

# Inquiry into the Parliamentary Budget Officer

Self assessment of operations and resourcing

26 April 2021

Anthony Close

**Parliamentary Budget Officer**

# Performance summary

Performance against objectives

Performance against outputs

# Performance against objectives

## The PBO has built a credible and authoritative policy costing and advice service relied on by members of parliament.

### Objectives 1 and 2 – policy costing and advice

44% of members across all political parties use our services.

Our clients rated us highly for service quality:

- 9.5 satisfaction score in 2018-19
- 8.9 satisfaction score in 2019-20

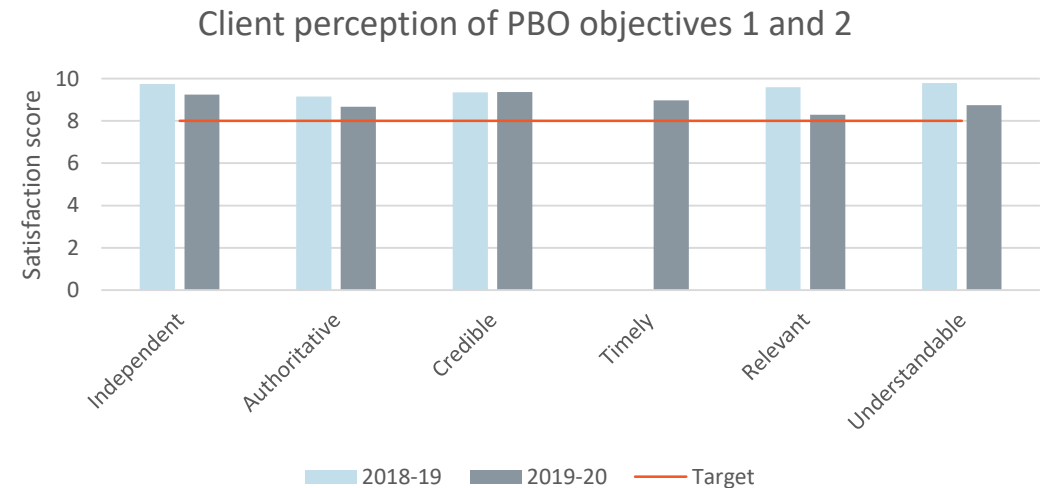
### Objective 3 – parliamentary and public debate

Members use our outputs frequently for confidential policy development.

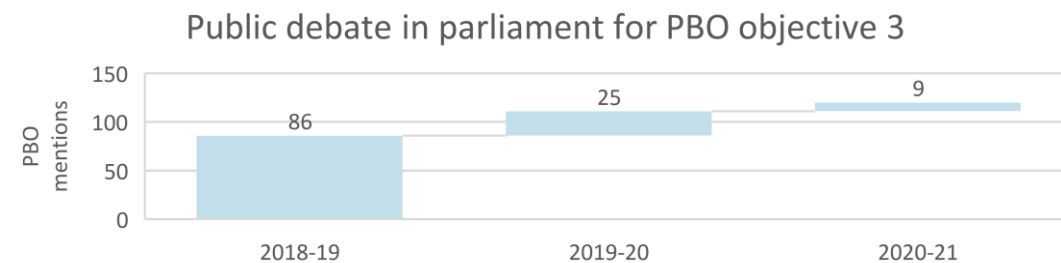
- In the election period, two thirds of our policy costings remained confidential.
- Outside of the election period, around 95% of our responses remained confidential.

Members use our outputs less frequently for public debate in parliament.

- During the election period, we were referenced in parliament 86 times.
- Outside the election period, we were referenced in parliament 34 times.
- Poor information supply negatively impacts this objective where release of the government agenda gives around 2 weeks time to request and respond.
- Members are aware of the information supply issue and generally do not seek our services to support parliamentary debate.



Source: PBO annual reports for 2018-19 and 2019-20.



Source: Hansard.

# Performance against outputs

## The PBO exceeded expectations for outputs relating to the 2018 general election and we prepared an increasing number of policy costings each year.

### Policy costings and advice

The PBO has prepared 301 policy costings and 78 advice to date. We rarely responded with a statement of insufficiency, instead finding alternate data sources to respond where information supply was not useful, prohibitively slow or not provided.

Generally, we found advice to be more resource intensive to prepare than policy costings and more negatively impacted by poor information supply.

### Election policy costings and reports

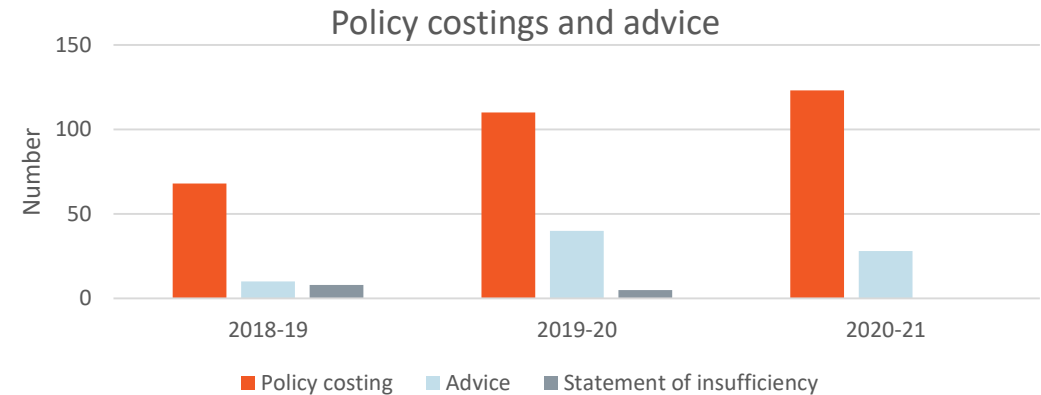
The first election costing period - May to November 2018 – coincided with establishment of the PBO. The Officer commenced on 23 April 2018 and completed the first policy costing on 28 June 2018.

We established the office, team, approach and outputs by July 2018 with the valued corporate support of Department of Parliamentary Services.

We received good take-up for pre-election reports given time available.

For our post-election reporting we:

- costed all publicly released policies of the government and opposition
- prepared a comparative analysis as well as individual political party costings.



Note: Data for 2018-19, related to policy costing outside of the election period - from February to June 2019. Data for 2020-21 is from 1 July 2020 to 16 April 2021.

### 2018 general election outputs

Responses	2018-19	2019-20	2020-21
Election policy costing	215	-	-
Election commitment costing	829	-	-
Pre-election report	3	-	-
Post-election report	3	-	-

Source: PBO annual reports for 2018-19 and 2019-20 and PBO Operational Plan 2020-21.

# Performance against outputs

## The PBO developed and released a range of public resources in support of its third objective.

### Public resources

Since inception, the PBO has prepared:

- 40 economic and fiscal indicator updates
- 5 budget snapshots
- 29 COVID-19 policy tracker updates
- 20 election tracker updates for the 2018 general election.

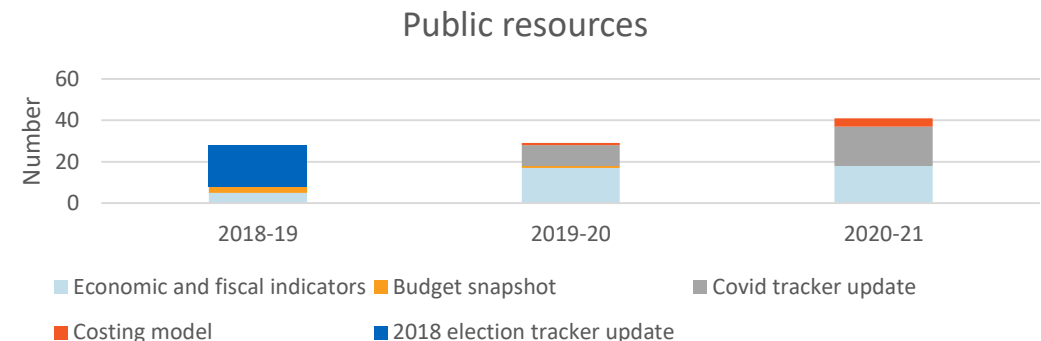
### Internal resources

- 5 re-useable policy costing models in preparation for the next election

### Corporate reports

Since inception, the PBO has prepared:

- 1 report of PBO operations
- 3 operational plans
- 2 annual reports.



Source: PBO.



Source: PBO.

# Strategic issues

Summary of OECD independent legislative review

- Mandate
- Resourcing
- Access to information

Report of PBO Operations

Conclusion

# Summary of OECD independent legislative review

## To better position the PBO to achieve its objectives, the *Parliamentary Budget Act* would benefit from review aimed at moving towards OECD better practice principles.

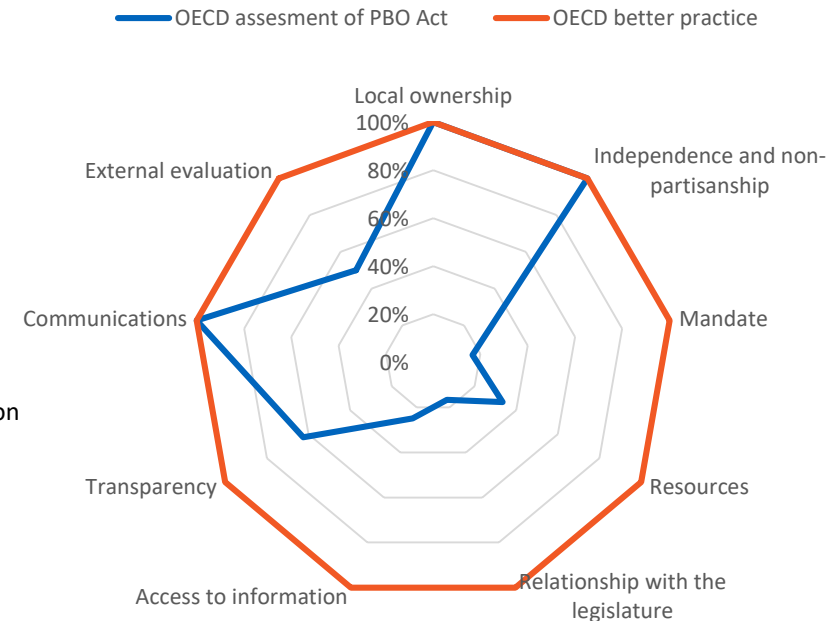
The OECD found ‘gaps in the legislation which prevent the PBO from effectively aligning with its better practice principles for:

- **Mandate**
  - Should include provisions to undertake work at its own initiative
  - The inclusion of independent oversight relating to the budget process and requests from parliamentary committees
  - In line with the goal of levelling the playing field, the PBO should be the sole provider of election costings for all parties
- **Resources**
  - To protect its resources from political pressure, the PBO’s budget should be determined in consultation with PAEC
  - The PBO should be guaranteed additional resources for election periods
- **Access to information**
  - To ensure full access to public sector information, legislation should more clearly define ‘information and documents’ and the circumstances for responding as ‘not practicable’
  - There should be consequences for systematic non-compliance
  - There should be provisions to ensure that each public sector body deals with PBO information requests in a confidential manner

The OECD found partial alignment to its principles for the PBO’s relationship with the legislature, transparency and external evaluation.

The OECD found alignment with only 3 of its 9 principles – local ownership, independence and non-partisanship and communications.

OECD independent review of PBO Act (Vic)



Source: OECD Independent Fiscal Institutions Review: Victorian Parliamentary Budget Office, 2018.

# Mandate

## The PBO is limited by its narrow scope mandate towards achieving its objectives. The PBO supports consideration of expanding its role to create a link to the budget process.

The OECD found that the PBO has a narrower mandate relative to peer institutions, without clear links to the budget process.

- We are required to prepare policy costings against the latest budget or budget update
- We obtain access to budget papers once DTF publishes them (at the same time as the Opposition parliamentary leader)
- PBO information requests for models used to prepare budgets have been rejected, for reasons we consider outside the PBO Act
- We are unable to undertake work at our own initiative, in stark contrast to 94% of PBOs globally, which limits our ability to support our third objective to support debate

We support OECD recommendations about our mandate which will:

- enable us to better achieve legislated objectives
- resolve access issues associated with budget information that we require to prepare policy costings
- ‘level the playing field’ between political parties for the benefit of the Victorian community around general elections.

Given that the next election costing period commences in the next financial year, early consideration would be best.

Functions of OECD parliamentary budget offices

PBO	Functions								
	Briefing on economy and public finance	Analysis of executives budget proposal	Support parliament committees	LT fiscal sustainability analysis	Role in macro-economic or fiscal forecasts	Cost estimates (policies, legislation) <sup>1</sup>	Individual member budget inquiries <sup>2</sup>	Monitoring compliance w/ fiscal rules	Costing election platforms
AUSTRALIA	●	●	●	●	○	●	●	○	●
AUSTRIA	●	●	●	○	○	○	●	○	○
CANADA	●	●	●	●	□	●	○	○	●
GREECE	●	●	●	●	■	○	○	●	○
ITALY	●	●	●	●	■	○	○	●	○
KOREA	●	●	●	●	□	●	●	○	○
MEXICO	●	●	●	○	□	●	●	○	○
UNITED STATES	●	●	●	●	□	●	●	○	○
VICTORIA	○	○	○	○	○	●	●	○	●
TOTAL	8	8	8	6	6	6	6	2	2
% of PBOs	89%	89%	89%	67%	67%	67%	67%	22%	22%

Notes: 1. The Austrian PBO, the Greek PBO and the Italian PBO undertake impact assessment of new legislation. 2. Although the Canadian PBO does not do individual member inquiries relating to the budget, it does financial costings for individual members.

Key: ● = Yes, ○ = No, ◐ = Other, ■ = Assess forecasts only, □ = Prepare alternative forecasts

Source: OECD 2019.



## **Our service capacity to members has reduced each year. The PBO supports changes to strengthen financial independence.**

- The budget set for the PBO prior to commencement of the Officer included 20 full-time resources
- Once the PBO allocated corporate overheads, this number reduced to 16
- Our costs have increased each year due to mandatory increases in staff salaries and other costs, which has resulted in a reduction of 1 full time resource each year.
- During 2019-20, we adjusted our resourcing strategy from building permanent capability to using fixed term contracts. In the short term, this enabled us to manage within our approved budget, but negatively impacted productivity due to the ramp-up time associated with the specialist nature of what we do.
- In 2020-21, we restructured, merging the advice team and policy costing teams, which traded financial risk for key person risk, quality risk and further capacity constraints
- In 2020-21, we will average 12.5 full time resources.

By determining PBO funding outside of PAEC oversight, the government is:

- limiting the oversight role of PAEC
- applying or could be perceived as applying political pressure to PBO resources
- directing the PBO on when it can surge resources for a general election
- requiring the PBO to alter its resourcing strategy from building permanent resource capability to use of temporary resources
- negatively impacting service quality, client satisfaction and our ability to comply with the legislative requirements
- increasing PBO operational risk.

# Access to information

**The PBO must maintain member confidentiality when seeking information from the public sector, which the legislation does not address. With no consequences for breaching the Act, adherence to legislated deadlines is infrequent.**

## Standing arrangements

MoU are designed to work in good faith to foster timely, informal and efficient cooperative relationships.

In 2018, portfolio departments abstained from progressing individual MoU, pending Department of Treasury and Finance negotiations. The PBO considered this approach and the conditions that DTF requested at that time to be unacceptable to member confidentiality and levelling the playing field.

The PBO has actively engaged with the public sector since completion of the election costing period to build relationships and understand the barriers to signing MoU with the PBO, as part of its strategy to improve public sector information supply.

In March 2021, DTF provided a new proposed MoU, which is under review.

According to an independent review, we have built considerable 'good will' with departments\*.

## Public sector performance

Supply of information is a strategic issue in delivering timely and credible services to members. Implementing alternative data strategies negatively impacts efficiency.

\* Report on public sector bodies discovery for PBO, September 2020, Word Map

## Statement of Intent regarding engagement between public sector body Heads and the Parliamentary Budget Officer

### Preamble

The Parliament of Victoria has established the Parliamentary Budget Office (PBO), led by the Parliamentary Budget Officer (the Officer), under the *Parliamentary Budget Officer Act 2017 (Vic)* (the Act), with the following objectives:

1. For members of Parliament to be provided with ongoing, authoritative, independent and credible policy costing and advisory services
2. For those policy costing and advisory services to be delivered in a timely, relevant and readily understandable manner
3. To inform policy development and public debate in Parliament and the Victorian community.

These objectives are pursued by the Officer, as an independent officer of the Parliament, with complete discretion in the performance or exercise of the duties, functions and powers of the office, subject to the Act and other laws of the State.

To perform their statutory functions, and in accordance with the requirements of the Act, the Officer will require access to information, documents and knowledge owned, held, managed or administered by Victorian state government public sector bodies, as defined in the *Public Administration Act 2004 (Vic)* other than the Victorian Civil and Administrative Tribunal (VCAT).

The sharing of information between public sector bodies and the PBO will be governed by a Memorandum of Understanding between public sector body Heads and the Officer.

### Statement of Intent

**This is a statement of the Victorian Government's intent to support the Officer in the performance of the PBO's statutory functions and the sharing of information.**

The Statement of Intent is Government policy and is intended to promote the ready exchange of views, information, documents and knowledge between public sector bodies and the Officer, and to ensure high levels of access, whilst maintaining confidentiality fit to the information exchanged. This also provides public sector body Heads with a mechanism to manage the expectations of their workforces when interacting with the PBO.

The aim is for this Statement of Intent to be observed by all public sector bodies and to be reflected in any MOU made under s 25 of the Act between the Officer and public sector body Heads.

*Signed for and on behalf of the Victorian Government*



Gavin Jennings MLC

Special Minister of State and Leader of the Government in the Legislative Council

# Conclusion

**The PBO is progressing most of its objectives, however it is not doing so efficiently.**

Rather than focusing on evolving an innovative and valued addition to the state's independence framework, against real reduced funding, we are:

- following up information requests
- pursuing alternative data strategies
- building alternative models that the public sector holds
- prioritising risk to maintain expenditure within approved budgets
- managing down MP expectations for timely services.

The recommendations in the 2018 Report of PBO Operations, presented as strategic risks remain relevant today as strategic issues. With 3 year's of experience in application of the legislation, timely review of the legislation would be prudent, prior to the next general election.

# Operations and resourcing

Policy costing and advice process

Standing arrangements

Requests for public sector information

Prioritisation

Resource management

Employee engagement

Corporate management

PBO website

Independent fiscal institutions community engagement

Quality

Funding

Compliance

# Policy costing and advice process

The PBO has systematic processes for the preparation of responses, which are subject to review and improvement.

## Advice and pre-election reports

	Draft submission	Assess submission	Plan response	Perform analysis	Prepare response	Review preliminary response	Clear preliminary response	Socialise preliminary response	Review feedback	Clear final response	Approved response
<b>Objectives</b>	Client repository to enable drafting before submitting to the PBO.	<ul style="list-style-type: none"> <li>Is the submission within the scope and the capabilities of the PBO?</li> <li>Have I developed a clear focusing question and sub-questions that meet the client needs?</li> <li>Does the PBO have the capacity to accept this submission or does it need to be assessed for its priority against other submissions?</li> <li>Is there a current Victorian parliamentary inquiry covering the same matter as this submission? Are we precluded by our legislation from responding to this request for this reason?</li> </ul>	<ul style="list-style-type: none"> <li>Determine the approach for preparing the response and expected timeline</li> <li>Develop a list of sub-questions and analysis deliverables</li> <li>Information requests are prepared and sent.</li> <li>Review of plan</li> </ul>	<ul style="list-style-type: none"> <li>Identify other data sources</li> <li>Execute analysis deliverables</li> <li>Summarise facts, findings and conclusions from analysis back to sub-questions</li> </ul>	<ul style="list-style-type: none"> <li>Develop report structure</li> <li>Prepare advice response</li> </ul>	Peer review and director review of the preliminary draft response.	Review of client request, analysis deliverables, response prepared and strategic context to approve release of preliminary draft to the client confidentially.	<ul style="list-style-type: none"> <li>Follow up client to ensure that the preliminary draft response meets their focusing question or understand changes requested.</li> <li>Identify follow-on work.</li> </ul>	Prepare the final response against feedback to preliminary response.	Review of tracked changes from preliminary draft based on feedback.	Record of response prepared and provided to the client: <ul style="list-style-type: none"> <li>Advice</li> <li>Statement of insufficiency</li> <li>Combination of both</li> </ul>
<b>Deliverables</b>	Client input by form, email or discussion.	<ul style="list-style-type: none"> <li>Client engagement</li> <li>File notes</li> <li>Completed and agreed request in form</li> </ul>	<ul style="list-style-type: none"> <li>Advice plan</li> <li>IR</li> <li>Review assignments</li> <li>PBO input meeting on focusing question, sub-questions and analysis deliverables proposed</li> </ul>	<ul style="list-style-type: none"> <li>Analysis deliverables</li> <li>Input meeting with PBO on results of analysis</li> <li>Statement of insufficiency (SoI)</li> </ul>	<ul style="list-style-type: none"> <li>Input meeting with PBO on report structure</li> <li>Advice response</li> <li>Quality checklist (analyst)</li> </ul>	Quality checklist (peer reviewer).	Approved preliminary draft response sent to client.	<ul style="list-style-type: none"> <li>Client engagement</li> <li>File notes</li> <li>Additional submissions?</li> </ul>	Tracked changes version from preliminary to proposed final response.	Approved final advice response (and/or SoI if prepared) sent to client.	Record of all deliverables for evidence of actions.
<b>Who</b>	Client	<ul style="list-style-type: none"> <li>Director in consultation with the client</li> <li>PBO engaged where novel or complex</li> <li>Exec team for prioritisation</li> </ul>	<ul style="list-style-type: none"> <li>Analyst with guidance from director and input by PBO</li> <li>Approval of plan by PBO</li> </ul>	Analyst	Analyst	<ul style="list-style-type: none"> <li>Peer reviewer</li> <li>Director reviewer</li> </ul>	PBO	<ul style="list-style-type: none"> <li>Client reviewer</li> <li>External reviewer/s (optional)</li> <li>Coordinated by director</li> </ul>	Director with support of analyst if required.	PBO	<ul style="list-style-type: none"> <li>Director</li> <li>Cold review of sample by Director PBO</li> </ul>

## Policy costings and election policy costings

	Draft submission	Assess submission	Plan response	Prepare response	Review response	Clear response	Approved response
<b>Objectives</b>	Client repository to enable drafting before submitting to the PBO.	<ul style="list-style-type: none"> <li>Is the submission within the scope and the capabilities of the PBO?</li> <li>Is the submission sufficiently specified by the client to enable the PBO to prepare a response?</li> <li>Does the PBO have the capacity to accept this submission or does it need to be assessed for its priority against other submissions?</li> <li>Is there a current Victorian parliamentary inquiry covering the same matter as this submission? Are we precluded by our legislation from responding to this request for this reason?</li> </ul>	<ul style="list-style-type: none"> <li>Determine the approach for preparing the response and expected timeline</li> <li>Information requests are prepared and sent if required</li> <li>Review of plan</li> </ul>	Execute the response plan by: <ul style="list-style-type: none"> <li>identifying other data sources</li> <li>building costing model</li> <li>preparing response.</li> </ul>	Peer review and director review of the prepared response.	Review of client request, response preparation, model and strategic context to approve release to the client confidentially.	Record of response prepared and provided to the client: <ul style="list-style-type: none"> <li>Policy costing</li> <li>Statement of insufficiency</li> <li>Combination of both</li> </ul>
<b>Deliverables</b>	Client input by form, email or discussion.	<ul style="list-style-type: none"> <li>Client engagement</li> <li>File notes</li> <li>Completed and agreed request in form</li> </ul>	<ul style="list-style-type: none"> <li>Costing plan IR</li> <li>Review assignments</li> </ul>	<ul style="list-style-type: none"> <li>Costing model</li> <li>Costing response</li> <li>Statement of insufficiency</li> <li>Quality checklist (analyst)</li> </ul>	Quality checklist (peer reviewer).	Approved policy costing response sent to client.	Record of all deliverables for evidence of actions.
<b>Who</b>	Client	<ul style="list-style-type: none"> <li>Director in consultation with the client</li> <li>PBO engaged where novel or complex</li> <li>Exec team for prioritisation</li> </ul>	Analyst with guidance from director and PBO for complex or novel.	Analyst	<ul style="list-style-type: none"> <li>Peer reviewer</li> <li>Director reviewer</li> </ul>	PBO	<ul style="list-style-type: none"> <li>Director</li> <li>Cold review of sample by Director PBO</li> </ul>

# Standing arrangements

**The PBO has had limited success in establishing MoU for the supply of information with the public sector.**

The PBO has established MoU with:

- Victoria Police (August 2018)
- State Revenue Office (August 2018)
- Infrastructure Victoria (August 2018)
- Victorian Public Sector Commission (December 2020)
- Game Management Authority (March 2021)

The PBO is yet to sign MoU with the 9 public service departments which receive the majority of information requests.

Party	Date signed
<b>Paul Broderick</b> Commissioner and CEO State Revenue Office Victoria  <small>Standing Exemption for the State Revenue Office Victoria:            "It is unlawful for the State Revenue Office to disclose data or information that identifies taxpayers, applicants or citizens under the legislation it administers, including the <i>Tax Administration Act 1997</i> (Vic) and the <i>Unclaimed Money Act 2008</i> (Vic). This data or information will not be provided to the Parliamentary Budget Office."</small>	1 August 2018
<b>Michel Masson</b> Chief Executive Officer Infrastructure Victoria  <small>Note: The operation of this Memorandum of Understanding is subject to the requirements of sections 23 and 25 of the <i>Infrastructure Victoria Act 2015</i> (Vic).</small>	6 August 2018
<b>Graham Ashton AM</b> Chief Commissioner Victoria Police	31 August 2018
<b>Adam Fennessy PSM</b> Commissioner Victorian Public Sector Commission	2 December 2020
<b>Graeme Ford</b> Chief Executive Officer Game Management Authority	17 March 2021

Source: PBO website.

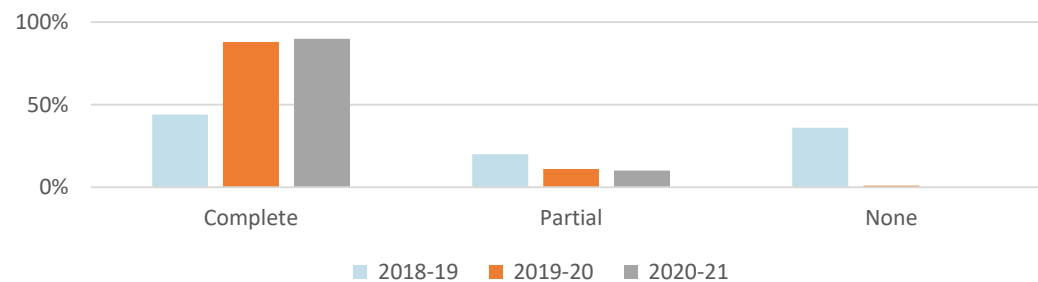
# Requests for public sector information

## The public sector has not consistently met timeliness requirements or provided complete and useful responses to PBO information requests.

We have issued 520 requests for information since inception. Over this time, the public sector has provided:

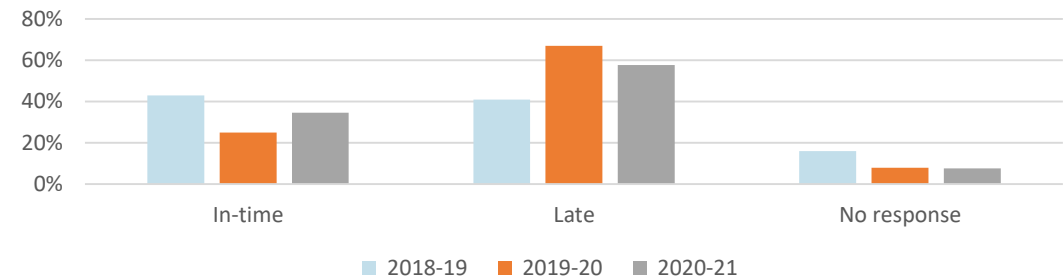
- 34% of its response on time
- 60% useful responses
- 90% complete responses.

Completeness



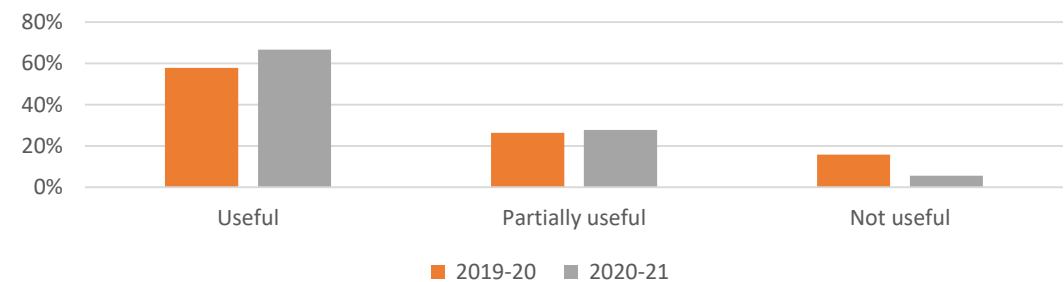
Source: PBO IR Tracker.

Timeliness



Source: PBO IR Tracker.

Usefulness

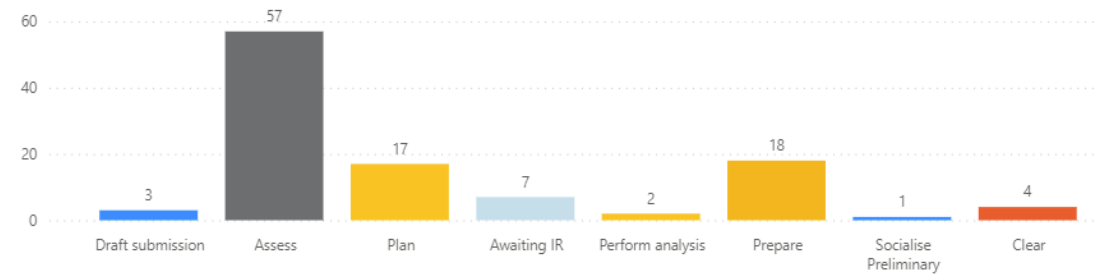


Source: PBO IR Tracker.

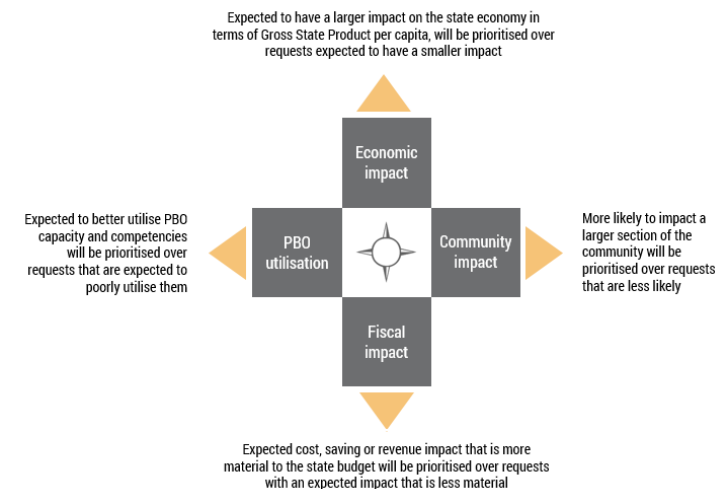
# Prioritisation

**The PBO engages with members to register their ideas and prioritise their requests prior to the PBO using its prioritisation framework.**

- Our process for policy costing and advice allows members to submit their ‘long list’ of requests for us to ‘assess’ as submissions
- In regular client engagement meetings, members prioritise the work that we perform for them to best meet their needs against our resource constraints
- Using this approach, the PBO operates at capacity and has a pipeline of requests.
- As a result, the PBO has not needed to utilise its prioritisation framework under section 24 PBO protocols (2)(c), published on its website.



Source: PBO workflow system.



Source: PBO prioritisation framework.

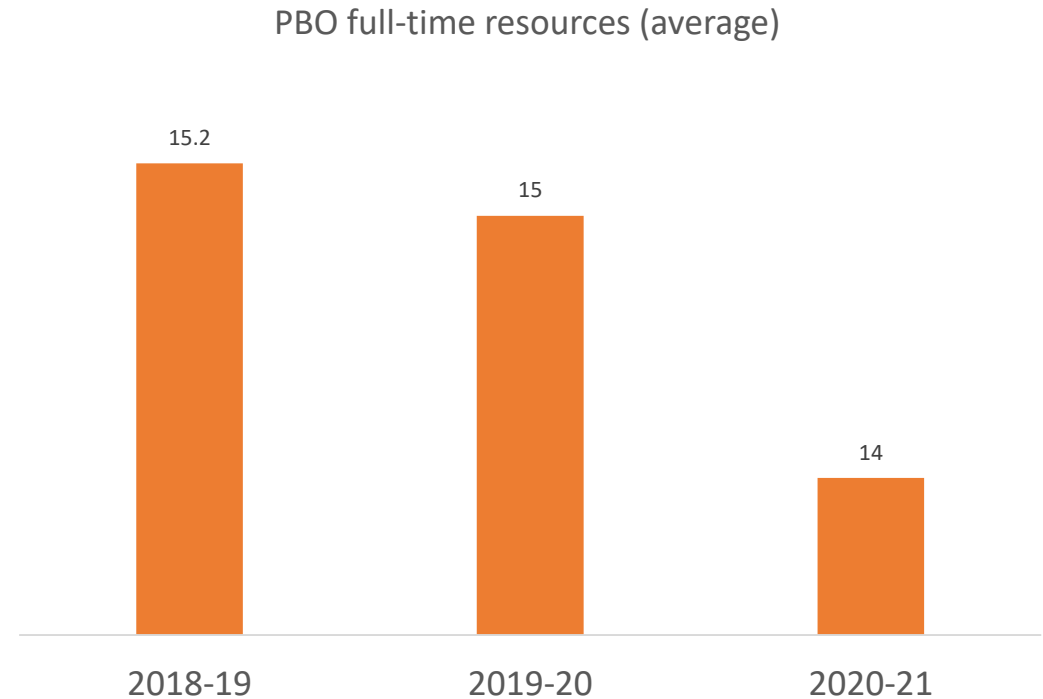


# Resource management

**Our average full-time resources has reduced each year of operation.**

Our staff turnover rate was:

- 7% in 2018-19
- 7% in 2019-20
- 8% in 2020-21.



Source: PBO.

# Employee engagement

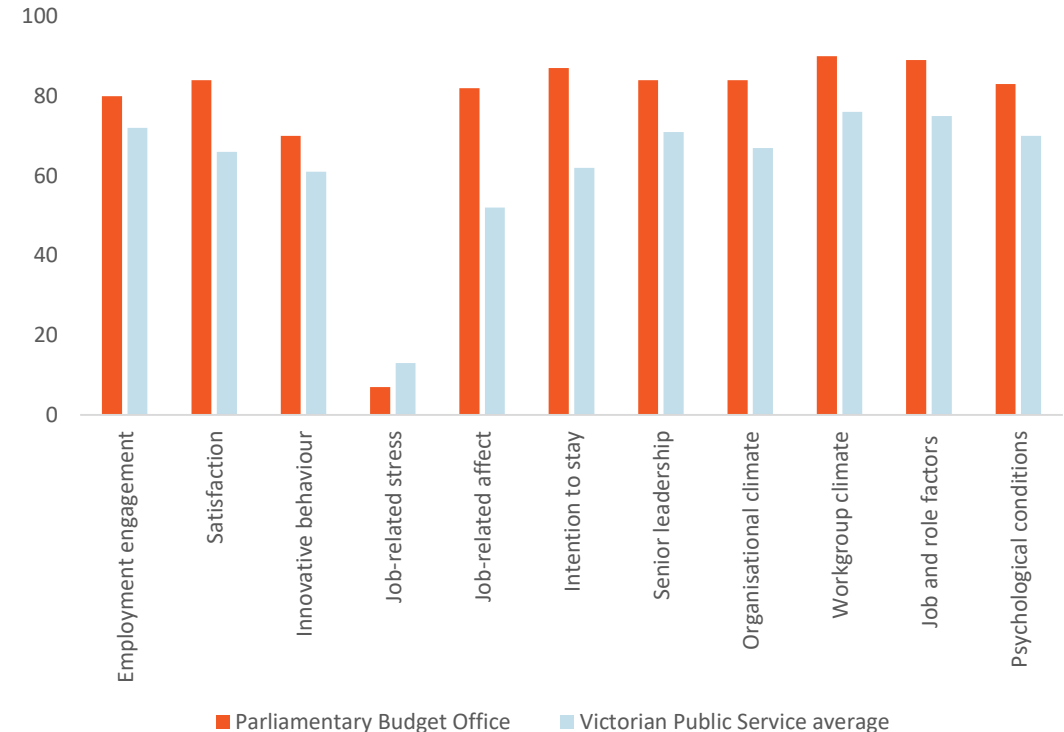
**The PBO team is committed to the office’s objectives and contributing as a high performing team.**

All PBO employees participated in the *2019 Victorian Public Sector People Matter Survey*.

We achieved:

- 80% for engagement
- 84% for satisfaction
- 82% for wellbeing.

These results outperformed the Victorian public sector average.



# Corporate management

## The PBO operates as a separate legal entity with outsourced providers to support HR, finance and IT.

### Corporate services transition

We transitioned from the Department of Parliamentary Services' corporate support to our own, in line with the establishment of the PBO as a separate legal entity from 1 July 2020. We were able to absorb the costs of transition within our fixed funding.

### Audit and risk

We undertake an internal audit program based on our operational risks.

We have requested external audit of our first financial statement for the 2020-21 financial period to be performed by VAGO as an audit by arrangement.

We maintain a strategic and operational risk register and our corporate governance focus on identifying, assessing and responding to risk.

### Information technology

We operate a fully cloud-based IT environment, which supports working flexibly and lower operating costs.

We have developed and refined a workflow system for response management preparation and client request management, using digital process automation to reduce manual steps.

We utilise a range of economic analysis and data analytics tools in support of our services.

We do not have an internal IT function, we use modern IT approaches that reduce the need for IT support and utilise 3 outsourced providers for desktop support, workflow system support and data analytics support.

### Finance and payroll

We outsource finance and payroll services and utilise cloud-based finance and payroll systems.

# PBO website

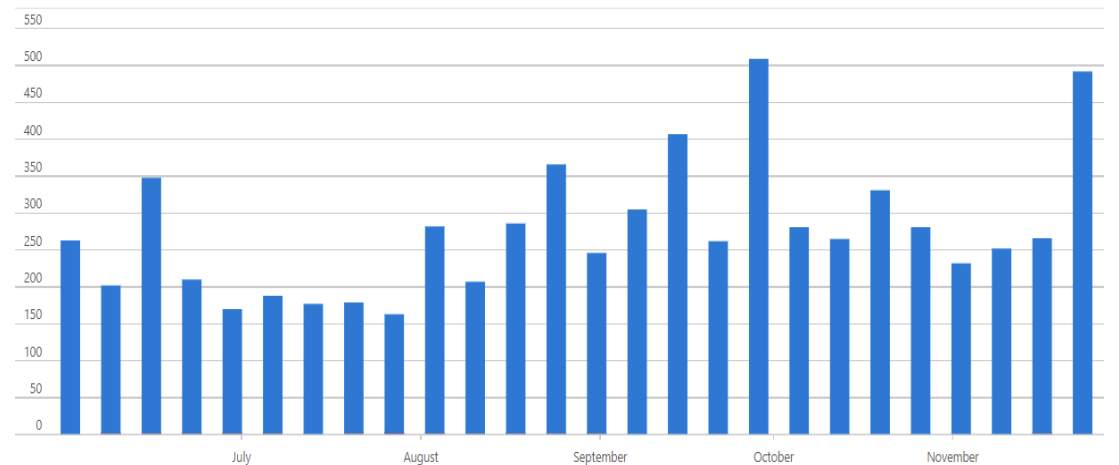
**The PBO website provides information to members, the public sector and the Victorian community. It also provides a secure portal for member requests and responses.**

We averaged over 1,200 website sessions per month since we commenced website analytics in April 2020.

We periodically undertake a information systems audit commensurate with the confidential nature of what we do, as part of our internal audit program.

Our security has been assessed as effective.

Unique sessions and views on PBO website



Source: Microsoft Azure website analytics.

# Independent fiscal institutions community engagement

## The PBO actively contributes to the independent fiscal institution community.

The PBO has responded to requests for information, meetings and inquiry submissions for:

- New Zealand
- Western Australia
- Wales
- OECD Independent Fiscal Institutions network
- Vietnamese National Assembly
- Office of Budget Responsibility UK
- Victoria is one of only 5 PBOs worldwide that prepare election policy costings and its views are sought on approach and lessons learned.

The Officer has attended 2 OECD meetings of PBO officials, which have greatly improved understanding of issues facing PBOs, approaches and mandates. It has also been beneficial in establishing good working relationships with the wider independent fiscal institution community.

There is increasing interest in Australia and New Zealand for parliamentary budget offices.

Establishment of PBOs over time



## Quality is embedded into PBO processes to support the accuracy and credibility of our responses.

All information requests and responses are subject to:

- peer review
- director review
- PBO clearance.

These are supported by review checklists for common areas of review, which are themselves reviewed periodically.

Quality is built into the way we work, with our workflow system incorporating each quality step.

For advice, we provide clients with a preliminary draft response to ensure that it answers their focusing question and is balanced and fair.

We have incorporated external review into our approach for advice that allows us to draw on external specialist knowledge where necessary.

Overview of PBO methods supporting quality review

<b>Client service centre status</b> The status visible to clients in the PBO website client service centre, for: • policy costings, election policy costings • advice • pre-election reports.	Draft submission	Submission assessment by PBO	PBO response in progress							
			On hold or withdrawn							
<b>Policy costings, Election policy costings</b>	Draft submission	Assess submission	Plan response	Prepare response	Review response			Clear response		
			On hold or withdrawn							
<b>Advice, Pre-election reports</b>	Draft submission	Assess submission	Plan response	Perform analysis	Prepare response	Review preliminary response	Clear preliminary response	Socialise preliminary response	Review feedback	Clear final response
			On hold or withdrawn							
<b>Post-election reports</b>			Plan report	Prepare report	Review preliminary report	Clear preliminary report	Socialise preliminary report	Review feedback	Clear final report	
			On hold or withdrawn							
<b>Information requests</b>			Prepare IR	Review IR	Clear IR	Await IR Response	Follow up IR response			
			On hold or withdrawn							
<b>Models</b>		Propose model	Plan model	Prepare model	Review model				Clear model	
			On hold or withdrawn							
<b>Publicly announced policy costings</b>		Assess publicly announced policy	Plan response	Prepare response	Review response				Clear response	
			On hold or withdrawn							

Note: Steps colour coded blue are quality steps.

Source: PBO.

# Funding

**The PBO has spent within its annual budget and utilised around \$4 million less than funding approved since inception.**

## Appropriation

- PBO establishment spend was around half of budget
- A Treasurer’s advance provided surge funding for the 2018 general election
- Delays to commencement of operations due to the timing of PBO appointment meant that 2017-18 operational spend was around 10% of budget
- Operational spend for subsequent years has met budget

## Operational expenditure

- Office fit-out costs were \$0.39 million.
- For the 2018 general election, surge resources cost \$0.44 million.
- In 2018-19, remaining PBO operational costs were 91% staff-related and 9% corporate overhead.
- In 2019-20, PBO operational costs were 85% staff-related and 15% corporate overhead.

Appropriation (\$ million)	Budget approved	Funding utilised
2017-18 establishment	1.1	0.6
2017-18 operations	3.3	
2018-19 Treasurer’s advance for 2018 general election	0.8	0.8
2018-19 operations	3.3	3.2
2019-20 operations	3.3	3.3
2020-21 operations	3.3	3.2 (est)
<b>TOTAL</b>	<b>15.1</b>	<b>11.1</b>

Funding utilised (\$ million)	2017-18	2018-19	2019-20	20-21 (est)	Total
Employee	0.11	2.57	2.4	2.4	7.54
Secondment, contract and consultancy	-	0.80	0.6	0.4	1.77
Non-staff related	0.46	0.67	0.3	0.3	1.75
<b>Total expenditure</b>	<b>0.57</b>	<b>4.04</b>	<b>3.3</b>	<b>3.2</b>	<b>11.1</b>

## The PBO has progressed its objectives whilst complying with the *Parliamentary Budget Officer Act*.

The PBO has not breached Act provisions relating to:

- merits of policy
- confidentiality of public sector information
- confidentiality of client requests
- functions
  - All policy costings were based on the latest budget or budget update
  - All advice was of a fiscal, financial or economic nature
  - Public awareness advice was prepared under Section 47.

The PBO has:

- published and maintained protocols for services on the PBO website.
- met all corporate and operational requirements.
- made no corrections of errors or misrepresentations since inception.

Authorised Version No. 003  
**Parliamentary Budget Officer Act 2017**  
 No. 27 of 2017  
 Authorised Version incorporating amendments as at  
 1 March 2020

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Authorised by the Chief Parliamentary Counsel