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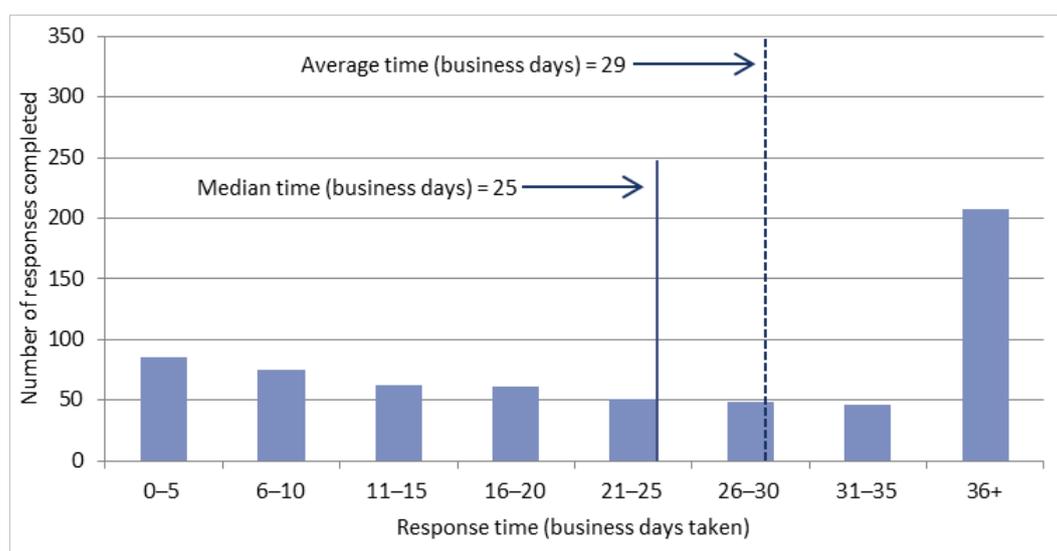
Requests from parliamentarians and parliamentary parties for costings and budget analyses

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

	2014–15 Total	2015–16 Total	2016–17 Total	2017–18 Total	2018–19 Q1
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

	2014–15 Total	2015–16 Total	2016–17 Total	2017–18 Total	2018–19 Q1
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

Department/Agency	Responses received in period	Average time taken to respond (business days)	Responses received after due date		% Late
Attorney-General's Department	4	6	1	▮	25%
Australian Competition and Consumer Commission	2	10	0		0%
Australian Securities and Investments Commission	2	10	0		0%
Australian Taxation Office	14	8	0		0%
Australian Transaction Reports and Analysis Centre	1	10	0		0%
Department of Agriculture and Water Resources	2	7	0		0%
Department of Communications and the Arts	2	8	1	▮	50%
Department of Education and Training	8	7	0		0%
Department of Foreign Affairs and Trade	5	5	1	▮	20%
Department of Health	5	8	0		0%
Department of Home Affairs	2	16	0		0%
Department of Human Services	3	8	0		0%
Department of Industry, Innovation and Science	3	3	0		0%
Department of Infrastructure, Regional Development and Cities	2	5	0		0%
Department of Jobs and Small Business	5	5	0		0%
Department of Social Services	12	3	0		0%
Department of the Environment and Energy	3	12	0		0%
Department of the Prime Minister and Cabinet	2	6	0		0%
Department of the Treasury	7	8	1	▮	14%
TOTAL	**84**	**7**	**4**	▮	**5%**

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