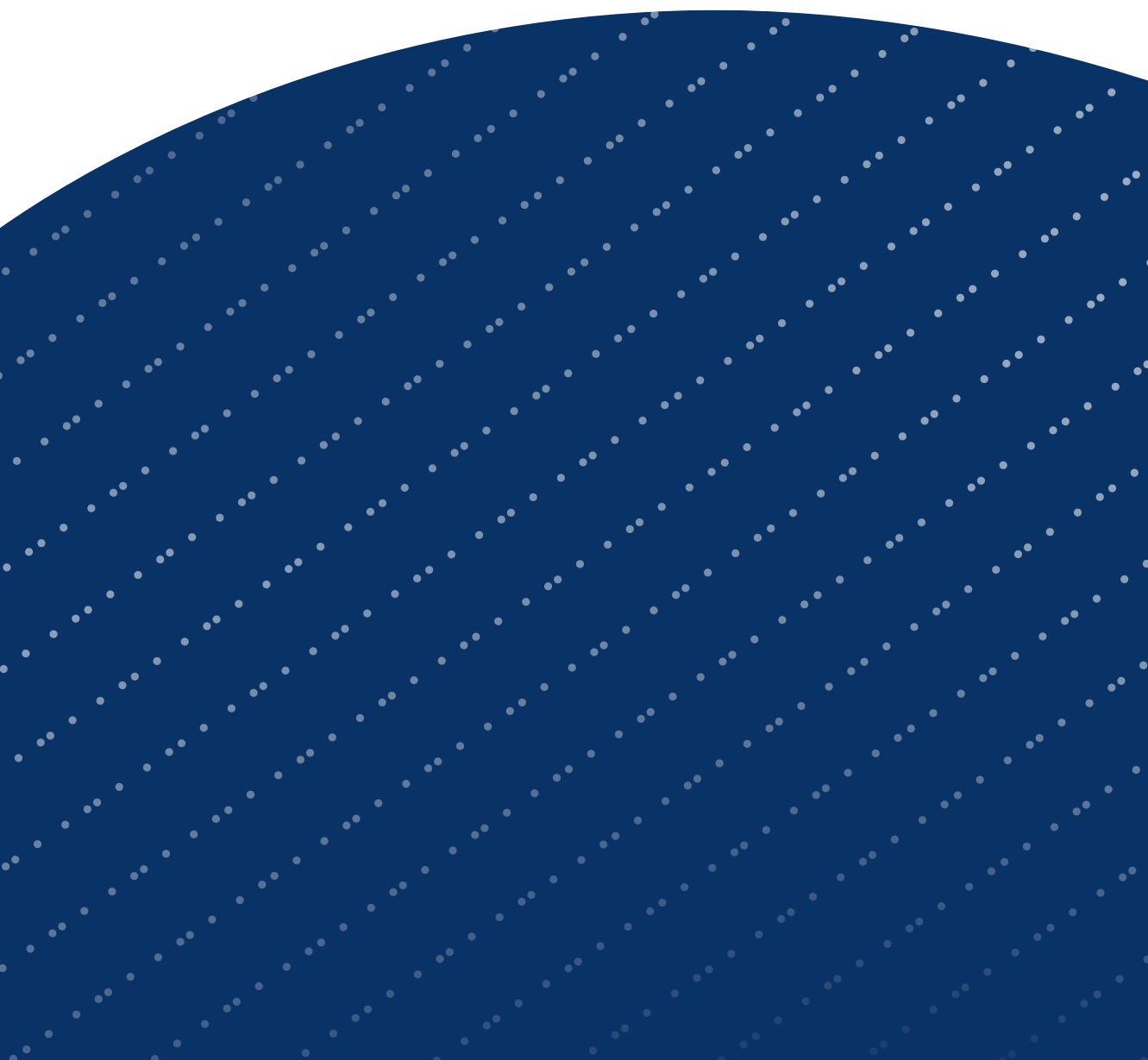




Parliamentary
Budget Office

PARLIAMENTARY BUDGET OFFICE

ANNUAL REPORT 2020–21



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ANNUAL REPORT 2020–21

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This report and other PBO publications, as well as information on the PBO, are available online at www.pbo.gov.au.

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ISSN 2202-6363 (Print)
ISSN 2202-6371 (Online)

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Parliamentary
Budget Office

Stein Helgeby
Parliamentary Budget Officer

The Hon Tony Smith MP
Speaker of the House of Representatives

Senator the Hon Scott Ryan
President of the Senate

Dear Mr Speaker and Mr President

I am pleased to present the Parliamentary Budget Office (PBO) Annual Report 2020–21 in accordance with section 65 of the *Parliamentary Service Act 1999* and section 46 of the *Public Governance, Performance and Accountability Act 2013*.

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that the PBO has taken all reasonable measures to appropriately deal with fraud relating to the PBO, including by having in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs, and having prepared fraud risk assessments and fraud control plans.

Yours sincerely

Stein Helgeby

11 October 2021

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Part 1: Overview

Parliamentary Budget Officer's review

The year in review



I am pleased that during my first year as the Parliamentary Budget Officer, we have continued to deliver against our purpose of providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of policy proposals. Over my term I am looking forward to building on this base and further enhancing the way in which we engage with our stakeholders and communicate our advice.

Over the past year we have seen a significant increase in requests for our policy costing and budget analysis services. In that period we have received a total of 1,253 requests. This level of demand is consistent with where we are in the election cycle and ongoing early engagement with key clients on their policies and priorities.

At the same time, we continued to publish research that provides greater transparency around the medium-term fiscal situation, particularly given the ongoing impact of COVID-19. In addition to our regular reports such as our medium-term projections, we also published major papers on the JobSeeker Payment, structural trends in GST and fiscal sustainability.

We also released our online Public Debt Interest (PDI) Calculator, which estimates the costs of servicing debt associated with hypothetical changes in the amount of Commonwealth Government borrowing. This tool is our first step in providing our material in a more interactive way.

To build our capability to meet the changing needs and expectations of our stakeholders, during the year we made priority investments across key areas including people, data and systems. We also undertook an important stakeholder survey, which takes place once in each term of parliament. Our refreshed ICT systems will increase the efficiency of our operations, including by enabling greater flexibility and collaboration within the organisation. The stakeholder survey will inform our strategies for the coming year and beyond.

The year ahead

Our corporate plan, published on 31 August 2021, sets out our directions for the coming year.

As a general election approaches, we expect there to be a further increase in demand for our policy costing and budget analysis services. To support this demand, we will reallocate and supplement our workforce to support parliamentarians and to prepare the election commitments report required by our legislation.

To meet this shift in emphasis, some of our research resources will be redirected towards costing work and the preparation of the election commitments report required shortly after the election is held. This will reduce our capacity to publish research compared to non-election years. Where possible, we will focus on publishing shorter reports in this period with the aim of improving understanding and transparency, and there will be fewer major research reports.

Throughout this year, we will continue to work with parliamentarians and parliamentary parties, Commonwealth agencies and other key stakeholders to enhance our operations and to make our work more accessible to them. This will include an increased focus on our digital capability and ensuring that we are delivering services in a way that meets the needs of our stakeholders.

Stein Helgeby

Parliamentary Budget Officer

Parliamentary Budget Office overview

Purpose and outcome

The purpose of the PBO, articulated in section 64B of the *Parliamentary Service Act 1999* (Parliamentary Service Act) and set out in the Corporate Plan 2020–21, 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. Our purpose comprises three main elements, which are to:

- provide policy costing and budget analysis services to all parliamentarians to enable fiscal impacts to be considered during policy development
- conduct and publish research to improve public understanding of budget and fiscal policy issues
- publish a report on the budget impacts of the election commitments of parliamentary parties after each general election to enhance transparency around election commitments.

Functions

We achieve our purpose 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.

We periodically conduct evaluations of a limited selection of policy costing estimates, to help identify areas for improvement in future costings. Appendix B contains information about the evaluations we have undertaken to date.

Research

We publish research that focusses on the fiscal sustainability of the Australian Government budget, particularly over the medium term. We also 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

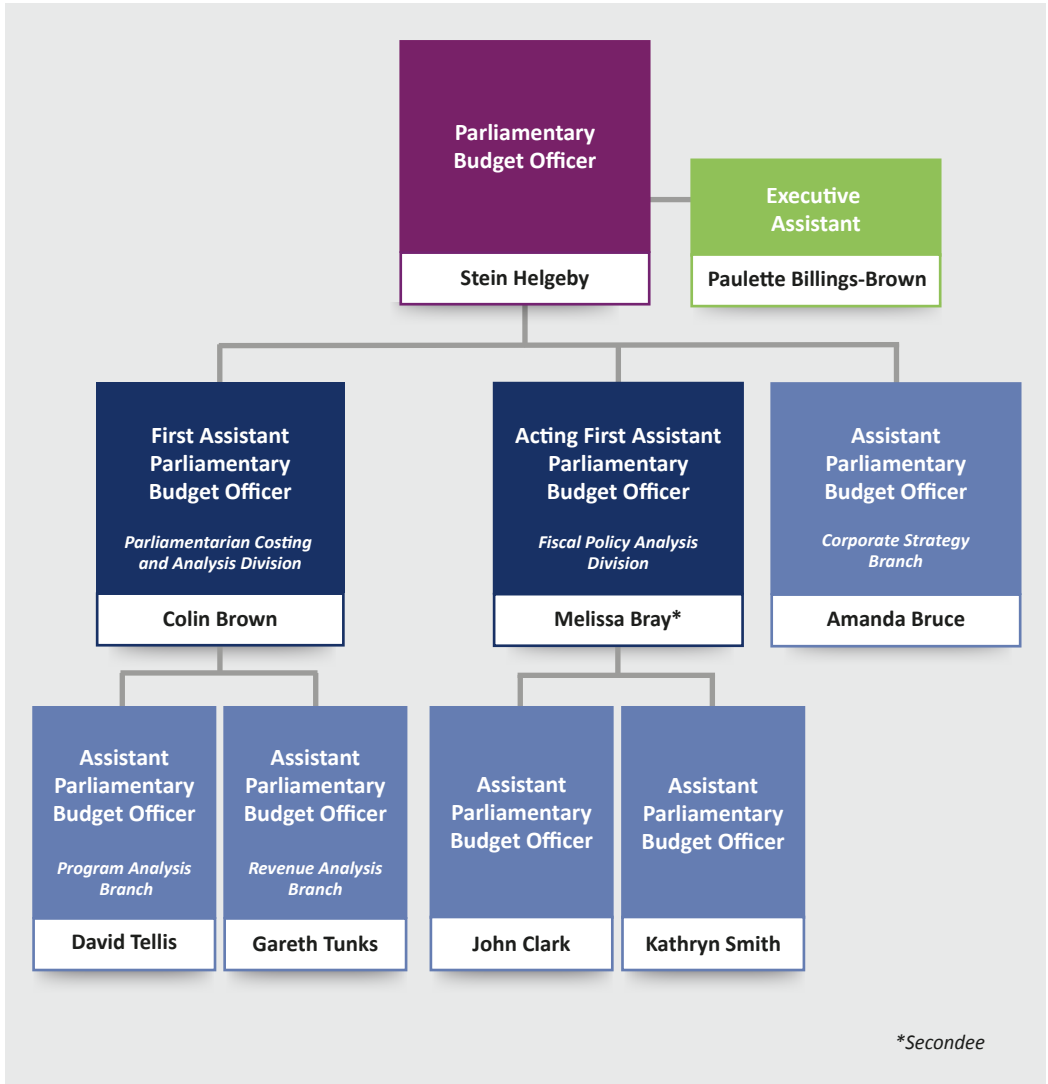
After every general election we publish a report that presents the budget impacts of each of the election commitments of the major parliamentary parties, including their aggregate impact on the fiscal position. Minor parties may choose to opt in to have their election commitments included in an addendum 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 Parliamentarian Costing and Analysis Division, responsible for preparation of policy costings and budget analysis
- the Fiscal Policy Analysis Division, responsible for leading the PBO's research program and coordinating the 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 2021



Part 2: Performance

Annual performance statement

This part summarises the performance of the Parliamentary Budget Office (PBO) in 2020–21 against the purpose and performance criteria published in the PBO Corporate Plan 2020–21 and the PBO Portfolio Budget Statements 2020–21. This includes reporting on our priorities, key activities, and achievements during 2020–21.

Statement of preparation

As required under paragraph 39(1)(a) and (b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), I present the 2020–21 annual performance statement for the Parliamentary Budget Office.

As the accountable authority for the PBO, in my opinion this annual performance statement is based on properly maintained records, accurately reflects the performance of the PBO, and complies with subsection 39(2) of the PGPA Act.

Stein Helgeby
Parliamentary Budget Officer
11 October 2021

Our purpose

The PBO is an independent and non-partisan institution of the Australian Parliament. The purpose of the PBO is outlined in section 64B of the Parliamentary Service Act and communicated in its Corporate Plan.

The PBO's purpose is supported by its single outcome and program as articulated in the PBO Portfolio Budget Statements 2020–21.

Table 1: Alignment between the PBO Portfolio Budget Statements 2020–21 and the PBO Corporate Plan 2020–21

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Portfolio Budget Statements 2020–21</p>	<p>Outcome - Inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy, and the financial implications of proposals.</p> <p>Program 1.1 - The PBO provides all parliamentarians access to confidential costing and budget analysis services to improve the quality of the public policy debate. The PBO publishes research to improve public understanding of fiscal and budget policy issues and enhances transparency around the financial implications of election commitments.</p> <p>Purposes -</p> <ul style="list-style-type: none"> • Provide confidential policy costing and budget analysis services to all parliamentarians to enable fiscal impacts to be considered during policy developments. • Conduct and publish research to improve public understanding of budget and fiscal policy issues. • Publish a report on the budget impacts of the election commitments of parliamentary parties after each general election to enhance transparency around election commitments.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Corporate Plan purpose</p>	<ul style="list-style-type: none"> • Providing policy costing and budget analysis services to all parliamentarians to enable fiscal impacts to be considered during policy development. • Conducting and publishing research to improve public understanding of budget and fiscal policy issues. • Publishing a report on the budget impacts of the election commitments of parliamentary parties after each general election to enhance transparency around election commitments.

Reporting on our performance

Our Corporate Plan describes our key activities to work towards our purpose and achieve our intended outcome.

We have developed performance measures to assess our overall achievement of our purpose and outcome, with targets that:

- drive the achievement of our purpose and outcome
- guide us to develop and mature our capabilities to ensure we continue to achieve our purpose into the future, and
- are reviewed annually to ensure they remain relevant and appropriate.

We adopt a three-point scale to report on our performance:¹

Achieved	Substantially Achieved	Not Achieved
-----------------	-------------------------------	---------------------

Our performance reporting framework incorporates the following elements:

Table 2: Performance reporting framework

Our outcome	Inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals.
Our three core functions	<ul style="list-style-type: none"> • Policy costings and budget analysis • Research • Election commitments report
Performance measures	<p>PBO’s outputs are relevant, high quality and timely.</p> <p>PBO’s work is undertaken with independence, transparency and integrity.</p>
Sources	<p>Corporate Plan 2020–21, pages 13-16</p> <p>Portfolio Budget Statements 2020–21, page 9</p>

¹ ‘Achieved’ (the PBO has met all elements of the target), ‘substantially achieved’ (the majority of the criteria have been met), ‘not achieved’ (only a minority of the criteria have been met).

Performance criteria	A range of indicators inform the assessment of our performance, including: <ul style="list-style-type: none"> • the extent of the demand for, and efficiency in the provision of, PBO services • the PBO’s contribution to the public policy debate • the transparency of PBO processes and data, and feedback from stakeholders.
2020–21 result	Substantially achieved

Performance summary for 2020–21

The following table summarises the measures included in our 2020–21 Corporate Plan and provides an assessment of our performance against our targets.

Table 3: Summary of performance against our targets for 2020–21

Criteria	2020–21 target	2020–21 result	Page
Output			
Level of demand for and completion of policy costing and budget analysis requests	Equal to or greater than historical levels in the election cycle	Substantially achieved	12
Number of PBO research publications	Seven regular	Achieved	19
	Four non-regular	Achieved	
Publication of the election commitments report within the legislative timeframe		Not applicable	
Efficiency			
Median time to complete policy costing and budget analysis requests ²	Fewer than 15 business days	Not achieved	14

² This is calculated using the number of business days from when the request is received to when the request is provided, excluding any time where the PBO is waiting for additional information from the requestor to complete the response. Timeliness in relation to the completion of costing and budget analysis requests is the way in which the PBO is best able to measure efficiency.

Criteria	2020–21 target	2020–21 result	Page
Effectiveness			
Percentage of publicly released costings referenced in the public debate	100 per cent	Achieved	15
Number of downloads for each PBO research publication	1,500 for regular reports	Substantially achieved	20
	3,000 for non-regular reports	Substantially achieved	
Number of downloads of the election commitments report within six months of publication		Not applicable	
Feedback			
Feedback from stakeholders indicates our outputs are relevant, high quality and timely, and/or our work is undertaken with independence, transparency and integrity	90 per cent of mentions are positive or neutral	Achieved	16, 23

Analysis of performance against purpose

In 2020–21, we substantially achieved our purpose with the following high-level results:

- We continued to provide high-quality and confidential costings and budget analysis services to parliamentarians, with increased demand for these services overall compared with the previous year.
- We maintained a high-quality program of published research, comprised of in-depth papers on specific topics and shorter analysis pieces, to support improved public understanding of budget and fiscal issues.
- Feedback from stakeholders was positive and indicated that we are perceived as independent.

During 2020–21, we prioritised investment in capability across key areas including people, data and systems and stakeholder relationships, to improve our capacity to achieve our outcome into the future.

In collaboration with our outsourced information and communications technology (ICT) provider, we have refreshed our ICT systems to increase the efficiency of our operations. The new ICT environment is intended to enable greater flexibility and collaboration and support the delivery of quality outcomes.

The PBO has well-established arrangements in place with agencies to facilitate the provision of information in a way that maintains the confidentiality of the nature of work we are undertaking. This is fundamental to the work that we do. We acknowledge the valuable support we continued to receive from Commonwealth agencies in 2020–21, who provided us with data and models on a timely basis to support our work.

Detailed performance results

Core function 1: Policy costings and budget analysis



WHAT WE DO: Policy costings and budget analysis

We provide all parliamentarians with access to advice on the financial implications of their policy proposals, based on the policy specifications that they provide. Outside of the caretaker period of 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 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.

Source: Corporate Plan 2020–21

Criterion 1: Output

The demand for the high quality and confidential **policy costing and budget analysis** services that the PBO provides to parliamentarians is directly affected by the general election cycle.

2020–21 target	Equal to or greater than historical levels in the election cycle
2020–21 result	Substantially achieved

Results

Consistent with historical trends in the election cycle, we experienced a significant increase in requests for our **policy costing and budget analysis** services during 2020–21, receiving a total of 1,253 requests (2019–20: 333). This is lower than the 2,218 requests received in 2017-18, the equivalent period in the lead up to the last election. The increase in the level of demand is consistent with where we are in the election cycle and ongoing early engagement with key clients on their policy platforms and priorities.

We completed 813 requests from parliamentarians (2019–20: 279) during the same period. In 2020–21, we have substantially achieved our target of level of demand for our **policy costing and budget analysis** services equal to or greater than historical levels in the election cycle.

Table 4 provides further information on the number of **policy costing and budget analyses** we responded to over the course of the year and in the previous year.

Table 4: Completion of costing and budget analysis requests from parliamentarians and parliamentary parties³

	2019–20 Total	2020–21 Q1	2020–21 Q2	2020–21 Q3	2020–21 Q4	2020–21 Total	Trend ⁴
Requests completed in period	279	115	188	290	220	813	↑
Average time to completion (business days)	27	20	24	43	27	31	↑
Median time to completion (business days)	25	19	20	46	18	25	-

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

³ Data sources are the PBO’s Workflow management system (WMS) and Electronic Document and Records Management System (EDRMS). Raw data produced by WMS reports are verified for accuracy on a quarterly basis. This includes checking that public holidays and periods when costings are placed ‘on hold’ by the client are accurately reflected in the data.

⁴ In comparison to the previous financial year.

Criterion 2: Efficiency

The PBO strives for efficiency in providing our **policy costings and budget analysis** services to parliamentarians. This measure is a proxy for efficiency and is a timeliness target based on the median time to complete policy costings and budget analysis requests.

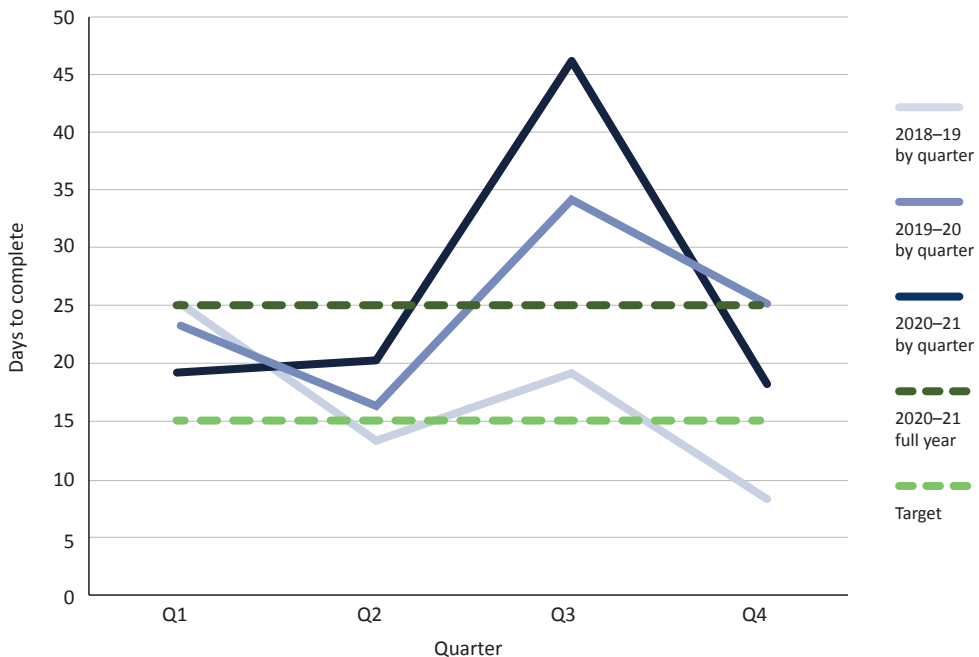
2020–21 target	Fewer than 15 business days
2020–21 result	Not achieved

Results

The target has not been achieved for the 2020–21 financial year. Like the trend in 2019–20, requests for policy costings and budget analysis into 2020–21 continued to be more complex and novel in nature.⁵

For 2020–21, there were a total of 813 costings completed with an average time to completion of 31 business days and a median time to completion of 25 business days (see figure 1).

Figure 1: Median response time for policy costing and budget analysis requests⁶



⁵ In 2019–20, this target was not achieved (the median time to completion was 25 business days). However, in 2018–19, the PBO achieved the performance target with a result of 12 business days (*Parliamentary Budget Office, Annual Report 2019–20*).

⁶ The data sources are the PBO’s WMS and EDRMS.

As indicated in figure 1, the median time to complete costings fell in the fourth quarter of 2020–21 (from 46 days in the March quarter, to 18 days in the June quarter). This reflects recruitment of additional staff in the period, increased modelling capacity, and a higher proportion of requests being for updates to prior requests, which typically consume less time, rather than requests for costings or analysis that are complex or novel. The quicker response time achieved in quarter four however, was not enough to offset the longer response times across the earlier part of the year.

Costings completed in the first half of 2020–21 included responses to a range of novel requests. In addition, as part of the PBO’s election preparedness and organisational capability building, attention was directed at recruiting and training additional staff. At the same time, the PBO significantly upgraded its information and communications technology (ICT) environment. These factors all had an impact on costing completion rates for 2020–21.

As investments in additional staff paid off and the work associated with developing and preparing for the new ICT environment reduced, costing completion rates improved (evident by the quarterly trends in the latter part of the year). In response to the result achieved against this target, the PBO will be looking to further understand the factors affecting its ability to meet the median target measure.

Ongoing engagement and discussion around the appropriateness of the ‘median response time’ target will take place throughout 2021–22, as the PBO considers its performance reporting framework more broadly. The PBO will ensure that stakeholders’ desire for timely responses to their costing requests is factored into this process.

Criterion 3: Effectiveness

Parliamentarians have been highly satisfied with the quality and timeliness of the services the PBO provides. We actively seek feedback from parliamentarians on our **policy costing and budget analysis services** throughout the year.

Parliamentarians place high importance on being able to make policy announcements that are accompanied by estimates of the impact of the policy on the budget.

We assess the number and nature of mentions of our costings in the public debate.

2020–21 target	100 per cent
2020–21 result	Achieved

Results

In 2020–21, a total of eleven costings have been made publicly available on our website. One hundred per cent (target: 100 per cent) of publicly released costings were referenced in the public debate. The nature of mentions was a combination of media releases published by the requesting parliamentarian and print or online media articles. All the mentions referencing our publicly released costings were assessed as either ‘positive’ or ‘neutral’.⁷

The positive mentions referenced the costing output as an ‘independent costing’ or referred to us as ‘independent’. We infer from this that we are perceived to undertake our work with independence, transparency, and integrity. References are considered neutral if they relate to our function or outputs without accompanying descriptive language.

Criterion 4: Feedback

Feedback from stakeholders indicates our outputs are relevant, high quality, and timely, and/or our work is undertaken with independence, transparency, and integrity.

2020–21 target	90% of mentions are positive or neutral
2020–21 result	Achieved

⁷ Media monitoring undertaken by the PBO captures mentions made by major media news outlets and parliamentarians. Details of the mentions are recorded and assessed to determine their nature.

Results

The feedback that we have received from parliamentarians that use our services has been positive, noting the timeliness and the quality of the feedback provided:⁸

“Thank you so much for this fantastic work. Really appreciate your rapid turnaround time and the detail in this response... I know this was a tricky request, so really can’t thank you enough.”

**Parliamentarian’s office,
August 2020**

“Thank you so much for this. Really appreciate it...this is truly fantastic – thanks so much to all.”

**Parliamentarian’s office,
August 2020**

In addition to the direct feedback from parliamentarians on our costings, the Joint Committee of Public Accounts and Audit’s (JCPAA) *Review of the Operations of the Parliamentary Budget Office 2019–20* (PBO review) report published feedback from research bodies and policy think tanks that indicated our **policy costing and budget analysis services** are regarded as high quality and relevant:

“We at Grattan very much value our interactions with the PBO and really appreciate the quality of both its research and costings work.”⁹

“In our experience, it employs high-calibre staff with a good understanding of policy costing methodologies.”¹⁰

Report 482, JCPAA Review of the Operations of PBO 2019–20, p.22

During each term of parliament the PBO also conducts a stakeholder survey. The results of this survey will become available in early 2021–22 and will be a rich source of information that will inform our performance reporting next year.

⁸ Data sources include daily media monitoring and feedback provided to PBO staff (e.g. emails or letters received from parliamentarians in response to costing requests).

⁹ Ms Danielle Wood, Program Director, Budget Policy, Grattan Institute, *Committee Hansard*, 7 February 2020, p.18.

¹⁰ Grattan Institute, *Submission 4*, p.1-6.

Core function 2: Research



WHAT WE DO: Research

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

Source: Corporate Plan 2020–21

We conduct and publish **research** to improve public understanding of budget and fiscal policy issues.

Our **research** program is made up of a series of regular publications along with several additional **research** reports, as outlined in our corporate plan.

Our research work is shaped by and strengthened through consultation with a range of external stakeholders:

- In developing our **research** program for the year, we sought input from our expert panel and consulted with the JCPAA and parliamentary committees on our proposed program.
- Individual members of our expert panel provided review of specific publications ahead of release or connected us to key academic or industry experts to provide feedback.
- We consulted with relevant Commonwealth agencies ahead of releasing specific reports to confirm the validity of our approach.
- We continue to review the methods available that facilitate feedback being provided to us on any of our publications.

We design our **research** program so we can add additional topics throughout the year, including in response to emerging issues or requests from parliamentary committees. In 2020–21, we continued to implement the recommendations made in the review of our **research** processes, undertaken in late 2019.

Criterion 1: Output

The PBO, through our research publications, seeks to improve budget transparency and promote a better public understanding of the budget and fiscal policy settings.

2020–21 target	Seven regular and four non-regular publications
2020–21 result	Regular reports: Achieved
	Non-regular reports: Achieved

Results

During 2020–21, we published eight regular publications achieving our annual target of seven reports:

- *2020–21 Budget Snapshot* (on 7 October 2020) – provided a graphical summary of the 2020–21 Budget, published directly after its release
- *2020–21 Medium-term fiscal projections* (on 10 December 2020) – reported on the budget outlook over the coming decade, including projections of receipts and payments, and analysis of the major trends in, and risks to, the medium-term outlook
- *2020–21 Mid-Year Economic and Fiscal Outlook Snapshot* (on 18 December 2020) – provided a graphical summary of the mid-year budget update, highlighting the impacts of policy decisions and parameter changes
- *2020–21 Budget Chart Pack* (on 12 February 2021) – provided a graphical summary of the 2020–21 Budget relative to the 2020–21 Mid-Year Economic and Fiscal Outlook
- *2020–21 National fiscal outlook: As at 2020–21 mid-year fiscal updates* (and its related *At a glance* graphical summary) (on 16 March 2021) – provided a national perspective on fiscal challenges over the short term by examining outcomes across all levels of government
- *2021–22 Budget at a glance: Snapshot* (8 June 2021)
- *2021–22 Budget at a glance* (8 June 2021).



We achieved our target to publish at least four non-regular **research** reports, publishing a total of ten additional non-regular **research** reports or chart packs. We continued our series of government finances reports, transitioning from monthly to quarterly publications.



On 4 September 2020, we published a report on the *Structural trends in GST*. The report examined the trends in GST relative to the size of the economy over the last twenty years, including the impact of demographic change and possible trajectories for future GST collections.

In late September 2020, we published a report on *JobSeeker Payment: Understanding economic and policy trends affecting Commonwealth expenditure*. The report looked into the historical trends in JobSeeker payment expenditure and recipient demographics, the drivers of these trends, and the implications for Commonwealth Government expenditure on the JobSeeker payment over the medium term.

In October 2020 we released our online Public Debt Interest (PDI) Calculator. The PDI Calculator estimates the costs of servicing debt associated with hypothetical changes in the amount of Commonwealth Government borrowing compared to a baseline level of Commonwealth Government borrowing. The PDI Calculator is the first step for the PBO in presenting its work in a more interactive way.

In response to COVID-19 we introduced several extra publications, including Government Finances.

Criterion 2: Effectiveness

The quality and impact of our **research** is measured by the number of downloads for each of our publications. Increasing downloads of PBO reports suggests that PBO’s research is relevant and of high quality and that demand remains similar.

2020–21 target	1,500 of regular reports and 3,000 of non-regular reports
2020–21 result	Substantially achieved

Results

We have substantially achieved our target of 1,500 downloads of regular reports and 3,000 downloads of non-regular reports. Table 5 provides a summary of downloads for each research publication.

Table 5: Number of downloads for 2020–21 published research¹¹

Date	Publication title	Regular or non-regular	Number of downloads	
			Target	Actual
8 Jul 20	Government finances: May 2020	Non-regular	3,000	4,125
24 Jul 20	July 2020 Economic and Fiscal Update Snapshot	Non-regular chart pack	3,000	1,083
21 Aug 20	Updated medium-term fiscal scenarios: impact of COVID-19 pandemic and response	Non-regular	3,000	1,970
4 Sep 20	Structural trends in GST	Non-regular	3,000	1,286
30 Sep 20	JobSeeker Payment: Understanding economic and policy trends influencing Commonwealth expenditure	Non-regular	3,000	3,716
7 Oct 20	2020–21 Budget Snapshot	Regular	1,500	1,633
11 Nov 20	Government finances: September quarter 2020	Non-regular	3,000	2,534*
10 Dec 20	2020–21 Medium-term fiscal projections	Regular	1,500	1,510
18 Dec 20	2020–21 Mid-year Economic and Fiscal Outlook Snapshot	Regular	1,500	497
11 Feb 21	Government finances: December quarter 2020	Non-regular	3,000	1,139
12 Feb 21	2020–21 Budget Chart Pack	Regular	1,500	2,695
16 Mar 21	National fiscal outlook: As at 2020–21 mid-year fiscal updates	Regular	1,500	354
16 Mar 21	National fiscal outlook: At a glance	Regular	1,500	820

¹¹ The PBO's outsourced ICT provider (Department of Parliamentary Services) provides a report upon request to the PBO on a quarterly basis, outlining the total number of downloads from the PBO website. The report includes details of the title of the publication and the number of downloads.

Date	Publication title	Regular or non-regular	Number of downloads	
			Target	Actual
28 Apr 21	Fiscal Sustainability: Long term budget scenarios	Non-regular	3,000	1,222*
6 May 21	Government finances: March quarter 2021	Non-regular	3,000	866*
7 May 21	Guide to the Budget (including 2021–22 update)	Non-regular	3,000	735*
11 May 21	2020–21 Budget at a glance: Snapshot	Regular	1,500	752*
8 Jun 21	2020–21 Budget at a glance	Regular	1,500	144*

Note: The colour coding for the ‘number of downloads’ provides a snapshot against the annual assessment scale.

* The table cells are coloured green to reflect the fact that the current trend in downloads is consistent with the performance target being met during the coming months. In particular, owing to the short time between release and the end of 2020–21, reports released during the fourth quarter (i.e. from 1 April onwards) have not yet met the annual performance target.

Given COVID-19, this year has seen increased interest in analysis and up-to-date information on the impacts of COVID-19 and the response to it, on the budget. This is reflected in the high level of downloads of publications including Government Finances, the medium-term fiscal scenarios updated for the impact of COVID-19 pandemic and response, and the JobSeeker Payment. A consequence of this interest is that publications focussed on longer term issues, such as structural trends in GST, have not received as much interest during the reporting period. Given the GST publication has a relatively long shelf-life, and there is ongoing interest in it, over time we expect to meet the download target.

While the number of downloads of some of our more recent publications are below target currently (quarter 4), they are on track to meet the targets by the end of this financial year (see the Note in Table 5).

To address both issues, we are looking to expand the metrics related to publications next year to include a broader range of quantitative measures and introduce some qualitative measures to assess the effectiveness of our publications.

Criterion 3: Feedback

In 2020–21, we have received feedback from a variety of stakeholders through multiple mechanisms including by email, parliamentary committee reports, online surveys and through the media. In quarter one, we also received verbal feedback from stakeholders in meetings (annual meeting of the expert panel).¹²

One method we use to measure the impact and relevance of our **research** material is by the mentions of our material in the media.

We engage with the media following the release of our publications, to support an improved understanding of how the publication can contribute to building public understanding of issues impacting the budget.

2020–21 target	90% of mentions are positive or neutral
2020–21 result	Achieved

Results

In 2020–21, we recorded 435 mentions (2019–20: 390) across print, online and social media, television and radio, blogs and other media, around half of which related to our published **research**. All media mentions of our research were assessed as either positive or neutral. Positive mentions referenced the quality or detail in our analysis, with neutral mentions mentioning our analysis without any descriptive language.

The majority of media mentions were published in print or online format by major Australian news outlets. The remaining mentions were a combination of mentions in Parliament, media releases, online news articles from independent sites and television transcripts. We received positive feedback from our expert panel at their annual meeting on 20 July 2020. The panel provided positive feedback on our **research** reports, describing them as of ‘very high quality’.

Email feedback on our research was provided by a senior economics journalist describing the *JobSeeker* report as ‘one of the most interesting reports I’ve seen in a long while’.

¹² Sources of feedback such as emails from parliamentarians, and media mentions are recorded in the PBO’s EDRMS throughout the annual reporting period. Media mentions are tracked in a database.

Further feedback submitted through SurveyMonkey on the *JobSeeker* report indicated that it is viewed as a valuable resource and enabled the reader to gain a better understanding of budget issues. The *Fiscal Sustainability* report generated several favourable media articles and analysis, for example blog pieces by the Grattan Institute¹³ and the Tax and Transfer Policy Institute.¹⁴

Our *Understanding the Budget* report has been well received, with positive informal feedback from Parliamentarians, the media, and the public service.

There have been overall high levels of satisfaction with the quality and relevance of our **research** reports.

The JCPAA PBO review report published feedback from research bodies and policy think tanks that indicated our **research** reports are regarded as high quality and relevant to improving public understanding of fiscal and budget policy issues:

Tax and Transfer Policy Institute:

“The PBO’s ongoing external engagement activities, including consulting the expert advisory panel, undertaking secondments, and conducting stakeholder surveys, will assist in maintaining the relevance of its self-initiated research.”¹⁵

Report 482, JCPAA Review of the Operations of PBO 2019–20, p.22

Tax and Transfer Policy Institute:

“The PBO’s public communications are typically clear and informative.”¹⁶

National Foundation for Australian Women:

“The publication of self-initiated research reports has provided a useful resource to external stakeholders.”¹⁷

Report 482, JCPAA Review of the Operations of PBO 2019–20, p. 22-23

¹³ Crowley, T. and Wood, D. (2021, April 29) Good economic management doesn’t require a surplus, Blog – Budget Policy, Grattan Institute, <https://grattan.edu.au/news/good-economic-management-doesnt-require-a-surplus/>

¹⁴ Teck, W. C (2021, May 3) PBO Report on Australian Government Post-COVID Fiscal Sustainability, Blog – Tax and Transfer Policy Institute, www.austaxpolicy.com/news/pbo-report-on-australian-government-post-covid-fiscal-sustainability/

¹⁵ Tax and Transfer Policy Institute, *Submission 1*, p.1

¹⁶ Tax and Transfer Policy Institute, *Submission 1*, p.1

¹⁷ National Foundation for Australian Women, *Submission 3*, p.3

Core function 3: Election commitments report

The PBO's **election commitments report** details the budget impacts of the election commitments made by the major political parties. We are required to publish the election commitments report in less than 30 days from the end of the caretaker period, or within seven days before the first sitting day of Parliament, whichever is later.



WHAT WE DO: Report on election commitments

After every 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 or independent parliamentarians may choose to opt in to have their election commitments included in an addendum to this report.

Source: Corporate Plan 2020–21

Our next **election commitments report** will be published after the next general election.

2020–21 target

Not applicable

2020–21 result

Not applicable

Part 3: Management and accountability

Corporate governance

Our operations are primarily governed by the *Parliamentary Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Other legislation and policy also governs our work, including workplace relations legislation and a suite of Australian Government policies.

Under the Parliamentary Service Act and the PGPA Act, the Parliamentary Budget Officer is accountable for the PBO's performance and compliance with legislative requirements.

The key components of our governance framework are the PBO Executive, the Audit Committee and a risk management framework. We also participate in Parliament House-wide governance arrangements.

We continued to strengthen our governance framework and internal policies and procedures during the year. In 2020–21, our key focus areas were: human resources, fraud control, and risk management.

We refined our performance measures to more clearly outline how we monitor and measure what we did (output), how well we did it (quality and/or efficiency), what the benefits were (impact), and how we gather and assess feedback from stakeholders. These are reflected in our Corporate Plan 2021–22.

PBO Executive

The PBO Executive—consisting of the Parliamentary Budget Officer, all SES officers and an additional senior officer on a rotating basis —meets weekly to consider PBO-wide issues, to monitor performance and to consider risk issues.

The Executive considers key performance information on a regular basis, including the status of outstanding requests for policy costings and budget analyses, the timeliness of our responses, the status of requests for information made to Commonwealth agencies, progress of the research program, and citations in the media.

In response to the COVID-19 pandemic, the Executive closely monitored remote working and business continuity arrangements, along with a staged transition back to office based work - taking into account relevant health advice.

The Executive also considers risks on a rolling basis, to monitor any changes in the risk environment and update risk ratings and treatments accordingly. In 2020–21, work, health and safety risks were closely monitored, including those arising from COVID-19 and from increased attention on, and reviews into, parliamentary workplace culture.

In accordance with our Information Governance Framework, the Executive serves as the Information Governance Committee, ensuring that information governance is managed and driven by key personnel within the organisation.

Audit Committee

The Audit Committee provides independent advice and assurance to the Parliamentary Budget Officer about the PBO’s governance arrangements. In 2020–21, the Committee comprised two independent members (including the chair) and the Assistant Parliamentary Budget Officer, Revenue Analysis Branch. The Committee met four times during the financial year.

The Assistant Parliamentary Budget Officer, Corporate Strategy Branch, Chief Financial Officer, representatives from the Australian National Audit Office, and the PBO’s internal auditors also attended these meetings, as observers.

The PBO’s Audit Committee charter is available online at https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/About_the_PBO/Corporate_information/Audit_Committee.

Table 6 – Qualifications and remuneration of the PBO Audit Committee

Member name	Qualifications, knowledge, skills or experience (formal and informal)	No. of meetings attended / total no. of meetings	Total annual remuneration \$*
Chair Mr Ian McPhee AO PSM	Mr McPhee was the fourteenth Auditor-General for Australia from 2005 to 2015. He brings extensive public sector and industry knowledge and experience from a range of roles including company director, audit committee chair/member, chair of various governance reviews, and other senior positions in the Commonwealth.	4 / 4	\$14,494
Independent member Ms Jennifer Clark	Ms Clark has an extensive background in business, finance and governance through a career as an Investment Banker and as a Non-Executive Director since 1991. She has been a chair or member of over 20 audit, risk and finance committees in the Commonwealth and private sectors. Ms Clark is also a Fellow of the Australian Institute of Company Directors.	4 / 4	\$12,793
Internal member Mr Gareth Tunks	Mr Tunks has over 20 years' experience as a public and parliamentary service employee and has worked in policy, central and statutory agencies. Mr Tunks is the PBO's internal representative on the audit committee and has been employed at the PBO since its inception in 2012.	4 / 4	Not applicable

* Total annual remuneration is GST exclusive.

Risk management

Risk management forms an integral part of the PBO's governance and internal planning arrangements. Our risk management framework consists of a collection of policies, processes and plans that are embedded into business-as-usual practices at all levels.

Individual risk management plans are developed to operationalise the PBO's risk policy and strategy at various levels, including strategic risks, divisional/branch operational risks, specialist risks (such as protective security and fraud) and project risks.

During 2020–21, we updated our fraud risk management plan and engaged an independent firm to undertake a protective security risk assessment. In response to the COVID-19 pandemic, we carried out a risk assessment prior to transitioning staff back to the workplace in late 2020-21.

Fraud prevention and control

In 2020–21 the PBO took all reasonable measures to minimise the incidence of fraud. We continued to monitor the fraud risks identified in the most recent fraud risk assessment. No incidences of fraud were detected.

Provision of corporate services to the PBO

To maximise the staff and resources dedicated to core functions, the PBO has shared services arrangements with other parliamentary departments for the delivery of some of the PBO's corporate services.

During 2020–21, the Department of the Senate continued to provide the PBO's financial transaction processing and payroll services. The PBO's information and communication technology (ICT) services continued to be provided by the Department of Parliamentary Services (DPS).

Interdepartmental committees

The four parliamentary department heads meet on a regular basis to discuss matters relating to governance, policy and operational matters of significance to the departments.

We also participate in a range of interdepartmental committees through which the parliamentary departments coordinate common and joint activities, particularly in relation to human resources, ICT and other corporate matters.

In 2020–21, the PBO continued to participate in the Australian Parliament House COVID-19 working group to discuss parliamentary department responses to the pandemic and its effects on business continuity.

External scrutiny

In 2019-20, the JCPAA, pursuant to provisions contained in sections 64S and 64T of the Parliamentary Service Act, resolved to inquire into the operations of the PBO. This review was completed in September 2020, and JCPAA Report 482 – *Review of the Operations of the Parliamentary Budget Office 2019–20* was tabled in parliament in October 2020. In December 2020, the Parliamentary Budget Officer wrote to the Chair of the JCPAA to report on the PBO’s response to the recommendations of the review.

There were no other external reports, reviews or judicial decisions involving the PBO.

Joint Committee of Public Accounts and Audit

The JCPAA plays an important oversight role in relation to the PBO’s resourcing and operations. This includes considering the PBO’s draft budget estimates and receiving regular activity reports on the PBO’s operations ahead of each of the PBO’s appearances at Senate Estimates hearings. Consistent with previous years, we consulted with the JCPAA on our Corporate Plan 2020–21.

Senate Finance and Public Administration Legislation Committee

The PBO appeared before the Senate Finance and Public Administration Legislation Committee throughout the year. In advance of each hearing, we provided the Committee with our detailed activity report on the PBO’s operations.

Legal services and expenditure

The *Legal Services Directions 2017*, issued by the Attorney-General under the *Judiciary Act 1903*, requires non-corporate Commonwealth entities to ensure that legal services expenditure is appropriately recorded and monitored. The PBO’s total expenditure on external legal services in 2020–21 was \$54,640.00 (GST exclusive).

Human resource management

The skills, experience and commitment of our employees are critical to us achieving our purpose. Developing our existing workforce continued to be a high priority for the PBO in 2020–21, as well as maintaining our ongoing recruitment, secondment and graduate programs.

Details of the classification level, employment status and gender of the PBO’s employees are presented in Appendix A.

Directors leadership group

The PBO Director's leadership group (consisting of the Parliamentary Budget Officer, Assistant Parliamentary Budget Officer, Corporate Strategy Branch and all Directors (PEL2s)) meets fortnightly to consider staff wellbeing, ensure efficient and effective information sharing, and provide opportunities for skills sharing with particular focus on leadership development.

Capability development

During the year we focused on leadership development for employees at all levels to enhance the leadership skills and capabilities across the PBO. For our key people leaders (SES and Directors) we delivered 360 degree reviews for the first time. This group will continue to receive executive coaching focused on enhancing leadership and other core skills over the year ahead.

The continued development of employee technical capability was a priority during the year. This was provided through a mixture of on the job learning and coaching, attendance at courses and seminars, and job rotations through different functional teams.

A key component of the development of technical skills was the continuation of an internal seminar series aimed at analytical staff. Presenters for these sessions included key internal subject matter experts and external speakers.

We delivered essential corporate training through our online learning management system, in areas including risk management and fraud awareness. We also continued delivery of a rolling program of regular training including communication training.

Secondments

The PBO has an ongoing secondment program with Commonwealth agencies, involving secondments both to and from the PBO. This is aimed at enhancing our capacity through the development of employees' skills in specific policy areas, and developing relationships with Commonwealth agencies. This program provides participants from other agencies with an increased understanding of our role and exposure to a broad range of policy areas and budgetary issues.

During 2020–21, the PBO participated in the Parliament of Australia graduate program. The program allows participants from APS graduate programs to undertake a secondment of up to six months with the PBO to learn about the role and functions of the PBO, as well as the Parliament generally. Nine graduates were placed with the PBO in 2020–21, including two placements deferred from 2020.

Employment arrangements

The PBO's SES employees are engaged under individual determinations under subsection 24(1) of the Parliamentary Service Act, with their remuneration and superannuation salary set under common law agreements.

All non-SES employees are engaged under common law agreements.

The Parliamentary Budget Officer is engaged as a full-time public office holder under section 64X of the Parliamentary Service Act. The Parliamentary Budget Officer's remuneration is determined by the Remuneration Tribunal.

The PBO implemented remuneration increases for non-SES employees for the three year period commencing 1 December 2020, with the first increase deferred to 1 June 2021. The remuneration proposal was agreed with the Australian Public Service Commissioner, with associated productivity offsets. This was undertaken in accordance with the Australian Government's workplace bargaining policy. SES employees did not receive remuneration increases in 2020–21.

The PBO did not make any performance payments to employees during 2020–21. Under the PBO's Performance Management Framework, increments through the PBO's salary ranges are based on performance achievements.

Employees have access to non-salary benefits such as study assistance. The PBO provides SES employees with a mobile phone and tablet. Employees also have access to the Capital Hill Early Childhood Centre in Parliament House, on-site gym facilities and free car parking.

Work health and safety

The following information for the 2020–21 reporting period is provided in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011* (WHS Act).

All new employees undertook an induction program, which included information on work health and safety issues, an outline of the legislative and policy framework, and information on their obligations as employees.

The PBO has appointed Health and Safety Representatives. A Health and Safety Committee, chaired by Ms Kathryn Smith, Assistant Parliamentary Budget Officer, Fiscal Policy Analysis Division, met on at least a quarterly basis. In response to COVID-19, the Health and Safety Committee met more frequently to ensure employee views on health and safety were considered.

The PBO provides sit-to-stand workstations to encourage healthy work practices. Support is provided to employees to ensure correct workstation setup and, where appropriate, professional expertise is sought to complement existing practices.

The PBO has an Employee Assistance Program to provide access to free confidential professional counselling services to assist staff and their families with any personal or work-related matters, and offer guidance and advice to managers on staff management.

During 2020–21, no incidents were reported to Comcare in accordance with section 35 of the WHS Act.

Reconciliation Action Plan

In November 2019, the four parliamentary departments launched the third Reconciliation Action Plan (RAP) 2019–2022. The RAP details how each department will work collaboratively with Aboriginal and Torres Strait Islander peoples towards achieving reconciliation.

Together, parliamentary departments seek to achieve significant outcomes and momentum for reconciliation. This includes the strengthening of relationships with Aboriginal and Torres Strait Islander peoples and communities, promoting equity and building a work environment that is culturally safe.

The RAP Champions of each parliamentary department together comprise the Parliamentary Service RAP Champions Group. The RAP Champions Group meets periodically to review and monitor progress against the RAP. At 30 June, the PBO's RAP Champion was Mr David Tellis, Assistant Parliamentary Budget Officer, Program Analysis Branch.

Parliamentary Service Indigenous Employee Network

During 2020–21, the PBO continued to support the Parliamentary Service Indigenous Employee Network (PSIEN). The PSIEN is a culturally rich and diverse group of First Australians, providing a supportive environment for employees to meet, offer support and express their views, experiences and concerns pertaining to Indigenous matters both professionally and personally.

The PSIEN is continuing to gain momentum, increasing its membership and acting as an integral voice on cultural matters. In 2020–21 the PSIEN supported a number of initiatives, which included:

- National Reconciliation Week 2021 activities
- Acknowledgement of Country Ngunawal language training 2021
- Work Exposure in Government Program 2020 virtual career day, and
- NAIDOC Week 2020.

Jawun Indigenous Community Australian Public Service Secondment Program

Jawun is a not-for-profit organisation managing secondments from corporate and government partners to Jawun Indigenous partner organisations. The placements aim to increase both the employee's and the PBO's cultural awareness and broader awareness of Indigenous matters and provide positive outcomes for the Indigenous communities.

In previous years a number of PBO employees have participated in the Jawun Indigenous Community APS Secondment Program. However, the PBO did not participate during 2019–20 due to the COVID-19 situation. The PBO has continued to consider staff with relevant skills for participation in the program.

Other information

Information publication scheme

The Parliamentary Budget Officer and the Parliamentary Budget Office are defined as exempt agencies in subsection 7(1) and Division 1 of Part I of Schedule 2 of the *Freedom of Information Act 1982*.

Section 45A of the Freedom of Information Act also protects the confidentiality of documents related to PBO requests that may be held by other agencies.

Disability reporting mechanism

The National Disability Strategy is Australia's overarching framework for disability reform. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government will continue to be held accountable for the implementation of the strategy through progress reporting to Australian, state, territory and local governments (progress reports can be found at dss.gov.au). Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin (available at www.apsc.gov.au).

Ecologically sustainable development and environmental performance

As the PBO is located in Parliament House, all facilities and environmental management activities are undertaken by DPS and included in its annual report.

Part 4: Financial statements

Financial management

The PBO's operations are funded through annual departmental appropriations with supplementation from a special appropriation made under section 64D of the *Parliamentary Service Act 1999*.

Overview of financial performance

The PBO recorded an operating surplus of **\$0.752m** for the year ended 30 June 2021. Excluding depreciation and amortisation, the operating result attributable to the PBO was a surplus of **\$0.831m**.

We managed our financial performance and position appropriately throughout the year. The PBO's surplus result was largely attributable to senior executive movements and employee leave provision adjustments. Variances to budget are outlined further in Note 3 of the financial statements.

In addition to ongoing departmental appropriation, the PBO has a special appropriation that can be used at the discretion of the Parliamentary Budget Officer to respond flexibly to changes in demand for our services. As at 30 June 2021, the balance of the special appropriation was **\$1.851m**.

We continue to consult with the Joint Committee of Public Accounts and Audit on PBO resourcing.

Expense impacts

The PBO's total operating expenses for 2020–21 was **\$8.031m** (excluding depreciation). The PBO spent most of its budget on employees (\$5.966m), professional services (\$0.512m), enhanced capability (predominantly secondments) (\$0.402m), and outsourced corporate services (\$0.374m). A further breakdown of expenses is available in Note 1.4 of the financial statements.

Revenue and gains impacts

In 2020–21, the PBO’s revenue from its annual departmental appropriation increased to **\$8.537m** (2019–20: \$8.258m). This increase directly relates to funding augmentation received in the 2019–20 Budget for \$5.303m over four years from 2019–20. As a result, there was no special appropriation used during the financial year.

Financial position

As at 30 June 2021, the PBO was in a sound net worth position, reporting net assets of **\$2.827m** (2019–20: \$2.102m). This is made up of assets of **\$6.130m** (2019–20: \$5.326m) and liabilities of **\$3.303m** (2019–20: \$3.224m).

The improvement in the net worth position was primarily due to the increased operating surplus driven by the unused appropriation.

Entity resource and outcome statements

Table 7 summarises the total resources available to the PBO by funding type and the total payments made by the PBO in cash terms. The balance remaining for ordinary annual services is held for the PBO’s liabilities, predominantly employee leave entitlements. The special appropriation balance can be used to support the PBO’s operational expenses.

Table 7: Entity resource statement

	Actual available appropriation 2020–21	Payments made 2020–21	Balance remaining 2020–21
	\$'000 (a)	\$'000 (b)	\$'000 (a)–(b)
Ordinary annual services ¹	12,592	8,105	4,487
Special appropriation ²	1,851	–	1,851
Total resourcing and payments	14,443	8,105	6,338

(1) *Appropriation (Parliamentary Departments) Act (No.1) 2020–21 and Supply (Parliamentary Departments) Act (No. 1) 2020–21*. This includes prior year departmental appropriation and retained revenue receipts under section 74 of the *PGPA Act 2013*.

(2) Special appropriation limited by amount (*Parliamentary Service Act 1999* section 64D).

Table 8 shows the total budgeted and actual expenses for the PBO's outcome. The Budget amounts correspond to the information contained in the 'Budgeted expenses for its Outcome' table in the PBO's 2020–21 Portfolio Budget Statements. The actual expenses reconcile to the statement of comprehensive income in the financial statements.

Table 8: Outcome expense statement

	Budget* 2020–21	Actual expenses 2020–21	Variation 2020–21
Outcome 1	\$'000 (a)	\$'000 (b)	\$'000 (a)–(b)
Departmental expenses			
Departmental appropriation ¹	8,537	7,706	831
Special appropriation	–	–	–
Expenses not requiring appropriation in the budget year ²	443	405	38
Total expenses for Outcome 1	8,980	8,111	869

	2020–21	2019–20
Average staffing level (number)	41	40

* Full year budget including any subsequent adjustments made to the 2020–21 Budget.

- (1) Ordinary annual services (*Appropriation (Parliamentary Departments) Act (No.1) 2020–21*) and Supply (*Parliamentary Departments) Act (No. 1) 2020–21*) and retained revenue receipts under section 74 of the *PGPA Act 2013*.
- (2) Expenses not requiring appropriation in the budget year are made up of depreciation expenses and resources received free of charge (audit fees and accommodation).

Compliance with finance law

The PBO had no significant issues relating to non-compliance with the finance law.

Asset management

The PBO's asset management framework includes an asset register that records all assets held by the PBO. An annual stocktake keeps records up to date and the assets are assessed each year for impairment and change in value. The PBO's assets are comprised of office fitout and equipment.

Purchasing

Purchasing was managed in accordance with the PBO's Accountable Authority Instructions and financial procedures, which are consistent with the Commonwealth Procurement Rules. The PBO's purchasing processes focus on the core principle of value for money.

Consultancy and non-consultancy contracts

The PBO engages consultants where specialist skills are required that are not available in-house or when independent research, review or assessment is required.

Typical reasons for engaging consultancy services included a requirement for specialist or professional skills and independent research and/or assessment. Consultants were engaged in accordance with the PGPA Act, Commonwealth Procurement Rules and internal policies. Selection processes involve an open tender (including the use of an existing Australian Government panel arrangement), or limited tender.

Expenditure on reportable consultancy contracts

During 2020-21, **five** new reportable consultancy contracts were entered into involving total actual expenditure of **\$0.109m**. In addition, **one** ongoing reportable consultancy contract was active during the period, involving total actual expenditure of **\$0.012m**.

Reportable consultancy contracts 2020-21	Number	Expenditure \$*
New contracts entered into during the reporting period	5	\$109,318
Ongoing contracts entered into during a previous reporting period	1	\$11,624
Total	6	\$120,942

Top 5 organisations receiving a share of reportable consultancy contract expenditure 2020-21	ABN	Expenditure \$*
Providence Consulting Group Pty Ltd	49 117 321 552	\$41,184
People Measures Pty Ltd	28 119 083 224	\$29,260
HWL Ebsworth Lawyers	37 246 549 189	\$11,624
Gordian Global Solutions Pty Ltd	12 135 850 163	\$17,505
Uncommon Knowledge	95 578 472 412	\$14,520

* GST inclusive.

Expenditure on reportable non-consultancy contracts

During 2020-21, **nine** new reportable non-consultancy contracts were entered into involving total actual expenditure of **\$0.349m**. In addition, **seven** ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of **\$0.090m**.

Reportable non-consultancy contracts 2020-21	Number	Expenditure \$*
New contracts entered into during the reporting period	9	\$349,133
Ongoing contracts entered into during a previous reporting period	7	\$89,571
Total	16	\$438,704

Top 5 organisations receiving a share of reportable non-consultancy contract expenditure 2020-21	ABN	Expenditure \$*
Capability Wise Pty Ltd	57 612 303 241	\$231,660
KPMG	51 194 660 183	\$42,640
Wood Mackenzie (Australia) Pty Ltd	85 111 634 309	\$29,862
King and Wood Mallesons	22 041 424 954	\$13,398
Ian McPhee Consulting Pty Ltd	56 608 130 570	\$15,943

* GST inclusive.

Annual reports contain information about actual expenditure on reportable consultancy and non-consultancy contracts. Information on the value of reportable consultancy and non-consultancy contracts is available on the AusTender website.

Procurement initiatives to support small business

The PBO supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance's website.

Our procurement practices support SMEs through the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 and electronic systems to facilitate on-time payment.

Advertising and market research

The PBO did not undertake any advertising campaigns during 2020–21.

Financial statements



INDEPENDENT AUDITOR'S REPORT

To the President of the Senate and Speaker of the House

Opinion

In my opinion, the financial statements of the Parliamentary Budget Office (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Parliamentary Budget Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Parliamentary Budget Officer is also responsible for such internal control as the Parliamentary Budget Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Budget Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Parliamentary Budget Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Acting Executive Director
Delegate of the Auditor-General

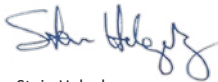
Canberra
8 September 2021

PARLIAMENTARY BUDGET OFFICE

Statement by the Accountable Authority and Chief Financial Officer

In our opinion the following financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Parliamentary Budget Office will be able to pay its debts as and when they fall due.



Stein Helgeby
Parliamentary Budget Officer

8 September 2021



Anupam Sharma
Chief Financial Officer

8 September 2021

Statement of Comprehensive Income

for the period ended 30 June 2021

		2021	2020	Original Budget 2021
	Notes	\$	\$	\$
EXPENSES				
Employee benefits	1.3	5,965,851	6,564,443	7,190,000
Suppliers	1.4	2,065,585	1,518,077	1,712,000
Depreciation	1.6	79,272	78,219	78,000
Total expenses		8,110,708	8,160,739	8,980,000
REVENUE				
Own-source income				
Resources received free of charge	1.5			
Accommodation		275,830	307,829	} 365,000
Auditor remuneration		50,000	50,000	
Total own-source income		325,830	357,829	365,000
NET COST OF SERVICES		7,784,878	7,802,910	8,615,000
Revenue from Government				
Departmental Appropriation	1.5	8,537,000	8,258,000	8,537,000
Total revenue from Government		8,537,000	8,258,000	8,537,000
Surplus/(deficit) attributable to the Australian Government		752,122	455,090	(78,000)
OTHER COMPREHENSIVE INCOME				
Changes in asset revaluation reserve		(27,254)	-	-
Total other comprehensive income		(27,254)	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT		724,868	455,090	(78,000)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$	2020 \$	Original Budget 2021 \$
ASSETS				
Financial assets				
Cash		30,546	25,722	26,000
Receivables				
Appropriation receivable	1.5	4,456,702	3,507,169	3,758,000
GST receivable		15,577	3,269	
Other receivables		192,795	215,613	
Total financial assets		4,695,620	3,751,773	3,784,000
Non-financial assets				
Property, plant and equipment	1.6	1,421,817	1,528,343	1,453,000
Prepayments		12,303	46,138	46,000
Total non-financial assets		1,434,120	1,574,481	1,499,000
TOTAL ASSETS		6,129,740	5,326,254	5,283,000
LIABILITIES				
Payables				
Trade creditors		611,987	212,668	213,000
Employee payables		161,311	118,536	113,000
Other payables		9,550	9,116	
Total payables		782,848	340,320	326,000
Provisions				
Employee leave provisions	1.2	2,520,076	2,883,986	2,931,000
TOTAL LIABILITIES		3,302,924	3,224,306	3,257,000
NET ASSETS		2,826,816	2,101,948	2,026,000
EQUITY				
Asset revaluation reserve		3,009	30,263	30,000
Retained earnings		2,823,807	2,071,685	1,996,000
Total equity		2,826,816	2,101,948	2,026,000

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the period ended 30 June 2021

	2021	2020	Original Budget 2021
	\$	\$	\$
RETAINED EARNINGS			
Opening balance	2,071,685	1,616,595	2,074,000
Surplus/(deficit) for the period	752,122	455,090	(78,000)
Closing balance as at 30 June	2,823,807	2,071,685	1,996,000
ASSET REVALUATION RESERVE			
Opening balance	30,263	30,263	30,000
Revaluation increment/(decrement)	(27,254)	-	-
Closing balance as at 30 June	3,009	30,263	30,000
TOTAL EQUITY	2,826,816	2,101,948	2,026,000

Cash Flow Statement

for the period ended 30 June 2021

	2021	2020	Original Budget 2021
	\$	\$	\$
OPERATING ACTIVITIES			
Cash received			
Appropriations	8,109,542	7,948,292	8,504,000
Net GST received	30,897	23,883	
Total cash received	8,140,439	7,972,175	8,504,000
Cash used			
Employees	6,286,727	6,334,771	7,157,000
Suppliers	1,326,813	1,440,008	1,347,000
Section 74 receipts transferred to the OPA ^(a)	522,075	207,849	-
Total cash used	8,135,615	7,982,628	8,504,000
Net cash from operating activities	4,824	(10,453)	-
Net (decrease) / increase in cash held	4,824	(10,453)	-
Cash at the beginning of the reporting period	25,722	36,175	26,000
Cash at the end of the reporting period	30,546	25,722	26,000

(a) In 2020, Section 74 receipts were disclosed as a net adjustment to appropriations. Comparative year amounts in the 'Appropriations' and 'Section 74 receipts transferred to the OPA' line items have been restated to reflect the cash flow of these receipts as gross amounts in both cash received and cash used.

Overview

The Parliamentary Budget Office (PBO) is a non-corporate Commonwealth entity, and a Parliamentary Department as defined in the *Parliamentary Service Act 1999* (Parliamentary Service Act).

The purpose and outcome of the PBO (below) is articulated in section 64B of the Parliamentary Service Act:

Outcome 1: Inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of policy proposals.

The continued existence of the PBO in its present form is dependent on continued funding by Parliament for the PBO's administration and program.

Notes to the financial statements

1 Summary of significant accounting policies

1.1 Basis of preparation of the financial report

The financial statements are general purpose, not-for-profit financial statements and are prepared in accordance with section 42 of the PGPA Act, which in turn requires the statements to comply with the:

- a *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) and
- b Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention. No allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

No new/revised/amended accounting standards or interpretations issued prior to the date of signing the financial statements, and applicable to the current reporting period, had a material effect on the PBO's financial statements.

Taxation

The PBO is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

1.2 Significant accounting judgements and estimates

In the process of applying the accounting policies, the PBO has made the following judgements that have a significant impact on the amounts recorded in the financial statements.

Asset revaluations

During the reporting period, a revaluation of property, plant and equipment assets was undertaken. Further information is available at Note 1.6.

Employee leave provisions

Employee leave provisions are estimated using several key inputs and parameters. The annual leave provision is calculated using current employee leave balances discounted by the 2-year government bond rate. The long service leave provision is estimated using the Department of Finance shorthand method, which discounts employee leave balances by the 10-year government bond rate. The Department of Finance probability factor (based on length of service) is also applied to long service leave balances.

Additional costs, informed by historical data, are applied to the estimates for both provisions for superannuation and leave accrued while on leave (based on the percentage of leave taken while in service).

1.3 Employee benefits

	2021	2020
	\$	\$
Employee benefits		
Wages and salaries	4,700,058	4,801,297
Superannuation		
Defined benefit plans	390,803	434,608
Defined contribution plans	447,942	467,656
Leave and other entitlements	414,841	860,882
Separations and redundancies	12,207	-
Total employee benefits	5,965,851	6,564,443

Key management personnel

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the PBO, either directly or indirectly. The PBO has determined its key management personnel as the Parliamentary Budget Officer and the three senior executives reporting directly to this position. Key management personnel remuneration is reported in the table below.

	2021	2020
	\$	\$
Key management personnel remuneration		
Short-term employee benefits	1,218,750	1,093,192
Post-employment benefits	198,208	159,209
Other long-term employee benefits	30,290	27,646
Total key management personnel remuneration	1,447,248	1,280,047
Number of KMP positions	4	4
Number of officers in KMP positions	8	6

Related party transactions

Related parties to the PBO are defined as key management personnel and close family members of key management personnel. A related party transaction is a transfer of resources, services or obligations between the PBO and a related party, regardless of whether a price is charged. During 2020–21, there were no related party transactions.

1.4 Supplier expenses

	2021	2020
	\$	\$
Supplier expenses		
Professional services	512,362	226,851
Enhanced capability ^(a)	401,512	236,667
Corporate services outsourced	373,863	373,725
Employee related	132,442	152,313
Accommodation expenses	275,830	307,829
Travel	3,967	27,666
Software licences	288,185	108,615
Other	59,707	68,632
Workers compensation expenses	17,717	15,779
Total supplier expenses	2,065,585	1,518,077

(a) Enhanced capability expenses include secondments and temporary contract labour.

1.5 Revenue

Revenue from Government

	2021	2020
	\$	\$
Annual appropriation	8,537,000	8,258,000
Section 74 receipts ^(a)	522,075	207,849
Total appropriation	9,059,075	8,465,849
Less Appropriation applied (current and prior years)	(8,135,615)	(7,982,628)
Variance	923,460	483,221

(a) In 2020, Section 74 receipts were disclosed net of GST receipts. The comparative year amounts in the 'Section 74 receipts' and 'Less Appropriation applied' line items have been amended to reflect gross Section 74 receipts.

Amounts appropriated for the year are recognised at their nominal amount as Revenue from Government when the PBO gains control of the appropriation.

The PBO may draw upon the following appropriations:

- 1 Annual appropriations providing for the ordinary course of business are noted below. The amount of unspent appropriations is equal to the sum of the cash and appropriation receivable balances, as at 30 June.
 - a *Appropriation (Parliamentary Departments) Act (No.1) 2019–20*
Unspent balance as at 30 June 2020: \$3,532,891
 - b *Appropriation (Parliamentary Departments) Act (No.1) 2020–21*
Unspent balance as at 30 June 2021: \$4,487,249
- 2 A Special appropriation, of a limited amount, to provide for payments in relation to the Parliamentary Budget Officer or the Parliamentary Budget Office. Special appropriation revenue is recognised for the year when amounts are expended or to meet obligations incurred during the reporting period.
 - a *Parliamentary Service Act 1999*
Limited to \$6,000,000, unspent balance as at 30 June 2021: \$1,850,947 (2020: \$1,850,947).

Special appropriation

	2021	2020
	\$	\$
Special appropriation balance		
As at 1 July	1,850,947	1,850,947
Special appropriation applied	-	-
Balance as at 30 June 2021	1,850,947	1,850,947

Resources received free of charge

Resources received free of charge are recognised as other revenue when fair value can be reliably determined and the services would have been purchased if they had not been donated. These revenues are measured at their fair value and the use is recognised as an expense. The PBO recognises accommodation and external audit fees as resources received free of charge.

1.6 Property, plant and equipment

	2021
	\$
Property, plant and equipment	
As at 1 July 2020	
Gross book value	2,075,799
Accumulated depreciation	(547,456)
Total as at 1 July 2020	1,528,343
Revaluations	(27,254)
Depreciation expense	(79,272)
Total as at 30 June 2021	1,421,817
Total as at 30 June 2021 represented by:	
Gross book value	1,429,300
Accumulated depreciation	(7,483)
Total as at 30 June 2021	1,421,817

Revaluations and impairment

Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the operating result. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset. A revaluation of the PBO's property, plant and equipment assets was undertaken by an independent valuer (Pickles Valuations), as at 31 May 2021.

Fair value measurement

All property, plant and equipment non-financial assets are measured at fair value in the statement of financial position. When estimating fair value, market prices (with adjustments) are used where available. Where market prices are not available, depreciated replacement cost is used.

The inputs used to determine fair value include historical actual cost information and costing guides to estimate the current replacement cost. Appropriate useful life profiles have been adopted to depreciate the replacement cost to reflect the expended life.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates for property plant and equipment are based on their useful lives, which range from 10 to 30 years.

1.7 Distinction of current/non-current assets and liabilities

	2021	No more than 12 months	More than 12 months
	\$	\$	\$
Assets			
Cash	30,546	30,546	-
Receivables	4,665,074	4,665,074	-
Prepayments	12,303	12,303	-
Property, plant and equipment	1,421,817	-	1,421,817
Total assets	6,129,740	4,707,923	1,421,817
Liabilities			
Suppliers	611,987	611,987	-
Employee payables	161,311	161,311	-
Other payables	9,550	9,550	-
Employee provisions	2,520,076	467,954	2,052,123
Total liabilities	3,302,924	1,250,802	2,052,123

2 Events after the reporting period

There were no significant events following the reporting period that impact on the PBO's financial statements for the year ended 30 June 2021.

3 Budget variance

The comparison of the unaudited original budget as presented in the 2020–21 Portfolio Budget Statements to the 2020–21 final outcome as presented in accordance with Australian Accounting Standards is included in the statement of comprehensive income, the statement of financial position and the cash flow statement. The major variances detailed below are in relation to the management of resources to ensure the performance of the PBO in achieving its mandate during the year.

Major variances

The surplus result of \$0.752m was largely due to lower than anticipated employee expenses (variance to budget -\$1.224m), which was partially offset by higher than budgeted supplier expenses (variance to budget +\$0.353m).

Employee expenses were lower than budgeted, driven primarily by senior staff movements (including secondments, acting arrangements and long-term leave), an increase in secondments into the PBO (budgeted separately under supplier expenses), and adjustments to employee leave provisions following changes in economic parameters. These factors resulted in variances to the budget for the appropriation receivable and employee items in the statement of comprehensive income, statement of financial position and cash flow statement.

Supplier expenses were higher than budgeted due to the recognition of software licencing fees for a new statistical analysis tool, contractor services to support ICT upgrades, and a higher than anticipated number of secondments into the PBO. This resulted in variances to the budget for the supplier expense and trade creditors items in the statement of comprehensive income and statement of financial position.

Resources received free of charge was lower than expected (variance to budget -\$0.032m) due to a decrease in the price per square metre charged for accommodation space. This resulted in a variance to the budget for the own-source revenue item in the statement of comprehensive income.

Appendices

Appendix A – Staffing statistics

The Parliamentary Budget Officer is a statutory appointment and is not an ongoing employee of the Parliamentary Budget Office. All employees are engaged under the *Parliamentary Service Act 1999*.

All employees are located at Parliament House, Canberra.

No employee identified themselves as Indigenous.

Table A1: Salary ranges for non-SES employees by classification

Classification	As at 30 June 2020	As at 30 June 2021
PEL 2	133,385 – 158,900	136,053 – 162,078
PEL 1	112,508 – 129,905	114,759 – 132,504
PSL 6	89,311 – 100,329	91,098 – 102,336
PSL 5	77,712 – 85,251	79,267 – 86,957
PSL 4	69,593 – 75,393	70,985 – 76,901

Note: Amounts exclude superannuation.

Table A2: Employee numbers (headcount)

Classification	30 June 2020		30 June 2021	
	Ongoing	Non-ongoing	Ongoing	Non-ongoing
Parliamentary Budget Officer	1 ^(a)	–	–	1
SES Band 2	2	–	2 ^(b)	–
SES Band 1	4	–	5	–
PEL 2	9 ^(b)	–	9	–
PEL 1	14	–	12	1
PSL 6	8	–	8	1
PSL 5	1	–	6	–
PSL 4	1	–	1	–
Secondees	–	2	–	7
Total	40	2	43	10
Full time or part time				
Full time	36	2	41	9
Part time	4	–	2	1
Total	40	2	43	10
Gender				
Female	19	2	24	5
Male	21	–	19	5
Non-binary	–	–	–	–
Total	40	2	43	10

a) This position was being filled by an ongoing SES Band 2 as Acting Parliamentary Budget Officer during the Parliamentary Budget Officer recruitment process.

b) Number inclusive of staff on secondment to another Commonwealth agency.

Note: these numbers include employees on long-term paid leave and secondment and exclude employees on leave without pay. Secondees include employees seconded to the PBO from APS agencies, including graduates under the Parliament of Australia graduate program

Table A3: Information about remuneration for key management personnel

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the PBO, directly or indirectly. The PBO has determined its KMP to be the Parliamentary Budget Officer and their three direct reports.

Position title	Name	Short-term benefits \$		Post-employment benefits \$	Other long-term benefits \$	Total remuneration \$
		Base salary	Other benefits & allowances			
Parliamentary Budget Officer (Accountable Authority)	S Helgeby ^(a)	230,709	1,080	46,094	5,900	283,784
First Assistant Parliamentary Budget Officer, Parliamentarian Costing and Analysis Division	C Brown	284,775	1,559	46,371	7,199	339,904
First Assistant Parliamentary Budget Officer, Fiscal Policy and Analysis Division	L Ward ^(b)	263,221	1,559	43,543	6,629	314,951
	M Bray ^(c)	68,504	440	9,472	1,590	80,006
	J Clark ^(d)	50,893	438	7,322	1,209	59,862
	K Smith ^(e)	62,798	581	9,130	1,568	74,077
Assistant Parliamentary Budget Officer, Corporate Strategy Branch	K Williams ^(f)	122,021	516	20,447	3,094	146,078
	A Bruce ^(g)	128,874	783	15,829	3,101	148,588
Total (may not sum due to rounding)		1,211,795	6,955	198,208	30,290	1,447,248

a) Commenced on 18 November 2020.

b) Acting Parliamentary Budget Officer (Accountable Authority) from 1 July to 17 November 2020 / on secondment to another Commonwealth agency from 9 March 2021.

c) Commenced acting as KMP, via secondment, on 29 March 2021.

d) Acting KMP during August and October 2020, and March 2021.

e) Acting KMP during July, September, November and December 2020, and January 2021.

f) KMP to 19 January 2021.

g) Acting KMP from August to October 2020 and January to May 2021. Promoted on 15 May 2021.

Table A4: Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits \$		Post-employment benefits \$	Other long-term benefits \$		Average total remuneration \$
		Average base salary	Average other benefits and allowances		Average long service leave	Average long-term benefits \$	
\$0 – \$220,000	3	137,460	1,219	27,246	3,619	169,544	
\$220,001 – \$245,000	–	–	–	–	–	–	
\$245,001 – \$270,000	1	217,801	1,559	32,206	5,750	257,315	

The PBO had no 'other highly paid staff' above the remuneration threshold amount of \$220,000.

Appendix B – Costing statistics and evaluations

Table B1: Costing and budget analysis requests from parliamentarians and parliamentary parties by year

	2016–17	2017–18	2018–19	2019–20	2020–21
Requests outstanding at start of period	20	180	586	20	40
Requests received in period	2,572	2,218	3,014*	332	1,253
Requests withdrawn in period	524	252	610	33	137
Requests completed in period	1,888	1,560	2,970*	279	813
Average time to completion (business days)	20	20	18	27	31
Median time to completion (business days)	12	15	12	25	25
Requests outstanding at end of period	180	586	20	40	343

* includes 429 costings and budget analyses prepared for the purpose of the election commitments report.

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

Evaluations

In adopting Recommendation 7 of the Joint Committee of Public Accounts and Audit (JCPAA)’s *2016–17 Independent review of the PBO*, we periodically conduct evaluations of a limited selection of policy costing estimates, to help identify areas for improvement in future costings.

So far we have completed a total of 13 evaluations which cover a broad range of topics including: education, goods and services tax, child care, humanitarian migration, personal income tax, corporate tax, tax deductions and health. These evaluations are focused on the models, methods and assumptions that we expect to be drawn upon heavily in the lead up to the next election. The 13 completed evaluations have resulted in 33 recommendations, of which 23 have been implemented.

The outstanding recommendations are work-in-progress with a focus on implementing those recommendations related to models, methods and assumptions that we expect to use in the lead up to the next general election.

Appendix C – List of requirements

Paragraph 17AJ(d) of the PGPA Rule requires the following list of requirements to be included in the annual report as an aid of access.

Table C1: List of requirements

PGPA Rule Reference	Page no	Description	Requirement
17AD(g) Letter of transmittal			
17AI	iii	A copy of the letter of transmittal signed and dated by accountable authority on the date final text approved, with a statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h) Aids to access			
17AJ(a)	v	Table of contents.	Mandatory
17AJ(b)	68	Alphabetical index.	Mandatory
17AJ(c)	67	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	60	List of requirements.	Mandatory
17AJ(e)	ii	Details of contact officer.	Mandatory
17AJ(f)	ii	Entity's website address.	Mandatory
17AJ(g)	ii	Electronic address of report.	Mandatory
17AD(a) Review by accountable authority			
17AD(a)	1	A review by the accountable authority of the entity.	Mandatory
17AD(b) Overview of the entity			
17AE(1)(a)(i)	3	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	4	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	3	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	3	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	57	Name of the accountable authority or each member of the accountable authority.	Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AE(1)(aa)(ii)	57	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	57	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	n/a	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory
17AE(2)	n/a	Where the outcomes and programmes administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c) Report on the performance of the entity			
<i>Annual performance Statements</i>			
17AD(c)(i); 16F	7	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii) Report on financial performance			
17AF(1)(a)	37	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	38	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	n/a	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory
17AD(d) Management and accountability			
<i>Corporate governance</i>			
17AG(2)(a)	iii, 30	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	iii, 30	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AG(2)(b)(ii)	iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	iii, 30	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	27	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	39	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance.	If applicable, Mandatory

Audit Committee

17AG(2A)(a)	28	A direct electronic address of the charter determining the functions of the audit committee for the entity.	Mandatory
17AG(2A)(b)	29	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	29	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	29	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	29	The remuneration of each member of the entity's audit committee.	Mandatory

External scrutiny

17AG(3)	31	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	n/a	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	31	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	n/a	Information on any capability reviews on the entity that was released during the period.	If applicable, Mandatory

PGPA Rule Reference	Page no	Description	Requirement
<i>Management of human resources</i>			
17AG(4)(a)	31, 32	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	55, 56	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> • Statistics on full time employees • Statistics on part time employees • Statistics on gender • Statistics on staff location 	Mandatory
17AG(4)(b)	n/a	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing classification level • Statistics on full time employees • Statistics on part time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous. 	Mandatory
17AG(4)(c)	33	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Parliamentary Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	33	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	55	The salary ranges available for parliamentary service employees by classification level.	Mandatory
17AG(4)(c)(iii)	33	A description of non salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	n/a	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	n/a	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	n/a	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	n/a	Information on aggregate amount of performance payments.	If applicable, Mandatory

PGPA Rule Reference	Page no	Description	Requirement
Assets management			
17AG(5)	39	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
Purchasing			
17AG(6)	40	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	40	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	40	A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory
17AG(7)(c)	40	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	41	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	41	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AG(7A)(b)	41	A statement that <i>“Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.”</i>	Mandatory
17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
17AGA	40, 41	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
Australian National Audit Office access clauses			
17AG(8)	n/a	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
Exempt contracts			
17AG(9)	n/a	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
Small business			
17AG(10)(a)	41	A statement that <i>“[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”</i>	Mandatory
17AG(10)(b)	41	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AG(10)(c)	n/a	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory
Financial statements			
17AD(e)	42	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive remuneration			
17AD(da)	57, 58	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f) Other Mandatory Information			
17AH(1)(a)(i)	n/a	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory
17AH(1)(a)(ii)	41	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	n/a	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory
17AH(1)(c)	35	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	35	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	n/a	Correction of material errors in previous annual report.	If applicable, Mandatory
17AH(2)	33, 35	Information required by other legislation.	Mandatory

Glossary

budget analysis	Budget analysis is analysis that the PBO can be asked to provide about the budget. This may include: information about the amount of money allocated to particular programs; details of the profile of spending on particular programs; or details of the different sub-components of expenditure or revenue associated with a particular program.
election commitment	In relation to a general election, this means a policy that a parliamentary party has publicly announced it intends to seek to have implemented after the election, as defined in section 7 of the <i>Parliamentary Service Act 1999</i> .
policy costing	Policy costings are the PBO's estimate of the financial impact on the Commonwealth Budget of a policy proposal.

Abbreviations and acronyms

APS	Australian Public Service
DPS	Department of Parliamentary Services
ICT	Information and Communication Technology
JCPAA	Joint Committee of Public Accounts and Audit
OECD	Organisation for Economic Co-operation and Development
PBO	Parliamentary Budget Office
PEL	Parliamentary Executive Level
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PSL	Parliamentary Service Level
RAP	Reconciliation Action Plan
SES	Senior Executive Service
SME	Small and medium enterprises

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