



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

Parliamentary Budget Office

Members of the Committee

Legislative Council

Hon Ruth Forrest MLC
(Chair)

Hon Luke Edmunds MLC

Hon Bec Thomas MLC
(Deputy Chair)

House of Assembly

Mr Simon Behrakis MP
(until 11 June 2025)

Mr Roger Jaensch MP
(from 9 September 2025)

Mr Mark Shelton MP
(until 11 June 2025)

Mr Marcus Vermey MP
(from 9 September 2025)

Mr Josh Willie MP
(until 11 June 2025)

Mr Dean Winter MP
(from 9 September 2025)

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Charter of the Committee

The Public Accounts Committee (the Committee) is a Joint Standing Committee of the Tasmanian Parliament constituted under the *Public Accounts Committee Act 1970* (the Act).

The Committee comprises six Members of Parliament, three Members drawn from the Legislative Council and three Members from the House of Assembly.

Under section 6 of the Act the Committee:

- **must** inquire into, consider and report to the Parliament on any matter referred to the Committee by either House relating to the management, administration or use of public sector finances; or the accounts of any public authority or other organisation controlled by the State or in which the State has an interest; and
 - **may** inquire into, consider and report to the Parliament on any matter arising in connection with public sector finances that the Committee considers appropriate; and any matter referred to the Committee by the Auditor-General.
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Abbreviations and Acronyms

AC	Companion of Australia
Cth	Commonwealth
DTF	Department of Treasury and Finance
FOI	Freedom of Information
GIPA	<i>Government Information Public Access Act 2009 (NSW)</i>
Hon	Honourable
IFI	Independent Fiscal Institution
MLC	Member of the Legislative Council
MP	Member of Parliament
NCPB	Netherlands Bureau for Economic Analysis
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
PAEC	Victorian Public Accounts and Estimate Committee
PBO	Parliamentary Budget Office
the Committee	Parliamentary Standing Committee of Public Accounts
UK OBR	UK Office of Budget Responsibility
Vic	Victoria
WebEx	Tasmanian Parliament's secure videoconferencing platform

Executive Summary

This inquiry was initiated by the Committee in July 2024 to examine whether, and in what form, a Parliamentary Budget Office (PBO) should be established in Tasmania.

The inquiry was conducted over an extended period, including delegation visits to the New South Wales, Commonwealth and Victorian PBOs and their associated parliamentary committees in February 2025, and subsequent briefings from Victorian crossbench members.

The Committee's work was interrupted by the calling of a State election in June 2025, and the inquiry was resumed following the re-establishment of the Committee in September 2025.

The Organisation for Economic Co-operation and Development (OECD) recommends that parliaments have access to specialist, non-partisan fiscal analysis. Since the 2008 Global Financial Crisis, most OECD countries have established an Independent Fiscal Institution. In Australia, PBOs have been established in New South Wales (2010), at the Commonwealth level (2012), and in Victoria (2017). Only the Commonwealth and Victorian offices operate on a full-time, ongoing basis.

Evidence gathered during the inquiry demonstrated that a Tasmanian PBO has the potential to significantly enhance the capacity of Parliament to scrutinise fiscal policy, improve the quality of policy development across all parties, and provide Tasmanians with credible, independent information about the financial implications of election commitments. Members of Parliament from across the political spectrum who have access to a PBO expressed strong support for the institution, with particular emphasis on its value to non-government parties and independents who lack access to Treasury resources.

The Committee found that financial and operational independence and non-partisanship are essential prerequisites for a credible PBO. Maintaining strict confidentiality of costing requests is equally critical as no party or member would submit policies for costing if there were any risk of early public disclosure or external leakage of policy development. Consistent access to information, and a published prioritisation framework are necessary to manage competing demands on a small office's resources.

The Committee considered both a limited-tenure model, as operates in New South Wales, and a permanent, full-time model as in Victoria and at the Commonwealth level. The evidence strongly favoured the permanent model. A time-limited office faces significant challenges: loss of corporate knowledge between elections, repeated recruitment and re-establishment costs, compressed timeframes for election costing work, and limited capacity for the ongoing policy development support that members value most across the parliamentary cycle.

The Committee recommends that Tasmania establish a permanent, full-time Parliamentary Budget Office operating continuously across the parliamentary cycle, with surge resourcing arrangements for election periods. Given Tasmania's small size and fiscal constraints, the office should leverage shared services through Parliament, explore secondment arrangements with the Commonwealth PBO and interstate counterparts, and be as lean as possible, while retaining the core skills in economics, accounting and public policy necessary to fulfil its mandate.

The Committee's 13 recommendations address six key areas. As noted, the Committee recommends a permanent, full-time office providing confidential policy costings and fiscal advice to all Members throughout the parliamentary term, election commitment costing and monitoring during election periods, and post-election budget impact reports. It is recommended that reporting by the PBO during the election period enable the publication of policy costings, or a statement that an announced policy had not been costed either due to a policy costing request not being received or lack of time to complete a policy costing.

On the critical importance of operational and financial independence, the Committee recommended that the Parliamentary Budget Officer be an independent officer of Parliament, free from direction, with explicit power to correct public misrepresentations and prohibited from commenting on the merits of policies. On appointment and resourcing, the Committee recommends the Parliamentary Budget Officer be appointed through a best-practice statutory process, with funding support and adequate provision for election-period surge requirements to be considered by the Standing Committee on Public Accounts.

The Committee also recommended that staffing and back-office functions be provided through Parliament rather than the State Service, with legislative provision for secondments and specialist consultants to be funded from within the PBO's budget. With regard to access to information and confidentiality, the Parliamentary Budget Officer should have information access rights commensurate with the Auditor-General, with all costing requests and outputs treated as protected information exempt from Right to Information legislation and subject to penalties for any breach.

The Committee also recommends ongoing parliamentary oversight of the PBO. The Standing Committee on Public Accounts should be empowered to endorse appointments, be consulted on operational plans and budgets, and liaise with the Treasurer regarding the recommended statutory independent five-yearly reviews including the approval of the terms of reference for the review. The Committee should be explicitly prohibited from directing the Parliamentary Budget Officer.

To assist in the establishment of the Tasmanian PBO, the Parliamentary Budget Officer should actively pursue arrangements with Commonwealth and interstate counterparts for secondments, shared systems and analytical support.

The Committee notes the establishment of a PBO represents a significant and lasting investment in the quality of Tasmanian democracy. For Members of Parliament, particularly those from minor parties and/or independent members who lack access to Treasury resources, it levels the playing field, enabling more rigorous and credible policy development throughout the parliamentary term.

For the broader Tasmanian community, it provides assurance that election commitments have been independently scrutinised, that fiscal claims can be tested against an authoritative and impartial source, and that public debate about the State's finances is better informed. Experience in other jurisdictions demonstrates that the presence of a PBO encourages all sides of politics to develop more fiscally responsible policies, knowing that the costs will be independently verified and made public. In a State with well-documented fiscal challenges and a strong public interest in the sustainability of government finances, those benefits are

critical to public trust and confidence. The establishment of a Tasmanian PBO would be a sound investment in accountability, transparency and informed democratic participation.

The Committee acknowledges the professionalism and assistance afforded to the delegation of Members as they were assisted by the respective Committee Secretariat, Hansard and function services.

A handwritten signature in black ink, appearing to read 'R Forrester'.

Hon Ruth Forrest MLC
Chair

13 May 2026

Summary of Findings

The Committee made the following findings:

Area	Finding
Background	<p>F1. The Organisation for Economic Cooperation and Development recommends that a Parliament should have specialist analytical support to provide technical, expert and non-partisan analysis of fiscal policy and the budget.</p> <p>F2. Following the Global Financial Crisis, most Organisation for Economic Cooperation and Development countries established an Independent Fiscal Institution.</p> <p>F3. Services that an Independent Fiscal Institution may deliver include policy costing, assessment of macroeconomic or fiscal forecasts, preparing macroeconomic or fiscal forecasts, analysis of long-term fiscal sustainability, and monitoring compliance with fiscal rules.</p> <p>F4. As a subset of an Independent Fiscal Institution, Parliamentary Budget Organisations may have a role in official functions, independent services and costing election policies, commitments and platforms.</p> <p>F5. Three Australian Parliamentary Budget Offices have been established to date: New South Wales (2010), Commonwealth (2012) and Victoria (2017).</p> <p>F6. Only the Commonwealth and Victorian Parliamentary Budget Offices are full-time entities.</p>
Benefits, Opportunities and Challenges	<p>F7. Based on the function and role of existing independent fiscal institutions including parliamentary budget offices, a Tasmanian Parliamentary Budget Office could independently:</p> <ul style="list-style-type: none"> a. cost proposed policies for members of Parliament, improving policy development, accountability and transparency, and b. cost election commitments, assisting Tasmanians to understand the financial implications <p>which has the potential to inform decision making, enhance fiscal discipline, and raise the quality of public debate related to individual policies and State finances.</p> <p>F8. Evidence received from Members of Parliament who have access to a Parliamentary Budget Office expressed support for a Parliamentary Budget Office.</p> <p>F9. Independence and non-partisanship are key pre-requisites for a successful Parliamentary Budget Office, including the Parliamentary Budget Officer not being a current public servant.</p> <p>F10. Memoranda of understanding between a Parliamentary Budget Office and public sector entities assists in developing strong relationships and access to information.</p> <p>F11. The Commonwealth and Victorian Parliamentary Budget Offices have published priority frameworks to prioritise requests for services.</p>

Area	Finding
	<p>F12. The Commonwealth Parliamentary Budget Office has developed a range of data and tools to enhance user understanding of budget and fiscal policy settings.</p> <p>F13. Some challenges faced by Parliamentary Budget Offices include consistent access to information, agency response times for information requests, ensuring confidential information is protected, dealing with misrepresentation, relationship building, and recruitment of skilled staff particularly during election periods.</p> <p>F14. The legislation in Victorian and NSW Parliamentary Budget Offices give the explicit power to the Parliamentary Budget Officer to correct misrepresentations of Parliamentary Budget Officer reports.</p> <p>F15. The Victorian Parliamentary Budget Office proactively monitors election commitments weekly which supports improved election commitment tracking and enhances transparency.</p> <p>F16. All Australian Parliamentary Budget Office legislation includes confidentiality provisions that deal with the disclosure of confidential information or documentation.</p>
Most Appropriate Model for Tasmania	<p>F17. An intermittent Parliamentary Budget Office (as in NSW) only allows for election costings to be completed in a short-time frame and does not support ongoing policy development and public accountability.</p> <p>F18. Some independent fiscal institutions engage in self-initiated research and/or advisory functions.</p> <p>F19. An intermittent Parliamentary Budget Office can face a range of challenges including loss of corporate knowledge, additional time pressures to produce election policy costings, repeated recruitment and re-establishment costs.</p>
Resourcing Required	<p>F20. A Parliamentary Budget Office needs to be resourced appropriately to enable the office to fulfil its role and function.</p> <p>F21. A Parliamentary Budget Office requires access to a range of professional skills: e.g., economics, accountancy and public policy expertise, with the capacity to engage specific experts as required.</p>
Role of a Parliamentary Committee	<p>F22. In other Australian jurisdictions a Parliamentary Committee has statutory responsibilities in relation to the operation of the Parliamentary Budget Office but may not direct the Office.</p>
Key Legislative Provisions	<p>F23. Other Australian Parliamentary Budget Office legislation has a range of provisions including (but not limited to):</p> <ol style="list-style-type: none"> a. the scope and function of the Parliamentary Budget Officer b. the independence of the Parliamentary Budget Officer c. access to information d. matters relating to confidentiality e. the release of policy costings f. statutory time-frames g. the appointment of the Parliamentary Budget Officer h. resourcing of the Parliamentary Budget Office i. the relationship with the relevant parliamentary committee

Area	Finding
	j. statutory reviews of the Parliamentary Budget Office k. delegation powers l. conflicts of interest, and m. reporting of Parliamentary Budget Office operations.

Summary of Recommendations

The Committee makes the following 13 recommendations based on evidence received from the New South Wales, Commonwealth and Victorian Parliamentary Budget Offices and associated parliamentary committees, and by reference to the *Parliamentary Budget Officer Act 2010* (NSW), the *Parliamentary Services Act 1999* (Cth) and the *Parliamentary Budget Officer Act 2017* (Vic), and the OECD Principles for Independent Fiscal Institutions.

Area	Recommendation
Permanent, Full-Time Parliamentary Budget Office	R1. The Parliament of Tasmania establish a permanent, full-time Parliamentary Budget Office to operate continuously across the parliamentary cycle, with surge resourcing arrangements for election periods.
Scope and Functions of the Parliamentary Budget Office	<p>R2. The legislation establishing the Tasmanian Parliamentary Budget Office provide for the following functions:</p> <p><u>During the election period</u></p> <ol style="list-style-type: none"> a. policy costings on election commitments submitted by a nominated representative/leader of registered political party seeking election or an independent candidate, on a confidential basis b. monitoring publicly announced election commitments and reporting on the policy cost or reporting that no request for policy costing was made, and c. preparation and publication of post-election budget impact reports. <p><u>Outside the election period</u></p> <ol style="list-style-type: none"> a. policy costings for a Member of Parliament on policies prepared by that member, on a confidential basis, throughout the parliamentary term b. economic and fiscal advice to Parliament and parliamentary committees, and c. preparation and publication of an annual report that is tabled in both Houses of Parliament.
Access to Parliamentary Budget Office Services	R3. The services of the Parliamentary Budget Office be available to all Members of Parliament, with a published prioritisation framework to manage competing demands within their available resources. The framework should give priority to matters before Parliament and be made publicly available on the Office's website.
Independence of the Parliamentary Budget Officer	<p>R4. The legislation establishing the Tasmanian Parliamentary Budget Office provide that:</p> <ol style="list-style-type: none"> a. the Parliamentary Budget Officer be an independent officer of the Parliament

Area	Recommendation
	<ul style="list-style-type: none"> b. the Parliamentary Budget Officer must not be a current (or recent) State Servant at the time of appointment c. the Parliamentary Budget Officer must not be directed in the performance of their functions d. the Parliamentary Budget Officer has explicit legislative power to correct public misrepresentations of the Office's reports or analysis, and e. the Parliamentary Budget Officer be explicitly prohibited from commenting on the merits of policies, confining analysis to fiscal and financial impacts.
Appointment of the Parliamentary Budget Officer	R5. The Parliamentary Budget Officer be appointed through a process consistent with best practice commensurate with the appointment of independent statutory officers.
Resourcing of the Parliamentary Budget Office	<p>R6. The Parliament of Tasmania provide the Parliamentary Budget Office with adequate resourcing through the budget process:</p> <ul style="list-style-type: none"> a. to deliver on the scope and functions of the Office, and b. to fund surge staffing and operational requirements in election years. <p>To maintain the financial independence of the Parliamentary Budget Office:</p> <ul style="list-style-type: none"> a. the requested funding be considered by the Parliamentary Standing Committee on Public Accounts and a recommendation made to the Treasurer, and b. if the Treasurer does not accept the Committee's recommendation, a statement of reasons is provided to the Committee.
Staffing and Shared Services of Parliamentary Budget Office	<p>R7. To support the efficient functioning of the Parliamentary Budget Office and avoid duplication:</p> <ul style="list-style-type: none"> a. funding to support ICT, human resources and payroll for the Parliamentary Budget Office be provided through Parliament (not a State Service Agency) b. include legislative provisions to facilitate the engagement of staff on secondment from the public service or other entities, and c. engage expert advice or specialist consultants from the Office's appropriation where required expertise is not available in-house.
Access to Information	R8. The Parliamentary Budget Officer be provided access to information consistent with best practice with other jurisdictions and commensurate with the provisions under the <i>Audit Act 2008</i> (Tas), within agreed timeframes.

Area	Recommendation
Confidentiality	<p>R9. The legislation establishing the Tasmanian Parliamentary Budget Office provide for:</p> <ul style="list-style-type: none"> a. all policy costing requests, advisory requests, information provided by agencies and draft outputs are protected information and must not be disclosed except as authorised by the requesting Member or as required by the Act b. the Parliamentary Budget Office and its officers are exempt from Right to Information legislation with respect to protected information c. outside the election period, the requesting Member of Parliament retains the right to decide whether and when a policy costing is released publicly, and d. breaches of confidentiality obligations be subject to a penalty.
Role of the Parliamentary Committee	<p>R10. Legislation establishing a Tasmanian Parliamentary Budget Office provide for the Parliamentary Standing Committee of Public Accounts to:</p> <ul style="list-style-type: none"> a. endorse the appointment and removal of the Parliamentary Budget Officer b. be consulted on the Office's annual operational plan c. to consider and make a recommendation to the Treasurer on the budget for the Office as per Recommendation 6 d. review the Office's annual report and operational performance e. consult with the Treasurer on the commissioning of an independent review of the Office's operations at least once every five years and agree of the Terms of Reference for the statutory review, and f. not have the power to direct the Parliamentary Budget Officer in the performance of its functions.
Legislative Drafting Principles	<p>R11. Legislation establishing a Tasmanian Parliamentary Budget Office provide for the following matters:</p> <ul style="list-style-type: none"> a. scope and functions of the Parliamentary Budget Officer, including policy costings, advisory services and election services b. independence of the Parliamentary Budget Officer, including prohibition on direction by Ministers and State servants c. appointment process for the Parliamentary Budget Officer d. terms of appointment, including fixed term tenure, grounds and process for removal e. resourcing and budget appropriation arrangements f. access to information from government agencies, including response timeframes and grounds for refusal g. confidentiality obligations and exemptions from the <i>Right to Information Act 2009</i> h. release of policy costings and election reports, including rules governing pre- and post-election publication

Area	Recommendation
	<ul style="list-style-type: none"> i. power to correct public misrepresentations of the Parliamentary Budget Officer's work j. prohibition on public commentary on the merits of policies k. conflict of interest provisions for the Parliamentary Budget Officer and staff l. statutory independent periodic review of the Office's operations and legislation m. delegation powers n. reporting obligations, including annual reports to Parliament, and o. relationship with, and functions of, the Parliamentary Standing Committee on Public Accounts including committee role in determining the statutory review terms of reference and endorsing the Parliamentary Budget Officer budget submission p. provide the discretion to seek submissions from the Parliamentary Budget Office in relation to parliamentary committee inquiries of a fiscal or financial nature, and q. compliance with any Commonwealth or State legislation with respect to the use of artificial intelligence.
<p>Drafting Guidance for Election Costing Provisions</p>	<p>R12. The legislation for the Tasmanian Parliamentary Budget Office provides that during an election period:</p> <ul style="list-style-type: none"> a. the Parliamentary Budget Officer may publish a policy costing once satisfied the policy has been publicly announced, and b. the election policy costing service be available to the nominated representative/leader of a registered political party seeking election or an independent candidate.
<p>Parliamentary Budget Office Establishment Arrangements</p>	<p>R13. In establishing the Tasmanian Parliamentary Budget Office, the Parliamentary Budget Officer actively explore arrangements with the Commonwealth Parliamentary Budget Office and interstate counterparts for staff secondments, shared systems and analytical support, particularly during the establishment phase and around election periods.</p>

Conduct of Review

In July 2024, the Committee resolved to initiate an inquiry into the establishment of a Parliamentary Budget Office (PBO) for the State. The terms of reference include to inquire into and report on:

The establishment of a Tasmanian Parliamentary Budget Office including the:

- *benefits, opportunities and challenges*
- *most appropriate model*
- *resourcing required*
- *role of the Tasmanian Parliamentary Standing Committee on Public Accounts, and*
- *key legislative provisions needed to establish a Tasmanian Parliamentary Budget Office.*

Noting there are only three Australian jurisdictions that have a PBO, the Committee resolved to receive private briefings from key stakeholders in New South Wales, the Commonwealth and Victoria. These briefings were recorded and transcribed for use by the Committee:

Date	Place	Stakeholders
17 Feb 2025	NSW Parliament McKell Room Boardroom 6 Macquarie Street SYDNEY NSW 2000	<u>NSW Parliamentary Accounts Committee</u> Mr Jason Yat-Sen Li MP (Labor Member for Strathfield) (Chair) Mr Clayton Barr MP (Labor Member for Cessnock) Ms Jenny Leong MP (Greens Member for Newtown)
18 Feb 2025	Commonwealth Parliament Committee Room 1R3 CANBERRA ACT 2600	<u>Commonwealth PBO</u> Ms Sam Reinhardt (Parliamentary Budget Officer) Ms Karen Whitham (First Assistant Parliamentary Budget Officer) Mr Gareth 'Gus' Tunks (Chief Operating Officer) Ms Chrysanthe Psychogios (Assistant Parliamentary Budget Officer) <u>Joint Committee of Public Accounts and Audit</u> Hon Julian Hill MP (ALP member for Bruce) (former Chair) <u>Ex-NSW Parliamentary Budget Officer</u> Professor Stephen Bartos

Date	Place	Stakeholders
19 Feb 2025	Parliament of Victoria Legislative Council Committee Room Parliament House Spring Street EAST MELBOURNE VIC 3002	<u>Public Accounts and Estimates Committee Staff</u> Dr Caroline Williams (Executive Officer) Dr Krystle Gatt Rapa (Lead Analyst) <u>PBO Victoria</u> Mr Xavier Rimmer (Parliamentary Budget Officer)
20 Feb 2025	Parliament of Victoria Legislative Council Committee Room Parliament House Spring Street EAST MELBOURNE VIC 3002	<u>Australian Greens</u> Ms Ellen Sandell MLA (Greens Member for Melbourne) Ms Domenica Settle (Policy Advisor)
12 May 2025	Parliament of Tasmania Committee Room 2 Parliament House Salamanca Place HOBART TAS 7000 (by WebEx)	<u>Victorian National Party</u> Mr Danny O'Brien MLA (Leader and Member for Gippsland South) <u>Victorian Libertarian Party</u> Mr David Limbrick MLC (Leader and Member for South-Eastern Metropolitan)

On 10 April 2025, the Committee also invited written submissions from all Tasmanian Parliamentary Members: one submission was received by Ms Kristie Johnson MP (Independent Member for Clark).

On 29 May 2025, Hon Guy Barnett MP (then Treasurer) wrote to the Committee confirming that, ‘the 2025-26 Budget provides \$100,000 to Legislature-General in 2025-26, to investigate the establishment of a Tasmanian Parliamentary Budget Office (PBO). This investigation will consider options for further assessment regarding the structure, scope, resourcing and cost for a Tasmanian PBO’.¹

On 5 June 2025, the Committee responded to the then Treasurer’s correspondence, noting the Committee’s progress to date and intention to complete this important work and prepare a report related to the establishment of a Parliamentary Budget Office.

On 11 June 2025, Her Excellency the Honourable Barbara Baker AC (Governor of Tasmania), agreed to a request from Hon Jeremy Rockliff (Premier) to prorogue the Parliament and dissolve the House of Assembly, and a State election was called for 19 July 2025.

¹ Letter to Chair from Hon Guy Barnett MP (Deputy Premier and Treasurer) dated 29 May 2025 re: Parliamentary Budget Office

After the commencement of the 52nd sitting of Parliament, the Committee was re-established on Wednesday, 24 September 2025.

The Committee noted that the 2025-26 Interim Tasmanian Budget, handed down by the Treasurer Hon Eric Abetz MP on 6 November 2025, did not include the \$100,000 previously allocated in the May 2025 budget.

The May 2025 Budget did not progress through Parliament prior to the early election being called.

The Interim Budget Papers stated:

Following the Independent Review of Tasmania's State Finances, in July 2024, the Tasmanian Parliamentary Standing Committee on Public Accounts resolved to initiate an Inquiry into the establishment of a Parliamentary Budget Office for the State.

The Inquiry's terms of reference include reporting on the most appropriate model, required resourcing, and key legislative provisions needed to establish a Tasmanian PBO. Given the Inquiry has not concluded, the recommended scope, purview and resourcing for a PBO remain undetermined. As a result, there is an unquantifiable Budget risk associated with potential future funding requirements for a PBO.²

Copies of the transcripts, tabled papers, broadcasts and responses are available on the Committee's inquiry webpage.³

In adopting the final Report of the Committee, a vote was taken for each of the Report's recommendations:

- Recommendations 1, 3 to 11 and 13 were accepted unanimously, and
- Recommendations 2 and 12 were accepted by the majority, Mr Roger Jaensch MP dissenting.

A copy of Mr Jaensch's dissenting statement is attached to this Report (Attachment B).

² See 'The Budget – Budget Paper No.1', Hon Eric Abetz MP, <https://www.treasury.tas.gov.au/Documents/2025-26%20The%20Budget,%20Budget%20Paper%20No.%201.PDF>, p.85

³ See in general 'Inquiry into Establishment of Parliamentary Budget Office', <https://www.parliament.tas.gov.au/committees/joint-committees/standing-committees/public-accounts-committee/inquiries/parliamentary-budget-office>

Background

Independent Fiscal Institutions

The Organisation for Economic Co-operation and Development (OECD) defines an independent fiscal institution (IFI) as:

*independent public institutions with a mandate to critically assess, and in some cases provide non-partisan advice on, fiscal policy and performance. IFIs aim to promote sound fiscal policy and sustainable public finances through supporting greater transparency and accountability.*⁴

A parliamentary budget office is a subset of an IFI which also includes fiscal councils and offices for budget responsibility. They differ from the public audit institutions, which provide ex post assessment of financial integrity and performance of public sector organisations.⁵

In its ‘Best Practices for Parliaments in Budgeting’, the OECD recommends that with respect to analytical support for a parliament (emphasis added):

*The legislature should have specialist analytical support in the form of an inhouse research or scrutiny unit or **an independent parliamentary budget office** to provide technical, expert and non-partisan analysis of fiscal policy and the budget. The resources allocated to such offices should be commensurate with their mandate and they should have full access to all relevant information in a timely manner, including methodology and assumptions underlying the budget and other fiscal proposals.*⁶

On 13 February 2014, the OECD Council adopted the ‘Recommendation of the Council on Principles for Independent Fiscal Institutions’.⁷ The Principles codify lessons learned and good practices that were firmly grounded in the experience of IFIs to date. The Principles sought to reinforce the core values that IFIs both promote and operate under – independence, non-partisanship, transparency, and accountability – while demonstrating technical competence and producing relevant work of the highest quality that stands up to public scrutiny and informs the public debate.

The twenty-two Principles are grouped under nine broad headings: local ownership, independence and non-partisanship, mandate, resources, relationship with the legislature, access to information, transparency, communication, and external evaluation (see [Attachment A](#)).

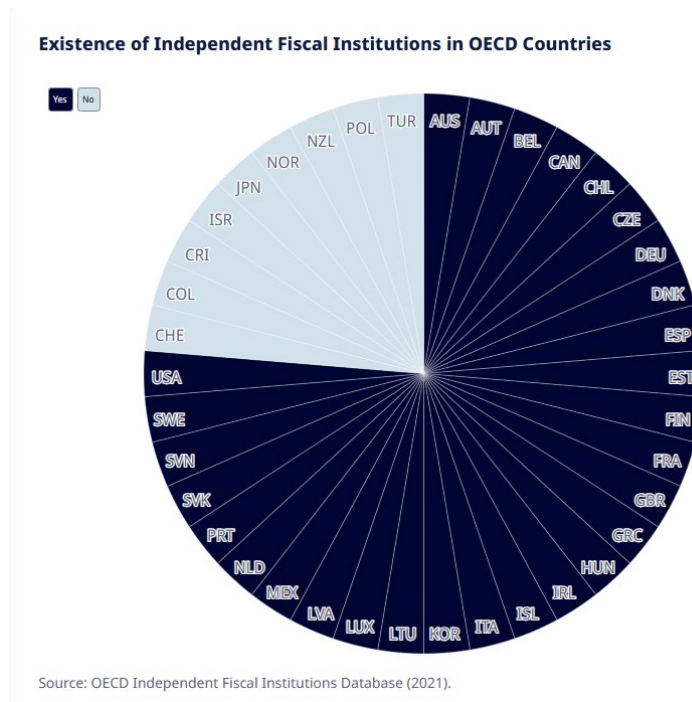
⁴ ‘Parliamentary budget offices and independent fiscal institutions’, OECD, <https://www.oecd.org/en/topics/sub-issues/parliamentary-budget-offices-and-independent-fiscal-institutions.html> [Accessed 16 June 2025]

⁵ ‘Report 466 – Review of the Operations of the Parliamentary Budget Office’, Joint Committee of Public Accounts and Audit, The Parliament of the Commonwealth of Australia (November 2014), https://www.aph.gov.au/-/media/02_Parliamentary_Business/24_Committees/244_Joint_Committees/JCPAA/44p/Report446/FinalReport.pdf [Accessed 17 June 2025]

⁶ ‘Best Practices for Parliaments in Budgeting’, OECD (22 December 2022), [https://one.oecd.org/document/GOV/SBO\(2022\)3/en/pdf](https://one.oecd.org/document/GOV/SBO(2022)3/en/pdf), p.9 [Accessed 16 June 2025]

⁷ ‘Recommendation of the Council on Principles for Independent Fiscal Institutions’, OECD (February 2014), <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/parliamentary-budget/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf> [Accessed 16 June 2025]

Since the 2008 Global Financial Crisis, 35 national institutions are now in place in 29 OECD countries, with six countries having two IFIs (Austria, Belgium, Finland, Greece, Ireland and Portugal).⁸



Of these, only 5 IFIs cover the full range of services: United Kingdom (Office for Budget Responsibility),⁹ Italy (Ufficio Parlamentare di Bilancio),¹⁰ Slovak Republic (Rada pre Rozpočtovú Zodpovednosť),¹¹ Austria (Fiskalrat)¹² and Brazil (Instituição Fiscal Independente).¹³ The full range of services includes:

- policy costing
- assesses macroeconomic or fiscal forecasts
- prepares macroeconomic or fiscal forecasts
- analysis of long-term fiscal sustainability, and
- monitoring compliance with fiscal rules.¹⁴

As of January 2024, the number of full-time analytical staff employed by OECD IFIs ranges from 260 plus (USA Congressional Budget Office)¹⁵ through to 1 (Germany Unabhängiger

⁸ 'Parliamentary budget offices and independent fiscal institutions', OECD, <https://www.oecd.org/en/topics/sub-issues/parliamentary-budget-offices-and-independent-fiscal-institutions.html> [Accessed 16 June 2025]

⁹ See UK Office for Budget Responsibility, <https://obr.uk/> [Accessed 17 June 2025]

¹⁰ See Italy Parliamentary Budget Office (UPB), <https://en.upbilancio.it/> [Accessed 17 June 2025]

¹¹ See Slovak Republic Council for Budget Responsibility (RRZ), <https://www.rrz.sk/en/> [Accessed 17 June 2025]

¹² See Austria Fiscal Advisory Council (FISK), <https://www.fiskalrat.at/en/> [Accessed 17 June 2025]

¹³ See Brazil Independent Fiscal Institution (IFI), <https://www12.senado.leg.br/ifi/en/about> [Accessed 17 June 2025]

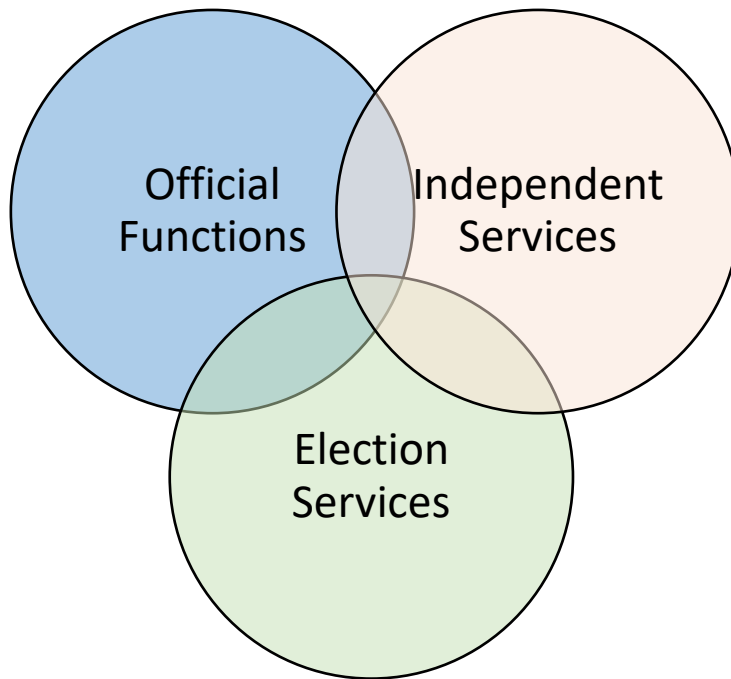
¹⁴ See 'Insights into the Parliamentary Budget Office', Commonwealth PBO (18 February 2025),

https://www.parliament.tas.gov.au/_data/assets/pdf_file/0030/92937/Commonwealth-PBO-18-February-2025.pdf, p.4

¹⁵ See USA Congressional Budget Office (CBO), <https://www.cbo.gov/> [Accessed 17 June 2025]

Beirat des Stabilitätsrats).¹⁶ The largest of the Australian IFIs (Commonwealth PBO) had 39 full-time analytical staff.¹⁷

Another method of categorising PBO functions and services is shown below:¹⁸



Official Functions	Independent Services	Election Services
<ul style="list-style-type: none"> Assessing fiscal performance Preparation of budget forecasts 	<ul style="list-style-type: none"> Policy costing Advice Self-initiated research 	<ul style="list-style-type: none"> Election policies Election commitments Election platforms

Australian Parliamentary Budget Offices

At the time of this Report, three Australian PBOs have been established: New South Wales (2010),¹⁹ Commonwealth (2012)²⁰ and Victoria (2017).²¹ Each of these PBOs provide election services but differ across independent services. No Australian jurisdiction covers official function tasks as described above.²²

¹⁶ See German Advisory Board to the Stability Council, https://www.stabilitaetsrat.de/EN/Beirat/Beirat_node.html [Accessed 17 June 2025]

¹⁷ See 'Insights into the Parliamentary Budget Office', Commonwealth PBO (18 February 2025), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0030/92937/Commonwealth-PBO-18-February-2025.pdf, p.4

¹⁸ See 'The Victorian Parliamentary Budget Office – Function and Comparison', Victorian PBO (19 February 2025), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0028/92539/Victorian-PBO-Functions-and-Comparisons-19-February-2025.pdf, p.6

¹⁹ See *Parliamentary Budget Officer Act 2010* (NSW), <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2010-083> [Accessed 30 March 2026]

²⁰ See section Part 7 Division 2 *Parliamentary Services Act 1999* (Cth), <https://www.legislation.gov.au/C2004A00536/latest/text> [Accessed 30 March 2026]

²¹ See *Parliamentary Budget Officer Act 2017* (Vic), <https://www.legislation.vic.gov.au/in-force/acts/parliamentary-budget-officer-act-2017/003> [Accessed 30 March 2026]

²² See 'The Victorian Parliamentary Budget Office – Function and Comparison', Victorian PBO (19 February 2025), p.14

Jurisdiction	Independent Services	Election Services
NSW PBO	<ul style="list-style-type: none"> • Nil²³ 	<ul style="list-style-type: none"> • Prepare reports aggregating the impact of party election platforms <u>before an election</u> (strict timeframes and participation rules)
Commonwealth PBO	<ul style="list-style-type: none"> • Costings or budget analysis at any time • Self-initiated research and analysis reports 	<ul style="list-style-type: none"> • Prepare reports aggregating the impact of party election commitments <u>after an election</u>
Victorian PBO	<ul style="list-style-type: none"> • Costings or budget analysis at any time • Research and analysis reports • Submissions to Parliamentary Committees • Foundational analysis 	<ul style="list-style-type: none"> • Prepare reports aggregating the impact of party election platforms <u>before an election</u> (broad but voluntary) • Prepare reports aggregating the impact of party election commitments <u>after an election</u>

Of note, in 2021 the Victorian Public Accounts and Estimate Committee (PAEC) reviewed the functions of their PBO.²⁴ Although not adopted by the Andrews Labor Government,²⁵ that Committee made these recommendations:

- a mandate for the Parliamentary Budget Officer to publish self-initiated research
- a mandate for the PBO to cost budget policies
- allowing the PBO to provide assistance to parliamentary committees (supported in-principle), and
- improved financial independence and certainty for the PBO.

Other Australasian jurisdictional efforts in establishing a PBO are summarised below:²⁶

Jurisdiction	Comment
Western Australia (WA)	<p>In June 2020, the WA Standing Committee on Estimates and Financial Operations recommended that:</p> <ul style="list-style-type: none"> • a parliamentary committee as determined by the Parliament be responsible for oversight of the PBO • the PBO be empowered to deliver the following services: <ul style="list-style-type: none"> ○ provide advice to Members and parliamentary committees on financial matters

²³ The New South Wales PBO was established in 2010 to cost policies and provide 'analysis, advice or briefing of a technical nature on financial, fiscal and economic matters'. In 2013, it was made temporary and its functions restricted to providing costing services at election time.

²⁴ See 'Inquiry into the Parliamentary Budget Office', Vic Public Accounts and Estimates Committee (7 September 2021), <https://www.parliament.vic.gov.au/495f93/contentassets/a85dc9d793bd47e7b02472738b6c7b65/paec-59-11-inquiry-into-parliamentary-budget-officer.pdf> [Accessed 18 June 2025]

²⁵ See 'Government Response to the Parliamentary Budget Office Inquiry' (7 March 2022), <https://www.parliament.vic.gov.au/495f93/contentassets/b5f37f515ed6407e941813e26a91fc06/government-response-to-the-public-accounts-and-estimates-committees-report-for-the-inquiry-into-the-parliamentary-budget-officer-w.pdf> [Accessed 18 June 2025]

²⁶ A useful introduction on the history of Australian PBOs is available in the below report (p.66-67)

Jurisdiction	Comment
	<ul style="list-style-type: none"> ○ provide confidential costing services to Members and parliamentary committees ○ prepare and publicly release reports on election promises with a financial impact announced by relevant political parties, and ○ self-initiate and publish research on financial matters. <p>However, the WA Labor Government of the day did not proceed with adopting the recommendations.²⁷</p>
South Australia (SA)	The SA Government established a Parliamentary Budget Advisory Service on 8 November 2017 to cost election policies for the March 2018 election. It was abolished on 30 June 2018. ²⁸
Australian Capital Territory (ACT)	The ACT Standing Committee on Administration and Procedure recommended against establishing a PBO, citing cost concerns for a small jurisdiction, and recommended that an expert consultant be appointed to review the budget instead. ²⁹
Northern Territory (NT)	The NT Government did not support a recommendation from a select committee to establish such a body, noting that financial analysis support to Members is available from the Department of Treasury. ³⁰
New Zealand (NZ)	In 2018, the NZ Government consulted on the proposal to establish an Independent Fiscal Institution as part of New Zealand’s fiscal policy framework. The Government is still considering the submissions as it develops its final proposal. ³¹

²⁷ See in general, ‘The Local Projects Local Jobs program and the establishment of a Parliamentary Budget Office’, WA Standing Committee on Estimates and Financial Operations (Report 82)(June 2020),

[https://www.parliament.wa.gov.au/Parliament/commit.nsf/\(Report+Lookup+by+Com+ID\)/E16F156E50ABE2EA482585920006D4A4/\\$file/ef.lpj.200625.rpf.082.xx.pdf](https://www.parliament.wa.gov.au/Parliament/commit.nsf/(Report+Lookup+by+Com+ID)/E16F156E50ABE2EA482585920006D4A4/$file/ef.lpj.200625.rpf.082.xx.pdf) [Accessed 17 June 2025]

²⁸ See ‘Parliamentary Budget Advisory Service Financial report for the year ended 30 June 2018’, Audit Office of South Australia (26 September 2018), https://www.audit.sa.gov.au/sites/default/files/2022-10/Parliamentary_Budget_Advisory_Services_2018.pdf, p.11 [Accessed 17 June 2025]

²⁹ See ‘The merit of appointing a Parliamentary Budget Officer’ Australian Capital Territory Legislative Assembly, Standing Committee on Administration and Procedure (August 2009), https://www.parliament.act.gov.au/_data/assets/pdf_file/0008/375092/PBO_Report.pdf, p.15 [Accessed 17 June 2015]

³⁰ See Hon Natasha Fyles MLA, Attorney-General and Minister for Justice, Northern Territory Legislative Assembly, Parliamentary Debates (Hansard) (9 May 2017), https://territorystories.nt.gov.au/10070/432640/0/54_p.1676 [Accessed 17 June 2025]

³¹ See ‘Establishing an Independent Fiscal Institution’, The NZ Treasury (Te Tai Ōhanga), <https://www.treasury.govt.nz/publications/consultation/establishing-independent-fiscal-institution#:~:text=The%20proposal%20to%20establish%20an%20Independent%20Fiscal%20Institution%20is%20now,it%20develops%20its%20final%20proposal.> [Accessed 24 June 2025]

With respect to staff establishment and budget, the following information has been drawn from relevant annual reports:

	NSW PBO	Commonwealth PBO ³²	Victoria PBO ³³
Staff Establishment	Up to 21 headcount at its peak ^{34 35}	49 ongoing 10 non-ongoing (based on head count)	14.2 FTE
Approximate Budget	\$2.8 million	\$9.6 million	\$3.4 million

Committee Findings

- F1. The Organisation for Economic Cooperation and Development recommends that a Parliament should have specialist analytical support to provide technical, expert and non-partisan analysis of fiscal policy and the budget.
- F2. Following the Global Financial Crisis, most Organisation for Economic Cooperation and Development countries established an Independent Fiscal Institution.
- F3. Services that an Independent Fiscal Institution may deliver include policy costing, assessment of macroeconomic or fiscal forecasts, preparing macroeconomic or fiscal forecasts, analysis of long-term fiscal sustainability, and monitoring compliance with fiscal rules.
- F4. As a subset of an Independent Fiscal Institution, Parliamentary Budget Organisations may have a role in official functions, independent services and costing election policies, commitments and platforms.
- F5. Three Australian Parliamentary Budget Offices have been established to date: New South Wales (2010), Commonwealth (2012) and Victoria (2017).
- F6. Only the Commonwealth and Victorian Parliamentary Budget Offices are full-time entities.

³² See 'Commonwealth PBO Annual Report 2023-24', <https://www.pbo.gov.au/sites/default/files/2024-10/PBO%20Annual%20Report%202023-24.pdf> [Accessed 17 June 2025]

³³ See 'Victorian PBO Annual Report 2023-24', https://static.pbo.vic.gov.au/files/PBO_annual_report_2023-24_PUBLIC.pdf [Accessed 17 June 2025]

³⁴ NSW Parliamentary Budget Officer is supported by a small team of professionals, including staff seconded from Parliament and other NSW Government departments and, where necessary, consultants: see <https://www.parliament.nsw.gov.au/pbo/Pages/Frequently-Asked-Questions.aspx#Question9> [Accessed 17 June 2025]

³⁵ '2023 Post-Election Report' NSW Parliamentary Budget Office (30 June 2023), p.43&46 as attached to 'Report on the Parliamentary Budget Office 2023 Post-Election Report', NSW Legislative Assembly Public Accounts Committee (Report1/58) (November 2023), <https://www.parliament.nsw.gov.au/ladocs/inquiries/3017/Report%20on%20the%202023%20PBO%20Post-Election%20Report.pdf> [Accessed 18 June 2025]

Benefits, Opportunities and Challenges

Benefits and Opportunities

Tasmanian economist Mr Saul Eslake recommended in his August 2024 ‘Independent Review of Tasmania’s State Finances’ report:

In order to enhance the capacity of the Parliament to comprehend and discuss fiscal issues, and to formulate policies which will have an impact on the Budget, the Review recommends that Tasmania follow the Federal Parliament, and the Parliaments of New South Wales and Victoria, in establishing a Parliamentary Budget Office.³⁶

Mr Eslake prefaced his recommendation with the following:

The Review considers that the establishment of a Tasmanian Parliamentary Budget Office would significantly enhance the effectiveness of Parliament’s role in scrutinizing fiscal policy decisions, and in promoting more informed debate both in Parliament and within the broader Tasmanian community of budgetary and fiscal policy issues. It would assist non-government parties in fulfilling their obligations under the Charter of Budget Responsibility Act (including the strengthened requirements proposed by this Review). And as a result, it would likely enhance public understanding of the requirements of returning Tasmania’s finances to a sustainable position, and maintaining them there.

The Review is however also conscious of the costs potentially involved in establishing a PBO with sufficient resources to fulfil these tasks effectively. It suggests that these costs could be managed most effectively by something along the lines of the New South Wales model (at least initially), with the heightened requirements during an election year being met through staff secondments from the Department of Treasury and Finance or other agencies, and/or from the Australian or interstate PBOs.

There may even be merit in having the Tasmanian Parliamentary Budget Officer working alongside staff of the Australian PBO in Canberra, and conducting much of the required work ‘virtually’, in order to maximize access to the experience and expertise of Australian PBO staff.³⁷

In line with the OECD’s view of IFIs, the Committee recognises that a Tasmanian PBO has the potential to enhance fiscal discipline, promote greater budget transparency and accountability, and raise the quality of public debate on State fiscal policy.³⁸

The Committee heard from Ms Krystle Gatt Rapa (Lead Analyst, Public Accounts and Audit for the Secretariat) noting the establishment of the Victorian PBO had the support of both major political parties:

³⁶ ‘Independent Review of Tasmania’s State Finances’, Saul Eslake (August 2024), https://www.researchgate.net/profile/Saul-Eslake/publication/383276396_Independent_Review_of_Tasmania's_State_Finances/links/66c6664ac2eaa500230cd5d0/Independent-Review-of-Tasmanias-State-Finances.pdf?_tp=eyJib250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFnZSI6InB1YmxpY2F0aW9uIn19, p.9 [Accessed 18 June 2025]

³⁷ ‘Independent Review of Tasmania’s State Finances’, Saul Eslake (August 2024), p.117-118

³⁸ See in general, ‘Recommendation of the Council on Principles for Independent Fiscal Institutions’, OECD (February 2014), <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/parliamentary-budget/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf> [Accessed 16 June 2025]

Dr GATT RAPA - ... A bit of background on the establishment of Victoria's PBO: this is a clip of the Treasurer of the ALP explaining to the Legislative Assembly the basis for establishing the PBO in Victoria:

Mr PALLAS [then Victorian Treasurer] (Video recording) - I actually believe that this is a great policy initiative from this Government. It is one that I hope provides a greater level of certainty and provides the opportunity for opposition parties in particular to be able to put forward good, well researched policy, put it into the public domain and have the confidence about what the implications of that policy will be in circumstances should they form government.

I believe this is a great advance in terms of the way that our parliamentary democracy operates. I think it will provide an opportunity really for all concerned to be able to have some confidence and satisfaction in the way that costings and policies are costed. Certainly, from the Government's point of view, we wish the bill a speedy passage.

Dr GATT RAPA - The Treasurer's second reading speech noted the rationale for the establishment of the PBO in that an effective and independent PBO would support open and democratic government by strengthening public debate throughout the parliamentary term, levelling the playing field in relation to financial expertise between government and the opposition, minor parties and Independent MPs, facilitating iterative policy development by parties and MPs; encouraging parties and MPs to release independently costed policies earlier to gain credibility with the electorate, and providing the community with credible, independent and timely information to help inform their voting decisions.

Here is another clip, this time of Mr Clark, the Liberal Party's former Attorney-General, in the 2016 debate on the PBO legislation introduced by the ALP:

Mr CLARK (Video recording) - This is a bill about establishing a Parliamentary Budget Officer, and there is agreement around the Chamber that we should have a Parliamentary Budget Officer. The question before us is: what form should that Parliamentary Budget Officer regime take?

The reason that is important primarily is to give assurance to voters in the run up to an election about the accuracy and affordability of the election policy costings that political parties put forward. A secondary objective of the bill that is before us, is to provide an ongoing research and advice provision capacity for members of parliament.

There is a graphic demonstration of the need for this independent costing of election policies on a fair and impartial basis, given by the record of the Labor Party in successive parliaments.

First of all we saw the dodgy regime that was established by then Treasurer Brumby, that sought to stack all of the cards in favour of the Government that provided that once a political party had submitted costings to Treasury those costings would

automatically be released whether or not the political party concerned was satisfied with those costings, agreed with those costings, wanted to commit to the policy once they had an assessment of what the cost would be. That model was deliberately set up by the then Treasurer to make it unworkable for any party other than the Government party.

It was a regime that the Coalition rightly refused to cooperate when we were in Opposition. We committed to establish a genuine Parliamentary Budget Officer regime that would be genuinely independent from Government and would not have the decks stacked against parties so as to ambush them.

We put a huge amount of effort into developing such a bill under the previous Parliament and we brought it to this House. I was the Minister responsible for it and I extended every opportunity to the Opposition spokesperson and then Shadow Treasurer and now Treasurer to engage with him, to listen to the points he wanted to raise, and to seek to have a bill that could be accepted and respected by both sides of the House. I have had experience on both sides of the House with these matters.

My determination and the determination of the Coalition Government was to come up with a regime that would [be] fair to all sides that we were happy to live with in Government, that we would also be happy to live with in opposition.

There was a policy disagreement between us and the Labor Party as to whether that PBO should also provide a permanent capability to provide policy advice and costings to MPs and political parties. There was a disagreement about that. Our primary objective, the election commitment we had made, was to establish a PBO that would provide fair and independent costing of the election policies. The Labor Party wanted it to go further.

Dr GATT RAPA - *The main points to note here are that the establishment of the Victorian PBO had the support of both major political parties. It also took several years to come to fruition and there were just agreements around the type of PBO model that should be adopted.*³⁹

In its 2021 review of the Victorian PBO, the Victorian Public Account and Estimates Committee noted:

*The Act explicitly directs the Parliamentary Budget Officer to inform policy development and public debate in Parliament and the Victorian community. The PBO's mandate to provide policy costings to Members of Parliament (MPs) is unique internationally. These policy costings are valued by MPs. In addition, the policy advice provided by the PBO strengthens MPs' understanding of budgetary matters. However, the PBO's mandate to provide policy advice may pose a potential risk to the independence of the Office.*⁴⁰

³⁹ Private Briefing: Vic PAC Secretariat (19 February 2025), p.2-4

⁴⁰ See 'Inquiry into the Parliamentary Budget Office', Vic Public Accounts and Estimates Committee (7 September 2021), p.xiii

The Committee heard separately from three Victorian Members of Parliament that had dealings with the Victorian PBO. Ms Ellen Sandell MP (Greens Member for Melbourne) and Ms Domenica Settle (Policy Advisor) shared the following:

Ms SANDELL - ... I'm a huge advocate of Parliamentary Budget Offices, I think they're fantastic. I think they provide a really important public service. They provide a really important service to us as members of the crossbench, who are in a smaller party and don't have access to the public service, and don't have as much policy staff or that depth of policy staff that other members in larger parties might have. I also think they just provide a good service to the public to enhance our democracy. I'm a huge proponent. The Greens have always been big proponents. Federally, we helped to get the legislation set up, and then here as well.

The biggest function that they provide for us is to enable us to have policy costings. You'd be aware - we'll put together a policy but we don't have access to the public service, so they're able to do that work to get something costed. Probably half the time we use that privately to understand better how much things cost, our policies, how much they cost. Half the time we have that released publicly, which then enables us to talk about different ideas and put those into the public arena.

In Victoria they also provide - which I think is one of the benefits of having a standing committee, rather than one just at election time - a function around education. They can do standalone pieces that help the public better understand policy initiatives, which they haven't done as much as policy costings, I think Xavier [Rimmer, Victorian Parliamentary Budget Officer] will tell you. They probably just do that when they have capacity to do that. I find that quite useful as well. I think that's one of the benefits of having a more longstanding committee. I can also imagine it's just quite difficult to stand up a PBO and then have it shut down, and stand it up and have it shut down. It might limit the quality of the analysts and the commissioner that you're able to attract. What do you think?

Ms SETTLE - Yes, I agree that having it ongoing makes a lot of sense. I'm a big fan of them because it makes for more informed, more intelligent political debate. It means that if we have an idea of something we want to do, we can see how realistic and reasonable it is and how much that will cost.

It also constrains us, particularly in the lead up to an election - our PBO costs everybody's election commitments particularly after the election, but also just before. It means that we can't go out and say, 'We would build 100 hospitals tomorrow'. We could go out and say that, but then they would do a report that says, 'That would cost a very large amount of money'. I feel like it's useful, within the political debate, to be able to hold people back from promising 100 hospitals, unless they believe that that's worth paying for.

Mr EDMUNDS - I was going to ask about that, if that's okay. Some of your reflections personally on - that there's an idea, and people like it, and then it seems like a dose of reality from the PBO, if you could talk about some of your experiences around that in policy development?

...

Ms SANDELL - ... Sometimes it's just useful for us to know. We didn't realise that actually the PBO often will come back to us and say, 'That's fine, you can cost this, but do you realise it has these other implications for other elements of government that will cost a lot more?' An example of that is probably something like making a service free that otherwise has fines attached to it - something like public transport or ambulance coverage here. To make it free costs a certain amount, but then they also lose revenue from the fines. They factor in all of that, not just the loss of revenue from ticket sales, for example. It provides that dose of reality that you might not always have visibility over.

Sometimes it's just good - we've used it to check something and then there's been an element that we haven't realised would actually cost more because of this unforeseen thing. If that helps answer your question, that's been really useful for us. There's also this element under our legislation that the PBO is required to cost all major parties' election platforms, to then be able to have that bit of dose of reality at election time, which is really useful.

Ms SETTLE - Another example of them being able to supply really useful information is that often there'll be contractual arrangements with private entities that as a minor political party you may not have factored into your thinking of 'let's do this' or 'let's do that'. They can say, 'Actually, then you'd have to either cancel that contract or whatever'. They often can't get that information, which is frustrating, but it's useful to know that there are often implications beyond the actual straight up Government's initial spend.⁴¹

Mr Danny O'Brien MLA (Leader of the Victorian National Party) spoke to his experience with the Victorian PBO:

Mr O'BRIEN ... [The PBO] was established in the first term of the Andrews Labor Government, around 2017, if I'm not mistaken. It was viewed, I'd say, more with excitement by the crossbenchers in the upper House, and with a bit of scepticism by the Opposition at the time. Subsequent to that, once they'd proved themselves, the opposition is certainly using the PBO quite a bit, including for research, but also for costing of policies, which is the main role, I guess, it serves here.

From my own perspective, I've only used them personally three or four times, but in my experience, they've been really good in terms of confidentiality but also in the quality of the work. Sometimes what we ask for is either not possible or just very difficult, but they are always able to tic tac with us, to and fro, and work out how we can amend the request, if it makes it easier for them to do. The quality of the work has been good and, more particularly, the independence of it has been pretty welcome.

From my perspective, as a previous member of the Public Accounts and Estimates Committee (PAEC) for 10 years, the frustration I had - and I think this has been publicly reported by the previous PBO - was the difficulty he had in engaging with the bureaucracy. They were reluctant, initially, to settle on a memorandum of understanding as to how they would provide information and how it would be protected and all of that sort of thing. Subsequently - I think he's reported it publicly, but certainly has reported to the committee

⁴¹ Private Briefing: Vic Ms Ellen Sandell MLA (19 February 2025), p.1-2

- a lack of engagement or responsiveness from some departments, most notably the Department of Transport and Planning. Given the amount of spending on transport in Victoria over the last 10 years, that's been a large area of focus.

*From a political perspective, there was a bit of a frustration, I guess, that the Government of the day established the PBO but then didn't actually give the direction to its public servants to engage with it properly and strongly. It's probably got a little better in the last couple of years, ...*⁴²

Mr David Limbrick MLC (Leader of the Victorian Libertarian Party) was also positive with his experience with the Victorian PBO:

***Mr LIMBRICK** - ... Well, my first interaction with the PBO was in 2019, first after I got elected. You know, one of the things about Libertarians is there are lots of economics nerds amongst us, so we very quickly made contact with the PBO and we've had a really good relationship with them ever since.*

There are two main ways that we interact with the PBO in Victoria. One's through advice pieces that's custom requests for work on things. We have used that quite extensively since I was elected. The other one is through policy costings. That's a general thing that the PBO does. They also have helped us by providing costings on some of our proposed policies, and they also do an election report which shows the financial impact of publicly broadcast policies from all different parties, including us.

The first piece of work that I did with them concerned a bill coming through parliament which was going to effectively force engineers to be registered. At that time, it wasn't necessary to have a registration in order to call yourself an engineer. They wanted to protect the term engineer and register it. We were trying to find out what the economic impact of that was on the business community. There were no numbers on that, so we went to the PBO and got some estimates on that work. That turned out to be really valuable. We published that report, it was taken up by the media, and a lot of debate was had about those numbers. The government disagreed with some of the numbers in it, but ultimately it was good for getting a discussion about what the costs might be of imposing that registration system.

Other types of work we've done: a while ago, pill testing was being discussed in Victoria, and we wanted to try to get numbers on - people talk about harm from pills and festivals and things like this. We wanted some understanding of the taxpayer costs of harm caused by pills, so we got them to do some research. They managed to get that data from the Health Department and other agencies to get estimates on the cost of that harm, in terms of ambulances and healthcare costs and this sort of thing.

More recently, we're doing some work with them at the moment on a whole bunch of potential cost saving ideas that we have that we were going to talk about with the budget coming up. We've worked with them on a lot of things.

⁴² Private Briefing: Vic Mr Danny O'Brien MLA (12 May 2025), p.1-2

The process is always an iterative process, so we'll come up with an idea, they'll come back to us and tell us whether it's easy or difficult for them to do with the tools and resources they have. It's often a negotiation type process going backwards and forwards.

It also depends on the type of data that you want. They can go to pretty much any government department and ask for data, and the impression that I get is that they have varying levels of cooperation depending on the department. Some of them seem to be quite difficult to deal with and others are really helpful, it would appear. That influences how hard or easy something might be for us to ask them to do.

I find that they are very independent. In Victoria it's set up so that it's fairly independent of government, and I always find their views on things very impartial. They never try to debate or report on the merits of a particular policy proposal. They just look at the potential outcomes of it, so financial. Sometimes it's non-financial information. Certainly, with the pill testing, there was a lot of non-financial information that they had access to as well.

Other things that we've asked them to do is estimate sizes of various illicit markets in Victoria. There wasn't very good information on the size of, for example, the illegal vaping market in Victoria. We wanted some numbers to quantify the size of that and they managed to put together some really good data on that.

Especially for minor parties, but also for opposition parties, it's often challenging to get resources to answer some of these questions in a reliable way. Even if we did have the resources and put together - let's say I had unlimited resources and I went to a third party consultancy company that could do this sort of analysis, there are still questions about the integrity of it. People would say, 'Oh, well, you just got one of your mates to do this report' or whatever, whereas the Parliamentary Budget Office is seen as independent. Everyone who's dealt with them knows how they operate and they have credibility, which is really important.

It allows us to have conversations about things and do analysis that we wouldn't otherwise have the resources to do. Certainly, with minor parties, compared to the resources of the government, which has enormous resources to do this sort of analysis, to put forward their view on things, when you want to challenge that, often there's this massive information asymmetry. The government has access to everything and you have access to nothing, and if the government is saying one thing, it's very difficult for minor parties or even oppositions to come up with a credible way of questioning that. The Parliamentary Budget Office is invaluable for that sort of work, I find, because otherwise you would often be guessing this sort of stuff. Often academics will look at this sort of stuff, but if someone hasn't already done the research and it's not publicly available, you just have to question the government and take their word for a lot of it. The PBO is an invaluable way of assisting with that.

The other thing that they do, which I use, and I don't know how many other people use it I don't know what the Tasmanian budget papers are like, but in Victoria they're horrifically complicated and very difficult to assign accountability and come up with basic metrics, like net debt ratios and all sorts of things like that. The PBO publishes a

really good summary of key metrics from the budget after the budget's been released. They'll track things like, 'What's the projected net debt over the forward Estimates period', and they chart that and present it in a way that's really easy to consume and that's publicly available. That's another important thing that they do. It's probably not utilised as much as it should be. I don't know how many journalists and others look at it, but I would imagine it's very helpful for journalists as well. If they want some key information about the budget, then that's presented in a really easy to use way by the PBO.

I'm not sure what the current PBO budget is. I don't believe it's an excessive amount of money, from memory, but they have very constrained resources and do the best that they can with those resources, is the view I get, and they seem to operate quite efficiently.⁴³

Ms Kristie Johnston MP (Independent Member for Clark) highlighted her support for the establishment of a PBO in Tasmania:

I believe Tasmania's PBO should be small but capable, with the ability to scale up during election periods. It should be independent of the executive government, and answerable to Parliament. And it should have a clear mandate to serve all members of parliament, especially those of us without access to a party apparatus or the resources of Treasury. It could be overseen by an appropriate parliamentary committee, ensuring that the PBO maintains independence and public trust.⁴⁴

In marking the Commonwealth PBO's 10th Anniversary in 2022, Hon Julian Hill MP (former Chair of the Commonwealth Joint Committee of Public Accounts and Audit) stated:

Firstly, the PBO has made a significant and positive difference and is already a valued and trusted public institution. Congratulations to everyone involved in the PBO's success over its first decade. ...

Secondly, the PBO will become even more important in the next decade for reasons I will outline.

Thirdly, there is a reasonable likelihood of modest expansion in the PBO's mandate in the coming years, though not to the extent that some may call for or as occurs in some other jurisdictions.

...

... the PBO has matured into an authoritative, trusted and independent source of budgetary and fiscal policy analysis, helping to:

- *level the playing field for all parliamentarians – especially Oppositions and cross-bench MPs*
- *improve the accuracy of election commitment costings, and*

⁴³ Private Briefing: Vic Mr David Limbrick MLC (12 May 2025), p.7-9

⁴⁴ See in general Kristie Johnson MP (Submission #1), https://www.parliament.tas.gov.au/data/assets/pdf_file/0025/105865/1.-Kristie-Johnston-MP.pdf

- *improve transparency about budget information for the Parliament, and through it the public.*⁴⁵

Despite receiving submissions from international IFIs⁴⁶ and non-parliamentary stakeholders positively supporting a PBO, the NSW Joint Committee on the Parliamentary Budget Office in its 2011 report stated:

The Committee received a number of submissions from around the world. Whilst these submissions came from nations all advocating the benefits such an institution could have on confidence in the public sector, it should be noted that they were all from national or federal jurisdictions and it was difficult to determine if any state or provincial Governments had successfully implemented a similar body.

It was difficult to determine why some non-parliamentary stakeholders were promoting the need for an ongoing Office given the role of the Office in a non-election period would be restricted to offering services to serving Members of Parliament, all of whom have access to their own research staff, Parliamentary Research, and the Parliamentary Library, as well as the Estimates Committee process.

I would like to acknowledge that a variety of opinions were expressed during the Committee's extensive deliberations, throughout the inquiry and especially in the consideration of the Committee's report. I wish to thank the Labor and Greens members in particular for providing such robust debate and to note that they presented an alternative view on a number of issues.

*Having considered the arguments both in favour and against the existence of a Parliamentary Budget Office, the Committee has made nine recommendations which we believe will give the Government an appreciation of what is required by those advocating its continued presence and by those who may believe it is an indulgence offered to Members of Parliament at the taxpayers' expense.*⁴⁷

The NSW Committee made nine recommendations:⁴⁸

1. *That parliamentary leaders be required to submit all of their publicly announced election policies for costing by the Parliamentary Budget Office*
2. *That the period of appointment for the Parliamentary Budget Officer commence on 1 October of the year prior to a State Election and conclude when the Officer's report is tabled in Parliament.*

⁴⁵ 'Parliamentary Budget Office 10th anniversary', Hon Julian Hill MP, Parliament House, Canberra (3 November 2022), https://www.julianhillmp.com/PBO-10-years_03112022.html [Accessed 18 June 2025]

⁴⁶ Canadian Office of the Parliamentary Budget Officer, CPB Netherlands Bureau for Economic Policy Analysis, UK House of Commons Scrutiny Unit and Scottish Parliament Financial Scrutiny Unit: see 'Submission' tab, NSW Joint Committee on the Parliamentary Budget Office, <https://www.parliament.nsw.gov.au/committees/listofcommittees/Pages/committee-details.aspx?pk=215#tab-submissions> [Accessed 18 June 2025]

⁴⁷ 'Inquiry into the Parliamentary Budget Office', NSW Joint Select Committee on the Parliamentary Budget Office (Report 1/55)(December 2011), <https://www.parliament.nsw.gov.au/ladocs/inquiries/1915/Inquiry%20into%20the%20Parliamentary%20Budget%20Office.pdf>, p.vi [Accessed 18 June 2025]

⁴⁸ See 'Government Response – Parliamentary Budget Office' (22 June 2012), <https://www.parliament.nsw.gov.au/ladocs/inquiries/1915/Government%20response%20to%20PBO%20report%2022%20June%202012.pdf>, [Accessed 4 March 2026]

3. *That the sole function of the Parliamentary Budget Officer be to prepare election policy costings.*
4. *That the operational plan of the Parliamentary Budget Office be provided as soon as practicable after the establishment of the Office.*
5. *That the Parliamentary Budget Officer be required to furnish a report on the activities of the PBO at the completion of his or her appointment, rather than an annual report.*
6. *That a single joint committee be appointed at the beginning of each Parliament to review the report and the activities of the Parliamentary Budget Office during the previous election period.*
7. *That the Parliamentary Budget Officer Act 2010 be amended to permit the Parliamentary Budget Officer to release more than one budget impact statement during the pre-election period.*
8. *That the Parliamentary Budget Officer Act 2010 be amended to provide greater clarity regarding the content of budget impact statements, and to provide resources to facilitate that clarity, and*
9. *That legislative provisions be considered to ensure that information or documents relating to costing requests and PBO costings of unannounced or withdrawn election policies remain confidential to the PBO and the parliamentary leader that has requested the costing. Such confidentiality provisions must extend to an order for papers by either House of Parliament.*

The Committee heard from Mr Clayton Barr MP (NSW PAC Member) as to whether there was a benefit in having a broader PBO, rather than the current time limited NSW PBO model (6 months before election and 3 months after):⁴⁹

CHAIR - ... *In Tasmania, the Treasury effectively work for the Government and are tasked under the Charter of Budget Responsibility Act and the Financial Management Act to produce the pre-election financial outlook. ... And all parties are expected to provide their costings. It's not mandatory. They don't. Often, things that are presented with no time to be costed—*

Mr WILLIE - *Some things are presented for costings.*

CHAIR - *Yes, some things are. Not everything.*

Mr WILLIE - *Usually very late.*

CHAIR - *When we've asked the Treasury about this, they've said it's very hard for them to cost an Opposition or a minor party costing, because they don't have all the information that they would have from the Government side. Do you think there is a benefit in having it broader, not just around the election times but also at other times, to enable other minor parties or Independents to ask the PBO to do some work on a*

⁴⁹ Section 7(1) (Term of office of Parliamentary Budget Officer) *Parliamentary Budget Officer Act 2010* (NSW) states 'The Parliamentary Budget Officer holds office for the period that is specified in his or her instrument of appointment. The period cannot extend for more than 3 months after the holding of the State general election for which the appointment was made', <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2010-083#sec.7> [Accessed 18 June 2025]

particular policy or a piece of legislation that's coming through that will have a financial impact?

Mr BARR - *Absolutely. That's kind of the nutshell of it, that independence at arm's length from a current government. If Treasury is your only other resource and Treasury is fundamentally working for the government of the day, if you're in opposition or crossbench, how much information do you want to share about what you're thinking about, that might then leak into the wider knowledge? Versus a Parliamentary Budget Office having the independence of that. Certainly, the Parliamentary Budget Office leans on Treasury a lot for information and examples of how they might better cost things, but the Parliamentary Budget Office doesn't release the nature of that inquiry, who's making that inquiry for what purpose. What we saw in the report from the Parliamentary Budget Office after the most recent election was Labor had requested about 120 or 140 costings to be done by the PBO, of which they ultimately only announced a handful, 10 or 15 or 20 of them, as election promises. There's a lot of work there that never makes it to the table, to the desk.⁵⁰*

Independence and Non-Partisanship

The OECD's Principles for Independent Financial Institutions Principle Two emphasises the importance of independence and non-partisanship:

2.1. Non-partisanship⁵¹ and independence are pre-requisites for a successful IFI. A truly non-partisan body does not present its analysis from a political perspective: it always strives to demonstrate objectivity and professional excellence, and serves all parties. This favours that IFIs should be precluded from any normative policy-making responsibilities to avoid even the perception of partisanship.⁵²

This in turn reflects on the relevant PBO's reputation and resultant confidence of the election costings that it may bring to the public forum. The Committee heard from Mr Jason Yat-Sen Li MP and Mr Barr MP as to their views on whether the NSW PBO is respected by the NSW community:

CHAIR - *Do you think the people of New South Wales have confidence in the PBO and the information they put out?*

Mr BARR - *I would say that as an Opposition, when we were making our announcements last year, one of the rods in our spine was we could stand up and say, "This has been fully costed by the PBO. The Parliamentary Budget Office have costed this, and this is the number." When the government of the day were attacking the number, it becomes the single line of defence, and everyone just has to move on.*

⁵⁰ Private Briefing: NSW PAC (17 February 2025), p.4-5

⁵¹ Non-partisanship should not be confused with bi-partisanship. Whereas bi-partisanship suggests a balance between political parties, non-partisanship necessitates an absence of political influence.

⁵² 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.2

CHAIR - *If you're out on the doors or campaigning in your electorate and you said, "This has been fully costed by the PBO", do they know what it is? I know not everyone would.*

Mr BARR - *No, they don't. Ninety-nine per cent of voters don't pay that much attention.*

...

CHAIR - *I'm just interested in whether there's a public confidence in it, being an independent body. You can explain what it is—do they say, "Rightio", or "We still don't believe you"?*

Mr BARR - *I think that's the line. The 1 percent of people who might actually have a view about "You said 1,000 extra nurses, but the other side are saying that's going to send us bankrupt"—it's independently costed by the PBO, they've told us we can afford this. "Who's the PBO?" "They're just an independent body that checks on all the election promises." "Oh, okay. Who do they belong to?" "Well, no-one. They're independent. They're not Labor or Liberal."*

Mr LI - *And it's fair, too. I remember in the last election, there was media commentary that we removed the wages cap that the previous Government had, and so there was media commentary from the PBO saying, "If you remove the wages cap, we're going to assume that public sector wages are going to rise by a certain amount. One per cent. And that's going to be an X billion dollar hit to the budget." And so, there was debate about that.*

CHAIR - *So, the PBO can put media releases out?*

Mr BARR - *This is why I think that there is a requirement that once a party makes an announcement, I think they have a requirement to respond or publish within seven or 14 days, or something like that.^{53 54}*

The Committee heard from Professor Bartos (most recent NSW PBO) who summarised two important benefits of having a PBO - eliminating budget black holes and more fiscally responsible bottom lines:

Prof BARTOS - *Two really important benefits for PBO, one is that one: you don't have that black hole problem. You know what things are going to cost in advance. Second huge benefit, unsung benefit, but it applies in both the Commonwealth and New South Wales, and that is that all sides of politics have an incentive to produce responsible policies because they know that the costs of those policies are going to become public. We had the terrific situation in New South Wales in the last election where both parties were competing to have the most fiscally responsible bottom line and -*

⁵³ Private Briefing: NSW PAC (17 February 2025), p.8

⁵⁴ Under section 22(2) (Public release of election policy costings) of the NSW *Parliamentary Budget Officer Act 2010*, the Parliamentary Budget Officer is required to publicly release an election costing request and the election policy costing when the parliamentary leader who requested the costing notifies the Officer that the policy has been publicly announced: there are no other statutory timeline compliance requirements for the release.

Mr EDMUNDS - It was a legitimate one because it had the backing of the PBO –

Prof BARTOS - Exactly.

Mr EDMUNDS - rather than just standing on a pulpit saying this is our figure.

...

Prof BARTOS - And that was absolutely the case. They were both trying to be fiscally responsible, do the right thing by the state budget. Having the PBO to run the ruler over their figures and keep them honest in that way was a real plus. I think what it means is that the policy suites that are advanced - in New South Wales case - in the election, but if you had an ongoing PBO at any time, are that [these are] much more responsible and well thought through. And the PBO's role is not merely costing. We've done other things that contribute to the understanding of the budget and how it works in New South Wales.

The other thing that we do, when a political party gives us a policy and asks us to cost it, is we first work out whether it's feasible, whether it's implementable. There have been many an occasion where we've looked at policies and said, 'Hold on, this actually can't be done, there's no legal basis for doing this; it can't be implemented in the form you've proposed', and sent it back to them with those comments. They have said 'Oh, we'll have to re-think that'. And they have re-thought it and they've thought of a better way of doing it. So, the costing process is not just numbers, it's about feasibility, 'implementability'.⁵⁵

Professor Bartos also added the following as a benefit of Tasmania having a PBO:

Prof BARTOS - ... I hope Tasmania does establish a PBO ... A lot of the experience in New South Wales has been overwhelmingly that having a PBO makes Government work much better. That, as a result of the PBO and some other really important integrity institutions like an ICAC⁵⁶ and Auditor-General and so on. The PBO is part of that suite of having independent integrity assurance that makes the Government much more trustworthy and reliable. It's a good thing to have.⁵⁷

The Committee heard from Mr Xavier Rimmer (Victorian Parliamentary Budget Officer) with respect to some of the features of the Victorian PBO – availability to all Members of Parliament, not advising on policy matters and the utilisation of memorandums of understanding (MOUs) between the PBO and Victorian public sector agencies:

Mr RIMMER - ... The Victorian PBO and how we fit into this context - I guess our objectives fall into three categories. There is relevance and value, client focus, and to be informative and influential. Around the relevance and value, we are required to provide an ongoing authoritative independent and credible policy costing and advice service. This is the bread and butter of what we do. We do it all through the parliamentary life cycle, including at election times, and we provide support to every member of parliament to do that.

⁵⁵ Private Briefing: NSW PBO (18 February 2025), p.24-25

⁵⁶ Independent Commission Against Corruption

⁵⁷ Private Briefing: NSW PBO (18 February 2025), p.26-27

We take the principle of being client focused to make sure we are delivering for those who are requesting the work of us and for whom we are set up to support. To do this it's about being timely, relevant and readily understandable. We really try to prioritise that 'readily understandable' - to take complex fiscal, financial and economic materials and make sure that it can be understood by an informed parliamentarian, but also by the broader public, to enhance that public understanding. This comes into the third one, to be informative and influential, where through our services we're required to inform policy development through public debate in parliament and across the Victorian community.

CHAIR - *On that, Xavier, ... do you work for the Government members?*

Mr RIMMER - *We are available to any member of parliament at any point in time. That's from the Premier down to an independent member of parliament. Without revealing individual requests we've had, many members have access to public service resources and perhaps are less likely to use our service, but yes, we are available to every member of parliament.*

There is a little bit of a conflict that some people sometimes identify in our legislation between that third objective and the requirement that we not develop policy. The idea here is that we inform policy development by providing greater rigour and transparency around how policy decisions are supported, and the evidence base produced for them. We do not develop policy or design policy elements. We leave the policy to the politician.

Mr BEHRAKIS - *You're very specifically not advising a policy: you're just providing information that then can be used to help inform?*

Mr RIMMER - *Exactly right. Our operating environment - we technically sit within parliament. We're not part of the public sector. It means we don't have a minister or member of parliament that we answer to. We report to the Public Accounts and Estimates Committee, but are not necessarily directly answerable to them, except under certain circumstances around my appointment and various other functions of the office. We have key stakeholders of government, opposition, other parties and independents.*

We work closely with the public sector, there is always a tension for PBOs around that where we must make sure we maintain the confidence of our members of parliament, but we also need to access the information and sometimes expertise that is housed within the public sector. At the moment, we are working on a memorandum understanding with the secretaries of the Victorian public sector agencies to enshrine that -

CHAIR - *You are doing that, like the Feds have?*

Mr RIMMER - *The Feds have done that, yes, and we have some memorandum [of] understanding. We're looking for round two of that, where we have a broader, almost universal memorandum of understanding like the Federal PBO has.⁵⁸*

⁵⁸ Private Briefing: Vic PBO (19 February 2025), p.3-4

Since 2012, the Committee notes the Commonwealth PBO has had a Memorandum of Understanding (MOU) with the Heads of Commonwealth entities in relation to the provision of information and documents.⁵⁹ The stated intent of the MOU includes:

The purpose of this MOU is to facilitate the formation of a collaborative, productive and collegiate working relationship between the Parties.

This MOU assists by supporting the ready and open exchange of information, documents, knowledge and views between the Parties. The MOU also outlines the roles and responsibilities of each Party.

In establishing this MOU, the Parties undertake to engage in a cooperative manner which supports the provision of high-quality advice and support to Australian Senators and Members of the House of Representatives, and which supports the maintenance and improvement of government systems.

Advisory Service

Unlike the NSW PBO, the Victorian PBO provides an advisory service to Members of Parliament. The Committee heard from Mr Rimmer with respect to what that advisory service entailed and how member requests were prioritised:

Mr RIMMER - *In addition to policy costings, we prepare advice. Policy costings I think are the well understood part of what we do. The advice is extremely broad. It's not clearly defined in our legislation in a tight way, but it's probably a benefit that it is relatively broad and speculative. We can provide a research report for a member of parliament on anything of an economic, fiscal or financial nature, it just needs to have some relevance to the State of Victoria. This function has been incredibly important in making sure we remain relevant to members of parliament across the parliamentary cycle.*

You may imagine that immediately after an election, politicians are not particularly interested in getting a whole bunch of policies costed. There's a period of settling into a parliament before that happens. There's a period of working out what you think your priorities are for the next term of parliament. The advice function being broader allows members of parliament to look to investigate and better understand policy areas before they start forming policies for costing. Honestly, it's dominating our service at the moment. We are doing overwhelmingly more advice pieces. They are much harder to do, they are much more resource intensive, but they seem to be much more highly valued by our client base at this point in time. I would expect in the next six months that will turn, and as we get towards a 2026 November election, we will shift very heavily into policy.

CHAIR - *Is that a creature of the fact that opposition parties and minor parties are working on their policies ahead of time to try and refine and get the advice they need*

⁵⁹ See 'Memorandum of Understanding between the Parliamentary Budget Officer and the Heads of Commonwealth Bodies in relation to the Provision of Information and Documents', Commonwealth Parliamentary Budget Office, <https://www.pbo.gov.au/sites/default/files/2023-03/MOU%20between%20Commonwealth%20bodies%20in%20relation%20to%20the%20provision%20of%20information%20and%20documents%20pdf.pdf>, [Accessed 4 March 2026]

about the economic modelling that might form their policy before they actually land on 'cost this'? Is that why that is happening?

Mr RIMMER - *Yes. That is one of the major reasons people request advice. Members do often request advice in and of its own basis. For example, there are times where members will request advice so that they can speak to a topic in parliament. They may not have a proposed policy in that space but they may wish to highlight an issue for parliamentary consideration, but frequently it is to better understand a policy area so they can form policy for an election or later.*

CHAIR - *How many members are there in the Victorian parliament?*

Mr RIMMER - *There's 40 in the upper House and 88 in the lower House.*

CHAIR - *So 120 odd. ... let's say half of them came to you with a request for advice about discussing the fiscal balance in the budget, .. or something like that. ... Is that the sort of thing you get? Wouldn't that be extraordinarily time consuming and repetitive?*

Mr RIMMER - *We do frequently get requests that probably are very similar to other members' requests. We might get a request for each style of analysis or a type of analysis from multiple Members of Parliament. We try to respond to that. We try to proactively identify where those areas are likely to be, develop internal models and then semi develop products so that we have an adaptable template of a kind of analysis that we can turn around relatively quickly.*

Nonetheless, all those requests, every request that we get, feeds into a prioritisation matrix which are several criteria governing how we apportion our resourcing. One of the critical ones is that we do push back with Members of Parliament and say, 'Where does this sit relative to your other priorities? Do you have a critical need for this? Do you have a timeframe in which you need this?' ...

...

Mr EDMUNDS - *The question I have about that is that obviously the genesis of these PBOs ... is to scrutinise the cost of the policies of not just parties of Government but 'What's this going to mean for this place?' Is there a concern when you're having to provided analytical support to inform a speech to the Parliament or something like that, that that might be work that could be done by the Leader's office of the Opposition, or -*

CHAIR - *Research service.*

Mr EDMUNDS - *Yes, parliamentary libraries? If it's starting to gobble up a lot of your resource ... is it a distraction from your core business?*

Mr RIMMER - *It can be. There is no doubt that we get requests that take us in directions that we would otherwise not go for any other piece of work for a corporate business piece of work.*

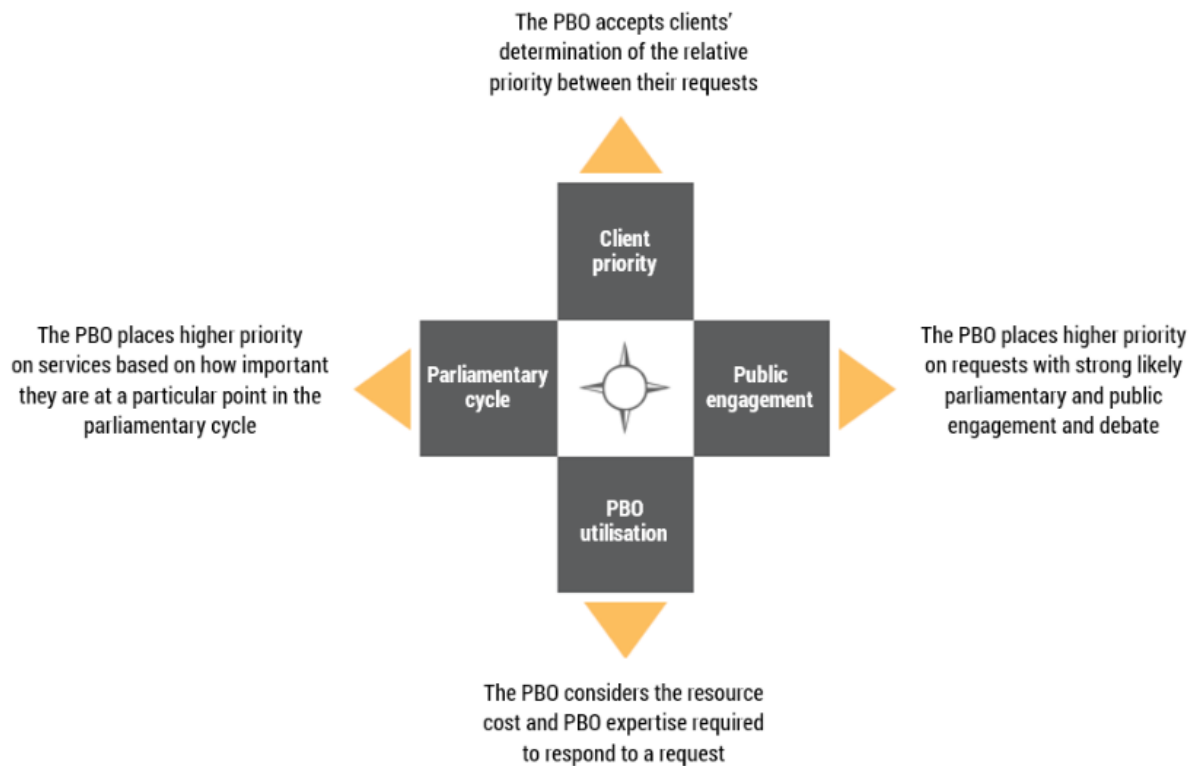
I think, though, the advice service, which can be used in that way, is so fundamentally important to our third objective about informing parliament and the broader Victorian

community. They get published regularly, those advice pieces, and it allows a more in-depth discussion on the topic. Costings are really valuable and they are really important in a transparency and accountability framework, but they are a bit contrived in the sense that they only include certain effects. They don't include second round economic effects, like if you raise this tax might another tax's revenue fall, that sort of economic thing.

...

Mr RIMMER - ... From our perspective, occasionally it is a bit of a distraction, but more often than not it allows us to build a really deep understanding of a policy area, so that when we are costing we do so from a greater point of confidence and expertise.⁶⁰

The Committee notes the Victorian PBO utilises a four-criteria priority framework to prioritise requests for their services and to maintain alignment between their activities and objectives. Prioritisation outcomes are an input to decision making by the Parliamentary Budget Officer and support the independent and non-partisan nature of the Victorian PBO:



The prioritisation ratings are available on the Victorian PBO website.⁶¹

Similarly, with respect to prioritisation of both individual Members of Parliament and committee work, the Committee heard the Commonwealth PBO perspective from Ms Reinhardt, Mr Gareth Tunks (Chief Operating Officer) and Ms Karen Whitham (First Assistant Parliamentary Budget Officer):

Mr TUNKS - ... What we do is we aim to have a really close relationship with all parties and individual parliamentarians. It's not just parliamentary representation that dictates

⁶⁰ Private Briefing: Vic PBO (19 February 2025), p.6-7

⁶¹ See 'How we prioritise requests', Victoria PBO, https://pbo.vic.gov.au/prioritisation_framework [Accessed 23 June 2025]

prioritisation, although that is one of the criteria. We also place a relative degree of importance on matters that are before the parliament. People in the early days associated with PBO with the election, and it was all about doing election costings and providing election costing service. As time has gone on, one of the things we've learned and seen more of, our work really sometimes relates to what's going through the parliament. So, the Government will have a budget, they will announce changes to tax policy, health policy, various areas. As those pieces of legislation move through the Parliament, non-Government parliamentarians may want to enter into negotiations. They might want to put forward their own alternatives to what's coming before the Parliament, and they like to have those ideas costed.

So, it is matters before the Parliament in any given sitting period that are driving our work between elections. One of the things we observed over history is that it used to be this ramp up to the election, and we still see a little bit of that, but the period between elections the work is at a much more higher and sustained level because they could see ... coming forward with those policy alternatives they could cost it.

We also carefully engage with parliamentarians to manage expectations and help them understand what we've got on our books and how long a piece of work might take.

The other thing that's useful is engaging them before they submit a costing to the PBO. In some instances, if they're looking to explore a particular deep dive into a particular policy area with lots of different options, we might discuss with them beforehand the types of things that they might submit. In the past where they've come up with a large number of options - sometimes parties or parliamentarians might say, 'Oh, look, we're really interested in tax reform'. So, they might come up with 20 different options of what they might do around personal income tax. At that stage, all they're looking for is a broad order of magnitude and some of them compare what those results might be. So, the level of effort and exactly how detailed we might go at that stage might be a bit higher than what we would do once it gets narrowed down to say the last two or three options. So, we might give them what might be considered indicative or ballpark type estimates when they're sitting at that 20 option level. Then, as they work through those and then we finalise what they're looking to do, they have their party deliberations around what do we actually want to do in this area.

This is where the distribution information can sometimes come in quite handy. That can be an understanding of what those impacts might be across different sectors in the community. They can come back with a smaller number of options and that's when we really start going into the detail.

In some instances, as I say, taking that approach creates space for us to still service independent parliamentarians because we're judging how much effort we put in at what stage or in some of the other work.

CHAIR - *So, what about parliamentary committees? Do you also get requests from them and how are they prioritised?*

Mr TUNKS - *We do get requests from committees and because that's the business of the parliament, they're prioritising quite high. Anything that we submit to a committee must eventually go public. So, a lot of our work that we do is confidential when it comes to our costing services and that's done because policy ideas when they're originally costed sometimes are at a pretty early stage. In the cut and thrust of politics, I think one of the ways to kill off a policy idea is to get it while it is early and so we need to be able to operate, and do operate, in a highly confidential environment.*

...

Ms REINHARDT - *.... We also prioritise Members of Parliament who haven't submitted large numbers. So, if we've got an independent who's not submitted before, we will prioritise doing that work. So, we do look in every way possible to try to meet all the demands of members of parliament.*

CHAIR - *So, if you have an independent member who submits every other week -*

Ms REINHARDT - *Yes. So, that would start to sit into the, 'Okay, what are your priorities given we've got limited resources'? How do we prioritise what's most important to that member? But we can't over commit to doing -*

CHAIR - *So, you can say, 'No we can't. We don't have the capacity to cost all those things.'?*

Ms REINHARDT - *Yes, we just say, look, we're going to have to do them in priority order. Rather than 'no', we will work through them. Whenever there are resources available, we'll get to them. But what is the most important thing to you? What is second?*

Ms WHITHAM - *So, in addition to the externally facing prioritisation framework, we do have regular engagement with parliamentarians to say, 'Hi, you have this many currently with us. Can you please prioritise these in order of importance for you?'. And we'll progress them in that order. That's one way that we can manage our resources and also manage their expectations.*

Ms REINHARDT - *We don't say 'no'; it's just it will take longer.*⁶²

The Committee notes the Commonwealth PBO has published information on the PBO costing process, the factors affecting the time it takes the PBO to respond to costing requests and the framework applied to prioritise competing demands for costing resources.⁶³

The Commonwealth PBO also have a range of data and tools to enhance user understanding of budget and fiscal policy settings and includes:⁶⁴

⁶² Private Briefing: Commonwealth PBO (18 February 2025), p.6-8

⁶³ See 'PBO costing processes, timeframes and prioritisation framework', Commonwealth Parliamentary Budget Office, <https://www.pbo.gov.au/for-parliamentarians/how-make-request/pbo-costing-processes-timeframes-and-prioritisation-framework> [Accessed 24 June 2025]

⁶⁴ See 'Data and Tools', Commonwealth Parliamentary Budget Office, <https://www.pbo.gov.au/publications-and-data/data-and-tools> [Accessed 24 June 2025]

Tool	Comment
Data portal	Consolidates all research report-related data into a single location for ease-of-access
Online budget glossary	Explains key terms related to the Commonwealth Government budget in a non-technical way
Build your own budget	An interactive educational tool to explore the impact of different economic assumptions and policy settings of your choice
Small Model of Australian Representative Taxpayers	An analytical tool that allows you to adjust various personal income tax policy settings
Public Debt Interest (PDI) Calculator	The calculator estimates the costs of servicing debt associated with hypothetical changes in the amount of Commonwealth Government borrowing
Fiscal sustainability dashboard	Interactive fiscal sustainability dashboard provides trajectories for gross debt using selected scenarios of key variables

Ms Reinhardt and Ms Whitham briefly discussed the Commonwealth PBO ‘Build your Own Budget Tool’:

Ms WHITHAM - For other members that don't know that tool, essentially you can go in there and say I'd like to try a different tax rate, or I'd like to know what would happen if productivity was in fact lower than it's built into the budget. It's quite powerful for members or anyone to go and go, 'How does the budget work? What if ...?'

Ms REINHARDT - I would just like to say again, which is so fundamental, that we do not see ourselves as a commentator on the budget. We really are about transparency and understanding and I think we add a huge amount of value there.⁶⁵

Challenges

The Committee heard from Mr Rimmer with respect to a summary of common challenges that PBOs may face:

Mr RIMMER - Finally, I wanted to highlight some challenges that PBOs can face. PBOs are very different across the world but they tend to face a common set of challenges. Reputation: reputation is hard won and easily lost. It's having a reputation for quality, for timelines, for expertise, but probably above all independence, for being outside the political frame, for correcting the record if you have to, for the language and the style and the presentation of your work to be factual and flat, while still trying to balance it to make it as engaging as possible to influence public opinion.

As I touched on earlier, rival services can be challenging, especially around the elections, because they can undermine the comparability of work.

Access to information: many PBOs and IFIs have reported that they have challenges in establishing relationships with public sector to make sure they can access the information

⁶⁵ Private Briefing: Commonwealth PBO (18 February 2025), p.10

they want. Things like refusal to provide information, over-confidentialisation of information, and over burdens and risks. There are also times at which public sector agencies may seek to cost share the development of information to provide to PBOs, and PBOs typically don't have the budgets to support that sort of thing.

...

Mr RIMMER - ... *Capacity is obviously a challenging one, and the number one mechanism we try to use to offset that is our prioritisation framework but also building and maintaining capacity.*

Also, relevance: every PBO is established to solve a local problem, but that local problem might be a function of time. The needs of Parliament and the needs of a public change over time and enshrining regular review and even legislative reform can be incredibly important. Putting a provision to make that happen proactively rather than requiring the Parliamentary Budget Officer to drive that, or a Committee.⁶⁶

Access to Information

The OECD's Principles for Independent Financial Institutions, Principle Six recognises the potential difficulty faced by an IFI in accessing information from government agencies:

6.1. There is often asymmetry of information between the government and the IFI - no matter how well an IFI is resourced. This creates a special duty to guarantee in legislation - and if necessary to reaffirm through protocols or memoranda of understanding - that the IFI has full access to all relevant information in a timely manner, including methodology and assumptions underlying the budget and other fiscal proposals. Information should be provided at no cost or, if appropriate, sufficient resources should be provided in the IFI budget to cover analysis obtained through government actuarial services.⁶⁷

The Committee heard from Mr Jason Li MP, Mr Barr MP and Ms Leong MP as to whether they were aware of any difficulties for the NSW PBO in getting information from government third parties:

Mr BEHRAKIS - ... *when there's blockages as far as getting information from agencies or departments, is it a "We're too busy, we'll get to you when we get to you", or are there arguments about what information the PBO gets given by departments? Is there an obligation to provide information to the PBO? Or is that all up for debate or negotiation within agencies and the PBO?*

Mr BARR - *My recollection and sense is there is an obligation. It's not "Do we need to do this?" But my other recollection of the report was sometimes it was difficult, within a department, finding who within that department would have enough knowledge to give it a costing, because these departments can be so massive and complex. Sometimes, finding the right person was difficult.*

⁶⁶ Private Briefing: Vic PBO (19 February 2025), p.22

⁶⁷ 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.3

Ms LEONG - But it was about who has the authority. It's basically the person that has the detailed information may not be the person who then has the authority to say, "I can give that information." It wasn't that anyone was blocking it, it was "I know that you've got that information", but actually, to get through that process there has to be a sign-off through someone at a more senior level to share it back -

Mr BEHRAKIS - And it spends a week on someone's in-tray –

Ms LEONG - There was not in any way an active blockage. It was more the idea of who has the ability.

Mr LI - This is all in the Act. It says:

*The Parliamentary Budget Officer may at any time make a request for information from the head of any Government agency to assist the office in the preparation of a costing of election policy. The head of the Government agency must respond to this request within 10 business days if it's [before] caretaker period, or six business days if the request is made on or after the commencement of the caretaker period. The head of the Government agency is not required to provide information response if there is an overriding public interest against the disclosure of the information.*⁶⁸

CHAIR - Who judges that?

...

Ms LEONG - I think, from memory, on the report that we had the issue was you go to the head of the agency, but actually, the time lag between that and then how that works is a challenge in terms of what information is released. It's not an obstruction; it's more just bureaucracy.⁶⁹

The Committee notes the 2023 NSW PBO Post Election Report found the following with respect to improving agency response times for information requests:

Finding 4

The PBO should agree shorter deadlines with agencies within the ten-day and six-day statutory timeframes for information returns where the information is readily available.

3.7 The parliamentary leaders expressed frustration to the PBO on the slowness of information being supplied to the PBO on some costings. To be clear, this was not the case for more complex costings where the leaders and their staff generally understand that information can be difficult to assemble and needs close checking for accuracy. The concern related to costings where it appeared that the request was a relatively simple one to fulfil and information was readily available.

3.8 The limit for information returns from agencies is ten business days if the request is made before the commencement of the caretaker period, or six business days if the

⁶⁸ Section 16 *Parliamentary Budget Officer Act 2010* (NSW)

⁶⁹ Private Briefing: NSW PAC (17 February 2025), p.16-17

request is made on or after the commencement date of caretaker. The PBO notes that pre-caretaker, some agencies provided information only at the ten-day time limit, regardless of whether the information was simple or complex. This is shown in Figure 11 (see Appendix 3 – Information requests), where the highest number of information returns were provided to the 2022-23 PBO on the tenth day – a trend also noted in 2018-19.

3.9 As the PBO often has to seek clarification or further information from the agency after the initial return, this resulted in costings taking longer to complete and return to parliamentary leaders.

3.10 To minimise the total time taken to complete costings, it is important that agencies return information to the PBO as soon as possible. The PBO aims to complete most costings, aside from complex ones, within two to five days. Any assistance agencies can give to meet this target is appreciated. This issue is important for leaders' confidence in the professionalism and competence of the public service.

3.11 The principle also applies to obtaining approval from agency senior executives. In the case of some agencies, the PBO understands the delay in returning information was due to lengthy internal approval procedures rather than the process of gathering the information itself.

3.12 Accordingly, the PBO encourages agencies to treat the statutory limits as the maximum response time if needed, rather than a standard response time. The PBO's operational plan should include clear advice to agencies that these statutory time limits are not a deadline but a limit.

3.13 From an agency point of view, part of the problem was that the PBO often asked for the information "as soon as possible" in its requests. Some agencies (see Appendix 5 - Stakeholder feedback) said this was too vague and they would welcome the certainty of being given a specific deadline within the statutory timeframe.

3.14 It is often difficult for the PBO to nominate the appropriate deadline within ten days in the initial information request before having discussed the request with the relevant agency. Where the PBO establishes with an agency that information it seeks is readily available the PBO should set a shorter deadline for the information return.⁷⁰

The Committee also heard from Mr Rimmer with respect to the Victorian PBO dealing with barriers to getting information from public sector entities including Parliamentary committees seeking policy costing advice:

CHAIR - *If you run up against barriers that you believe are unreasonable - like it's not a clearly commercially sensitive bit of information that you're seeking, or saying that it may reveal Cabinet deliberations, for example, you just felt you were being not provided the information that you really should be - would you report that? How would you deal with that?*

⁷⁰ '2023 Post-Election Report' NSW Parliamentary Budget Office (30 June 2023), p.24-25 as attached to 'Report on the Parliamentary Budget Office 2023 Post-Election Report', NSW Legislative Assembly Public Accounts Committee (Report1/58) (November 2023)

Mr RIMMER - There are two circumstances in which we'll talk about not getting access to information or getting access to information and not being able to use it in a way that is publicly digestible. If it prevents us from answering a question, if there is no alternative strategy to answer that question, we'll write a letter to the requesting member of parliament, a statement of insufficiency, saying, 'We cannot do this and these are the reasons'. That reason might be because we've sought this information and we're refused it, or we've sought this information and it was provided on a confidential basis, we do not have a mechanism to move forward with that piece of work. We would tend not to have a judgment around the appropriateness of that. Frequently, it's hard for us to form that kind of judgment because you can't tell how confidential something should be if you never see it. That's a bit of a challenge.

In a piece of work, we might talk about how we costed something, and we might talk about the use of publicly available information. We may also say we sought this information from the department but at the time of providing this response they had not responded, or they had marked it as confidential, or they had declined to respond. We will arm the member with that information but not a judgment around that information.

CHAIR - On the occasion that they might say, 'We'll provide you with this information but it's confidential. You're not to share it with the requesting member or Committee', the Committee can request it directly themselves. They have other powers. If that's the case, can you use it to inform - if there's a way of costing the policy without revealing that data?

Mr RIMMER - Yes, 99 times out of 100, and it's incredibly valuable. What we will frequently do is we will get that information. We might model the policy on the basis of that information, seek alternative information sources to model it, and use it as a validation check to make sure our public and usable model is producing appropriate results, or at least appropriately approximate results. Where we have an inconsistency between those two or a bearable inconsistency, we'll talk about the uncertainty of that in our costing. Yes, as a validation tool it's incredibly valuable. My view is always that I would rather have many times had information provided to me that I can't disclose. It's enormously more valuable than being told you just can't have something.⁷¹

Confidentiality

The OECD's Principles for Independent Financial Institutions, Principle Six also covers safeguarding of confidential information:

6.2. Any restrictions on access to government information should also be clearly defined in legislation. Appropriate safeguards may be put in place⁷² as regards protection of privacy (for example, taxpayer confidentiality) and of sensitive information in the areas of national defence and security.⁷³

⁷¹ Private Briefing: Vic PAC (19 February 2025), p.25-26

⁷² For example, security clearance for IFI staff.

⁷³ 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.4

The Committee notes that all Australian PBO legislation has confidentiality provisions that deal with the disclosure of confidential information or documentation:

- Section 17 (Confidentiality of information or documents relating to election policy costings) - *Parliamentary Budget Officer Act 2010* (NSW)
- Section 64V (Confidentiality) – Parliamentary Services Act 1999 (Cth), and
- Section 19 (Confidentiality requirements for PBO officers – general) - *Parliamentary Budget Officer Act 2017* (Vic).

The Victorian *Parliamentary Budget Officer Act 2017* (see section 20) also prohibits a PBO officer (past or present) from providing or disclosing any protected information to a lower court or an authority or person who has the power to require the production of documents or the answering of questions.

Confidentiality requirements for PBO officers— courts, tribunals and other authorities

(1) A person who is or was a PBO officer must not provide or disclose any protected information to or in a court or a tribunal, or to a relevant authority, except—
(a) for the performance of the functions or exercise of the powers of the person or the Parliamentary Budget Officer under this Act; or
(b) as is otherwise authorised or required by or under this Act. Penalty: 50 penalty units.

(2) A person who is or was a PBO officer must not provide or disclose to or in a court or a tribunal, or to a relevant authority, any information or document given to the Parliamentary Budget Officer if the public sector body Head who gave the information or document requested under section 26(4) that it be kept confidential. Penalty: 50 penalty units.

(3) In this section—
court does not include the Supreme Court;
relevant authority means an authority or person who has the power to require the production of documents or the answering of questions

The 2022-23 NSW PBO Post-Election Report noted one breach of confidentiality. This was an internal breach, where a PBO staff member accidentally sent a Government policy costing request to the Opposition, seeking further information about implementation details of that policy.⁷⁴

The Committee heard from Professor Bartos with respect to the vital importance of maintaining confidentiality and some of the challenges that this has posed:

Mr EDMUNDS - ... One of the things that struck a few of us, I think, in talking to the people in New South Wales and here today as well, is the way they talk about the confidentiality being kept. A flawless track record of keeping watertight in terms of leaking and things like that. I'd be interested in the induction and how you have managed

⁷⁴ See '2023 Post-Election Report' NSW Parliamentary Budget Office (30 June 2023), p.29 as attached to 'Report on the Parliamentary Budget Office 2023 Post-Election Report', NSW Legislative Assembly Public Accounts Committee (Report1/58) (November 2023)

that, particularly when you are sort of cherry-picking people in and out, that has been the case. ...

I am sure here it is the same but obviously there's something that's being done well by New South Wales and here to keep that confidentiality around, that it doesn't get leaked that Liberal or Labor's got this absolute brain fart of a terrible policy and everyone finds out that and it really kills it before it even gets a bit of scrutiny on it.

Prof BARTOS – *Confidentiality is a critical part of how the PBO operates. No party would use the PBO to cost its policies if they thought there was a chance that those could leak into the public domain or even worse, go to the other side of politics before they were ready.*

Mr BEHRAKIS - *So, likewise, departments wouldn't be open with giving information to the people if they couldn't trust the PBO would be sensitive. It works both ways.*

Prof BARTOS - *Now confidentiality is built into the act, so the New South Wales PBO Act does contain strong provisions about keeping information confidential. ...*

One of the other things that I have done in the past three elections is very early on had a meeting - New South Wales has regular meetings of all the Secretaries of departments - go along to that talk about the PBO has been set up and why confidentiality is absolutely vital. They all get it. They understand it completely.

But it's always worth emphasising with the PBO staff, they sign a separate bit of paper agreeing to confidentiality. We also try to reinforce it in the induction process. We talk anecdotally about things where there are potential breaches of confidentiality. There was one occasion, not last election but the one before, where one of our staff was talking with a former colleague back in their old department who asked what are you working on? They innocently said - they didn't give any details of what they were working on, they just said the general policy area. But that was enough for the person back in the department to tell their minister that someone in the PBO is working in this policy area.

...

Prof BARTOS - *Yes and, I mean, staff are smart. They put two and two together and said what if they're working on this? We better get out our policy on this before the other side does. So, it didn't give away any confidential information, but it did change timing.*

Mr BEHRAKIS - *... when you've got people that are seconded from departments aside from the regulations and rules around confidentiality, are there specific considerations as to how people draw a line under one job? They might come from Treasury or from whatever Government department, they're with you for however many months, and then they're back to their department - and drawing a line above and below that. Is there particular sensitivities and concerns around how to do that effectively and how to minimise those risks?*

Prof BARTOS - *Yes. We do emphasise strongly that one of the key things that the PBO does is costs policies that might be ill advised or stupidly unaffordable. Those are the*

ones that you definitely never talk to people about, including after you've left the PBO, because that can be damaging.

I also think that that is one of the most valuable functions of the PBO. It's not the things that we publish because they're all sorted through and people are comfortable that they cost the right amount and they're comfortable with releasing them. It's the ideas that they've put up and we've done our work on them, and they've said, 'Oh, we'd better rethink that. That's not a good idea', and they have put them aside. We put them aside, and those are never to be revealed ever. That's a very strong norm. I don't think there's any practical way of ensuring that people would never reveal that, but the way we do it in New South Wales PBO is a really strongly part of the culture of the PBO. What we try to do in the New South Wales PBO is establish a separate PBO culture.

For that reason, I have all the staff of the PBO all working in the one office, including myself. We're all together in a big, open plan area. People talk with each other all the time. They communicate with the other PBO staff. They therefore sort of get inculcated with that kind of PBO ethos. It's interesting, actually, it only takes, I think, two or three days for people to think of their old department as not their department anymore at all.⁷⁵

The Committee notes that all Australian PBO jurisdictions have exemptions under their relevant 'freedom of information' legislation.⁷⁶ The Committee heard from Professor Bartos with respect to the NSW exemptions and how confidential data is stored between elections:

Mr WILLIE - *What happens with all the records? Is there a carve out of the Freedom of Information laws ...*

Prof BARTOS - *Yes, so the PBO is exempt from the New South Wales equivalent which is called GIPA [Government Information Public Access Act 2009] and the information - look, we don't do the IT, our own IT. This is part of how the New South Wales PBO operates. HR, payroll, IT, all those back-office functions are all done by the Department of Parliamentary Services and I would hope that they are keeping all of that information confidential. I know you can't access it.*

CHAIR - *But someone can. There's always someone who can access it.*

Prof BARTOS - *Someone in the Department of Parliamentary Services can probably access it, yes.*

CHAIR - *But you're very confident that it's locked down tight enough because it has to sit there for 2 1/2 years, 3 1/2, whatever it is.*

Prof BARTOS - *Yes, in fact, we do get access to it when the PBO is reconstituting, because often what will happen is that the same policy will come up again and we go back to the records and see, did we cost this previously? So, the PBO staff get their access to this information reinstated. It must be possible to do it somehow. Somebody in*

⁷⁵ Private Briefing: NSW PBO (18 February 2025), p.6-7

⁷⁶ See s 14 (Public interest considerations against disclosure) Government Information (Public Access) Act 2009 (NSW), s 56 (Exemption from freedom of Information Act 1982) Parliamentary Budget Officer Act 2017 (Vic) and Schedule 2 Freedom of Information Act 1982 (Cth)

the IT area does this. So, we're reliant on the parliamentary department to actually keep that information confidential. There's been no hint even of any leaking or breaches of it.

...

Mr SHELTON - *My question is around that, and because you are a subject of the Parliament ... if there's a breach ... who monitors that? Is it the parliament or is it your job, that breach of security?*

Prof BARTOS - *Were there any breaches of security and I was in the job at the time, it would be my job to deal with it. Outside of the period during which the PBO's appointed it would be up to the head of the Department of Parliamentary Services in New South Wales to deal with it. But ultimately, as PBO, I reported to the two presiding officers –*

...

Prof BARTOS - *... and they take advice from the Clerks. The other thing I did, of course, is that I made very sure to have very good relations with the Clerks ...*

...

Prof BARTOS - *... being on good terms with the Clerks is important. They would ultimately, if there's a breach of security in relation to IT, it would be up to the Department of Parliamentary Services to be responsible for that as the people who look after the IT.*

*Our record on confidentiality has been really good. There's never been a hint of any breach ...*⁷⁷

With respect to the importance of maintaining confidentiality, the Committee heard from Ms Sam Reinhardt (Commonwealth Parliamentary Budget Officer):

Ms REINHARDT - *... I say the essential thing, getting the resources right, which doesn't mean big, it means well connected and the right people having data and engagement with departments so you get that data. Confidentiality - we see that as a really high priority. To give you an example, we don't treat just our costing requests and information requests as confidential within parties. If a parliamentarian comes to us and identifies they are requesting on their own behalf, we don't share that across parties as well. I think that's really important as well. We don't speak out in the media unless there is an issue where we feel we need to clarify if we've been misrepresented. That is a useful tool for PBOs to have. We try as much as possible not to use that tool. So, we'll always go to parliamentarians first and say we're a bit worried about what's in the media, we seek a clarification from you, or some way of resolving that. And independence.*⁷⁸

Misrepresentation

Only the Victorian and NSW PBO jurisdictions give the explicit power to the Parliamentary Budget Officer to correct misrepresentations.⁷⁹ Notwithstanding, since 2012 the Commonwealth PBO has put out four media releases correcting the record.⁸⁰

⁷⁷ Private Briefing: NSW PBO (18 February 2025), p.7-9

⁷⁸ Private Briefing: Commonwealth PBO (18 February 2025), p.3-4

⁷⁹ See s52 (Correction of misrepresentations) *Parliamentary Budget Officer Act 2017* (Vic) and s22(3) (Public release of election policy costings) *Parliamentary Budget Officer Act 2010* (NSW)

⁸⁰ See 'Media Releases', Commonwealth PBO, <https://www.pbo.gov.au/publications-and-data/publications/media-releases> [Accessed 20 June 2025]

The Committee heard from Professor Stephen Bartos (former NSW PBO) on a case of a misinterpretation that he was obliged to correct:

Prof BARTOS - *The one area of controversy has been what we do in the case of a misrepresentation of the PBO by one or other of the major parties. This is a big issue and came up in the last election, where if one or other party says that the PBO has said - so the government says that the PBO said the opposition's policies will cost \$10 billion and they don't, we don't want the PBO's name besmirched and we have to correct that misrepresentation.*

In the last election there was actually an interesting case. The Treasurer took some PBO figures, used it to attack a Labor Party policy and said that the Coalition policy was more affordable. What the Treasurer said was all accurate, but his party office took some bits of it out of context, turned them into a slogan, and then attributed that slogan to the PBO, which was wrong. We had to correct that and we had to correct that publicly. They were upset by that because they said, you know, this will be used politically against us. We said, yes, but you shouldn't have attributed a political slogan to the PBO and so we corrected that.^{81 82}

Mr Rimmer also commented on the Victorian PBO's power to correct misrepresentations under section 52 of the *Parliamentary Budget Officer Act 2017* (Vic):

Mr WILLIE - *How do you navigate attempts to politicise the PBO? I could imagine it would be opposition members saying that that Government policy is not right, we will get the PBO to cost it and give us a different figure, and then they drag you into a debate.*

Mr RIMMER - *I will never cost another party's policy for someone else, because I don't know every parameter of that policy. If you came to me and said, 'Could you cost the Government's policy?' I would say, 'You just have to tell me what the policy is, I'll cost that policy. If you want to characterise that as the Government's policy, that's up to you'.*

Mr BEHRAKIS - *If an opposition member said, 'I've got this policy, it's entirely my idea', and then all policy settings are exactly what Government announced, you would -*

Mr RIMMER - *We would cost that. We have a function under our legislation where we can correct the record. We've never had to do it because of the relationship that we built with our client base, but we would entertain correcting the record if someone said, 'The PBO says the Government's policy is going to cost this'. We would disagree with that characterisation of our work, and we would do so publicly if necessary.*

It is a topic that has potentially reared its head in the past, but through client relationship management we have managed to ensure that it hasn't happened. I think it speaks to the importance of developing really close personal working relationships across the Parliament to make sure we can head that sort of thing off.

⁸¹ Private Briefing: NSW PBO (18 February 2025), p.4

⁸² For a fuller account of this matter see '2023 Post-Election Report' NSW Parliamentary Budget Office (30 June 2023), p.76-83 as attached to 'Report on the Parliamentary Budget Office 2023 Post-Election Report', NSW Legislative Assembly Public Accounts Committee (Report1/58) (November 2023)

From time to time though, our work is politicised. My view is, I will only correct the record if there is a mischaracterisation of our report. I will not enter into a conversation about the politics of the implications of our work.

One of the legislative mechanisms that is really useful to me in being able to do that in a defensible way is that we are not allowed to comment on the merits of policy, either the existence or the absence of a policy. Therefore, if someone wants to say, 'The Government policy is a bad idea because of this', I have no judgment on that. I only have a judgment on the fiscal impact of that policy. You have to walk a fine line at times. Having that function, that ability to correct the record at your discretion is important to building the relationship.⁸³

The Committee noted that section 53 of the Victorian act prohibits the PBO from questioning the merits of policies that are or have been the subject of requests for policy costings.

The Committee also noted that the Commonwealth PBO provides the following advice with respect to their treatment of policy costings:

A costing is an assessment of how much a policy proposal, if implemented, would change the budget surplus or deficit.

A PBO policy costing:

- *is an impartial and independent estimate of the financial impact of a policy proposal on the budget, produced on a comparable basis to a costing that the government might publish in the budget*
- *is not an assessment of the merits of a policy, and does not provide policy advice or recommendations*
- *does not assess any economic impacts except those on the Australian Government budget and does not assess the non-financial impacts of a policy.⁸⁴*

Relationship Building

Mr Rimmer shared his experience with respect to building relationships with other public sector entities:

CHAIR - *Has it taken a while for you, as an incoming PBO when you did come in, to build those relationships? Is that a challenge?*

Mr RIMMER - *I had the challenge of building those relationships several years ago. I had the benefit of spending five years in the Victorian PBO under my predecessor. I was his deputy for most of that time. That being said, those relationships really are at a PBO/ Secretary level, at least initially, and they kind of have to be to some extent. I have spent*

⁸³ Private Briefing: Vic PBO (19 February 2025), p.7-8

⁸⁴ See 'Guide to reading PBO costings' (18 June 2025), Parliamentary Budget Office, [https://www.pbo.gov.au/about-budgets/budget-insights/guides-budget-and-costings/guide-reading-pbo-costings#:~:text=Any%20parliamentarian%20\(or%20parliamentary%20committee\)%20can%20request%20policy%20costings%20from,is%20provided%20to%20the%20parliamentarian.,](https://www.pbo.gov.au/about-budgets/budget-insights/guides-budget-and-costings/guide-reading-pbo-costings#:~:text=Any%20parliamentarian%20(or%20parliamentary%20committee)%20can%20request%20policy%20costings%20from,is%20provided%20to%20the%20parliamentarian.,) [Accessed 25 March 2026]

*a fair bit of the energies of most of my first year really trying to build those personal relationships with Secretaries to improve the quality of information supply and the quality of discourse between the organisations. It takes a little bit of time, but I think it's one of those things that, so long as you go into it in a good faith manner, it tends to be productive and it tends to be a good use of your time.*⁸⁵

Unlike NSW whereby both major parties are required to go through the PBO for election costings, Victoria still has a dual track system in place. The Committee heard from Dr Caroline Williams (Executive Officer, Victorian PAEC) and Dr Gatt Rapa:

Dr WILLIAMS - ... *With regards to pre-election reports, each parliamentary leader can request a budget impact statement which is an independent assessment of the impact of their party's election policies, individually and in aggregate on the forward Budget Estimates. Parliamentary leaders can decide which of their policies will be included and whether they want that piece of work to be release publicly by the PBO.*

For the 2022 election, which is the most recent election, there were four parties that requested this work be done, and the PBO's findings were subsequently published on the website. The Labor Party, Victorian division, prepared and publicly released its own financial statement on 24 November [2022] which was reviewed by the Department of Treasury and Finance for reasonableness. You can see we still have this sort of two-track system running in Victoria.

Mr WILLIE - *Just on that, does the Government of the day lose access to Treasury in the caretaker period?*

Dr WILLIAMS - *They do, yes.*

Mr WILLIE - *Then they're obviously well-prepared so they don't have to rely on the PBO at that time?*

Dr WILLIAMS - *Yes. They go into a caretaker mode and all public servants are advised of their responsibilities in caretaker mode. Government still uses DTF⁸⁶ and the Opposition parties tend to have - historically they have private firms doing the costings or someone else, they wouldn't necessarily go into Treasury.*

CHAIR - *On the legislation that guides some of this, we've got in Tasmania the Financial Management Act and the Charter of Budget Responsibility Act, and both of those acts have provisions in them around the election period. I assume it's the same here, there's similar sort of provisions about costing of policies and timeliness. Ours is not mandatory, it's more a voluntary thing, and most policies just never see the light of day until right at the end or afterwards. In that case was there consideration given to remove some of those provisions in the other financial management legislation or your budget responsibility legislation when the PBO came in, so you didn't have that sort of dual process?*

⁸⁵ Private Briefing: Vic PBO (19 February 2025), p.25

⁸⁶ Department of Treasury and Finance

Dr WILLIAMS - There probably was. I haven't delved back into the debates that far; I've taken the legislation as written and then gone 'Okay this is what we have, this is sort of what we're running with', and then the parties do what they want to do with what is available to them. Probably if you looked at the debates when Clark⁸⁷ was in Government you would have seen the various models that they were entertaining. Some of the debates captured in Hansard would tell you about all the different combinations that they considered. We have a standalone PBO act now. It's pretty comprehensive.⁸⁸

Mr Rimmer also shared his views with respect to the relationship between the Victorian PBO and Treasury around this dual system:

Mr SHELTON - The relationship between the PBO and Treasury? A lot of information has to come out of Treasury. They're the Government. You've been there as a Deputy as well. Particularly in the early days, was there any animosity between you and the Treasurer, or is this just another organisation that's 'We can do all this and we don't need them'? How has that panned out over the years?

Mr RIMMER - It's an interesting question. Early on the relationships was fantastic. When we were first set up there was this real supportive relationship in both directions. Some of the most important staff we had in terms of setting up the office were two secondees we obtained from Treasury who were incredibly professional in working with us and took their independence while seconded seriously. They were fantastically supportive of us and of building the function.

The relationship became a little strained after the election over time as our work primarily focused on parties outside Government. There were pressures that were brought to bear perhaps, pressures that were felt by Treasury about a conflict between providing us information and their requirement to serve the government of the day. There were times where there was a bit of tension there, but I don't think it is fair to say that it ever resulted in a proactively hostile relationship or a relationship in which Treasury would choose to not provide information that they would otherwise have deemed appropriate. Maybe it wasn't the most collegial relationship at every point in time, but in function we got what we sought. There is certainly a better relationship where we are today, and that reflects the investment of the last year and trying to overcome the barriers we face.

Mr SHELTON - I take the point ... when Josh mentioned that why wouldn't Treasury want as accurate as figures coming out of the opposition as they can, because at the end of the election they could be the government and therefore using those same figures.

Mr RIMMER - My recollection of the time when government has changed, at the Federal level where there was an Australian Parliamentary Budget Office to provide costings, incoming governments had their policy costings, they walk into a public service and they don't expect to say, 'Recost our policies for us and tell us whether or not they're doable'. They walk in and say, 'Here's how much money you are getting to do this thing

⁸⁷ Hon Robert Clark (former Victorian Liberal Attorney-General, Minister for Finance and Minister for Industrial Relations

⁸⁸ Private Briefing: Vic PAEC Secretariat (19 February 2025), p.5-6

we said we were going to do, because we said it would cost this much'. Ensuring that a PBO provides good, reasonable, robust estimates means a public service will face the implications of delivering policies that are deliverable.⁸⁹

Committee Findings

- F7. Based on the function and role of existing independent fiscal institutions including parliamentary budget offices, a Tasmanian Parliamentary Budget Office could independently:
- a. cost proposed policies for members of Parliament, improving policy development, accountability and transparency, and
 - b. cost election commitments, assisting Tasmanians to understand the financial implications
- which has the potential to inform decision making, enhance fiscal discipline, and raise the quality of public debate related to individual policies and State finances.
- F8. Evidence received from Members of Parliament who have access to a Parliamentary Budget Office expressed support for a Parliamentary Budget Office.
- F9. Independence and non-partisanship are key pre-requisites for a successful Parliamentary Budget Office, including the Parliamentary Budget Officer not being a current public servant.
- F10. Memoranda of understanding between a Parliamentary Budget Office and public sector entities assists in developing strong relationships and access to information.
- F11. The Commonwealth and Victorian Parliamentary Budget Offices have published priority frameworks to prioritise requests for services.
- F12. The Commonwealth Parliamentary Budget Office has developed a range of data and tools to enhance user understanding of budget and fiscal policy settings.
- F13. Some challenges faced by Parliamentary Budget Offices include consistent access to information, agency response times for information requests, ensuring confidential information is protected, dealing with misrepresentation, relationship building, and recruitment of skilled staff particularly during election periods.
- F14. The legislation in Victorian and NSW Parliamentary Budget Offices give the explicit power to the Parliamentary Budget Officer to correct misrepresentations of Parliamentary Budget Officer reports.

⁸⁹ Private Briefing: Vic PBO (19 February 2025), p.29-30

F15. The Victorian Parliamentary Budget Office proactively monitors election commitments weekly which supports improved election commitment tracking and enhances transparency.

F16. All Australian Parliamentary Budget Office legislation includes confidentiality provisions that deal with the disclosure of confidential information or documentation.

Most Appropriate Model for Tasmania

With respect to mandate, the OECD's Principles for Independent Fiscal Institutions, Principle Three recommends:

3.1. The mandate of IFIs should be clearly defined in higher-level legislation, including the general types of reports and analysis they are to produce, who may request reports and analysis, and, if appropriate, associated timelines for their release.

3.2. IFIs should have the scope to produce reports and analysis at their own initiative, provided that these are consistent with their mandate. Similarly, they should have the autonomy to determine their own work programme within the bounds of their mandate.

3.3. Clear links to the budget process should be established within the mandate. Typical tasks carried out by IFIs might include (but are not limited to): economic and fiscal projections (with a short- to medium-term horizon, or long-term scenarios); baseline projections (assuming unchanged policies); analysis of the executive's budget proposals; monitoring compliance with fiscal rules or official targets; costing of major legislative proposals; and analytical studies on selected issues.^{90 91}

The Committee notes the 2023 NSW PBO Post Election Report compared the functions and operations of six IFIs:

- NSW PBO
- Victorian PBO
- Commonwealth PBO
- UK Office of Budget Responsibility (UK OBR)
- Canadian Parliamentary Budget Office (Canadian PBO), and
- Netherlands Bureau for Economic Analysis (NCPB).

The comparison table is reproduced at [Appendix 1](#).

Full-time vs Part-time Parliamentary Budget Officer Function

The OECD's Principles for Independent Fiscal Institutions, Principle Two recommends 'the position of head of the IFI should be a remunerated and preferably full-time position'.^{92 93}

The Committee noted that with respect to the NSW PBO, only a parliamentary leader (defined as the Premier or the Leader of the Opposition), can formally request the PBO to cost election policies.⁹⁴

⁹⁰ According to the OECD, other functions are carried out by well-established IFIs, such as costing of election platforms by the Netherlands Bureau for Economic Policy Analysis, or programme evaluation by the Korean National Assembly Budget Office.

⁹¹ 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.3

⁹² According to the OECD, there are exceptional cases in which a part-time position may be considered sufficient, for example if the IFI has a strictly defined and limited work programme or if another institution provides complementary functions which impact on the workload of the IFI. In Sweden, the Fiscal Policy Council can use the macro-fiscal forecasts prepared by another well-established independent agency, the National Institute of Economic Research.

⁹³ 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.2

⁹⁴ See section 18(1) *Parliamentary Budget Officer Act 2010* (NSW)

The Committee heard from Mr Li, Mr Barr and Ms Leong (NSW PAC Members) whether there was any benefit in having a full-time NSW PBO versus their current limited tenure PBO:

CHAIR - *If you thought, as PAC chair and deputy chair, that there was value in ... consideration [been] given to extending far beyond the six months before an election. What would be the process ...? How would you go about that and hope to achieve it?*

Mr LI - *Politically and practically, the chair of the PAC would probably go—it's a little bit unusual in the sense that, historically, the chairs of PACs have not been government members, but as a member of the Government, both Clayton and I would probably take it to the Government, take it to the Treasurer. "What do you think about this?" If there's not a hope in hell that it's going to go anywhere, then we'd need to decide if there's a point in actually going public, or is it better to try and work behind the scenes to make it happen.*

Mr SHELTON - *If it was to happen, it would have to be a scaled-down version for 3½ years.*

Mr BEHRAKIS - *And then you ramp up.*

...

CHAIR - *Do you have a view on that, being a minor party person?*

Ms LEONG - *Absolutely I have views on the Parliamentary Budget Office. I think that the real challenge is the consistent challenge around the idea of trying to get a Parliamentary Budget Office up to speed, such that they are in a position to be able to provide the same level of advice that Treasury are able to provide. But I think the other element to that, which has come out in terms of the last report and the review of our Parliamentary Budget Office was ... the idea of the creation of funds. There's not a lot of insight into what happens with those funds. Future funds, infrastructure funds, asset recycling funds, whatever. It creates even less awareness and ability to try and nut out what's happening to those funds.*

One of the things that came out in the most recent report of the Parliamentary Budget Office was the concern around the fact that those funds can be spent multiple times in election announcements because there isn't a holistic view to how that is looked at. So, you have a situation where, and this actually works the opposite way around, where the government of the day is constrained in some senses because of the fact that they know what is available in the fund and only spend it once. Whereas if you're working on the idea of being in opposition or a minor party, you can then say, "We'll use this fund for this. Can you cost it for this? And then we'll do it over here for this one," and then that same fund may be used many times.

But I think the other element is—and this is where I feel like the real key is - New South Wales has moved a long way in terms of looking at a wellbeing budget and how we measure things that are not just the immediate financial cost of a program or a project. In the conversations that we had with the Parliamentary Budget Office ahead of the last review, one of the things that I was keen to look into is how we get a better sense of that.

The view that they expressed was basically it's almost impossible to do that unless it's an ongoing office, because the ability to look at -

CHAIR - *But they could do it, if it was? They thought they could measure some of those outcomes?*

Ms LEONG - *They're challenging, but I think if you look at some of the models around justice reinvestment being a massive scale, how do you start looking at what are the longer term - how do you model the longer term costs of investing in diversionary programs versus knowing how much a prison bed costs? That is a much harder and more complex thing to look at modelling, and you're relying on existing modelling from Treasury that may or may not be shared.⁹⁵*

The Committee notes the 2023 NSW PBO Post Election Report recommended an ongoing role for an NSW PBO:

A functioning parliamentary system of government is enhanced by robust and informed debate between the competing political parties. The operations of the PBO can act to facilitate this debate by providing the parties with information on the cost of possible policy proposals. The extensive use of the PBO by the parties in the lead up to the 2023 Elections demonstrates the usefulness of the role played by the PBO.

Internationally, the role of PBOs and other independent fiscal institutions is growing in importance, with those bodies assuming a key role in advising parliaments on jurisdictions' fiscal sustainability across a range of areas.

The experience of 2022-23 has strengthened the case for an ongoing PBO, ... Instead of numerous costings completed in haste within a very short timeframe, policy development and public accountability would be enhanced if the function were spread over four years.⁹⁶

Professor Bartos shared his views with respect to what might be an appropriate size for a full-time PBO in Tasmania:

Mr SHELTON - *... my question is what would be the minimum number that you would need to operate a PBO?*

CHAIR - *Assuming a full time PBO is probably a good place to start.*

Prof BARTOS - *If you assumed a full time PBO, look, some preconditions that all the basic back-office services were provided by Parliamentary Services rather than the PBO having to pay for itself. One of the huge costs in New South Wales is accommodation. We didn't have to pay for that, thank God. But assuming that the back office was all provided for, I think you could do it for around \$3 million to \$5 million a year. New South Wales' budget somewhat over \$2 million, but that's only for the nine-month period and -*

⁹⁵ Private Briefing: NSW PAC (17 February 2025), p.14-15

⁹⁶ '2023 Post-Election Report' NSW Parliamentary Budget Office (30 June 2023), p.4 as attached to 'Report on the Parliamentary Budget Office 2023 Post-Election Report', NSW Legislative Assembly Public Accounts Committee (Report1/58) (November 2023)

Mr BEHRAKIS - There are savings having it over the full year in that you are not having to aggressively ramp up and you've got that slow workload.

Prof BARTOS - That's right. But there would be extra costs by comparison with New South Wales and the biggest extra cost is if you extended its remit to doing costings for minor parties and Independents because that doesn't just double the workload, it hugely increases it. There's just a lot of minor parties and Independents and –

CHAIR - There would be a bit of pent-up demand to start with. You can imagine it'd be like you open the door and a stampede comes in. Once you knocked a few on the head start with - you know, saying no, sorry, you have to prioritise.

Prof BARTOS - I also recommend no matter what jurisdiction that there be provision for an increase in the budget in and around the election time, because no matter what there's always going to be increased demand for PBO work.⁹⁷

Mr Rimmer shared the following with the Committee as to what considerations he thought would be important to implementing a Tasmanian PBO:

CHAIR - If you were to put together a list for us of - if Tasmania were to implement a Parliamentary Budget Office, acknowledging the limitations of our size and budget and all of that - what would you put as the must haves, the nice to haves, and the things that are don't worry about or don't do it?

Mr RIMMER - I think for me one of the first must haves is that an office should be permanent. I've not had experience of working in the temporary office model, but my experience is so much expertise, client relationship and client trust is built over the term of a Parliament that a permanent office is vital to building that confidence and building that public understanding and recognition of the PBO as an independent provider of information. I think for me that's the primary one.

The secondary is ensuring that, I guess - I think the breadth of election services is also important. I think there is an element where only post-election services are highly satisfactory to the incredibly politically engaged or the academically engaged. I think the balance of servicing that constituency and the broader public that care about elections before and, much less so, after, is incredibly important. I think focusing an election service on servicing the people who make decisions around elections - being the public - is incredibly important.

I think providing the latitude for a PBO to build its expertise and reputation through a non-costing service additionally is really important. Now, I make no judgment on whether a self-initiated research service or the advisory service we provide is better, but the spillover effects of doing that kind of work are enormous to the ability to do that core costing function.

⁹⁷ Private Briefing: NSW PBO (18 February 2025), p.25

The other must have, equal with the permanent office, would be really enshrining the independence of the PBO. Whatever reporting mechanisms you choose to have, whether it be Speaker of the House or a Committee, enshrining the independence of the Parliamentary Budget Officer - without that, the service has much diminished value.

Mr SHELTON - *Around the staff - in our small jurisdiction, we talked about this earlier about finding the right people. You come into this from New South Wales, or?*

Mr RIMMER - *The Australian PBO, previously.*

Mr SHELTON - *... Your selection of staff, how many come from the private business? How many come from the public sector? How many come from interstate?*

Mr RIMMER - *I guess it's a little bit variable over time, but generally speaking, I would say about a third of our staff come from the state public sector. Maybe slightly more than a third have come from another independent organisation or a Federal public sector, and then the remainder have come from the private sector, so slightly less than a third. It's a pretty good balance that we have.*

I think it's really important for independent organisations to look to develop their staff and to provide opportunities between those independent organisations. We have had staff from the Victorian Auditor-Generals, we have had staff go to the Victorian Auditor-General. It's an incredibly valuable back and forth. There are other institutions. Honestly, we've had multiple people come to us from academia, from purely academic backgrounds, we have a couple at the moment. There are multiple ways in which you can do this.

A lot of the skills required of a staff member at a public Parliamentary Budget Office - they're not an uncommon set of skills, but there is a lot of on-the-job learning. It's important to get key leadership in your organisation to have the right skills. We've brought in people who are now incredibly proficient at working on really complicated areas that they had never worked on before because they had some kind of generalisable skill like an engineering qualification, an economics qualification, or an accounting one. You can draw them from any discipline, be it public or private, be it State or Federal.⁹⁸

Committee Findings

- F17. An intermittent Parliamentary Budget Office (as in NSW) only allows for election costings to be completed in a short-time frame and does not support ongoing policy development and public accountability.
- F18. Some independent fiscal institutions engage in self-initiated research and/or advisory functions.

⁹⁸ Private Briefing: Vic PBO (19 February 2025), p.26-27

F19. An intermittent Parliamentary Budget Office can face a range of challenges including loss of corporate knowledge, additional time pressures to produce election policy costings, repeated recruitment and re-establishment costs.

Resourcing Required

Resourcing of the Parliamentary Budget Office

The OECD's Principles for Independent Fiscal Institutions, Principle Four covers the areas of resources and relationship with the legislature (parliament):

4. Resources

4.1. The resources allocated to IFIs must be commensurate with their mandate in order for them to fulfil it in a credible manner. This includes the resources for remuneration of all staff and, where applicable, council members. The appropriations for IFIs should be published and treated in the same manner as the budgets of other independent bodies, such as audit offices, in order to ensure their independence. Multiannual funding commitments may further enhance IFIs independence and provide additional protection from political pressure.⁹⁹

The Committee heard from Mr Li MP (NSW PAC Chair) and Mr Barr MP with respect to how the NSW PBO met the challenge of delivering election policy costings in a timely manner:

Mr SHELTON - *Given that some of the policies that are announced are quite in depth and it's through an election campaign, I'm worried about the time pressure that's on a PBO to actually get their head around the cost of it, ...*

Mr LI - *They do an incredible job. I don't know how they do it. I think there were 990 last time. The average days was 10 days. I don't know how they did it so quickly, but they operate extremely effectively and efficiently.*

Mr SHELTON - *... Election campaigns are really short. How do you get the work done?*

Mr LI - *Another really important point is, particularly the Opposition will use the PBO to refine their policies as a test, because you're so under-resourced in opposition. You might think you've got this great idea, and so you put it to the PBO well ahead of time because it's part of your policy development and refinement and testing period. That was very helpful for our side when we were in Opposition. The Treasurer will put a whole bunch of things, have it tested, this is how much it's going to cost: have different options tested, different variations of the same policy, what would work the best. Very important in terms of levelling the playing field for Opposition policy development.*

CHAIR - *Isn't this a reason to have it as a full-time office? Straight after an election everyone is picking up the pieces if they've lost, but hopefully it might encourage better policy development where you can work with the PBO confidentially until you've worked out what exactly you want to put forward as a party, potentially, away from the six months leading to election, which is all focused on election commitments, election promises. Isn't that an argument for that?*

⁹⁹ 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.3

Mr LI - Yes.

Mr BARR - Absolutely. I was going to say earlier that we've been very lucky that we've had the PBO officer return and return and return. He's built up corporate knowledge. If we get a different PBO at the next election, that nine days might blow out to 19 or 20. That short window is so short. Even as it was, I think this most recent year, the day the PBO office opened, the Labor Opposition went in there with 100 policies as a starting point. We were very lucky we had the same person.¹⁰⁰

The Committee heard from Professor Bartos with respect to the composition of PBO staff:

Prof BARTOS - The recurrent nature, having to re-establish from scratch every four years in New South Wales does pose some problems in terms of staffing, in terms of recruitment. We have to work very hard to recruit staff very quickly. You do it mainly by seconding them from other departments, Treasury in particular, but also I've always tried to get someone good from the education, health and transport departments because every state election education, health and transport are key issues. We've been fortunate to be able to do that. Also, someone from Justice. That tends to be good because law and order comes up in the election campaigns. We also had somebody in the last election from the department that dealt with environmental issues, which proved to be really quite good.

The election before was quite interesting. No one had expected this, but all of a sudden koalas became one of the topics. We didn't have any koala experts on staff. We had to work very closely with the department concerned to get information about how -

CHAIR - Could you have bought in expertise to assist you. Did the budget allow?

Prof BARTOS - The budget allowed it. So, yes, we have budget to employ consultants as well as second public servants. So, sources of staff have been other departments. Consulting firms have tended not to be very good sources of staff because they tend not to have the knowledge of how government finance works.

We did have on retainer an accounting professor, Professor James Guthrie, to give us advice on technical accounting issues, which was really good. But our best source of advice on technical accounting issues was actually the New South Wales Auditor General's Office, especially the Deputy Auditor General we're on the phone with very frequently to sort out accounting problems. We had a couple of staff seconded from the audit office into the PBO.

It is really important, in my view, in establishing a PBO to get a good mix of staff.

CHAIR - What qualifications do you have?

Prof BARTOS - I am an economist and Professor of Economics at University of Canberra. But I will always put my hand up and say I'm not an accountant so I need a

¹⁰⁰ Private Briefing: NSW PAC (17 February 2025), p.6

few good accountants in the PBO and we always get some. So, we get a mix and these are the three kinds of skills a PBO needs:

- *Economics - to understand things like trade-offs, what the opportunity cost of policy A versus policy B. Those sorts of things economists are really good at.*
- *Accountants who understand how adding up the numbers might affect the budget bottom line in different ways depending on how you apply the accounting standards.*
- *But also general policy people - people with an understanding of policies in government and how governments go about doing their work.*

We've always had that mix amongst our staff.

To be honest, the typical source of staff is from other departments in New South Wales. New South Wales has actually been pretty good in always making sure that the Parliamentary Budget Officer themselves isn't a public servant. The reason for that is the PBO works for the Parliament, not for the government. This is one of the things that we work very hard at in the New South Wales PBO as new staff come in - an induction process that involves taking them to Question Time, taking them on a tour of the parliament and getting them to meet with some of the parliamentarians, and to understand that their job is to be an independent officer of the parliament, not to be a servant of a minister. In fact, I always shock them when I say we treat ministers just like any other member of parliament, they're not special. And they go 'What?'¹⁰¹

The Committee heard from Mr Gareth Tunks (Chief Operating Officer) and Ms Karen Whitham (First Assistant Parliamentary Budget Officer) with respect to the Commonwealth PBO's staff resourcing and profile:

CHAIR - *Is your staffing very stable across the whole election cycle, or do you have additional staffing required around the election period?*

Mr WILLIE - *How do you go with recruitment and retention? Being a small jurisdiction like Tasmania, I can see that's going to be one of the issues we face, getting the right people with the right skills.*

Mr TUNKS - *So, we are resourced with about \$9.5 million, \$10 million, and our size is 45 to 55 people depending on where we are in the cycle. We do get an extra \$500,000 every third year, which is because we don't have fixed terms. We did, but we don't. So, that's when we get some extra resourcing. Also, when we were established, we had an extra \$6 million in a special appropriation. So, that's funding that we could just dip into. I think that was a really useful part of our establishment because when you establish any agency, but something that's a demand driven service provider, which is what we are, you're never really sure how much the agency is going to be used. You'll probably see a little bit trickle in and then maybe things take off. Particularly if parliamentarians are really vocal about the value that they've gotten from the PBO, you might see things pick up. So, you can have, say, an annual amount of money, which is our \$9 million to \$10 million.*

¹⁰¹ Private Briefing: NSW PBO (18 February 2025), p.5-6

I think we started off with about \$6 million, but we also had that extra bucket of \$6 million. And as we got a better understanding of what the volume of work would be like and what level of resources we would need, we dipped into that for a little while. It's diminished now. I think there's \$1.8 million left. So, there's still a little bit there. But setting up an agency where you don't know what the volume is, I think an annual level of funding plus this provision that they can just dip into is a really useful way to set up, and it creates a nice level of, I guess, an independence from the Government for a while so that the agency can find its feet, establish what it needs without having it to go back to the Government.

Ms WHITHAM - ... the resource profile does vary and it builds up into the election and then drops back as the workload drops back. Because we have very good relationships with agencies, there does need to be that ability to move between. So, we second people with expertise. We tend to get people from Finance and Treasury, Department of Social Security, the ATO, but it can be from anywhere. ---We're not part of the public service, but we have that, but we still retain our independence. So, there's obviously a balance there about being seen to be a creature of those agencies, which we're not, but we do need that and the resource level does move. Average staff level at the moment, I think we're about 2 1/2 years [into the cycle]. We have people have been in with us a long time and a short time, and that creates its own dynamics.

Ms REINHARDT - I was just going to say it's a really healthy thing.

Mr BEHRAKIS - ... because you don't know when exactly the election is going to be, you know roughly when it is going to be, once you start seconding people what's the staff numbers that you're going from? Is the 45 now -

Ms REINHARDT - It is 45 to 55.

Mr BEHRAKIS - So, that's kind of all hands on deck?

Ms WHITHAM - By the way, that includes Corporate Services. All the corporate activity you have to do as an agency is also within that 45 to 55.

Mr BEHRAKIS - How does that compare to like the general?

Ms WHITHAM - It might compare to say one division in Treasury that might do all the microforecasting. So, it's pretty small.¹⁰²

The Committee heard from Mr Rimmer on the issue of resourcing in the Victorian PBO:

Mr RIMMER - ... Our services - we have three services. We do the policy costings, we are required to prepare high quality policy costings for members of parliament, we have to build and maintain models and databases. Honestly, the smaller a PBO is, the more challenging it is to maintain, particularly the expertise. The models are one thing, you

¹⁰² Private Briefing: Commonwealth PBO (18 February 2025), p.13-15

can apportion time to update that, but to maintain corporate knowledge and expertise is very challenging.

I was at, previously, the Australian PBO. There are about 40 staff there, there are about 17 in the Victorian PBO. We lose one person who is a key resource in one area, it can be challenging to mitigate that skill gap. Maintaining that criticality of skills and breadth of coverage is important.

Mr WILLIE - *On that, the Federal office has a bucket of money to manage demand and get in consultants if they need to. Do you have the same provisions?*

...

Mr RIMMER - *We don't have one of those, that's correct. I do have the ability to draw down prior year surpluses, but I don't have enormous prior year surpluses. No, we don't have that, unfortunately. We have gone to the Government in the past and said, 'Can we have some extra money for minor pieces here and there', and we draw down on the small prior year surpluses we've had, and that has been useful. Sometimes we've used that for consultant services, but we just have the provision out of our ordinary appropriation for the assumption that we may require that. That's really challenging because the need for those kind of services can be extremely lumpy. You might have a year where you just don't get a request for a piece that is so alien to your skill set, but then you might have a year where you get three and you can't sort of average your budget from the last three years to do that. We don't have that role. That is a really useful function.*

CHAIR - *What is your budget currently?*

Mr RIMMER - *It's \$3.4 million a year. Over the life of this Parliament it's indexed by inflation each year, but it was originally \$3.3 million flat for the first three years ...*¹⁰³

Mr Rimmer also commented on the turnaround time by the Victorian PBO for costing an election commitment and what they do if they are unable to cost them by the statutory threshold period:¹⁰⁴

Mr RIMMER - *Costing an election commitment, the average turnaround time honestly is probably within a week. A lot of that reflects that the really hard policies, we have costed them before multiple times.*

CHAIR - *It's unlikely one of those really big policy things would come in at the last week.*

Mr RIMMER - *Occasionally you get a really left field policy that is very large, very complex -*

...

Mr RIMMER - *... and very late, and so it's a real challenge.*

CHAIR - *What do you do with that? The party might go out and say, 'We're going to do this new beaut policy x', and you just don't have time to properly cost it. Having*

¹⁰³ Private Briefing: Vic PBO (19 February 2025), p.5

¹⁰⁴ Ending at 5 p.m. on the Thursday immediately preceding the date of the general election: section 3 *Parliamentary Budget Officer Act 2017* (Vic)

announced this new beaut policy x, do you inform the public that you've received it and been unable to cost it?

Mr RIMMER - *We are allowed to work up until 5 p.m. on the Thursday before the election. Any costings that we don't complete then, we would publish a statement of inability to complete that. We would advise that there were policies we were not able to cost that were requested of us, if the member asked us to do that. Otherwise we would just write to the member advising them that we were unable to comply with that request.*

CHAIR - *Why wouldn't you publish all of those?*

Mr RIMMER - *Because all the requests still remain confidential under our legislation to the member. Everything pre-election for us is at the discretion of the Member of Parliament or the Parliamentary Leader. Everything post-election is at my discretion.*

CHAIR - *If that party or person got elected with the capacity to deliver that commitment, and you hadn't had time to cost it beforehand, would you report on it and cost it for after the election?*

Mr RIMMER - *Absolutely. Within two months I have to produce a report for as many parties as I can, costing every commitment that they have made.¹⁰⁵ Whilst I may not have had time to cost that prior to the election, I would have recognised that as a commitment prior to the election, and it would be included in my post-election report for that.¹⁰⁶*

Mr Rimmer also spoke to how a Tasmanian PBO could resource the non-policy costing functions of the office:

Mr SHELTON - *... the reality in Tasmania, the cost of a PBO, percentage of budget or however you want to look at it, it's going to be substantially dearer than what it is anywhere else in order to get the skills needed within it and so forth. It needs to be as lean as we can, but with all the necessary skills. Do you have any comment around how you might go about that?*

Mr RIMMER - *Yes, I think, as much as I said, it's incredibly important to have that non-costing function. You can look at things like the complementarities between a Parliamentary Budget Office and, say, a parliamentary library, which might provide similar services, and how you might leverage one into the other. How might you seek to draw on the advantages of existing institutions? Can you establish a Parliamentary Budget Office with a shared resource pool with something like a parliamentary library or another organisation? Can you situate it within another organisation, can [it] be potentially be advantageous?*

I think one of the other things that you should really be conscious of is that 80:20 rule when you set up a new office about the administrative and the doing side of things. Is there a way that you can leverage benefits from shared service providers that other

¹⁰⁵ See section 41(5) *Parliamentary Budget Officer Act 2017* (Vic)

¹⁰⁶ Private Briefing: Vic PBO (19 February 2025), p.12-13

organisations are already leveraging? Especially, if you are going to set up a PBO, there are seventeen of us in our office. We do not have an enormous IT footprint or HR footprint, but it costs us money. You might want to look at a place - if you establish that within an existing parliamentary department, perhaps you could get some benefits there.

One other thing I would suggest is I would always encourage the opportunity for secondments and for participation in the broader forums that Parliamentary Budget Officers have to build relationships. I proactively do try and build relationships with the Australian PBO, and it allows for potentially lower cost options to second and [do other] stuff, particularly if you have ramp up periods around key busy periods like an election.

Then again, I think standardising your analysis as much as possible can allow you to deliver as much bang for buck. We spent a lot of time when we were established to build a costing template that was robust, it addressed all potential kinds of requests, but it also materially reduced the work taken to do each individual piece of work. Sort of a labour and productivity improvement.

The last one on that would be that small organisations have the opportunity, because of the limited budget and I think the need, to really operate at the bleeding edge of innovative processes. We have been pretty pioneering in our use of some IT products to build workflow management systems that have helped to most efficiently allocate work, progress work and manage our workload, so that we don't spend much time worrying about what work we have on, we just spend most of our time worrying about delivering.¹⁰⁷

Overview of Election Commitment Costing

The Committee heard from Mr Rimmer with respect to a synopsis of the Victorian PBO election costing process:

CHAIR - Can you talk a little bit more about how you actually do the costings? From the first engagement with the person asking for it through to the final product?

Mr RIMMER - On a costing, every piece of work we do we've built an internal work file management system, and they all move through a standard set of stages. There are analytic and procedural requirements with each of those stages. When we get a request from a member of parliament, firstly that can come - often they email me or they email the office, but we also have an online form that they can submit these requests through. When it comes in it goes to an assess stage, where we have not yet accepted that as a request. We consider that to see if our initial assessment suggests we need more information from the requesting member to be able to cost something. If we do require that, we contact them and have a conversation to get answers to the questions. Those answers are around 'How are you specifying your policy? What are you actually seeking to do?'

¹⁰⁷ Private Briefing: Vic PBO (19 February 2025), p.27-28

Once we have that information we move it into an analytic phase where we will go through the process of identifying if we have an appropriate framework, if we have a framework can be adapted to the purpose of that costing, or if we believe a public sector agency has data or a framework that would allow us to facilitate that costing. If we identify a data gap or a model gap, we will liaise with the public sector agency to try and obtain that data or identify public or other subscription data sources that we may require and build our own.

Once the model is built, we have a relative formulaic response document to costings where we detail the impacts against the budget over the Forward Estimates period, and we do a longer term horizon, which is budget year plus ten. We describe the implications of those, the magnitude of those costs. We talk about uncertainty and risks to the estimates we've provided. We then provide in some detail the assumptions and method we have implemented to cost that and provide a list of all publicly available data sources. Once that's completed by the analyst in question, they push that into a peer review process. It is then reviewed a second time by a more senior member of the team, typically my deputy, before coming to me for clearance and sending to the client. We recognise that whenever we do a costing, we lose control of that costing the second we send it out to a Member of Parliament. There's a standard to which we do these things - it always has to be publication ready at every point in time.

That's kind of a high-level overview. It can vary significantly depending on what the request is. We maintain a bunch of models for revenue costings, change land tax or payroll tax or something like that. We have an existing framework for that. We also maintain a bunch of datasets around unit cost frameworks that allows us to be adaptable for, for example, construction of a hospital, school or major transport infrastructure arrangement.

Frequently we will have regular contact with a client as we're working on a costing, because often as we investigate a topic more and we get into the weeds, we identify things, choices that that member will need to make. We prioritise the design of the policy of our client, but there's two kinds of assumptions that go into a costing. There's the assumption or presumption about how it is designed. That is entirely the domain of the clients. We will never interpolate that, we will also ask them to complete that. There is the assumption around how that costing plays out and the impacts it has on either the budget or the economy. We will always form our own judgment on that. One thing I forgot to mention around elections is that we develop a standard assumption handbook so that we make sure we're consistent across every party that we deal with.

CHAIR - So everyone understands it.

Mr WILLIE - Like how much a teacher costs, how much it costs to build a school per square metre, that sort of thing?

Mr RIMMER - Yes. It's a little more - I mean, very early on perhaps there were some - as time goes by our sophistication improves. Our framework around schools and hospitals now, we have differentiation for footprint and different vertical orientations of those schools, specialisations in hospitals and schools. We have quite a lot of detail and

we can build that up. Where we don't have that detail, we use market standard tools. Things like the Rawlinsons construction framework manual¹⁰⁸ are a really useful tool when you're trying to look at estimates to build really small-scale infrastructure, you know, public toilet facilities and things like that that might otherwise be the responsibility of council frequently.

...

Mr EDMUNDS - ... *Do [the assumptions] align with Treasury, or is that why you would prefer to just be the one stop shop for that so that everyone's being measured by the same ruler?*

Mr RIMMER - *By and large they do. I can't tell you that they necessarily align with the exact details that Treasury use. It's more we use that where we can't get it from a public sector agency or they don't have a really particular thing. A really particular unit cost - I'm trying to think of an example, I'm going to struggle here. Building a volley ball court somewhere, something that hasn't been done perhaps for a while, it might be in this guide because these things are sort encyclopaedic in length, but generally speaking if we look at some of the larger scale stuff that we use government information from, they're highly comparable.¹⁰⁹*

Committee Findings

- F20. A Parliamentary Budget Office needs to be resourced appropriately to enable the office to fulfil its role and function.
- F21. A Parliamentary Budget Office requires access to a range of professional skills: e.g., economics, accountancy and public policy expertise, with the capacity to engage specific experts as required.

¹⁰⁸ See in general 'Rawlinsons Construction Guides', <https://www.rawlhouse.com.au/> [Accessed 23 June 2025]

¹⁰⁹ Private Briefing: Vic PBO (19 February 2025), p.22-24

Role of a Parliamentary Committee

The OECD's Principles for Independent Fiscal Institutions Principle Five covers the area of relationship with the legislature (parliament) (emphasis added):

5. Relationship with the legislature

5.1. Legislatures perform critical accountability functions in country budget processes and the budgetary calendar should allow sufficient time for the IFI to carry out analysis necessary for parliamentary work. Regardless whether an independent fiscal institution is under the statutory authority of the legislative or the executive branch, mechanisms should be put in place to encourage appropriate accountability to the legislature. These may include (but are not limited to):

- (1) submission of IFI reports to parliament in time to contribute to relevant legislative debate*
- (2) appearance of IFI leadership or senior staff before the budget committee (or equivalent) to provide responses to parliamentary questions;*
- (3) parliamentary scrutiny of the IFI budget; and*
- (4) a role for parliament's budget committee (or equivalent) in IFI leadership appointments and dismissals.*

5.2. The role of the IFI vis-à-vis parliament's budget committee (or equivalent), other committees, and individual members in terms of requests for analysis should be clearly established in legislation. Preferably, the IFI should consider requests from committees and sub-committees rather than individual members or political parties. This is particularly relevant for those IFIs established under the jurisdiction of the legislature.¹¹⁰

Drawn from the relevant Australian PBO legislation, [Appendix 2](#) summarises the roles of each of the PACs (or equivalent). The Committee notes that the Victorian *Parliamentary Budget Officer Act 2017* is the most prescriptive with respect to the role of PAEC. The *Parliamentary Budget Officer Act 2010* (NSW) understandably affords less oversight for the NSW PAC being that the NSW PBO is of limited tenure.

Of note, none of the committees identified have the power to direct their respective Parliamentary Budget Officer.

The Committee heard from Mr Tunks with respect to how the Joint Committee of Public Account and Audit (JCPAA) oversaw the Commonwealth PBO's budget:

CHAIR - ... *If you found that circumstances meant that you needed additional funding, would it be the Committee that would advocate for that, or do you directly advocate? How does that work?*

Mr TUNKS - *The Presiding Officers write to the Prime Minister on our behalf. That's how it works at the moment. There are no real established conventions around this. For the moment, the Presiding Officers write on our behalf: the JCPAA on occasions will*

¹¹⁰ 'Recommendation of the Council on Principles for Independent Fiscal Institutions', OECD (February 2014), p.3

send a letter that says we also support this idea to the Prime Minister or they might write to the Presiding Officers so that the Presiding Officers put in their letter that this has been supported by the JCPAA and the -

CHAIR - *Is that in the statute? That is in the statute.*

Ms REINHARDT - *The relationship. Yes.*

Mr TUNKS - *... So, the Presiding Officers appoint the Parliamentary Budget Officer and the Parliamentary Budget Officer advises the Presiding Officers on the operations of the PBO. The role of the JCPAA is they're consulted on the appointment of [the] Parliamentary Budget Officer and we have to consult with the JCPAA on our budget estimates. That's where sometimes that discussion of how your resources are going comes in. Before each budget, we'll do a briefing with the JCPAA and we also have to consult with them - under our legislation we consult them on our annual work plan. So, we have to produce an annual work plan. Also, under the PGPA Act¹¹¹ we need to produce a corporate plan. Those two documents service the same thing. But we do have to consult the JCPAA as a partner operation.¹¹²*

The Committee heard from Mr Rimmer with respect to his views of where the Victorian PBO should report to:

CHAIR - *... with the reporting, I'm pretty sure it's the Commonwealth where the PBO reports to the Speaker and the President. You report to the Committee. What do you think is preferable?*

Mr RIMMER - *Look, it's interesting. I don't know that there is functionally an enormous difference, except to say - it depends on the nature of government at the time, the constitution of the parliament, but the speaker of the two houses is likely to be from the majority government. I like the fact that I report to a Committee that is constituted of members of multiple parties, particularly including parties outside the Government and in the past has had independent members on it. I feel that when I present my operational plan or annual report to that Committee, I get perspectives that are broader than the perspective of the Government of the day, and I get perspective that is more likely to come from parties who are using my service at the time. My preference is the Committee, but I think both are very workable models.¹¹³*

Mr Rimmer also spoke to the Victorian PBO's ability to provide a submission to a committee inquiry:

Mr RIMMER - *... inquiry submissions, which we do under our advice function: it's relatively new for us. On request of a Committee Chair, we will provide a submission to help in a committee with an inquiry that they are undertaking. We can either address the terms of reference of the inquiry or specific questions they would like us to address.*

¹¹¹ Public Governance, Performance and Accountability Act 2013 (Cth)

¹¹² Private Briefing: Commonwealth PBO (18 February 2025), p.19-20

¹¹³ Private Briefing: Vic PBO (19 February 2025), p.4

CHAIR - *Still has to be within your remit though?*

Mr RIMMER - *Yes, yes. Economic, fiscal, financial. It has to satisfy the criteria of our advice function, which is what we do it under. They're automatically published if they are accepted by the Committee. Again, and occasionally -*

CHAIR - *You publish them or the Committee publish them?*

Mr RIMMER - *The Committee publishes them. If the Committee publishes them, we will mirror that publication on our website.*

CHAIR - *Right. It belongs to the Committee if it's a submission.*

Mr RIMMER - *Yes, and we always seek permission from the Committee, but we then publish it on our website as well. Then we occasionally make appearances at Committees which can help make sure they're well-informed ...^{114 115}*

The Committee heard from Dr Williams about the important functions that PAEC oversees with respect to the Victorian PBO:

Dr WILLIAMS - *... In terms of the PAEC's role, the Committee has responsibility for quite a few things under the legislation. It's set out in section 54 of the Act. One of the most important functions is appointing the PBO. The Committee actually goes through quite a rigorous process where we go to market to find an executive global recruiter who runs that process for us, but we have a very hands on role in the appointment process. What's required under the legislation is that we then make a recommendation to the Minister, who is usually the Treasurer, on who the Committee believes should be the PBO, and the Treasurer passes that recommendation onto the Governor and in Council. The legislation stipulates that the Treasurer's recommendation can't differ from that of the Committee's.*

Mr WILLIE - *Can the Treasurer reject the recommendation? ...*

Dr WILLIAMS - *We haven't been in that territory before. ... We've had two PBOs in Victoria, ... we haven't had that issue.*

Mr WILLIE - *In New South Wales the presiding officers sign off on it.*

Dr WILLIAMS - *Yes, and the Commonwealth is different again. The presiding officers are involved in the Commonwealth?*

...

Dr WILLIAMS - *... The Committee also reviews the operational and resourcing arrangements of the PBO. We consult on their operational plans. PAEC is just coming into that phase in the first quarter of this year.*

¹¹⁴ Private Briefing: Vic PBO (19 February 2025), p.15

¹¹⁵ On 9 June 2026, the Victorian PBO subsequently informed the Committee that 'we have subsequently halted this service due to consideration of its viability under our legislation'.

CHAIR - Is that annually done, the operational plan?

Dr WILLIAMS - It's done annually, yes. The Committee will be talking to the PBO pretty shortly about his operational plan and also his budget, so what he's planning to do. We review reports of PBO operations in annual reports: that's a fairly passive monitoring role as we have it at the moment.

The Committee reviews performance. PAEC has done one performance review of the PBO's office - which, ... we tabled a report in August 2021. That was the Committee's review of the office and how it was functioning. That's the most recent one. PAEC can also just report to the Parliament if the Committee comes across any issues that it thinks are significant that the Parliament should be advised of. It's quite a broad, fairly hands on role, ... the Committee has in relation to the PBO.

CHAIR - Is it similar to the relationship you have with the Audit Office, or is that different again?

Dr WILLIAMS - Similar but slightly different. We've got an interesting resource on our website which compares the Committee's oversight functions in relation to the Audit Office and the PBO. ...¹¹⁶

A copy of the comparison of the Victorian PAEC oversight functions in relation to the Victorian Auditor-General's Office and the PBO has been extracted below:¹¹⁷

Statutory responsibilities of the Committee in relation to the Victorian Auditor-General's Office and the Parliamentary Budget Office

	VAGO	PBO
Recommend appointment of	✓	✓
Commission annual financial audit	✓	✗
Review, assess and report on performance of the office	✓	✓
Be consulted on draft operational/annual plan and draft budget	✓	✓
Other	<ul style="list-style-type: none"> • Consultative role in determining performance audit priorities. • Exempting, if ever deemed necessary, the AG from legislative requirements applicable to government agencies on staff employment conditions and financial reporting practices. • Monitor and review the performance and duties of the Victorian Inspectorate in respect of VAGO officers, reporting such matters to the Parliament where necessary. 	<ul style="list-style-type: none"> • Reporting to both Houses of Parliament on any matter connected with the operational and resourcing arrangements for the PBO that requires the attention of Parliament.

¹¹⁶ Private Briefing: Vic PAEC Secretariat (19 February 2025), p.8-9

¹¹⁷ 'Introduction to the Public Accounts and Estimates Committee', Victorian Public Accounts and Estimates Committee (December 2024), <https://www.parliament.vic.gov.au/49b67b/globalassets/sections-shared/get-involved/committee-shared-blocks/paec/introduction-to-the-public-accounts-and-estimates-committee.pdf>, p.4 [Accessed 24 June 2025]

Committee Findings

F22. In other Australian jurisdictions a Parliamentary Committee has statutory responsibilities in relation to the operation of the Parliamentary Budget Office but may not direct the Office.

Key Legislative Provisions

The Committee noted that the Victorian PBO highlighted a number of areas within their Act that could be improved:

With the PBO Act now 8 years old, it may be prudent to consider updates to ensure it remains fit for purpose.

We have identified several areas of the PBO Act where review and reconsideration may deliver benefits for the office, our clients and other stakeholders. These areas include:

- *explicit guidance on a PBO self-initiated research program – common across most PBOs but neither explicitly required nor prohibited by the Act*
- *clarification of parliamentary committee support service – our Act does not permit reports directly to committees, however individual MPs can and do request advice reports relating to matters before committees. This is consistent with the Victorian Government’s response to the Public Accounts and Estimates Committee’s (PAEC) 2021 Inquiry into the Parliamentary Budget Officer*
- *better alignment of the election costing period (which covers 7 months) with common conceptions of an election campaign period*
- *definition of the default information request settings to be under section 26, to remove the potential expectation by VPS agencies for standing arrangement negotiations prior to first contact.*
- *consideration of other models of election services, drawing on the experiences of the Australian, NSW, Irish, Dutch, Belgian and Canadian PBOs.*

This list is neither definitive of the action that should be taken nor exhaustive of the areas of the PBO Act which may benefit from review or reform.¹¹⁸

Similarly, the NSW PBO recommended six changes to the current *Parliamentary Budget Officer Act 2010 (NSW)*:

- section 23 be amended to require:
 - parliamentary leaders notify the PBO of their final list of policies for the Budget Impact Statements on the twelfth last day before the election, and
 - the PBO publish Budget Impact Statements on the eighth last day before the election
- section 22 be amended to require parliamentary leaders to advise the Parliamentary Budget Officer within 48 hours of the public announcement of an election policy
- section 18(1A)(a) be amended to require published costings and budget impact statements to include the financial year immediately following the current and relevant forward budget estimates
- section 24(1) be amended to require the Pre-Election Budget Update to be publicly released no later than three days after the caretaker period commences, and

¹¹⁸ ‘Operational Plan 2025–26: Priorities and protocols’, Victorian PBO (May 2025), <https://www.parliament.vic.gov.au/49dc33/globalassets/tables-paper-documents/tables-paper-9270/pbo-operational-plan-2025-26-final.pdf>, p.4 [Accessed 20 June 2025]

- that Act be amended to include a provision allowing the head of a government agency to delegate his or her function to a nominee and that the head of the agency, or nominee, be allowed to consult with other agencies, if required, to obtain information to respond to a PBO request for information.¹¹⁹

Professor Bartos expanded on his view where the *Parliamentary Budget Officer Act 2010* (NSW) could be improved:

Prof BARTOS - *This is actually a defect in the New South Wales legislation. Under the New South Wales legislation, PBO costings can't be released until the Premier or Leader of the Opposition tells the PBO that the policy has been announced. That leads to a situation - they've learned how to play the system. They don't tell the PBO that the policy has been announced until, in some cases, three or four weeks after they've announced the policy.*

CHAIR - *In the Commonwealth one, they have media monitoring and they monitor a lot of this. Would that be important to have that capacity to say on the social media page here, the Premier said blah, that's an announcement policy.*

Mr SHELTON - *That is the announcement. We can put out the information.*

CHAIR - *That's right.*

Prof BARTOS - *Yes. And that's something we've recommended in our post-election report that if a policy has actually been obviously announced, and we know it's been announced, and it's a policy that PBO has costed then the PBO should be allowed at that point to release the PBO costing. That would be an improvement on the New South Wales legislation. I wouldn't copy that from the New South Wales legislation into Tasmania.¹²⁰*

In contrast to the NSW PBO experience, Mr Rimmer commented on how the Victorian PBO monitored election commitments:

Mr RIMMER - *We publicly track them. We track them by - it's a whole of team effort - once a week we update an online public resource of every media - every public commitment made by a leader of a parliamentary political party during that period. We define which leaders we are going to track, and we usually do that on the basis of how many Members of Parliament they have in the current Parliament. We literally just have to trawl through media.¹²¹*

CHAIR - *Social media as well as newspaper media?*

Mr RIMMER - *Social media, conventional media.*

¹¹⁹ '2023 Post-Election Report' NSW Parliamentary Budget Office (30 June 2023), p.5 as attached to 'Report on the Parliamentary Budget Office 2023 Post-Election Report', NSW Legislative Assembly Public Accounts Committee (Report1/58) (November 2023)

¹²⁰ Private Briefing: NSW PBO (18 February 2025), p.17

¹²¹ The Victorian PBO 2026 Commitment Tracker is available on the public website: see https://pbo.vic.gov.au/2026_election_commitment_tracker

CHAIR - Also the media statements from parties?

Mr RIMMER - Yes. We invested in a bespoke solution, a media portal where we can deduplicate articles. I am sure you have seen other platforms where you get the same article 16 times because - we've sort of invested in building a resource that makes it a bit easier for our staff to do that. There is a formal process where staff do a full assessment, highlight items, they come up to myself and my deputy, we do a review of those and once a week we push it live so that there is a live representation of every commitment so far in the election period. We chose to do that, which other PBOs don't, because it can be challenging to engage with parties during election periods to get them to confirm a list of commitments. We provide them a weekly email of every one of their commitments and we publish it so that they have every opportunity to provide that commentary and that pushback. It's worked really well. ...

Mr BEHRAKIS - Is that because the parties are reluctant to give you that information or is it just 'We're busy trying to get elected'?

Mr RIMMER - In my experience, the first election was a bit of aberration because we were set up just before the election and parties weren't ready for us to be around and were otherwise ready for the election. At the last election, overwhelmingly, the parties wanted us to have a true reflection of their policies and they wanted to make sure the policies they thought they were taking to the election were ones we thought they had committed to.¹²²

Whilst the NSW PBO has a mandate to publish costing prior to the election, the Victorian PBO does not. Instead, the Victorian PBO compulsorily publishes post-election reports within two (2) months of the election (these reports aggregate across and likely include many policy costings):

Mr SHELTON - ... Pre-election day and through the process of the election, when can you publicise? Someone said they couldn't publicise until after the Premier had notified them that they had announced it publicly. ...

CHAIR - Are we talking about a backbencher?

Mr SHELTON - I am talking about the work - an opposition policy that you've done work on, and then the opposition puts it into the public domain. When does your work that you do go online from a PBO point of view?

Mr RIMMER - Whenever they ask me to publicise it. At any time a Member of Parliament can ask me to publish their work and I will do so. That can be an individual costing or that can be a pre-election report which aggregates all of their policies. They can publish that at any point in time after the commencement of the election costing period in May, through until the Thursday before the election day. At any point in time they can choose. They can also choose not to publish it if they so desired.

¹²² Private Briefing: Vic PBO (19 February 2025), p.9

Mr BEHRAKIS - ... a party comes to you during an election or in the lead up to an election, they get you to do some costings, you keep it to yourself, it's confidential. The party then announces that policy. Do you automatically do -

Mr RIMMER - No. We won't automatically publish it. We will contact them to ask them to publish it, and we'll encourage them to publish it.

Mr BEHRAKIS - Once it's announced, I mean.

Mr RIMMER - Even once it is announced, if they haven't misrepresented the policy we don't automatically publish it.

...

Mr RIMMER - There is no automatic publishing. We have a good track record of getting them published. Honestly, most of the time it's picking up the phone and saying, 'Hey, we saw you talk about that, would you like to publish it?', and often the answer is 'Yes'.

We've now come to the point where many of our clients, particularly our more frequent clients, will contact us and say, 'I'm going to talk about this policy in four days. It's going to turn up in the newspaper at 9:00 am online. Can you publish your report at midnight the night before?' and we do. That's the most common experience for us. It's rare that something gets talked about publicly and we don't publish it now. That has just been through building trust and relationships with members.¹²³

Professor Bartos also spoke to the tight timetables that were existent in the NSW legislation:

CHAIR - So, is there anything that you really shouldn't do in legislation if you're establishing a new PBO?

Prof BARTOS - ... I think that one of the things that is potentially problematic, is in New South Wales the timetables for getting all the reports published are really tight. One of the things that publication of the final costings is dependent on is the publication by the Treasury of the pre-election report on the State budget because we have to have a baseline against which we cost and we asked for that to be published no later than three days after the election is called, otherwise we're going to have difficulty producing our final budget impact statements. The Government rejected that. I suppose that's understandable because Government wants to control the timing - we'll leave that up to Treasury to decide when it wants to release that.

So, the last election, we came very close to not being able to produce the budget impact statements by the statutory deadline. We actually did, but we worked our staff extraordinarily hard.

CHAIR - What was the main reason for that? Was it the volume?

Prof BARTOS - We had 900 policies to cost.

¹²³ Private Briefing: Vic PBO (19 February 2025), p.10-11

CHAIR - *If you were there the whole time, some of these could have been costed before.*

Prof BARTOS - *Some of them would have been costed before. That's the advantage of having an ongoing PBO. A lot of your work you're doing on an ongoing basis and you've probably seen some of these policies in different formats maybe a year ago and you just update them. The workload is a lot more predictable.*¹²⁴

The Committee also heard from Professor Bartos that he viewed the appointment of the PBO process within the NSW context was better than the equivalent provisions in the Commonwealth or Victoria legislation:

Prof BARTOS - *... But there are some things in the New South Wales legislation that I think in some ways are better than the Commonwealth and Victoria. One of them is that New South Wales provides that the appointment of the PBO will be done by an independent panel consisting of the Ombudsman, the Information Commissioner and the chairperson of the Independent Pricing and Regulatory Tribunal - and that's just an independent pricing tribunal. I don't know whether Tasmania's got one. But particularly the Ombudsman -*

CHAIR - *The Auditor-General might be a suitable person.*

Prof BARTOS - *Getting people who are independent of the executive government to be part of the appointment process is a big plus in New South Wales. It emphasises that the PBO is an officer of the parliament role, whereas in the Commonwealth and in Victoria they've delegated selection of the PBO to the public service, which has appointed public servants.*

Mr BEHRAKIS - *You can appoint someone who is theoretically friendly to a particular tilt.*

Prof BARTOS - *Yes, exactly. That, I think, is one of the pluses of the New South Wales legislation.*¹²⁵

Professor Bartos also commented on the fact that no Australian PBO was legislated to do its own independent work and whether it should be tasked with overseeing Treasury forward estimates:

Prof BARTOS - *I think the thing that none of the bits of legislation cover adequately in the way that some other parliaments do is allowing the PBO to do its own independent work. For example, the Commonwealth legislation specifically prohibits the PBO from doing any work on the macro parameters for the budget. There's actually a good case that somebody should look over Treasury shoulders to see if they have those numbers right in terms of the forecasts, but Commonwealth PBO is not allowed to look at forecasts. It's a specific - I don't know whether they mentioned this.*

¹²⁴ Private Briefing: NSW PBO (18 February 2025), p.21-22

¹²⁵ Private Briefing: NSW PBO (18 February 2025), p.17

Mr WILLIE - Yes, they said they had looked at it and rejected it because they didn't think in a jurisdiction of 25 million you needed a third. You've got Treasury, you got the Reserve Bank, having a third was a bit -

Prof BARTOS - Yes, but having said that, if there are concerns about whether the economic forecasts are accurate or not, having that independent body there - and it's actually interesting. It's the reason why Britain established an independent Office of Budget Responsibility. The Treasury forecasts became so politicised in Britain that incoming Chancellor George Osborne back, I don't know, 20 years ago said we can't have Treasury doing forecasts anymore, they just can't be trusted. We'll establish an independent Office of Budget Responsibility. So, that was established and now does the official forecast for Britain.

We haven't got to that state in Australia. People do actually trust the Treasury forecasts. But if we got to a stage where people lost faith in the Treasury, having a PBO to pick up that gap would be a good thing.

Mr SHELTON - So, is it also the case in Australia that there are a number of other private financial institutions and/or experts that commentate in the space so it can't get to the situation that you expressed that came out of the UK?

Prof BARTOS - In a sense, yes. There's an interesting contrast with Canada where the official forecasts are actually the consensus of market forecasts. So, they go out to the private forecasters to get official forecasts.

CHAIR - I think in a small jurisdiction like Tasmania is, maybe there's a role rather than a PBO having all these things that you could do, should do, or legislate to do, maybe there's a role there for the Auditor-General in some of those oversight roles of making sure that the forward Estimates, for example, are accurately recorded as best you can. I don't know. In New South Wales, does the Auditor-General have a role there? I understand they might in Victoria;

Prof BARTOS - They do in the Commonwealth - and that's very recent that the Auditor-General looks at the forward Estimates. In New South Wales, no. The only test of the accuracy of Treasury's forward Estimates is, in effect, the one that comes every four years when the PBO looks at the numbers and comes up with its own numbers. Having said that, no jurisdiction in Australia's got to the state that the UK got to where nobody trusted the official Estimates. We actually do trust our Treasury Forward Estimates.¹²⁶

With respect to the issue of the Commonwealth PBO not being able to look at budget forecasts, the Committee heard from Hon Julian Hill MP (former Chair of the Commonwealth Joint Committee of Public Accounts and Audit):

Mr HILL - ... So, there were a couple of things which I touched on in the speech in 2022. People ... have suggested giving the PBO responsibility for other things which they don't currently have.

¹²⁶ Private Briefing: NSW PBO (18 February 2025), p.22-23

... some have suggested that the PBO should be given the power to develop its own economic or fiscal forecast. In a massive country with a big, big complex public sector like America, that might make some sense. The Congressional Budget Office is a very powerful institution. But we concluded very strongly that given our size and also because we have a Westminster system of Government, not the co-branch system in the US where you've got a president and a Congress that are equal, we concluded that it would not help in Australia to have set up a second set of official economic and budgetary forecasts sitting alongside the PBO. We didn't see the benefit. It would be enormously expensive and of dubious benefit to resource the PBO to develop a third official economic forecast alongside the Treasury and the Reserve Bank.

So, the PBO can interrogate and compare some of the accuracy of Treasury's forecasts. That's a good thing for them to do, look back over time and see how right or wrong Treasury is getting the forecast to hold the mirror up. But we drew a pretty hard line that the PBO should not be set up as a third official forecaster. We are a country of 25 million people: we don't need more public sector economists to come up with a third set of forecasts.¹²⁷

Hon Julian Hill MP also discussed his views as to whether the Commonwealth PBO should be given responsibility for the Intergenerational Report:¹²⁸

Mr Hill - ... This was unanimously rejected by the then committee - it was a Liberal controlled committee at that point - but it was unanimously rejected.

The Intergenerational Report, we believe, should still be owned by the Treasury and the Treasurer. They are accountable for the assumptions, good or bad, they put in there. They've been pretty robust documents. I think the last one that Morrison did was seen as probably not credible. They took so much of the detail out and it just wasn't a robust document. It was more a political document. But that was a bit of an aberration, I think, to be fair to both sides. Prior to that they had done a pretty decent job on the intergenerational report.¹²⁹

Committee Findings

F23. Other Australian Parliamentary Budget Office legislation has a range of provisions including (but not limited to):

- a. the scope and function of the Parliamentary Budget Officer
- b. the independence of the Parliamentary Budget Officer
- c. access to information
- d. matters relating to confidentiality

¹²⁷ Private Briefing: Hon Julian Hill MP (18 February 2025), p.2

¹²⁸ The Australian Government produces intergenerational reports. These reports project outlooks for the economy and the Australian Government's budget over the next 40 years. They examine the long-term sustainability of current policies and how demographic, technological and other structural trends may affect the economy and the budget: see 'Intergenerational reports', The Treasury, Australian Government, <https://treasury.gov.au/intergenerational-report> [Accessed 24 June 2025]

¹²⁹ Private Briefing: Hon Julian Hill MP (18 February 2025), p.2

- e. the release of policy costings
 - f. statutory time-frames
 - g. the appointment of the Parliamentary Budget Officer
 - h. resourcing of the Parliamentary Budget Office
 - i. the relationship with the relevant parliamentary committee
 - j. statutory reviews of the Parliamentary Budget Office
 - k. delegation powers
 - l. conflicts of interest, and
 - m. reporting of Parliamentary Budget Office operations.
-

Appendix 1 – Selected IFI Comparison

Element	NSW PBO	Vic PBO	Cth PBO	UK OBR	Can PBO	Neth CPB
Scope and Function	Narrow scope and function	Broad scope and function	Broad scope and function	Broad scope and function	Broad scope and function	Broadest scope and function
Parties Supported	Supports the Government and Opposition parties	Supports all parties	Supports all parliamentarians but makes a report about major parties only (from next election the minor parties can “opt-in”)	Only supports the elected Government	Supports all parties	Supports all parliamentarians (Netherlands has a long history of coalition governments of up to 4 or 5 parties)
Election Commitment Tracking	Does not track election commitments	Tracks election commitments	Tracks election commitments	Comments on election commitments	Tracks election commitments	Costed commitments become policies through coalition-forming process
Costings	Costs policies	Costs policies	Costs policies	Does not cost policies Scrutinises and certifies the Government’s policy costings as part of its overarching independent fiscal analysis	Costs policies	Costs: 1) the measures proposed in the parties’ election manifestos 2) any policies that arise after a coalition is formed (very common in Netherlands) 3) particular proposals at the direct request of Parliament
	Only during an election period	During election and throughout the term	During election and throughout the term	N/A	Only during election period	1) these are published in an overview of the budgetary and economic consequences of the policy choices 2) these are costed after the election, based on coalition agreement. 3) these occur throughout the Parliamentary term
	The parliamentary leaders of the Government and Opposition parties are obliged by legislation to submit all their election promises for costing	Policies costed by request of Parliamentary leader at their discretion	Policies costed by request of Parliamentary leader at their discretion	N/A	Policies costed by request of Parliamentary leader at their discretion	Policies costed by request of Parliamentary leader at their discretion By historical custom most political parties present their election platforms to CPB for an evaluation of their economic and budgetary implications

Element	NSW PBO	Vic PBO	Cth PBO	UK OBR	Can PBO	Neth CPB
Costings	PBO must publish when the PBO is notified by the Parliamentary leader	Based on public announcements by the leaders in the media (has to monitor media sources)	All policies submitted for costing can be either 'confidential', 'not confidential' or 'scheduled for public release at a certain time'	N/A	PBO must publish when the PBO is notified by the Parliamentary leader	CPB publishes the cost of policies arising from the coalition agreement at the request of the person responsible for forming a new government
Pre-election Reports	Policies have to be costed and published by the PBO pre-election	Parliamentary leader can choose to release a pre-election report at their discretion The pre-election report is not comprehensive (it relies on parties' voluntary submission of policies pre-election)	No pre-election report	No pre-election report	No pre-election report	One year before the election: report by advisory group on fiscal policy and GDP estimates over the medium and long term. Pre-election: analysis of party manifestos two months before the election. Immediate post-election: analysis of new policies under coalition agreement.
Post-election Reports	Replaced by a pre-election report (the Budget Impact Statement BIS))	Prepares post-election reports for both Government and Opposition (two months after the election)	Prepares a post-election report showing the fiscal implications of major parties' election commitments. From next election this report will be over the medium term (10 years).	Produces an annual report examining the trends and drivers of welfare spending. Produces economic and fiscal forecasts over medium-term (at least five years). Assesses how Government's fiscal targets are being achieved alongside each forecast. Assesses the long-term sustainability of the public finances.	No post-election report (BIS equivalent), although publishes all election policy costings	Post-election report with new medium-term economic framework
Other Reports	N/A	N/A	N/A	N/A	Produces a range of reports including economic and fiscal outlooks, reports on program spending, reports on climate change, an independent assessment of the Budget, risk scenario analysis,	Produces three large reports with projections of national and global economic developments. At the start of each general election cycle, the CPB publishes a

Element	NSW PBO	Vic PBO	Cth PBO	UK OBR	Can PBO	Neth CPB
					and fiscal sustainability reports	medium-term outlook, which covers a four-year period and provides a starting point for political parties in their policymaking.
Advice	No advisory function	Provides advice on fiscal, economic and financial matters	Advises all MPs on financial implications of their policies Conducts self-initiated research and advises the public on budget and fiscal policy settings (often in conjunction with Parliamentary Committees)	Advisory function only in the context of its other products	Provides economic and financial analysis for all of Parliament; analyses the estimates of the Government and, if requested, estimates the financial cost of any proposal over which Parliament has jurisdiction. Advisory function ceases during the election period	Provides policy-relevant economic analyses and projections. Conducts research on themes chosen for that particular year, which the CPB determines itself, based on economic policy trends.
	N/A	Advises over the medium/long term (10 years)	Advises over the medium/long term (10 years)	Advises over the medium term (at least 5 years)	Advises over the medium term	Advises over the short, medium, and long term
	N/A	Advises MPs throughout term and during election	Advises MPs throughout term and during election (not policy advice)	N/A	Advises MPs throughout term and during election	Advises MPs throughout term and during election
Relationships with Other Agencies	Good relationship with Agencies: • relies heavily on advice/modelling from agencies • requirements codified in legislation under s.16 of the NSW PBO Act • requirements relatively simple compared to other Australian jurisdictions ¹³⁰ • timely responses to	Not yet good relationship with agencies: • agencies refuse to provide models despite being within the meaning of information and documents within the Victorian PBO Act ¹³¹ • PBO can make arrangements to receive information from agencies under s.25(1) of the	Relatively good relationship with agencies, especially Treasury and Department of Finance: • the CTH PBO uses its own independent methodology using its own “best professional judgement” but will use and rely on the data and models provided by agencies ¹³³ • agency’s requirements	Good relationship with agencies: • highly reliant on the Government departments for input into its forecasts and analysis • the Act gives the OBR “right of access (at any reasonable time) to all Government information which it may reasonably require for the	Good relationship with agencies; • highly reliant on advice/modelling from agencies • the Act makes the PBO “entitled, by request... to the head of a department... to free and timely access to any information... that is required for the performance of his mandate.” ¹³⁶ • MoUs lay out the requirements from agencies between election periods	Independent, uses several advanced models for estimating the macro economy, the collective sector, social security and labour market, etc. The models are based on an extensive historical database, which dates back to 1970 and is available upon request for further

¹³⁰ Victorian Parliamentary Budget Office, Submission no.10b to the Victorian Public Accounts and Estimates Committee Inquiry into the Parliamentary Budget Officer (7 May 2021), https://www.parliament.vic.gov.au/495f9b/contentassets/e010810364874ba49e1d889712b3f607/submission-documents/10.-anthony-close_redacted.pdf, p.29 [Accessed 19 June 2025]

¹³¹ OECD, Submission no. 12a to the Victorian Public Accounts and Estimates Committee Inquiry into the Parliamentary Budget Officer (7 May 2021), <https://www.parliament.vic.gov.au/495fa8/contentassets/2ed89c88879b484abebafc29f2f53ade/attachment-documents/12a.-oecd.pdf>, p.25-29 [Accessed 19 June 2025]

¹³³ ‘About the PBO’, Commonwealth Parliamentary Budget Office, <https://www.pbo.gov.au/about-the-pbo> [Accessed 19 June 2005]

¹³⁶ ‘Information requests’, Office of the Parliamentary Budget Officer (Canada), <https://www.pbo-dpb.ca/en/information-requests--demandes-information> [Accessed 19 June 2025]

Element	NSW PBO	Vic PBO	Cth PBO	UK OBR	Can PBO	Neth CPB
	information requests received	Victorian PBO Act <ul style="list-style-type: none"> agencies' requirements achieved through memorandum of understanding (MoU) agencies heavily rely on exceptions to providing information under s.26 of the Act ¹³² 	achieved through MoUs and Protocols <ul style="list-style-type: none"> access to information from agencies is mostly forthcoming and has improved over time, but there have been instances of problems ¹³⁴ 	performance of its duty'' ¹³⁵ <ul style="list-style-type: none"> MoUs signed between OBR and Treasury, HM Revenue and Customs, and the Department for Work and Pensions, as well as with the Scottish Fiscal Commission and the Welsh Government 	and during election period. <ul style="list-style-type: none"> the PBO has access to numerous agency databases ¹³⁷ 	analysis and research. Has access to confidential information, since the CPB itself technically falls under a government agency.
Submissions to Parliamentary Committees	Cannot submit to Parliamentary committees	Can make submissions to Parliamentary committees	Can make submissions to Parliamentary committees. Can do independent self-initiated work/research on behalf of some Parliamentary committees.	Can make submissions to Parliamentary committees	Can make submissions to Parliamentary committees	CPB participates in many advisory groups
Funding Arrangement	Intermittent PBO – Does not get funding for professional development or ongoing systems and data collection.	Fixed funding means it struggles to cater for professional development and ongoing systems and data collection	Highest funding in Australia. Election surge funding every third year guaranteed in legislation. Access to additional rolling special appropriation fund that can be carried across years.	Resources remain modest but the OBR has so far been able to secure additional resources in line with expansions to its remit.	Sufficient funding to deliver its mandate.	Well-funded. Eighty per cent of funding comes from a lump-sum subsidy from the Government. The other 20 per cent involves monies earmarked for specific projects for the Dutch government and European Commission

Notes

1. Extracted from the NSW PBO '2023 Post-Election Report: Appendix 6 – Comparing the NSW PBO with Other Independent Fiscal Institutions'

¹³² OECD, Submission no. 12a to the Victorian Public Accounts and Estimates Committee Inquiry into the Parliamentary Budget Officer (7 May 2021), p.25-29 [Accessed 19 June 2025]

¹³⁴ Commonwealth Parliamentary Budget Office, Submission no. 1 to the Commonwealth Joint Committee of Public Accounts and Audit, Inquiry into the Operations of the Parliamentary Budget Office, <https://www.aph.gov.au/DocumentStore.ashx?id=7226dd6f-53d6-43d6-b242-04cc53c83f04&subId=299145>, p.15.

¹³⁵ See section 9(1) *Budget Responsibility and National Audit Act 2011* (UK)

¹³⁷ Briefing Note to the working party of senior budget officials and network of Parliamentary Budget Officials and Independent Fiscal Institutions, Access to information for Independent Fiscal Institutions (IFIs), OECD, [https://one.oecd.org/document/GOV/PGC/SBO\(2020\)9/en/pdf](https://one.oecd.org/document/GOV/PGC/SBO(2020)9/en/pdf), p.4 [Accessed 19 June 2025]

Appendix 2 – Comparison of Australian PBO Relationships with PACs

	Commonwealth PBO	Victorian PBO	NSW PBO
Legislation	<i>Parliamentary Service Act 1999 (Cth)</i> ¹³⁸	<i>Parliamentary Budget Officer Act 2017 (Vic)</i> ¹³⁹	<i>Parliamentary Budget Officer Act 2010 (NSW)</i> ¹⁴⁰
PAC	Joint Committee of Public Accounts and Audit (JCPPA)	Public Accounts and Estimates Committee (PAEC)	Public Accounts Committee of the Legislative Assembly (NSW PAC)
Annual Work Plan/Operations Plan	Yes ¹⁴¹	Yes ¹⁴²	Yes ¹⁴³
PBO Draft Estimates	Yes ¹⁴⁴		
PBO Operations and Resources	Yes ¹⁴⁵	Yes ¹⁴⁶	Yes ¹⁴⁷ NSW PAC may monitor and review the operations of the Parliamentary Budget Officer appointed for a State general election and report to Parliament on any matter relating to that Officer
Power to Direct PBO Activities	No ¹⁴⁸ Nothing in previous subsection authorises the Committee to direct the activities of the Parliamentary Budget Officer	No ¹⁴⁹ Nothing in previous subsection authorises PAEC to direct the activities of the Parliamentary Budget Officer or to question— (a) a policy costing; or (b) a pre-election report; or (c) a post-election report; or or (d) information contained in analysis, advice or a briefing provided under section 47	No Act is silent
Appointment of Parliamentary Budget Officer	Yes ¹⁵⁰ JCPAA must approve the proposed appointment	Yes ¹⁵¹ PAEC makes the recommendation to appoint	No

¹³⁸ See *Parliamentary Service Act 1999* (Cth), <https://www.legislation.gov.au/C2004A00536/latest/text> [Accessed 20 June 2025]

¹³⁹ See *Parliamentary Budget Officer Act 2017* (Vic), <https://content.legislation.vic.gov.au/sites/default/files/2020-02/17-27aa003%20authorised.pdf> [Accessed 20 June 2025]

¹⁴⁰ See *Parliamentary Budget Officer Act 2010* (NSW), <https://legislation.nsw.gov.au/view/html/inforce/current/act-2010-083> [Accessed 20 June 2025]

¹⁴¹ See S64Q (Annual work plan for Parliamentary Budget Office) and S64S(1)(a) (Duties of Joint Committee of Public Accounts and Audit)

¹⁴² See S22 (Operational Plan) and S54(1)(c) (Functions of the Parliamentary Committee)

¹⁴³ See S15(2) (Role of the Public Accounts Committee)

¹⁴⁴ See S64S(1)(b)&(c) (Duties of Joint Committee of Public Accounts and Audit)

¹⁴⁵ See S64S(1)(d)&(e) (Duties of Joint Committee of Public Accounts and Audit)

¹⁴⁶ See S54(1)(b) (Functions of the Parliamentary Committee)

¹⁴⁷ See S15(1) (Role of the Public Accounts Committee)

¹⁴⁸ See S64S(2) (Duties of Joint Committee of Public Accounts and Audit)

¹⁴⁹ See S54(2) (Functions of the Parliamentary Committee)

¹⁵⁰ See S64XA (Approval of proposed appointment by Joint Committee of Public Accounts and Audit)

¹⁵¹ See S6(3) (Appointment of Parliamentary Budget Officer) and S54(1)(a) (Functions of the Parliamentary Committee)

	Commonwealth PBO	Victorian PBO	NSW PBO
Review of PBO Operations	Yes ¹⁵² After a general election, the JCPAA may request the Parliamentary Budget Officer to cause an independent review of the operations of the PBO to be conducted in accordance with the request	Yes ¹⁵³ Review and assess how well the Parliamentary Budget Officer's functions are being performed	Partial ¹⁵⁴ The Parliamentary Budget Officer is required to furnish a report to NSW PAC as soon as practicable after the holding of the State general election for which he or she was appointed. The report may include recommendations on operational arrangements and activities of the Parliamentary Budget Officer in respect of future general elections.
Approval of Outside Employment		Yes ¹⁵⁵ The Parliamentary Budget Officer may engage in outside employment or hold another position or office with the prior consent of PAEC	
Suspension and Removal from Office		Yes ¹⁵⁶ PAEC provides the written grounds through the Chair	
Acting Parliamentary Budget Officer		Yes ¹⁵⁷ Parliamentary Budget Officer must nominate to PAEC another PBO officer to act as Parliamentary Budget Officer during any period when the Officer is absent from duty, suspended or for any other reason is unable to perform the duties of office	
Conflicts of Interest		Yes ¹⁵⁸ Provides direction as how PAEC should deal with potential conflicts of interest	
Report of PBO operations during election costing periods		Yes ¹⁵⁹	Yes ¹⁶⁰ The Parliamentary Budget Officer is required to furnish a report to the Public Accounts Committee as soon as practicable after the holding of the State general election for which he or she was appointed
Annual reports		Yes ¹⁶¹	

¹⁵² See S64T (Review of operations of Parliamentary Budget Office)

¹⁵³ See S54(1)(e)&(f) (Functions of the Parliamentary Committee)

¹⁵⁴ See S15(3) (Role of the Public Accounts Committee)

¹⁵⁵ See S10(3)&(4) (Remuneration, allowances and outside employment)

¹⁵⁶ See S12 (Suspension and removal from office)

¹⁵⁷ See S13 (Acting Parliamentary Budget Officer)

¹⁵⁸ See S14 (Conflicts of interest)

¹⁵⁹ See S27(3)&(4) (Report of PBO operations during election costing periods) and S54(1)(d) (Functions of the Parliamentary Committee)

¹⁶⁰ See S15(3) (Role of the Public Accounts Committee)

¹⁶¹ See S28(3)&(4) (Annual reports) and S54(1)(d) (Functions of the Parliamentary Committee)

Summary of Attachments

Attachment A	OECD Recommendation of the Council on Principles for Independent Fiscal Institutions
Attachment B	Dissenting Statement – Mr Roger Jaensch MP

Public Governance and Territorial Development Directorate
OECD Senior Budget Officials (SBO)

OECD Network of Parliamentary Budget Officials
and Independent Fiscal Institutions (PBO)

Recommendation of the Council on Principles for Independent Fiscal Institutions

February 2014



**Recommendation of the Council on
Principles for Independent Fiscal Institutions**

February 2014

Recommendation of the Council on Principles for Independent Fiscal Institutions

INTRODUCTION

On 13 February 2014, the OECD Council adopted the *Recommendation of the Council on Principles for Independent Fiscal Institutions*. Geared towards Member countries that have established or are considering establishing an independent fiscal institution (IFI), the *Principles* codify lessons learned and good practices that are firmly grounded in the experience of IFIs to date. The *Principles* seek to reinforce the core values that IFIs both promote and operate under – independence, non-partisanship, transparency, and accountability – while demonstrating technical competence and producing relevant work of the highest quality that stands up to public scrutiny and informs the public debate. As such, they aim to assist countries to design an enabling environment conducive to the good performance of an IFI and to ensuring its long-run viability.

The *Principles* come at a critical time. With commitments to sustainable public finances under close scrutiny since the crisis, policymakers are searching for new ways to safeguard fiscal discipline and rebuild public trust in their capacity to manage public budgets prudently and transparently. While fiscal decision-making is ultimately the responsibility of democratically elected officials, IFIs, often in complement with credible fiscal rules, are seen as a mechanism to help address bias towards spending and deficits and more generally enhance fiscal discipline; promote greater fiscal transparency and accountability; and raise the quality of public debate on fiscal policy.

Independent fiscal institutions (commonly referred to as independent parliamentary budget offices or fiscal councils) are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance. Although relatively few and novel world-wide, diverse examples of IFIs have existed for decades in countries such as Belgium (1936), the Netherlands (1945), Denmark (1962), Austria (1970), and the United States (1974). Today, IFIs are considered among the most important innovations in the emerging architecture of public financial management. A clear trend towards establishing IFIs is evident in Member countries. Just over half of Member countries have an IFI - and just over half of those were established in the past five years. The number of IFIs (of all shapes and sizes) is likely to continue to rise in the foreseeable future.

The *Principles*, which originated in the OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions (PBO), are the culmination of over two years of intensive consultation within the PBO, the Working Party of Senior Budget Officials (SBO), and the Public Governance Committee (PGC). Other inputs to the process include an in-depth study of IFIs in 18 OECD member countries and informal consultation with colleagues within the OECD and with other international organizations such as the European Commission, International Monetary Fund, and the World Bank.

For further information on the *Recommendation of the Council on Principles for Independent Fiscal Institutions*, please contact Lisa von Trapp at lisa.vontrapp@oecd.org.



Recommendation of the Council on Principles for Independent Fiscal Institutions

13 February 2014 - [C\(2014\)17](#)

13 February 2014 - [C\(2014\)17/CORR1](#)

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

NOTING the growth of independent fiscal institutions within Member countries and the diversity of existing institutions;

HAVING AGREED that, for the purpose of the present Recommendation, independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance, and that these institutions have a forward-looking *ex ante* diagnostic task;

RECOGNISING that independent fiscal institutions have the potential to enhance fiscal discipline, promote greater budget transparency and accountability and raise the quality of public debate on fiscal policy, while recognising also that alternative institutional arrangements may serve some countries equally well;

RECOGNISING that budget transparency is a key element of good governance and that the OECD has played a leading role in the international community in promoting budget transparency through the OECD Best Practices for Budget Transparency (OECD, 2002);

On the proposal of the **Public Governance Committee**;

- I. **RECOMMENDS** that Members which have chosen to establish or are considering establishing an independent fiscal institution take into account the Principles for Independent Fiscal Institutions which are set out in the Annex to this Recommendation of which it forms an integral part.
- II. **INVITES** Members and the Secretary-General to disseminate this Recommendation.
- III. **INVITES** non-Members who have chosen to establish or are considering establishing an independent fiscal institution to take account of and to adhere to this Recommendation.
- IV. **INVITES** relevant international organisations to take account of this Recommendation and to collaborate with the OECD to exchange good practices and data on independent fiscal institutions.
- V. **INSTRUCTS** the Public Governance Committee to monitor the implementation of this Recommendation and to report thereon to the Council no later than three years following its adoption and regularly thereafter.

ANNEX

PRINCIPLES FOR INDEPENDENT FISCAL INSTITUTIONS (IFIs)

The twenty-two *Principles for Independent Fiscal Institutions* (fiscal councils and independent parliamentary budget offices) proposed below are grouped under nine broad headings: (1) local ownership; (2) independence and non-partisanship; (3) mandate; (4) resources; (5) relationship with the legislature; (6) access to information; (7) transparency; (8) communication; and (9) external evaluation.

1. Local ownership

1.1. To be effective and enduring, an IFI requires broad national ownership, commitment, and consensus across the political spectrum. While a country seeking to establish an IFI will benefit from the study of existing models and experiences in other countries, models from abroad should not be artificially copied or imposed. Regional or international authorities may provide valuable support and protection.

1.2. Local needs and the local institutional environment should determine options for the role and structure of the IFI. Design choices may also have to take into account capacity constraints, particularly in smaller countries¹. The basic characteristics of an IFI, including specific protections, should be informed by the country's legal framework, political system, and culture. Its functions should be determined by the country's fiscal framework and specific issues that need to be addressed.

2. Independence and non-partisanship

2.1. Non-partisanship² and independence are pre-requisites for a successful IFI. A truly non-partisan body does not present its analysis from a political perspective; it always strives to demonstrate objectivity and professional excellence, and serves all parties. This favours that IFIs should be precluded from any normative policy-making responsibilities to avoid even the perception of partisanship.

2.2. The leadership³ of an IFI should be selected on the basis of merit and technical competence, without reference to political affiliation. The qualifications should be made explicit – including professional standing and relevant government or academic experience. Qualifications should include proven competence in economics and public finances and familiarity with the budget process.

2.3. Term lengths and the number of terms that the leadership of the IFI may serve should be clearly specified in legislation as should be the criteria and process for dismissal for cause. The leadership's term should optimally be independent of the electoral cycle. Independence may be enhanced by defining the term span beyond the electoral cycle.

2.4. The position of head of the IFI should be a remunerated and preferably full-time position⁴. Strict conflict-of-interest standards, particularly for institutions with council members employed on a part-time basis, should be applied equally vis-à-vis other employment in the public or private sector.

2.5. The leadership of the IFI should have full freedom to hire and dismiss staff in accordance with applicable labour laws.

¹ Several countries (e.g. Ireland, Portugal, and Sweden) allow for non-nationals to serve as council members, thus increasing the pool of qualified candidates and reducing the risk of "groupthink". As such, this design choice may also serve to bolster independence.

² Non-partisanship should not be confused with bi-partisanship. Whereas bi-partisanship suggests a balance between political parties, non-partisanship necessitates an absence of political influence.

³ The title may differ – director, president, or chair – depending on its design. The institution may be under individual or collective (council) leadership.

⁴ There are exceptional cases in which a part-time position may be considered sufficient, for example if the IFI has a strictly defined and limited work programme or if another institution provides complementary functions which impact on the workload of the IFI. In Sweden, the Fiscal Policy Council can use the macro-fiscal forecasts prepared by another well-established independent agency, the National Institute of Economic Research.

2.6. Staff should be selected through open competition based on merit and technical competence and without reference to political affiliation. Conditions of employment⁵ should be along the lines of that of the civil (or parliamentary) service⁵.

3. Mandate

3.1. The mandate of IFIs should be clearly defined in higher-level legislation, including the general types of reports and analysis they are to produce, who may request reports and analysis, and, if appropriate, associated timelines for their release.

3.2. IFIs should have the scope to produce reports and analysis at their own initiative, provided that these are consistent with their mandate. Similarly, they should have the autonomy to determine their own work programme within the bounds of their mandate.

3.3. Clear links to the budget process should be established within the mandate. Typical tasks carried out by IFIs might include (but are not limited to): economic and fiscal projections (with a short- to medium-term horizon, or long-term scenarios); baseline projections (assuming unchanged policies); analysis of the executive's budget proposals; monitoring compliance with fiscal rules or official targets; costing of major legislative proposals; and analytical studies on selected issues⁶.

4. Resources

4.1. The resources allocated to IFIs must be commensurate with their mandate in order for them to fulfil it in a credible manner. This includes the resources for remuneration of all staff and, where applicable, council members. The appropriations for IFIs should be published and treated in the same manner as the budgets of other independent bodies, such as audit offices, in order to ensure their independence. Multiannual funding commitments may further enhance IFIs independence and provide additional protection from political pressure.

5. Relationship with the legislature

5.1. Legislatures perform critical accountability functions in country budget processes and the budgetary calendar should allow sufficient time for the IFI to carry out analysis necessary for parliamentary work. Regardless whether an independent fiscal institution is under the statutory authority of the legislative or the executive branch, mechanisms should be put in place to encourage appropriate accountability to the legislature. These may include (but are not limited to): (1) submission of IFI reports to parliament in time to contribute to relevant legislative debate; (2) appearance of IFI leadership or senior staff before the budget committee (or equivalent) to provide responses to parliamentary questions; (3) parliamentary scrutiny of the IFI budget; and (4) a role for parliament's budget committee (or equivalent) in IFI leadership appointments and dismissals.

5.2. The role of the IFI vis-à-vis parliament's budget committee (or equivalent), other committees, and individual members in terms of requests for analysis should be clearly established in legislation. Preferably, the IFI should consider requests from committees and sub-committees rather than individual members or political parties. This is particularly relevant for those IFIs established under the jurisdiction of the legislature.

6. Access to information

6.1. There is often asymmetry of information between the government and the IFI – no matter how well an IFI is resourced. This creates a special duty to guarantee in legislation – and if necessary to reaffirm through protocols or memoranda of understanding – that the IFI has full access to all relevant information in a timely manner, including methodology and assumptions underlying the budget and other fiscal proposals. Information should be provided at no cost or, if appropriate, sufficient resources should be provided in the IFI budget to cover analysis obtained through government actuarial services.

⁵ Given the small size of the majority of IFIs, staff may be provided with career mobility within the broader civil service. However, care should be taken to avoid conflict of interest.

⁶ Other functions are carried out by well-established IFIs, such as costing of election platforms by the Netherlands Bureau for Economic Policy Analysis, or programme evaluation by the Korean National Assembly Budget Office.

6.2. Any restrictions on access to government information should also be clearly defined in legislation. Appropriate safeguards may be put in place⁷ as regards protection of privacy (for example, taxpayer confidentiality) and of sensitive information in the areas of national defence and security.

7. Transparency

7.1. Given that promoting transparency in public finances is a key goal of IFIs, they have a special duty to act as transparently as possible. Full transparency in their work and operations provides the greatest protection of IFI independence and allows them to build credibility with the public.

7.2. IFI reports and analysis (including a full account of the underlying data and methodology) should be published and made freely available to all. As noted in 5.1, all IFI reports and analysis should be sent to parliament in time for legislative debate⁸ and the leadership of the IFI should be given the opportunity to testify before parliamentary committees.

7.3. The release dates of major reports and analysis should be formally established, especially in order to co-ordinate them with the release of relevant government reports and analysis⁹.

7.4. IFIs should release their reports and analysis, on matters relating to their core on-going mandate on economic and fiscal issues, in their own name.

8. Communications

8.1. IFIs should develop effective communication channels from the outset, especially with the media, civil society, and other stakeholders. Given that the influence of IFIs in fiscal policy making is persuasive (rather than coercive by means of legal sanctions or other punitive measures), media coverage of their work assists in fostering informed constituencies that may then exercise timely pressure on the government to behave transparently and responsibly in fiscal matters.

9. External evaluation

9.1. IFIs should develop a mechanism for external evaluation of their work – to be conducted by local or international experts. This may take several forms: review of selected pieces of work; annual evaluation of the quality of analysis; a permanent advisory panel or board; or peer review by an IFI in another country.

Relevant body: [Public Governance Committee](#)

⁷ For example, security clearance for IFI staff.

⁸ There may be cases where an IFI provides confidential estimates as part of the legislative process. For example, the U.S. Congressional Budget Office provides estimates early in the legislative process – kept confidential only until the legislative proposal becomes public – in order to help craft legislative proposals.

⁹ Care must be taken to avoid the perception that the timing of the release of the IFI reports favours the government or the opposition parties.

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

Parliamentary Budget Office Inquiry - Final Report

DISSENTING REPORT - Roger Jaensch MP, Member for Braddon

Introduction

While I accept the Parliamentary Budget Office (PBO) Inquiry Final Report as the Report of the Committee, I did not agree to all aspects of Recommendations 2 and 12 of the Report.

My concerns, which are common to both recommendations, were raised during the Committee's deliberations but are not reflected in the final recommendations.

I have prepared this report to bring these matters to attention when the report is tabled and considered in detail.

Relevant recommendations

The relevant recommendations are as follows:

Recommendation 2

The legislation establishing the Tasmanian Parliamentary Budget Office provide for the following functions:

During the election period

- a. policy costings on election commitments submitted by a nominated representative/leader of registered political party seeking election or an independent candidate, on a confidential basis*
- b. monitoring publicly announced election commitments and reporting on the policy cost or reporting that no request for policy costing was made, and*
- c. preparation and publication of post-election budget impact reports.*

Outside the election period

- a. policy costings for a Member of Parliament on policies prepared by that member, on a confidential basis, throughout the parliamentary term*
- b. economic and fiscal advice to Parliament and parliamentary committees, and*
- c. preparation and publication of an annual report that is tabled in both Houses of Parliament*

Recommendation 12

The legislation for the Tasmanian Parliamentary Budget Office provides that during an election period:

- a. *the Parliamentary Budget Officer may publish a policy costing once satisfied the policy has been publicly announced, and*
- b. *the election policy costing service be available to the nominated representative/leader of a registered political party seeking election or an independent candidate*

Member's concerns

In summary, my concerns about these recommendations, as currently written, relate to

1. The costs and resourcing requirements of a Parliamentary Budget Office (PBO), if it is required (or expected) to provide a policy costing service for ALL parties and independent candidates, within limited timeframes, during election periods; and
2. The risk of politicising the role of the PBO, as an independent statutory office, by requiring it to decide WHICH policies and parties it provides a costing service for, and making it a source of public information on policies, during election periods

At the 2025 State Election there were 7 registered political parties and 45 independent candidates. According to the Parliament of Tasmania Library and Research Service webpage, a total of 239 policies were published (excluding the policies of unsuccessful candidates). The election was officially called on 11 June and held on 19 July 2025.

If the report's recommendations were in force at the time, the PBO would have needed to receive, consider, provide and publish reliable costings for at least 239 policies in time to inform the public vote – an effective timeframe of just 2 to 3 weeks.

If this expectation is to be met in full, the PBO would require a significant staffing capacity on standby and uncapped resources to respond to a demand-driven workload.

Alternatively, if the PBO's resources were finite and it was required to choose WHICH policies, parties and candidates it produced and published costings for (as per the report's recommendations), it could risk advantaging some parties or candidates at the expense of others, as well as providing incomplete information to the voting public.

This could lead to perceptions of the PBO influencing the political process, which may reduce confidence in its independence among users of the service, as well as electors.

Alternative approaches, for consideration

As stated earlier, the above concerns relate to possible scenarios if recommendations 2 and 12 were to be adopted and implemented in full.

I do not intend to suggest alternative formal recommendations, which should properly reference specific evidence received in the course of the inquiry.

Instead, I offer the following observations and options, for consideration by those responsible for responding to the report:

Consideration should be given to establishing the PBO, at least initially, primarily as a service to MPs and parties in the parliament, focussed on improving the quality and consistency of policy costings, throughout the parliamentary cycle.

There is precedent for this in the way non-government MPs in the Tasmanian Parliament currently access the Office of Parliamentary Counsel (OPC) to help them prepare bills and complex legislative amendments, which has been well used and appreciated.

Consistent with this approach, **consideration should be given to NOT requiring the PBO to publish policy costings** and maintain a public register of costed policies.

This would be a significant departure from the model proposed in the report, which sees the role of the PBO as providing a confidential service to MPs UNTIL costed policies are published, at which point the PBO takes on a public information role.

Apart from the risks previously identified regarding the PBO's capacity to meet expectations of this role and avoid perceptions of politicisation during election periods, the dual role proposed in the report creates an inherent conflict between the PBO's responsibilities to MPs on one hand and the public on the other.

Focusing on services to parliamentarians would avoid this conflict and be far simpler for PBO to manage as an independent statutory office, but still benefit the public.

Just as the involvement of the OPC has improved the operation of parliament on complex bills and amendments, PBO costings can enhance confidence in policy proposals before the parliament and the public, including during elections.

Indeed, PBO costings may come to be valued as a 'quality assurance' mark for policies seeking parliamentary or public support, which could drive uptake of PBO services.

The cost and risk of the PBO not being able to meet expected demand during election periods could be addressed by **reducing the range of participants eligible to access the service**, including by excluding candidates and parties not already in parliament.

Unlike Tasmania, other jurisdictions with PBOs that provide services to a broader range of parliamentary stakeholders also have fixed parliamentary terms. This may have the effect of providing a more certain lead-time for development of policies, allowing the PBO to manage demand for its services through more of the parliamentary cycle.

Summary

The options presented in this dissenting report respond to concerns discussed during the Committee's deliberations, which were not addressed in the recommendations.

It is hoped that they offer a way forward that can reduce the costs and complexity of implementation of a PBO, at least initially, and avoid some potential conflicts inherent in the model as currently proposed.

If supported, they could either be adopted as modifications to the relevant recommendations or incorporated in a staged implementation of the PBO functions proposed in the report.

For example, the PBO could be implemented initially as a service to the parliament and sitting MPs, on a similar basis to the OPC, before considering broader roles like maintaining a public register of policy costings and providing services to candidates.

I commend the Committee for its detailed examination of the PBO concept over an extended period, most of which occurred before I was appointed. I look forward to the Parliament's consideration of both the Committee's report and the matters I have raised.

Roger Jaensch MP

Member for Braddon

10 June 2026