



Parliamentary  
Budget Office

# INSIGHTS INTO THE PARLIAMENTARY BUDGET OFFICE

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Parliament of Tasmania – Public Accounts Committee  
PBO familiarisation tour

18 February 2025

[www.pbo.gov.au](http://www.pbo.gov.au)

# Agenda



**What is the PBO?**



**Services to parliamentarians**



**PBO self-initiated work**

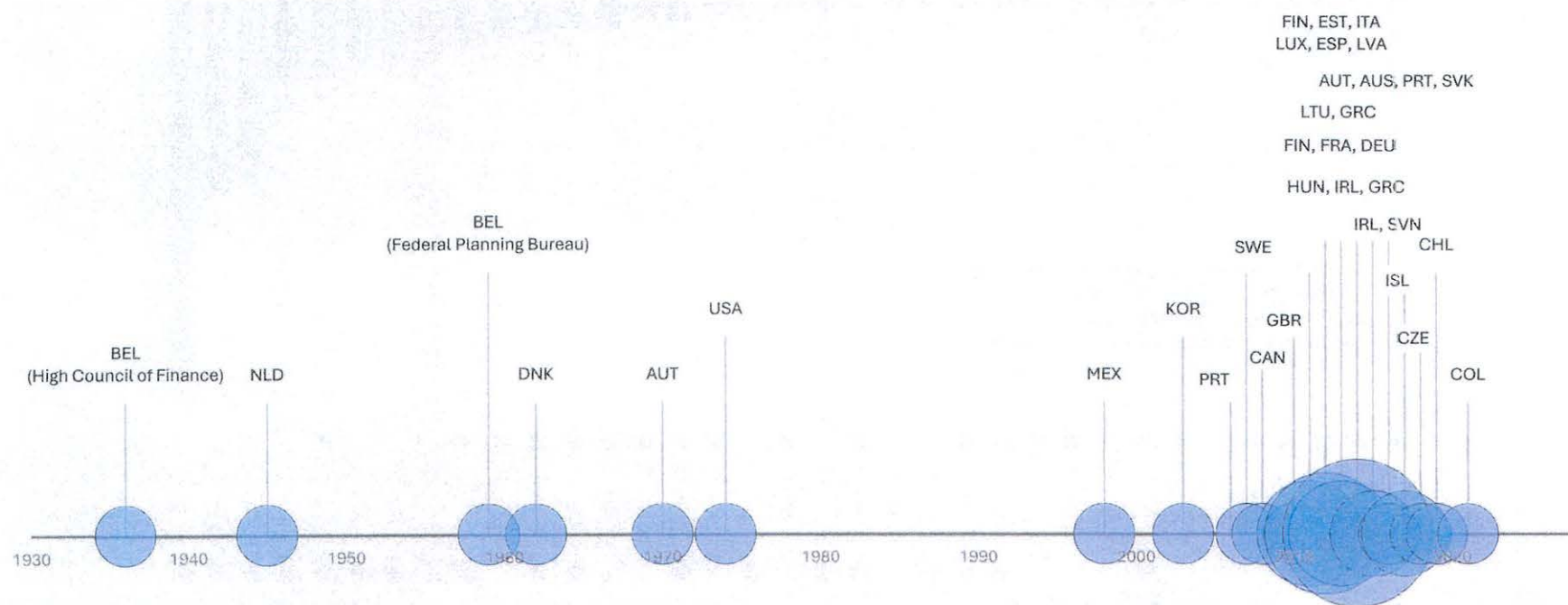


**Election commitments report**



**Discussion**

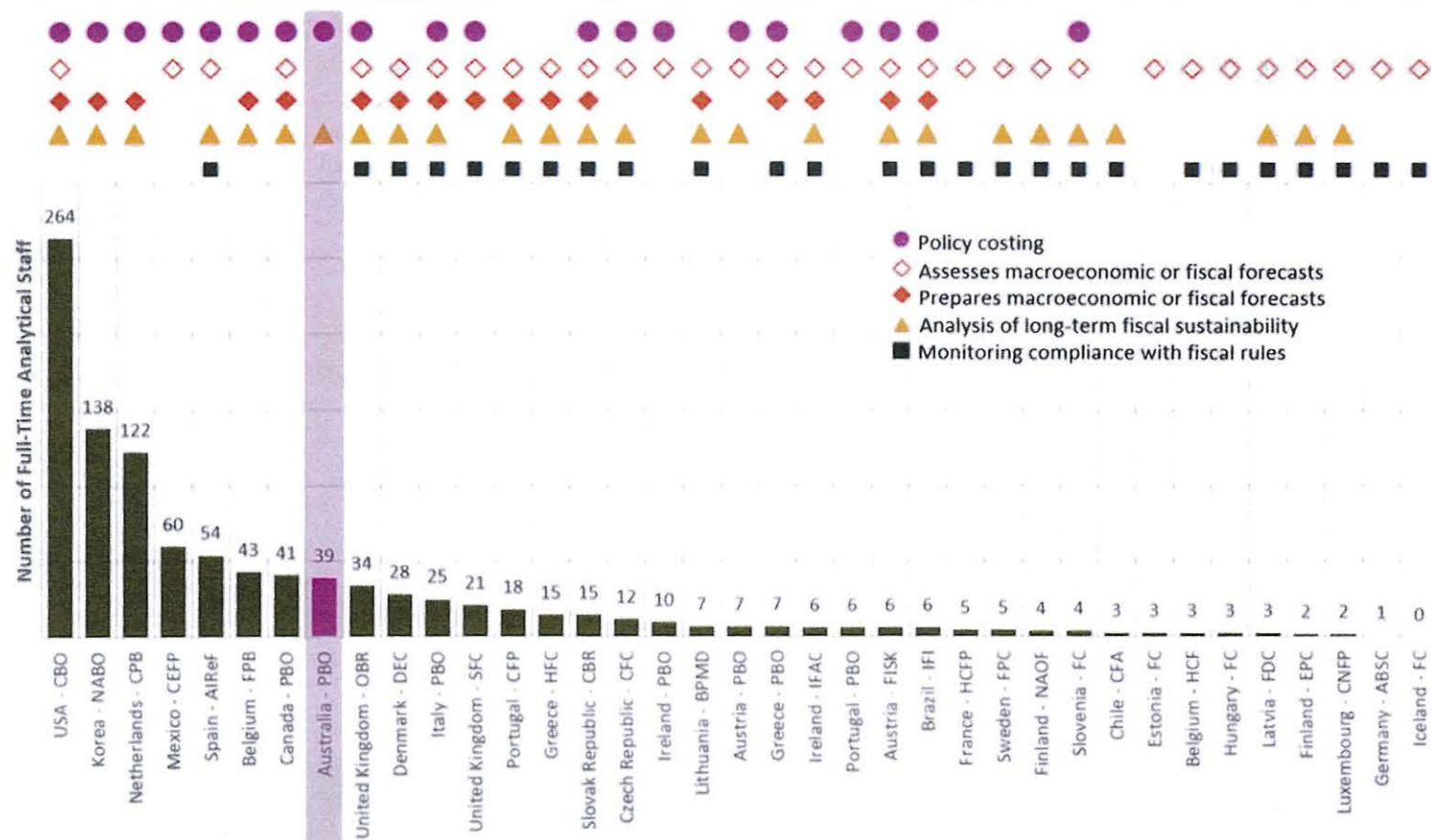
# International comparisons



Source: *OECD Independent Fiscal Institutions database 2021*



# International comparisons



Source: OECD, January 2024



# What is the PBO?

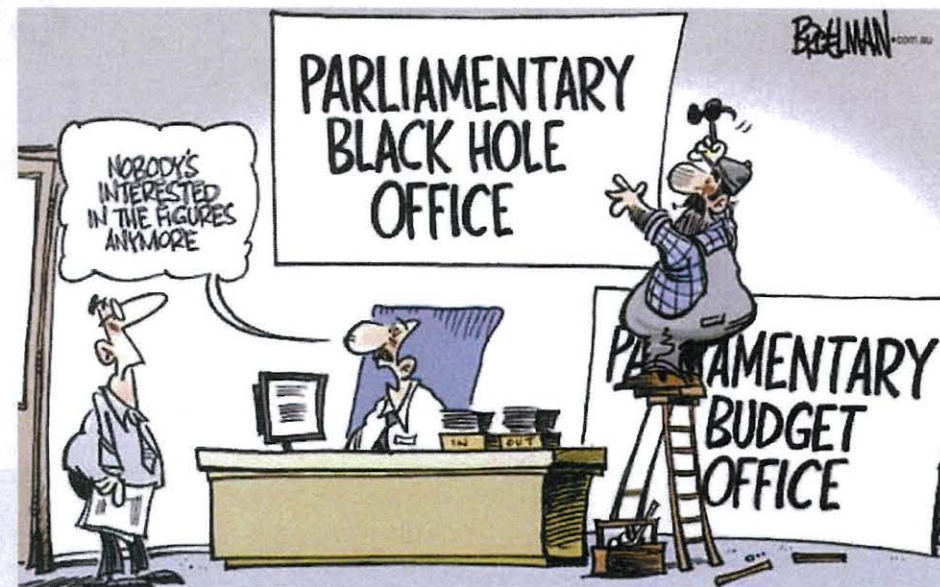
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# Charter of budget honesty and the PBO

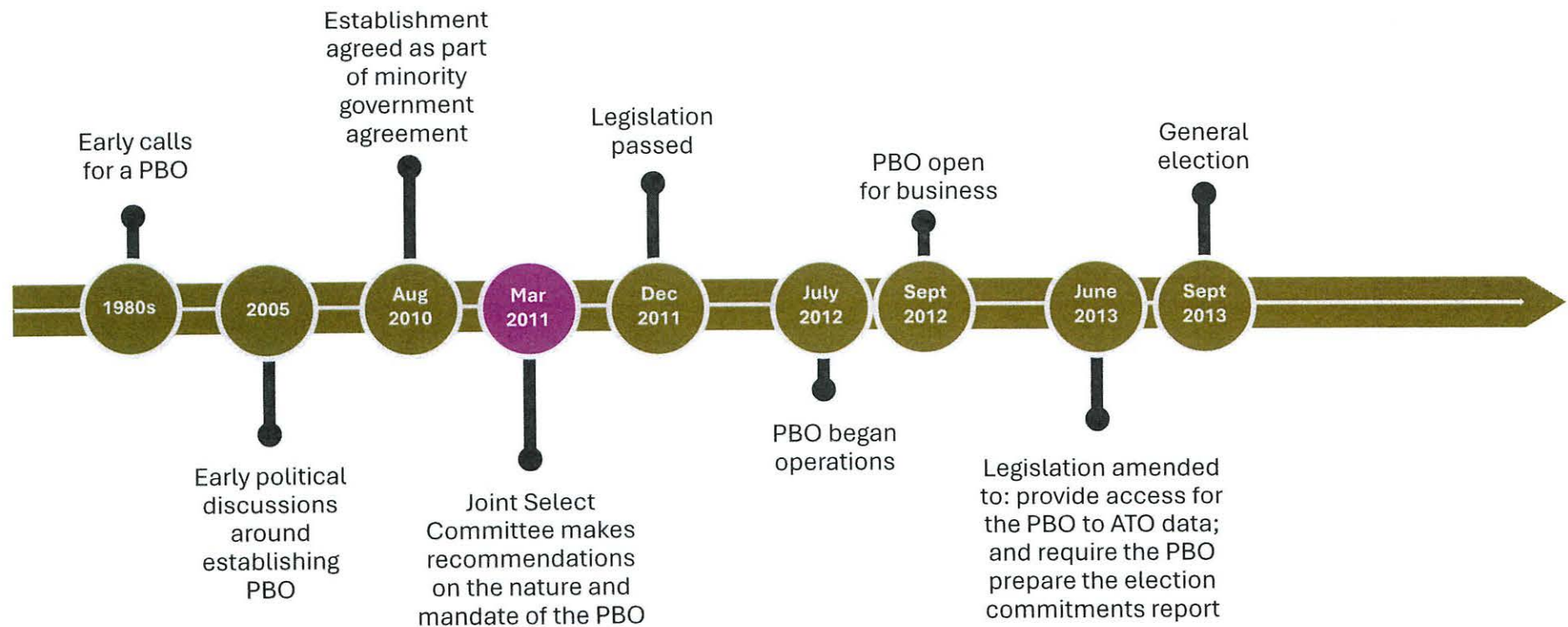


Source: First Dog on the Moon, August 2010



Source: broelman.com.au, September 2013

# Implementation of the PBO





# What is the Australian PBO?



Established in 2012



*Parliamentary Service Act 1999*



Independent department of the Parliament of Australia



Our purpose is to inform parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and financial implications of proposals



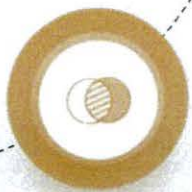
# Purpose of the PBO



To **empower parliamentarians** to put forward costed policy alternatives; particularly non-government parties and independent parliamentarians



To provide **transparency of election commitment costings**

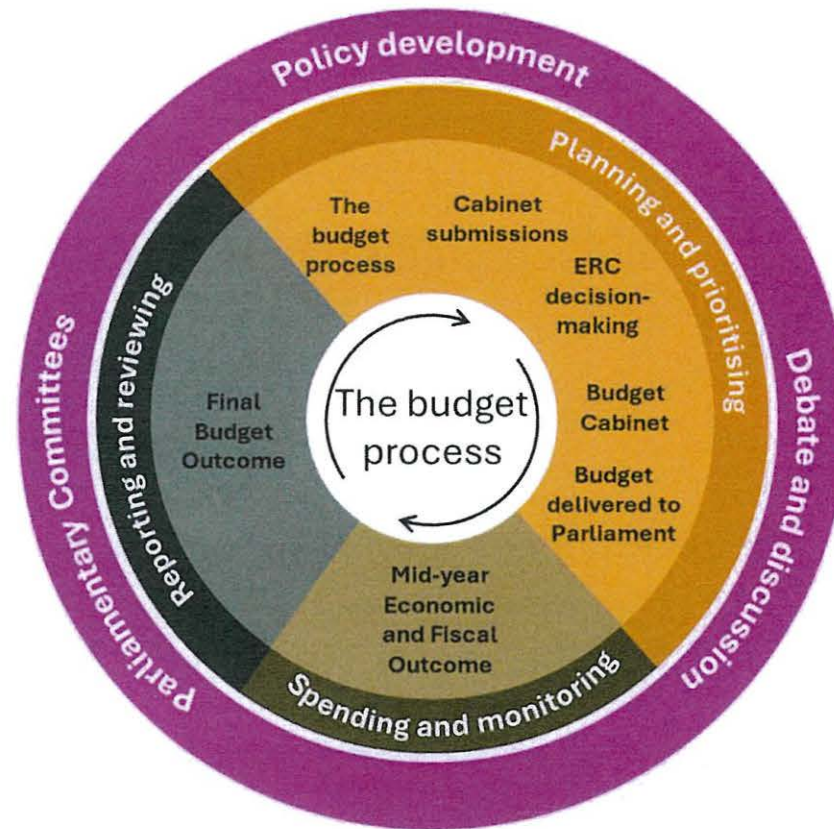


To **improve transparency**, particularly around budget information and budget-related issues

# PBO and the Budget process

The **budget process** allocates public resources to the Government's policy priorities.

**Parliament provides the authority** to spend money through the passage of the annual appropriation acts and other legislation





# Functions of the PBO



This service is  
available to  
Committees

## Policy costings & budget analysis

Prepare high quality policy costings and budget analyses at the request of parliamentarians in a timely manner.

Develop and maintain our costing and projection models and databases.



## Self-initiated activity

Publish research papers that promote a better public understanding of the budget and fiscal policy settings, with a particular focus on the sustainability of the budget over the medium term.



## Election commitments report

Prepare and publish a report analysing the budget impact of the election commitments of parliamentary parties after the next general election.



# Accountability and oversight



The PBO is accountable to the **Parliament of Australia**

The PBO does not have a Minister, instead reports to the Presiding Officers (Speaker of the House and President of the Senate)



The PBO is also overseen by the **Joint Committee of Public Accounts and Audit (JCPAA)**

- Regular reviews
- Senate estimates (Finance & Public Admin Committee)



Not subject to **Freedom of Information**

# Parliamentary Service Act 1999


## **64E Functions of Parliamentary Budget Officer**

- (1) The Parliamentary Budget Officer has the following functions:
  - (a) outside the caretaker period for a general election—to prepare policy costings on request by Senators or Members of the House of Representatives under section 64H;
  - (b) during the caretaker period for a general election—to prepare policy costings on request by authorised members of Parliamentary parties or independent members under section 64J;
  - (c) to prepare responses (other than policy costings) to requests relating to the budget by Senators or Members of the House of Representatives;
  - (d) to prepare submissions to inquiries of Parliamentary committees on request by such committees;
  - (da) after a general election—to report on election commitments of designated Parliamentary parties under section 64MA;
  - (e) to conduct, on his or her own initiative (including in anticipation of requests referred to in paragraphs (a) to (d)), research on and analysis of the budget and fiscal policy settings.

# Parliamentary Service Act 1999

- (2) The Parliamentary Budget Officer's functions under subsection (1) do not include:
  - (a) preparing economic forecasts; or
  - (b) preparing budget estimates (whether at the whole-of-government, agency or program level).
- (3) In performing his or her functions under subsection (1), the Parliamentary Budget Officer must use the economic forecasts and parameters and fiscal estimates contained in the most recent relevant reports released under Parts 5, 6 and 7 of Schedule 1 to the *Charter of Budget Honesty Act 1998*.





# Services to the parliament

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# Services to parliamentarians outside of election



## (Confidential) Costings of policy proposals

For example, what would be the impact on the budget of a policy being implemented and what would be the number or distribution of people affected?

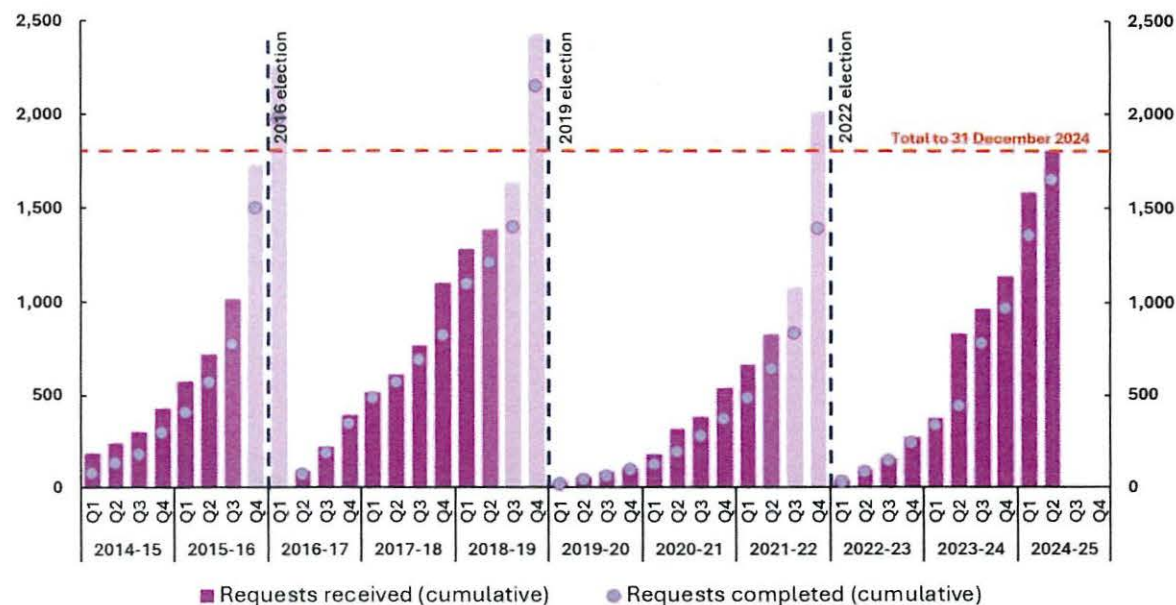


## (Confidential) Budget analysis

For example, how much of a particular grant program has been spent, or how does a particular budget measure affect different groups of people?



## Support to parliamentary committees

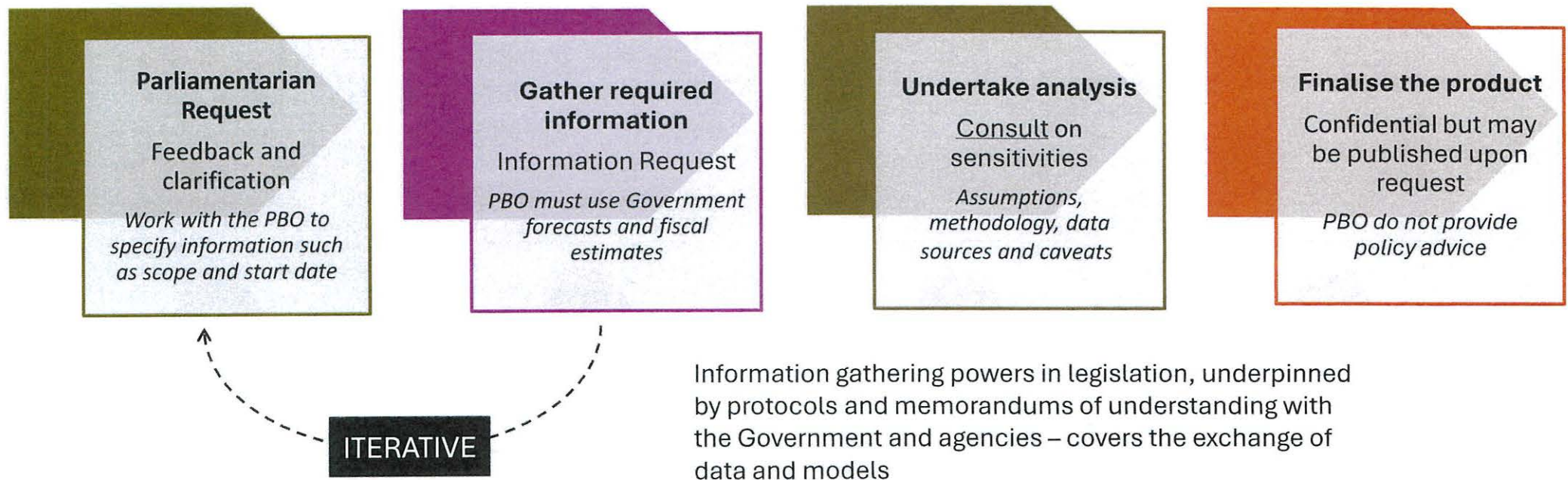


*At the parliamentarian's discretion whether to publish a costing*



# The costing process

The PBO works closely **with Departments** and **negotiates with requestors** to seek to deliver a good outcome.





# Information framework with Commonwealth agencies



## **Parliamentary Service Act 1999**

sets out functions, information gathering powers and confidentiality of the PBO.



## **Australian Government Protocols**

governs the engagement between Commonwealth bodies and the PBO.

*“Ensure all reasonable efforts are made to respond to requests and, where there is no legislative impediment, with the information requested.”*



## **Memorandum of Understanding**

sets out the arrangements for the provision of information to the Parliamentary Budget Officer to perform their statutory functions



## **Template**

for the provision of information to the PBO from Commonwealth bodies

# Confidentiality is key to building trust

- PBO must use the most recent fiscal baseline – need to have good relationships with agencies to understand what this is
- Don't ask don't tell

## RESPONSIBILITIES OF THE HEADS OF COMMONWEALTH BODIES

Requests for information from the Officer are to be actioned by the Head of a Commonwealth body, or a person authorised by the Head.

In responding to requests for information from the Officer, or in otherwise engaging with the PBO, the Heads of Commonwealth bodies are to:

- ensure that all reasonable efforts are made to respond to requests from the Officer in a timely manner and, where there is no legislative impediment, with the information requested;
- ensure, to the greatest extent possible, that information provided to the Officer reflects the economic forecasts and parameters and fiscal estimates contained in the most recent relevant reports released under Parts 5, 6, and 7 of Schedule 1 to the Charter of Budget Honesty Act 1998;
- ensure that they and their staff are accessible should the Officer request discussions and/or informal dialogue in relation to a request for information; and
- take appropriate measures to maintain the confidentiality of a request and the related response, if requested by the Officer.

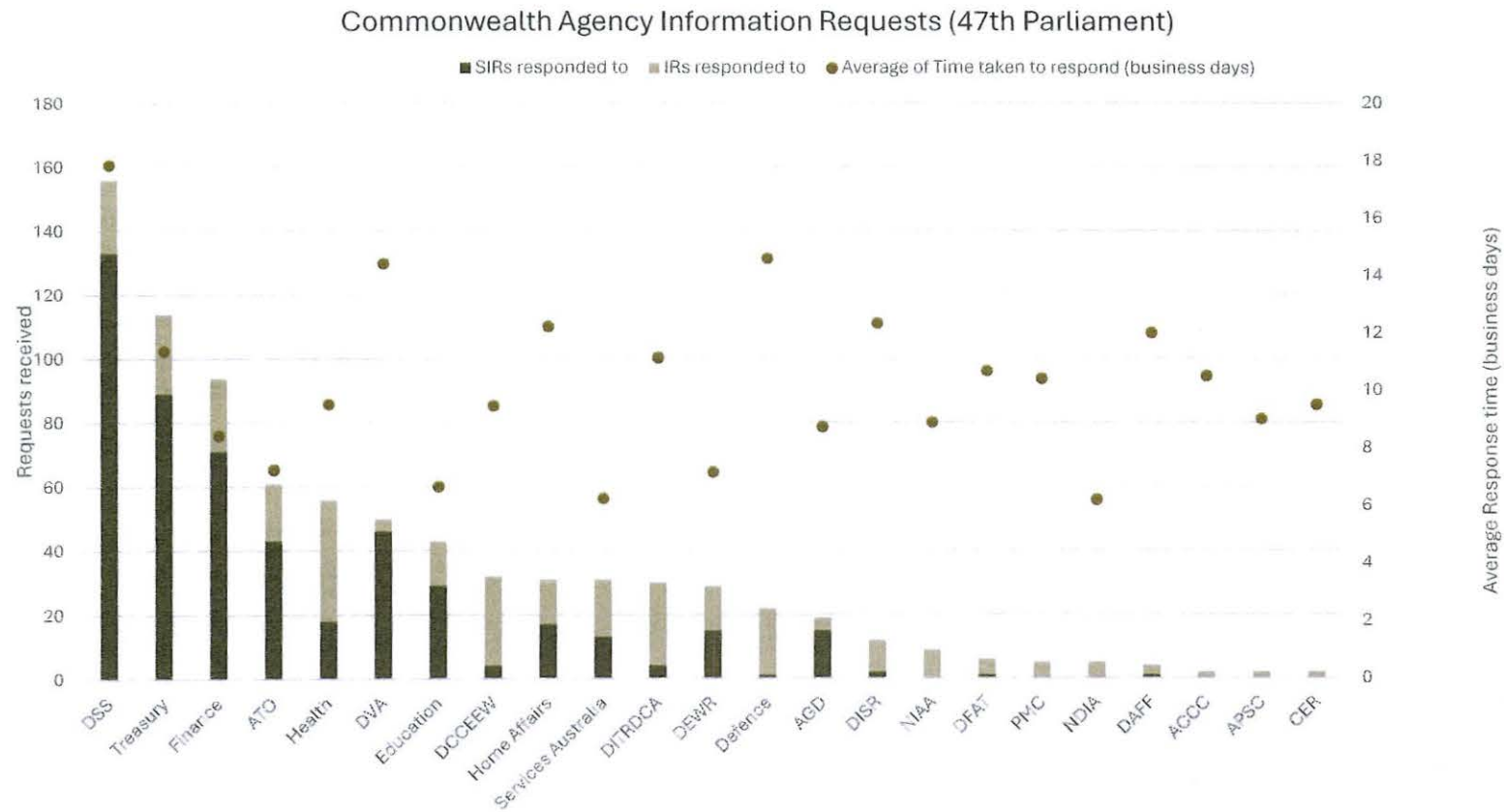
## PROCEDURES TO ENSURE CONFIDENTIALITY

The PSA Act allows for the Officer to provide confidential advice to parliamentarians on non-costing matters at any time, as well as confidential policy costings during non-caretaker periods, upon request.

To support this arrangement and ensure the confidentiality of requests for information:

- The Heads of Commonwealth bodies and their staff must not disclose to the Government the details of a request for information and the subsequent response if the request is specifically requested to be treated confidentially;
- Government Ministers and their staff will not ask the Heads of Commonwealth bodies or their staff to provide them with any information which would disclose the nature of a confidential request from the Officer; and
- The Heads of Commonwealth bodies and their staff must not disclose the details of a request for information and the subsequent response to a third party, other than a Commonwealth body, unless required to do so by law.

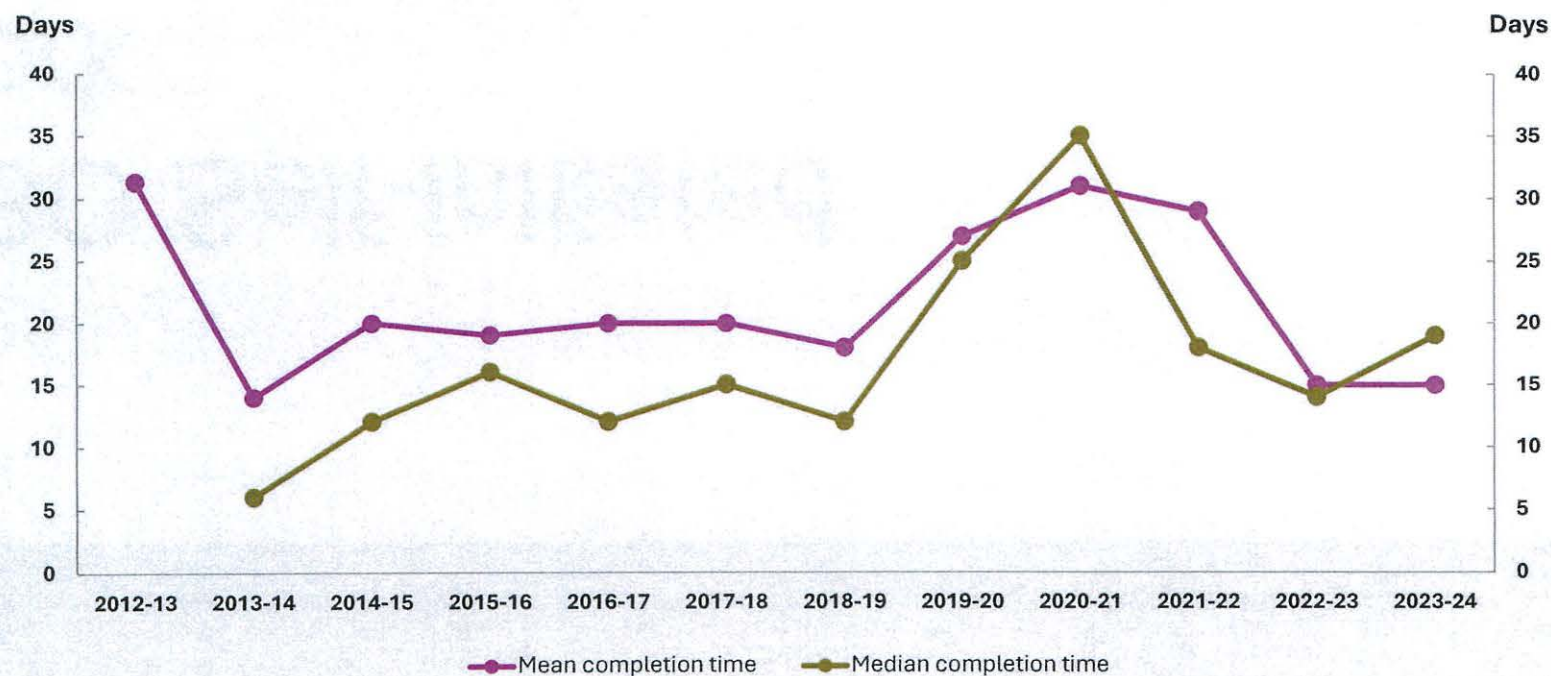
# PBO information requests – distribution by agency





# Outputs: Median time for completion

Median and mean time to complete parliamentary requests





# PBO Self-initiated work

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## Self-initiated work themes

Fiscal sustainability

Medium and long-term fiscal risks

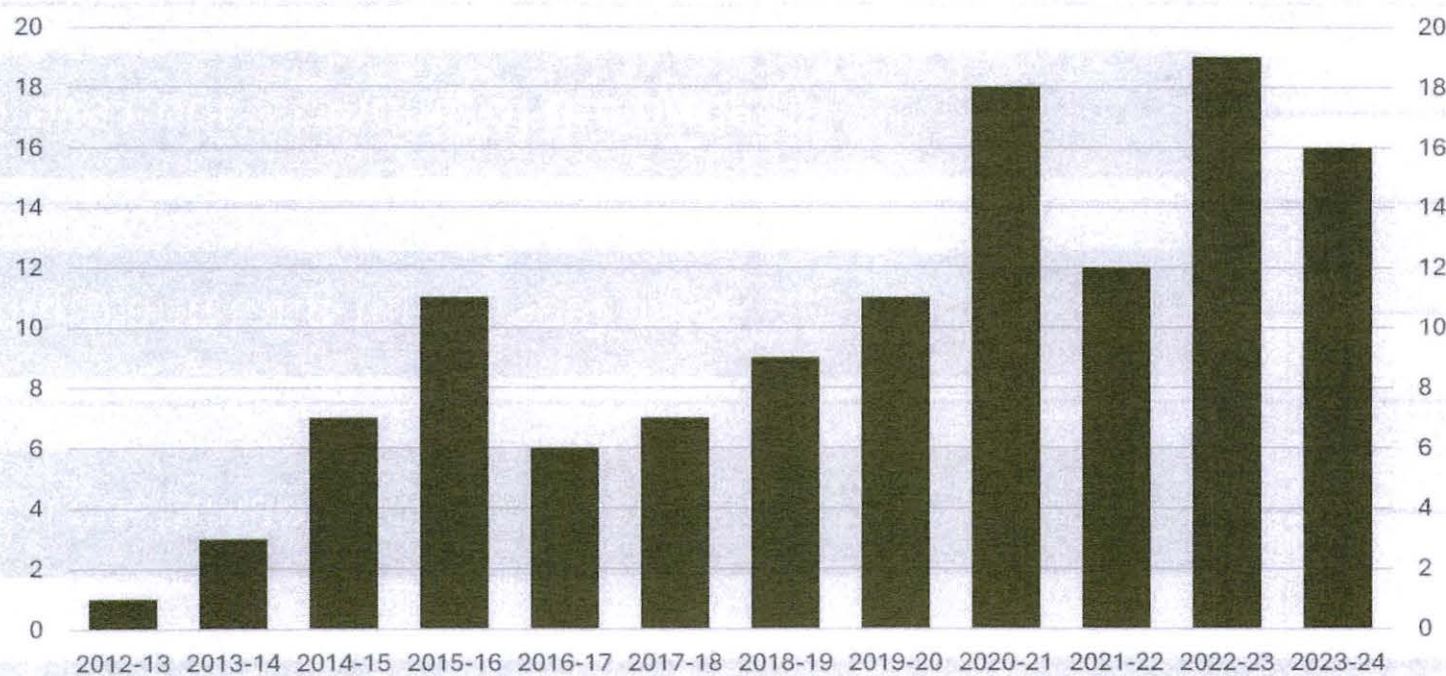
Improve understanding of the budget

Distributional analysis



# Self-initiated work outputs

Number of self-initiated publications





# Our products

## Regular reports

- Beyond the Budget
- National Fiscal Outlook

## Explainers & Budget Bites

- Guide to the Budget
- Bracket Creep
- The Contingency Reserve
- Indexation
- Superannuation taxation
- Jobseeker
- Dividend imputation and franking credits

## Resources

- Online budget glossary
- Budget snapshots
- Public Debt Interest (PDI) calculator
- Historical Fiscal Data
- Unlegislated measures tracker

## Other reports

- Ageing population
- Trends in GST
- Jobseeker

## INTERACTIVE TOOLS

### Build your own budget (BYOB)

An educational interactive tool to explore the impact of different economic assumptions and policy settings of your choice.

### Small Model of Australian Representative Taxpayers (SMART)

An analytical tool that allows users to change income tax rates and thresholds, enabling finer analysis than what can be achieved with *BYOB*.

# Budget Snapshot



## Budget balances and flows



Parliamentary  
Budget Office

Budget balances

Revenue over time

Types of revenue

Top 20 Programs

Expenses over time

Expenses by function

% of GDP

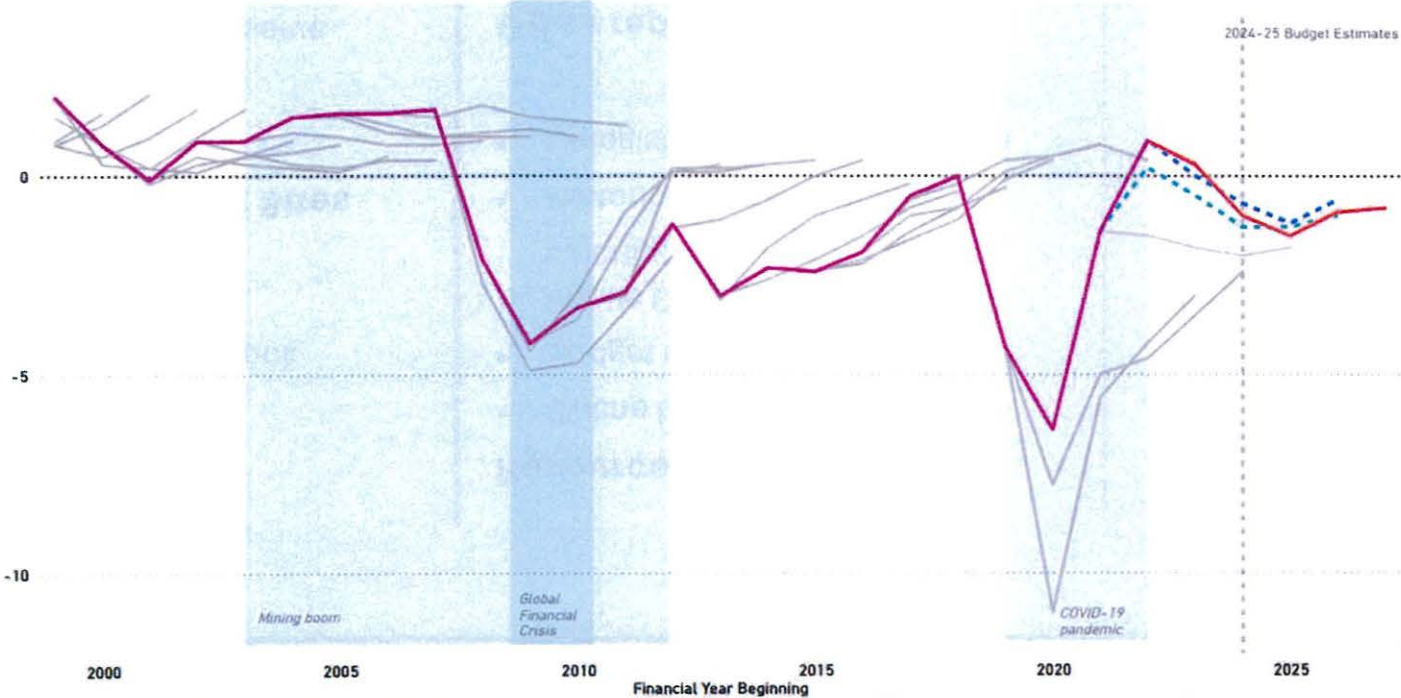
— Historical actuals

— Previous forecasts

— 2023-24 Budget

— 2023-24 MYEFO

— 2024-25 Budget



Units

☐ \$billion

☒ % of GDP

Actuals & Forecasts

☐ Select all

☒ Actuals and last 3 Budget Updates

☐ Previous forecasts

Balance type

☐ Fiscal balance

☐ Headline cash balance

☒ Underlying cash balance

Change date

See overlay

Note: Historical outcomes may have been revised since first published. Grey lines represent forecasts in previous budgets.



# Budget Snapshot



Click here to go back to the previous page in this report

## Outlook and other budget aggregates

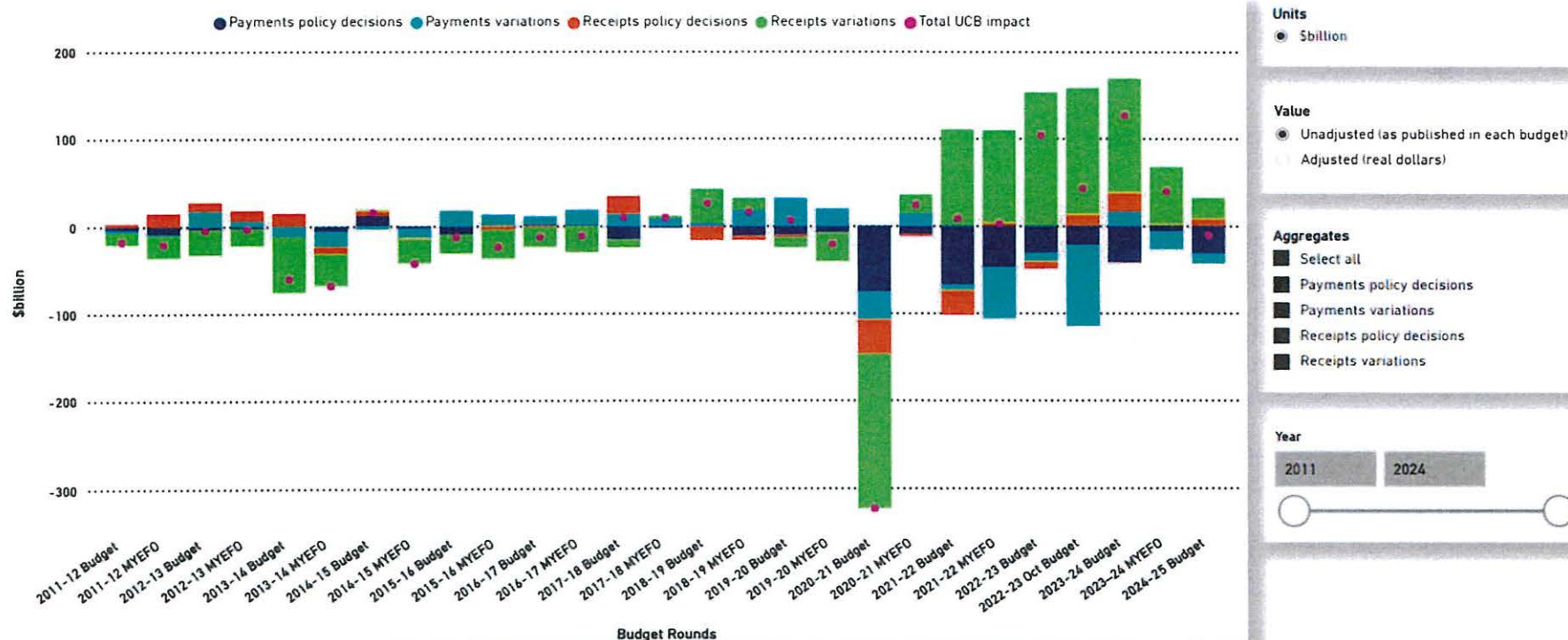


Parliamentary  
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Economic parameters

Other aggregates

Historical UCB impacts



**Note:** Parameter and other variations are any changes to the budget balance that are not due to policy decisions. These primarily include revised economic forecasts, revisions to a program's estimated costs, and re-profiling of expenditure. Real value is presented in 2024-25 dollars, using CPI as at 2024-25 Budget

Glossary

# Beyond the Budget – fiscal sustainability

## Beyond the budget 2024-25: Fiscal outlook and sustainability

This report provides independent projections of key budget outcomes including debt and budget balance over the next decade.

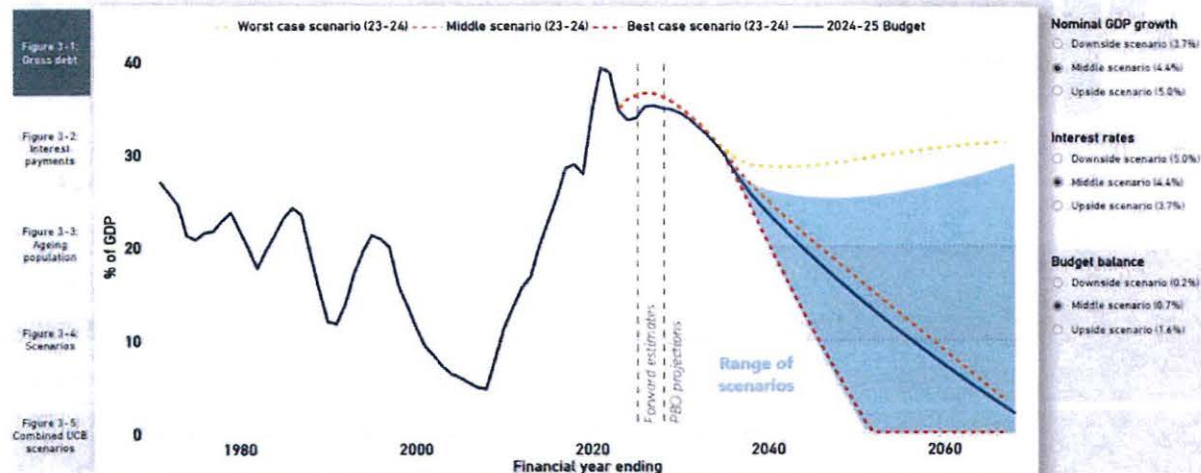
[Download report \[2.65 MB\]](#)

[Download data \[203.34 KB\]](#)

### Figure 3-1: Gross debt, 1970-71 to 2067-68



In the selected scenario, PBO projects gross debt will be **2.1 % of GDP** by 2067-68



Note: Dashed lines refer to PBO projections published at the 2023-24 Budget for low, medium, and high GDP growth scenarios.  
Source: 2023-24 Budget, 2024-25 Budget, and PBO analysis.



# National Fiscal Outlook (NFO): all government snapshot

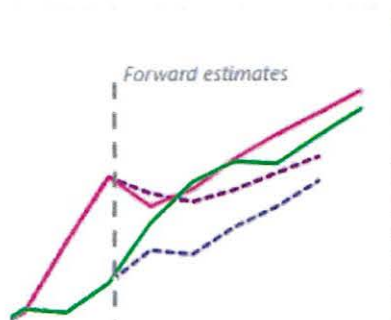
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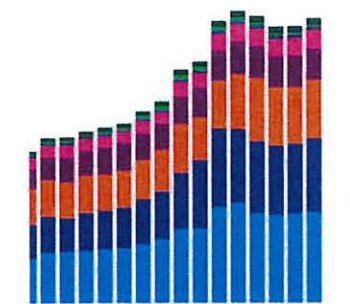
## National fiscal outlook 2023-24

The Parliamentary Budget Office's National Fiscal Outlook compiles the state, territory and Commonwealth Budgets to give a national overview of the aggregate fiscal position.

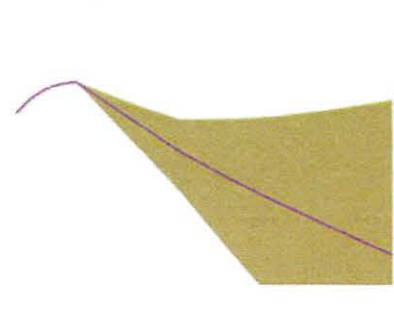
### Get Started



Jurisdiction Comparison



Jurisdiction Contribution



Fiscal Sustainability



View written  
report



Technical  
Glossary


- Pulls together budget estimates from the Federal, State and Territory budgets to give a whole-of-Australia fiscal analysis.
- Using this, we can assess fiscal sustainability at a national level.
- As with the Federal Government, Australia's overall fiscal position remains sustainable.



# Build your own budget

## Build your own budget

An educational interactive tool to explore the impact of different economic assumptions and policy settings of your choice. The tool is currently only available in **Microsoft Excel format** - it will not work on other applications such as Google sheets.

 [Download tool \[Spreadsheet\] \[18 MB\]](#)

[Share](#) [Print](#)

Have you ever wondered how much it would cost the Australian Government to lower personal income taxes? What about an increase to the rate of the JobSeeker payment? Or what would happen if the unemployment rate were to fall below historic lows?

**Build your own budget** is an educational tool to explore these questions and more.

Using **Build your own budget**, you can adjust various policy and economic parameters to test their impact on the Commonwealth fiscal position.

The estimates baseline produced using this tool underpin *Beyond the budget 2024-25: Fiscal outlook and sustainability*.

You can download the spreadsheet above and start exploring the impact of different economic assumptions and policy settings of your choice.

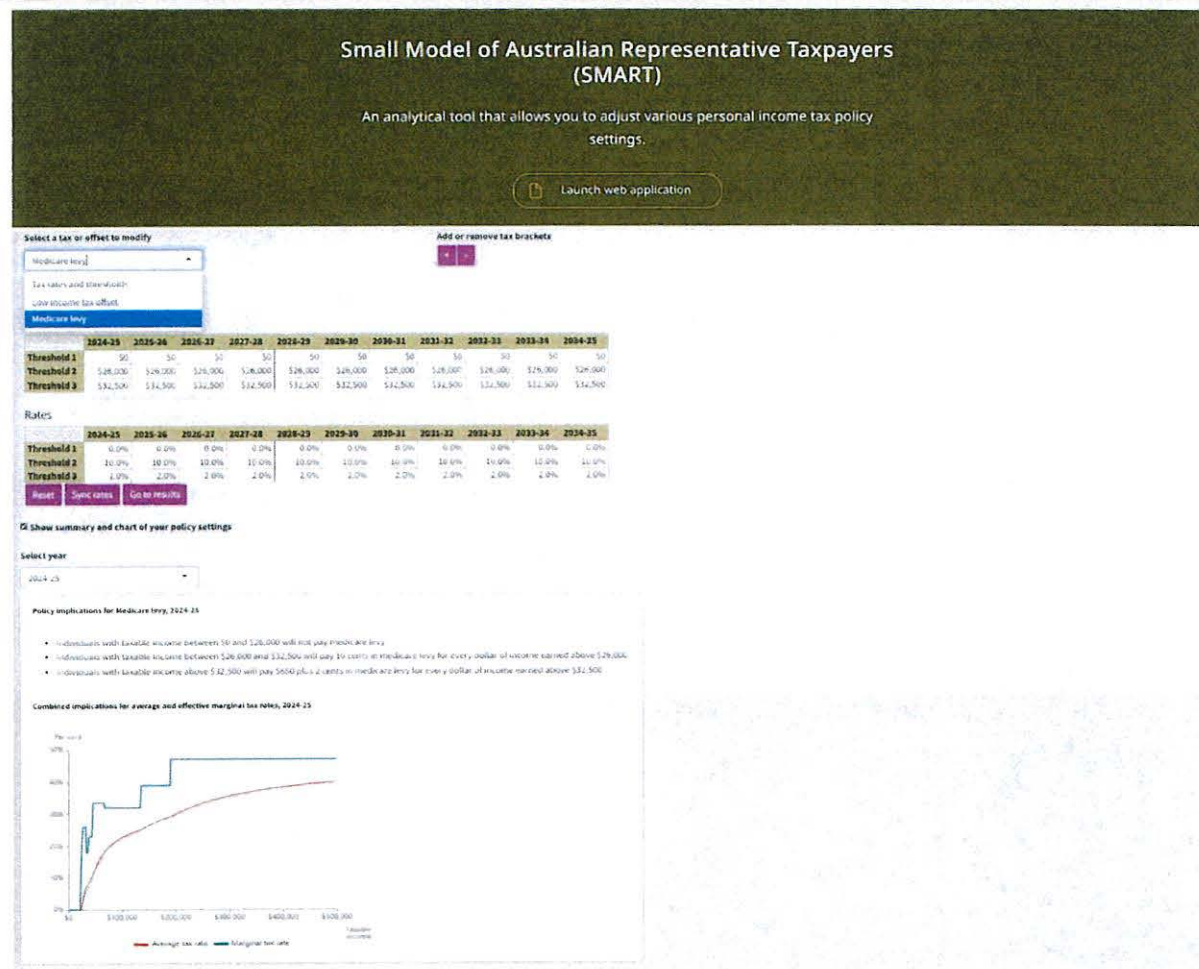
You should attribute any analysis undertaken using this tool as "using the Parliamentary Budget Office's analysis tool *Build your own budget*". The tool produces indicative numbers to help with your thinking, but it does not deliver full PBO costings.

The tool is currently only available in Microsoft Excel format, and will not work in other applications such as Google Sheets.

For an overview of how the tool works, and the types of changes you can test, watch the video below.



# Small Model of Australian Representative Taxpayers (SMART)





# Elections

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# PBO's role during elections



## Public costings of policy proposals

Costings of submitted election commitments to the PBO



## Election commitments report

Impact on the budget of the policy platforms of 'designated' parties (5 or more members). Minor parties and independents may also opt in

Released after polling day

## 2022 Election commitments report



- This report shows the individual and combined budget impacts of the election commitments announced by each of the 3 major parties, the Coalition, the Australian Labor Party (Labor), and the Australian Greens (the Greens). The PBO identified 41 material election commitments made by the Coalition, 154 made by Labor and 99 made by the Greens.
- The Coalition's platform, if fully delivered, would be expected to result in slightly smaller deficits over both the 2022-23 Budget forward estimates and medium-term periods (Figure 1). This is the result of a slight decrease in payments, mainly by drawing funding from general public services through the efficiency dividend (Figure 4), and is negligible as a share of GDP. The Coalition's commitments do not materially change receipts.
- Labor's platform, if fully delivered, would result in increased deficits relative to the budget baseline, driven by increases in both receipts and payments. These impacts decrease the underlying cash balance by up to 0.1% of GDP in any year (Figure 2). Labor's additional spending is mostly in social protection, general public services and health (Figure 4).
- The Greens' platform, if fully delivered, would be expected to result in larger deficits in total relative to the budget baseline, reflecting significantly higher levels of both receipts and payments as a share of GDP relative to the other major parties (Figure 3). The Greens anticipate raising significantly more receipts, equivalent to around 4% of GDP in an average year, mostly reflecting commitments to major tax changes. Along with a reorganisation of funding from defence, the additional receipts are mainly directed to programs in social protection, general public services and education (Figure 4).
- One independent member of parliament, the independent member for Indi, Dr Helen Haines MP, chose to be included in the report. Her commitments are included in the main report, available on the Parliamentary Budget Office (PBO) website.
- The full report, complete costing documentation, and all underlying data, are available on the [2022 General election](#) page of the PBO website, along with quick guides to the report and to interpreting the underlying costings.

Figure 4: Impact of party platforms on payments according to purpose

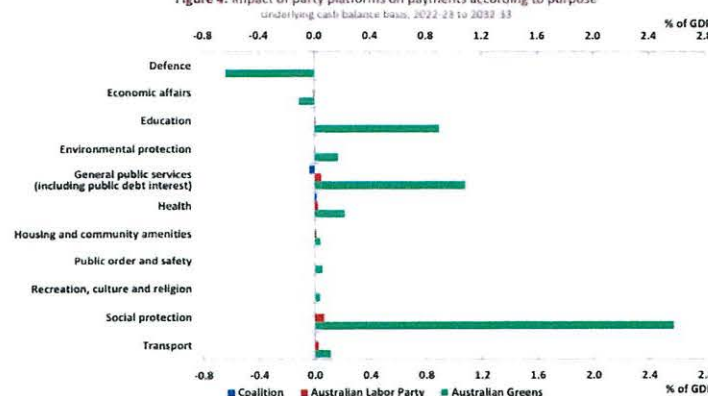


Figure 1: Medium-term impact of the Coalition's election commitments on the underlying cash balance

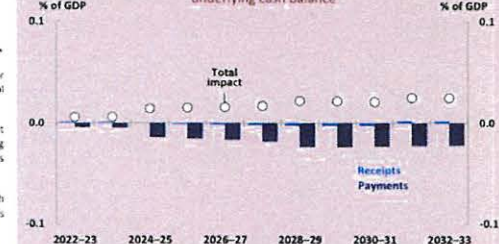


Figure 2: Medium-term impact of the Australian Labor Party's election commitments on the underlying cash balance

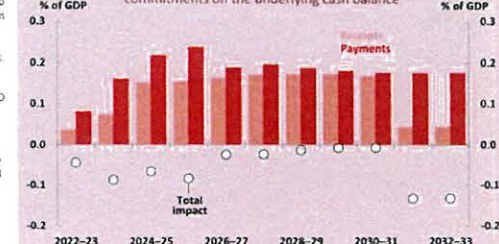
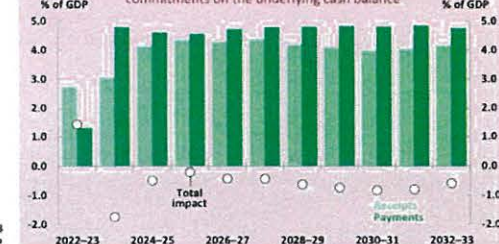


Figure 3: Medium-term impact of the Australian Green's election commitments on the underlying cash balance



# Election commitments report



## Accountability

Holds parties to account for announcements during election campaigns



## Transparency

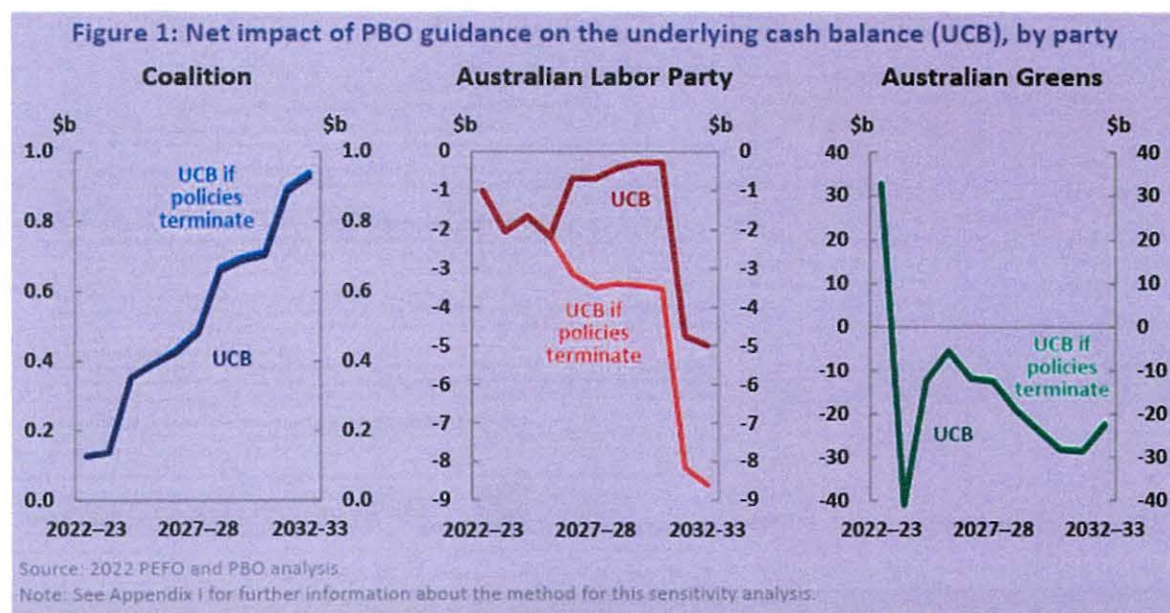
Increases transparency, especially over the medium term



## Access to costing detail

Provides access to costing detail

## Impact of 2022 election commitments







# Discussion

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## Questions provided prior to meeting not covered so far

- Is the legislation still fit for purpose or are amendments/changes needed?
- What advice would you have for a small jurisdiction seeking to establish and PBO?
- What are the key features of an effective PBO that are crucial for success, particularly in a small jurisdiction?
- What, if anything, should be avoided in the establishment of a PBO?
- Is the PBO working effectively and as intended?
- How does the PBO prioritise the work?
- How is/should the budget for the PBO set?



# Thank you

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