**13 February 2019**

Parliamentary Budget Office activity report

# Overview

This activity report provides an update on PBO activities since the last report dated 17 October 2018.

## Requests from parliamentarians and parliamentary parties

In the first half of 2018–19, the PBO received 734 requests from parliamentarians for policy costings and analyses and responded to 974 requests at an average turnaround time of 27 business days and a median time to completion of 19 business days (refer to Table 1). The longer completion times than in previous periods reflected the volume of requests submitted to the PBO since the Budget in May 2018.

The PBO makes information requests to Commonwealth agencies to support its responses to parliamentarians (and its research program). In the first half of 2018–19, the PBO received 169 responses from Commonwealth agencies to information requests at an average turnaround time of six business days. Requests were provided, on average, three business days ahead of the due date (refer to Table 2). Table 3 contains details of the responsiveness of Commonwealth agencies to information requests during this period.

In the period since the last activity report, 17 policy announcements that were made by parliamentarians or parliamentary parties included references to PBO policy costings. Ten of these costings were subsequently publicly released (refer to Table 4).

## Research program

The PBO’s research program is set out in the 2018–19 corporate plan.

On 29 November 2018 the PBO released the *National fiscal outlook: As at 2018–19 Budgets*, and the *2018–19 National fiscal outlook: At a Glance*. These provide a national perspective on the fiscal outlook and a complete picture of the size of general government by examining outcomes across all levels of Australian government on a consistent basis. The *At a Glance* publication provides a graphical snapshot of each of the Commonwealth, state and territory budgets.

On 17 December 2018 the PBO released the *2018–19 Mid-Year Economic and Fiscal Outlook Snapshot,* which provides a graphical summary of key information contained in the 2018­–19
Mid-Year Economic and Fiscal Outlook.

The PBO also released two guidance notes relating to the 2019 general election. These set out how the PBO will include medium-term financial impacts of election commitments in the next
post-election report (3 October 2018) and the PBO’s approach to costing policy proposals during the caretaker period (5 December 2018).

In terms of future research, good progress has been made on reports examining the impact of Australia’s ageing population on the Budget, investment funds and net debt, alternative financing mechanisms and expenditure on the Newstart allowance. In advance of the next election, the PBO will release a guidance note on how it will engage with parliamentary parties to produce its post-election report of election commitments.

## External engagement

Following the establishment of the panel of expert advisors, the PBO continues to seek input from the panel to assist with the development and evaluation of its work program and methodologies.

The PBO continues to work with Commonwealth agencies to arrange access to electronic data warehouses, where possible. This ongoing access reduces the time it takes to respond to parliamentarian requests and reduces the ongoing burden on agencies in responding to individual requests for information.

In February 2019, the Parliamentary Budget Officer attended the 11th annual meeting of the OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions hosted by the Portuguese Public Finance Council and the Portuguese Parliament and met with counterparts in London. This provided an opportunity to build relationships with other institutions that have similar roles and mandates to the Australian PBO.

## PBO staffing

The PBO is allocated a budget that supports around 40 staff and receives additional funding every third year in the lead up to a general election to boost its staffing. At 31 December 2018, the PBO had 40 staff (including one person on secondment from another Commonwealth agency).

Secondment arrangements undertaken by the PBO build capability in the PBO and agencies, and expand the pool of potential candidates that the PBO can draw upon during election periods when surge capacity may be required.

The PBO is continuing to participate in the Parliament of Australia graduate program. Five graduates are joining the PBO during 2019.

# Requests from parliamentarians and parliamentary parties for costings and budget analyses

Table 1: Costing and budget analysis requests from parliamentarians and parliamentary parties to
31 December 2018

|  | 2014–15Total | 2015–16Total | 2016–17Total | 2017–18Total | 2018–19Q1 | 2018–19Q2 | 2018–19Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Requests outstanding at start of period | 76 | 138 | 20 | 180 | 586 | 336 | 586 |
| Requests received in period | 973 | 4,146 | 2,572 | 2,218 | 438 | 296 | 734 |
| Requests withdrawn in period | 42 | 1,013 | 524 | 252 | 51 | 146 | 197 |
| Requests completed in period | 869 | 3,251 | 1,888 | 1,560 | 637 | 337 | 974 |
| Average time to completion (business days) | 20 | 19 | 20 | 20 | 29 | 24 | 27 |
| Median time to completion (business days) | 12 | 16 | 12 | 15 | 25 | 13 | 19 |
| Requests outstanding at end of period | 138 | 20 | 180 | 586 | 336 | 149 | 149 |

Note: The table identifies the number of ‘options’ received by the PBO, noting that a single request can contain multiple options.

Figure 1: PBO response times for completed requests in 2018–19 to 31 December 2018



# Requests by the PBO for information from agencies

Table 2: Information requests to agencies to 31 December 2018

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2014–15Total | 2015–16Total | 2016–17Total | 2017–18Total | 2018–19Q1 | 2018–19Q2 | 2018–19Total |
|  |  |  |  |  |  |  |  |
| Responses outstanding at start of period | 16 | 3 | 1 | 16 | 11 | 9 | 11 |
| Requests sent in period | 203 | 743 | 523 | 424 | 82 | 159 | 241 |
| Responses received in period | 216 | 745 | 508 | 429 | 84 | 85 | 169 |
| Responses received by due date | 147 | 695 | 499 | 425 | 80 | 83 | 163 |
| Responses received after due date | 69 | 50 | 9 | 4 | 4 | 2 | 6 |
| Percentage late (%) | 32 | 7 | 2 | 1 | 5 | 2 | 4 |
| Average time taken to respond(business days) | 13 | 7 | 8 | 9 | 7 | 5 | 6 |
| Average punctuality(business days late) | 3 | -1 | -2 | -1 | -1 | -4 | -3 |
| Average lateness of late responses(business days) | 11 | 3 | 3 | 3 | 3 | 3 | 3 |
| Responses outstanding at end of period | 3 | 1 | 16 | 11 | 9 | 83 | 83 |

As at 31 December 2018, there were no overdue responses to a request for information.

Table 3: Information request responsiveness by agencies in 2018–19 to 31 December 2018



Table 4: Policy announcements with reference to PBO costings — in period since last Activity report

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Description of policy announcement | Party or parliamentarian announcing policy | Method of announcement | Date of announcement | Date of release of costing minute |
| Increase in tax for high income earners | Australian Greens | Media article | 30/10/2018 | Costing minute not released |
| Drug testing sites in capital cities and regional centres | Australian Greens | Media article | 9/11/2018 | Costing minute not released |
| Make franking credits non-refundable – further information | Australian Labor Party | Hansard | 20/11/2018 | 20/11/2018 – Costing posted on PBO website |
| CEFC to provide grant funding and concessional loans to households to install solar and batteries | Australian Labor Party | Media article | 22/11/2018 | Costing minute not released |
| Allow employees to opt out of receiving superannuation guarantee contributions | Not stated | Media article | 25/11/2018 | Costing minute not released |
| Liberal Democrats’ tax policy | Liberal Democratic Party | Introduction of Bill into Parliament | 29/11/2018 | 29/11/2018 – Costing posted on PBO website |
| Higher education (consolidation) | Australian Greens | Media article | 10/12/2018 | 12/12/2018 – Costing posted on PBO website |
| Postgraduate income support | Australian Greens | Media article | 10/12/2018 | 12/12/2018 – Costing posted on PBO website |
| Securing the value of our resources – End fossil fuel subsidies | Australian Greens | Media article | 11/12/2018 | 12/12/2018 – Costing posted on PBO website |
| The PaRRTy is over | Australian Greens | Media article | 11/12/2018 | 12/12/2018 – Costing posted on PBO website |
| Direct subsidy of $8,500 over 15 years for investors who build new dwellings and offer them to people in need on lower rents | Australian Labor Party | Media article | 16/12/2018 | Costing minute not released |
| Commonwealth to provide per-student subsidy for swimming lessons | Australian Labor Party | Media release | 20/01/2019 | Costing minute not released |
| Revenue implications of changes to vehicle taxation measures | Senator Tim Storer | Media release | 30/01/2019 | 30/01/2019 – Costing posted on PBO website |
| **Applying a road user charge to electric vehicles** | Senator Tim Storer | Media release | 30/01/2019 | 30/01/2019 – Costing posted on PBO website |
| **Revenue implications of changes to vehicle taxation measures – Fringe benefits tax exemption** | Senator Tim Storer | Media release | 30/01/2019 | 30/01/2019 – Costing posted on PBO website |
| **Revenue implications of setting mandatory Government fleet electric vehicle purchasing targets** | Senator Tim Storer | Media release | 30/01/2019 | 30/01/2019 – Costing posted on PBO website |
| Tax deduction for expenditure on energy efficiency measures for rental properties | Senator Tim Storer | Media article | 8/02/2019 | Costing minute not released |