**17 October 2018**

Parliamentary Budget Office activity report

# Overview

The Parliamentary Budget Office (PBO) 2017–18 annual report was tabled on 15 October 2018 and contains details of PBO activity during 2017–18.

This activity report provides an update on PBO activities during 2018–19.

The PBO published its 2018–19 corporate plan on 29 August 2018, following consultation with the Joint Committee of Public Accounts and Audit.

## Requests from parliamentarians and parliamentary parties

In the three months to 30 September 2018, the PBO received 438 requests from parliamentarians for policy costings and analyses and responded to 637 requests at an average turnaround time of 29 business days and a median time to completion of 25 business days (refer to Table 1). Response times increased in quarter 1 due to the high volume of requests received in quarter 4 2017–18 that were responded to in quarter 1 of 2018–19, and due to an increase in the number of complex requests completed.

The PBO makes information requests to Commonwealth agencies to support its responses to parliamentarians (and its research program). In the three months to 30 September 2018, the PBO received 84 responses from Commonwealth agencies to information requests at an average turnaround time of seven business days. Requests were provided, on average, one business day 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.

During 2017–18, 30 policy announcements that were made by parliamentarians or parliamentary parties included references to PBO policy costings. Ten of these costings were subsequently publicly released. In the period since the last activity report, 20 policy announcements referenced PBO costings, with seven costings publicly released (refer to Table 4).

## Research program

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

On 18 July 2018 the PBO released a report *Trends affecting the sustainability of Commonwealth taxes*, examining the broad trends within the Commonwealth tax system since 2001–02 and the risks they present.

On 6 September 2018 the PBO released the *2018–19* *Budget: medium-term projections*, providing detailed analysis and projections of receipts and payments over the forward estimates and the medium-term period, as at the 2018–19 Budget.

Work is underway on the PBO’s regular *National Fiscal Outlook* publication, which we expect to release before the end of 2018. Good progress has been made on a report examining the impact of Australia’s ageing population on the budget, with an early draft recently sent to a select group of experts for feedback on the underlying analysis.

## 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 July 2018, the Parliamentary Budget Officer attended the 10th annual meeting of the OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions hosted by the National Assembly Budget Office (NABO) in Seoul, Korea. This provided an opportunity to better understand the NABO and build relationships with other institutions that have similar roles and mandates as 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 30 September 2018, the PBO had 43 staff (including four people on secondment from other Commonwealth agencies).

The secondment arrangements in place will 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. Seven graduates joined the PBO during 2018 from a range of agencies, for periods of three to six months. Recruitment for the 2019 program is currently underway.

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

Table 1: Costing and budget analysis requests from parliamentarians and parliamentary parties to
30 September 2018

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

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 30 September 2018



# Requests by the PBO for information from agencies

Table 2: Information requests to agencies to 30 September 2018

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

As at 30 September 2018, one response to a request was overdue.

Table 3: Information request responsiveness by agencies in 2018–19 to 30 September 2018



Table 4: Policy announcements with reference to PBO costings—1 April to 12 October 2018

| Description of policy announcement | Party or Parliamentarian announcing policy | Method of Announcement | Date of announcement | Date of release of costing minute |
| --- | --- | --- | --- | --- |
| Legalising the production and sale of recreational cannabis | Australian Greens | Media article | 17/04/2018 | 23/04/2018 - Costing posted on PBO website |
| Good and Services Tax - removal for sanitary products; Goods and Services Tax - natural therapies | Australian Labor Party | Media article | 28/04/2018 | Costing minute not released |
| Free tertiary education for undergraduates | Australian Greens | Media article | 28/04/2018 | Costing minute not released |
| 10% commonwealth royalty on off-shore oil and gas projects | Australian Greens | Media article | 8/05/2018 | Costing minute not released |
| Remove cash refunds for excess dividend imputation credits | Senator David Leyonhjelm | Media article | 8/05/2018 | 8/05/2018 - Costing posted on PBO website |
| Fund 50% of growth in activity-based and block funding for public hospitals from 1 July 2019 to 30 June 2025, then at population growth plus CPI (Option 2 in costing). | Australian Labor Party | Media release | 10/05/2018 | Costing minute not released |
| Working Australians Tax Refund (increase LMITO) | Australian Labor Party | Media article | 11/05/2018 | Costing minute not released |
| Personal Income Tax Plan | Australian Greens | Media article | 5/06/2018 | 6/06/2018 - Costing posted on PBO website |
| Personal Income Tax Plan, revenue impacts | Senate Economics Legislation and References Committees | Report | 6/06/2018 | 5/06/2018 - Costing posted on PBO website |
| Personal Income Tax Plan, gender and number affected | Senate Economics Legislation and References Committees | Report | 17/06/2018 | 13/06/2018 - Costing posted on PBO website |
| Increase LMITO, reverse Stages 2 and 3 of Personal Income Tax Plan | Senator Tim Storer | Parliamentary speech | 20/06/2018 | Costing minute not released |
| Company Tax threshold | Australian Labor Party | Parliamentary speech | 29/06/2018 | Costing minute not released |
| ALPs proposal to not proceed with abolition of energy supplement for certain payments | Australian Labor Party | Media article | 22/07/2018 | Costing minute not released |
| Revenue from not proceeding with the unlegislated company tax cuts | Senator John Williams | Media article | 16/08/2018 | Costing minute not released |
| Superannuation for low paid women | Australian Labor Party | Media article | 19/09/2018 | Costing minute not released |
| Magnetic Resonance Imaging (MRI) licences for Mount Barker and Victor Harbor | Ms Rebekha Sharkie MP | Media article | 19/09/2018 | 19/09/2018 - Costing posted on PBO website |
| Pension assets test – equity for rural pensioners | Ms Cathy McGowan AO MP | Parliamentary speech | 19/09/2018 | 21/09/2018 - Costing posted on PBO website |
| Travel allowances | Australian Labor Party | Media article | 20/09/2018 | Costing minute not released |
| Pre-school | Australian Labor Party | Media release | 4/10/2018 | Costing minute not released |
| Schools funding | Australian Labor Party | Media article | 19/10/2018 | Costing minute not released |