21, the Risk & Compliance Officer 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 2020–21 financial year.

EXTERNAL COSTS INCURRED IN PRODUCTION OF REPORT

There were no external costs recorded for producing this annual report.

EXEMPTIONS

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. We choose, however, to report annually on these areas and routinely include them in our annual reports.

The 2018–19 year was PCO's last triennial reporting year. The next triennial reporting year will be 2021–22.

NUMBERS AND REMUNERATION OF SENIOR EXECUTIVES

The following information is provided in accordance with the Public Service Commission Circular 2014-09.

Senior executives by band and gender

Gender:	2019-20		2020-21	
	M	F	M	F
Band 4	-	-	-	-
Band 3	-	1	-	1
Band 2	4	-	3	-
Band 1	2	7	4	7
Total by gender	6	8	7	8
Total	14		15	

Senior executives by band and remuneration*

	Range (\$)	Average remuneration*	
		2019-20 (\$)	2020-21 (\$)
Band 4	487,051-562,650	-	-
Band 3	345,551-487,050	451,769	451,769
Band 2	274,701-345,550	279,946	309,902
Band 1	192,600-274,700	187,428	223,876

*Remuneration figures do not include long service leave payments.

Percentage of PCO's employee-related expenditure related to senior executives

2018-19	2019-20	2020-21
52.33%	39.54%	37.88%

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

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. PCO maintains a page on www.pco.nsw.gov.au dedicated to information the Act requires to be made available. This right of access is restricted only when there is an overriding public interest against disclosing the information. PCO cannot release Cabinet documents and certain documents covered by legal professional privilege because 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 2020–21.

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 2020–21

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 2020–21, 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 1989*. The “In Force” and “Repealed” versions of this material continue to be available as downloadable XML so they can be easily re-used by publishers and other users of legislation.
- A new legislation website with additional functionality, features, tools, information and regular user updates was launched on 30 August 2020, providing improved access to NSW legislation, information about legislation and information about using the website.
- The “This Week” notification list on the legislation website home page was expanded to provide quick access to the most recent legislative changes for “As made” legislation.
- Search functionality on the legislation website was enhanced to facilitate searching and access across the Statute Book and informational material on the website.
- Separate Notification and Gazette pages were set up on the legislation website to facilitate access for users.
- A dedicated COVID-19 legislation page was added to the legislation website to provide easy access to all point-in-time consolidated versions of public health orders (and amendments to those orders) as well as access to other legislation relating to the management of the COVID-19 pandemic.

- The set of legislation website factsheets about NSW legislation and related matters, including procedures for gazettal and notification, were revised and supplemented on a single, more easily accessed, page on the website.
- The frequently asked questions (FAQs), including outlining processes for gazettal and notification, were supplemented to reflect new features and functionality deployed to the legislation website and user enquiries related to legislation or information about legislation.
- The Manual for the Drafting of Non-Government Legislation (previously only available internally).
- An updated drafting instructions template for local environmental plans.

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. There were no applications received by PCO in 2020–21.

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 2020-21	No.
Number of access applications received—clause 8(b) of GIPAR	0
Number of refused applications for Schedule 1 information—clause 8(c) of 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.

	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)	–	–	–	–	–	–	–	–

* 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)	—	—	—	—	—	—	—	—
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 the Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
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 the 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)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

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	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of the Act	0	0	0
Review by NCAT	0	0	0
Total	0	0	0

* 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	0
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

CYBER SECURITY POLICY (CSP) ATTESTATION



**Parliamentary
Counsel's Office**

Cyber Security Annual Attestation Statement for the 2020–21 Financial Year for Parliamentary Counsel's Office

I, Annette O'Callaghan, Parliamentary Counsel, am of the opinion that the Parliamentary Counsel's Office ("PCO") has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber security maturity and initiatives of PCO.

Risks to the information and systems of PCO have been assessed and are managed.

There exists a current cyber incident response plan for PCO, which has been tested during the reporting period.

PCO has an Information Security Management System (ISMS) covering its crown jewels in place.

PCO is continuously improving the management of cyber security governance and resilience by uplifting its maturity against the Australian Cyber Security Centre's "Essential 8 Maturity Model".

This attestation covers the following agencies: PCO.

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

ANNETTE O'CALLAGHAN
Parliamentary Counsel
23 August 2021

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 2020 to 30 June 2021—

Public interest disclosures 2020–21	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
	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 2020–21.

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www.pco.nsw.gov.au (Parliamentary Counsel's Office)

www.legislation.nsw.gov.au (NSW Government legislation)

www.pcc.gov.au (Australasian Parliamentary Counsel's Committee)

Business hours

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Monday to Friday

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