

Part 1: Overview

Parliamentary Budget Officer's review

The year in review



Reflecting on the first year of my term as Parliamentary Budget Officer, I am proud to say that we have continued to build on our strong foundation and support a better informed policy debate across a wide range of fiscal and budgetary issues. We have put significant effort this year into further enhancing our capability and improving transparency around our work.

We have continued to receive very high demand for our services to estimate the fiscal impact of policy proposals and it has now become commonplace that major policy announcements by non-government parties and parliamentarians include PBO estimates of these impacts. The ability to request this advice on a confidential basis has provided the opportunity for the policy proposals to be refined over time, taking into account estimates of their fiscal impact. A number of parliamentarians have elected to publicly release PBO advice, and we have made this advice more easily accessible on our website. We have also provided analysis to parliamentary committees when requested, to assist their deliberations.

Similarly, our published research, which aims to improve budget transparency and the public understanding of fiscal and budgetary issues, has been widely cited in the media, in parliamentary debates, and in ongoing public policy discussions. We have supplemented our regular publications on the medium-term budget outlook and the national fiscal outlook with a more accessible budget snapshot and a budget chart pack, both of which aim to transparently present budget developments. We have also published papers on specific topics that are relevant for understanding fiscal developments, particularly over the medium term.

A particular focus of our work this year has been planning to ensure we are well-prepared for the additional work and obligations that a general election during 2018–19 will bring. This has included resourcing and logistical planning, improvements to our workflow management system, and consulting on proposed changes to the next post-election report on the budget impacts of election commitments.

More broadly, over the past year we have implemented a range of initiatives to enhance our efficiency and effectiveness, in response to the independent review of the Parliamentary Budget Office (PBO) completed in March 2017 and the stakeholder survey we conducted in early 2018. These initiatives centred around four main themes: improving the transparency of our processes, procedures and costing work; increasing external engagement and consultation; enhancing evaluation and feedback mechanisms; and increasing the focus of the research program on medium-term fiscal issues.

The initiatives we have implemented are outlined in this report, and have included the establishment of an expert panel of advisors, the publication of a number of information papers describing aspects of our work, enhancements to our model development and evaluation program, and improvements to our engagement arrangements with parliamentarians and Commonwealth agencies. We have also reviewed and strengthened how we measure our performance.

The year ahead

Our plans for the coming year are available in our corporate plan that we published on 29 August 2018.

The year ahead includes the certainty that a general election will be held. This is a peak period for the PBO. We expect that there will be a significant increase in demand for our policy costing services as parties prepare for an election. After the election we will be preparing our post-election report of the budget impacts of election commitments.

Throughout this period, we will continue to progress our research program, build our capability and make improvements to our operational effectiveness.

I would like to thank the staff of the PBO for their strong contributions during 2017–18. Each member of our team brings a unique background of education, experience and skills to the PBO. We are a very small organisation and we undertake analysis across a broad range of policy areas. The accuracy, timeliness and relevance of this work is testament to the quality and dedication of our team.

Jenny Wilkinson
Parliamentary Budget Officer

Parliamentary Budget Office overview

Role

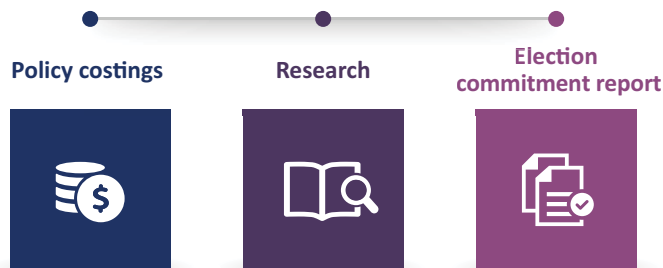
The role of the PBO is articulated in section 64B of the *Parliamentary Service Act 1999* and comprises three main elements, which are to:

- enable fiscal impacts to be considered during policy development by providing policy costing and budget analysis services to all parliamentarians
- improve public understanding of budget and fiscal policy issues by conducting and publishing research in these areas
- enhance transparency around election commitments by preparing a post-election report on the budget impacts of the election commitments of parliamentary parties.

Purpose, outcome and functions

The purpose of the PBO, as set out in the 2017–18 work plan, is to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of policy proposals. This is also the PBO's outcome.

We achieve our outcome through the provision of our core functions:



Policy costings and budget analysis

The PBO provides all parliamentarians with access to advice on the financial implications of their policy proposals, based on the policy specifications they provide. Outside of the caretaker period for an election, parliamentarians may submit requests for policy costings on a confidential basis, in which case both the request and our response are kept in confidence.

We also provide parliamentarians with access to information relating to the budget, which we may provide on a confidential basis regardless of when the request is made.

We respond to requests for assistance from parliamentary committees on issues that fall within our mandate.

Research

We publish research which focusses on the fiscal sustainability of the Australian Government budget, particularly over the medium term. We seek, through our publications, to improve budget transparency and promote a better public understanding of the budget and fiscal policy settings.

Report on election commitments

Within 30 days after the end of the caretaker period for a general election, we publish a report that presents the budget impacts of each of the election commitments of the major parliamentary parties, including their aggregate impact on the fiscal position. Minor parties may choose to opt in to have their election commitments included in an addendum to this report.

Organisational structure

The PBO is led by the Parliamentary Budget Officer, supported by senior executives who have responsibility for specific business areas. The organisational structure comprises:

- the Budget Analysis Division, responsible for the preparation of policy costings and budget analysis
- the Fiscal Policy Analysis Division, responsible for leading the PBO's research program and coordinating the post-election report of election commitments
- the Corporate Strategy Branch, responsible for developing and implementing the PBO's corporate strategies and policies, managing the delivery of the PBO's corporate services, and meeting the PBO's compliance obligations.

Figure 1: PBO organisational structure as at 30 June 2018

