



12 May 2023

# Parliamentary Budget Office Activity Report

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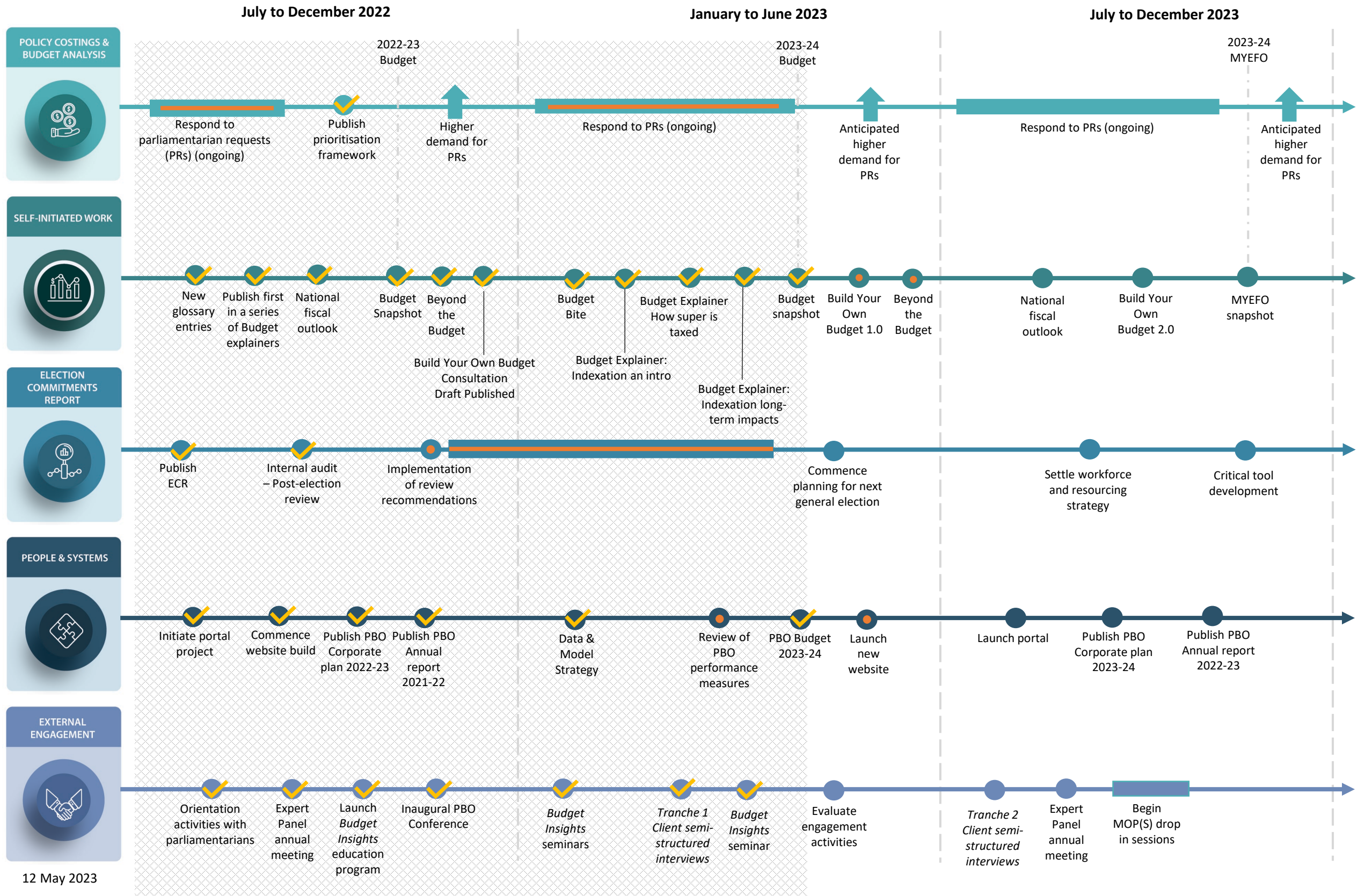
## At a glance

This report provides an update on Parliamentary Budget Office (PBO) activities since the last activity report (6 February 2023). Key highlights include:

- Requests from parliamentarians are running at a higher level than for the same period in the last election cycle - 464 request options were received and 468 completed in the 9 months to 31 March 2023. By comparison, there were 332 options received and 279 options completed for all of 2019-20 (the most recent post-election year). In the first 9 months of 2022-23 the median time to completion of requests was 17 days.
- Public release of parliamentarian requests is also relatively high, with 14 requests published in the first 10 months of 2022-23, compared to 4 for the entire 2019-20 period. Just under half of the 2022-23 costing-related media mentions referenced a published costing request.
- We published budget explainers on indexation, superannuation and understanding the budget, as well as the 2023-24 Budget chart pack.
- We concluded our consultation on *Build your own Budget*, a tool that allows users to adjust selected policies and economic parameters to gauge the effect on the government's fiscal position. All feedback will be taken into account in developing the next version of the tool, scheduled for release by end June 2023.
- We ran Budget insight seminars on taxation and the budget process, and our new website is scheduled to go live by end June 2023.

LEGEND

- ACTIVITY COMPLETE
- ACTIVITY COMMENCED



# Our activities in detail

The purpose of the activity report is to provide an update on our key activities since our previous activity report, published on 6 February 2023, up to 30 April 2023. This supports transparency about how we are delivering against the priorities we outlined in our [corporate plan](#). For information on our achievements before 6 February 2023, please see our [annual report](#) and previous [activity reports](#).

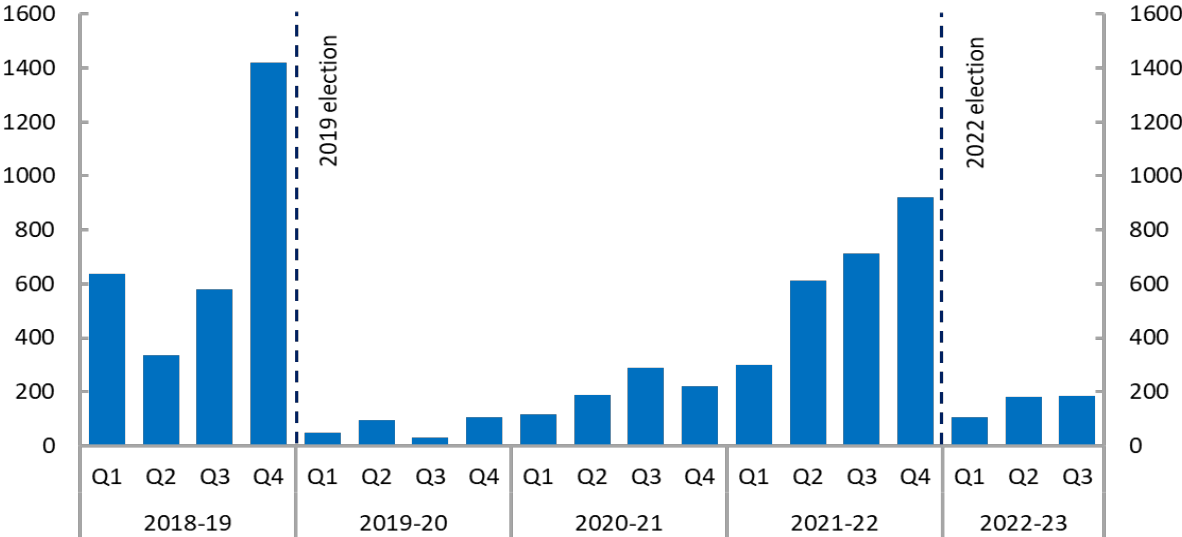
## Policy costings and budget analysis

### Requests from parliamentarians and parliamentary parties

In the 3 months to 31 March 2023, we received a total of 153 request options from parliamentarians and completed 183. This is fewer than the same quarter in the previous year – the last quarter before the 2022 Federal Election - where we received 819 request options and completed 713. However, it is more than we would usually expect at this point in the parliamentary cycle, as shown in Figure 1 below.

Compared to 2019-20 (the most recent post-election year) we have already exceeded the volume of requests received for that full year (332 total requests received in 2019-20, compared to 464 received in the first nine months of 2022-23). Further statistics on request options, including the total stock and the time taken to complete them is included in Table 1.

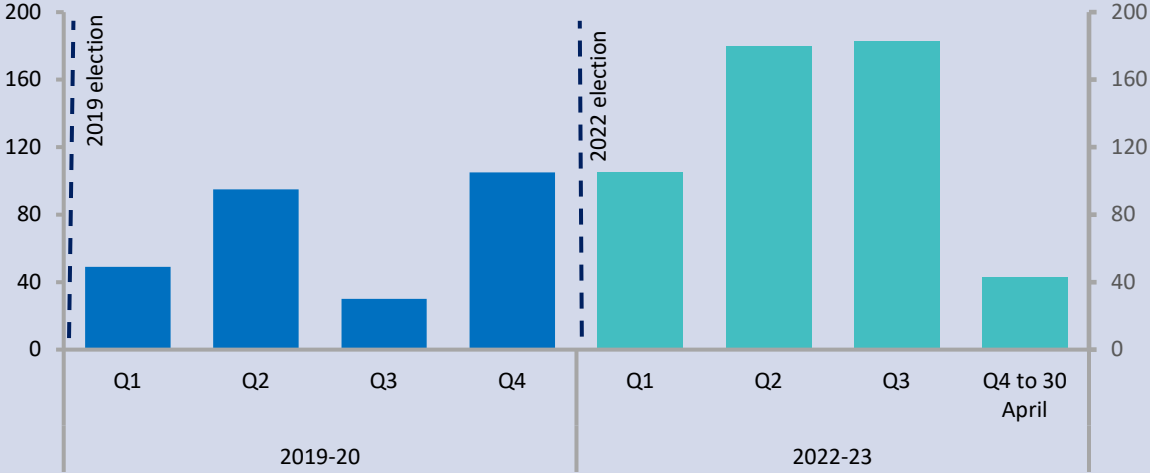
**Figure 1: Number of completed request options from parliamentarians**



**Box 1: Case study of PBO activities after a general election**

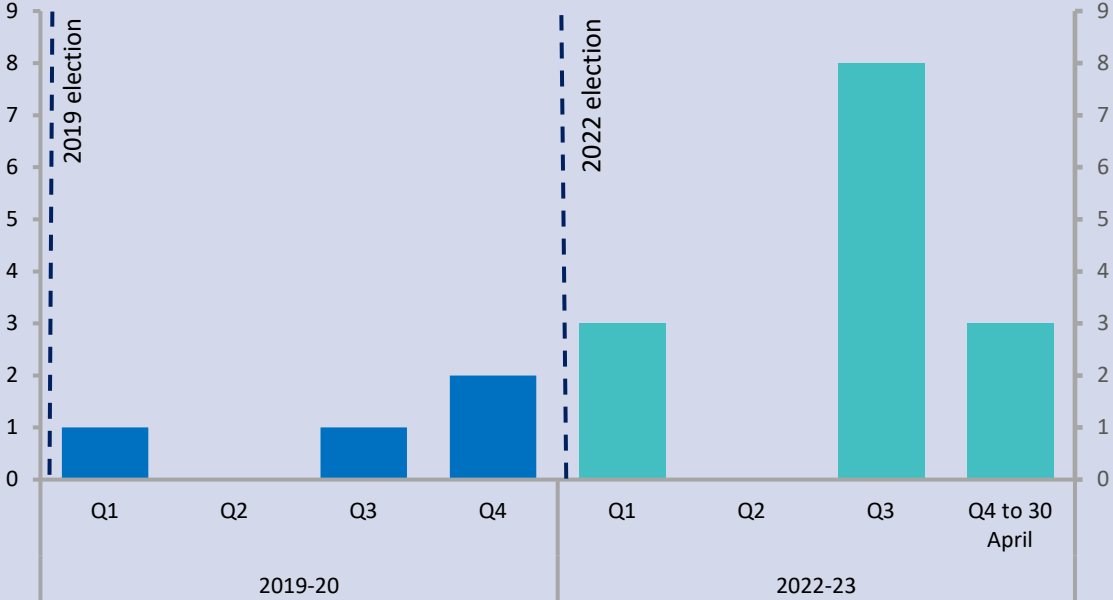
PBO exists to ‘inform Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals’. The primary way we do this is through responding to parliamentarian requests. The volume of requests reflects the election cycle - the closer to an election the more requests, with fewer requests just after the election. However, comparing the last 2 post-election years, there has been a marked increase in request activity in the 47<sup>th</sup> Parliament compared to the previous one. The increase in 2022-23 may reflect changes in the composition of the Parliament, including a change in Government.

**Figure 2: Number of request options completed in post-election periods**



There has also been a marked increase in the number of requests being released publicly by the PBO. In 2019-20, only 4 requests were publicly released by the PBO, compared to 14 in the first 10 months of 2022-23.

**Figure 3: Number of requests publicly released in post-election periods**



**Table 1: Costing and budget analysis request performance to 31 March 2023**

	18-19 Total	19-20 Total	20-21 Total	21-22 Total	22-23			
					Q1	Q2	Q3	YTD
Request options outstanding at the start of period	586	20	40	343	35	51	56	35
Request options received in period	3,014 <sup>(a)</sup>	332	1,253	3,241 <sup>(b)(c)</sup>	124	187 <sup>(d)</sup>	153 <sup>(e)</sup>	464
Request options completed in period	2,970 <sup>(a)</sup>	279	813	2,550 <sup>(b)(c)</sup>	105	180	183	468
Request options withdrawn in period	610	33	137	999 <sup>(c)</sup>	3	2	5	10
Request options outstanding at the end of period	20	40	343	35	51	56 <sup>(d)</sup>	21 <sup>(e)</sup>	21
Average time to completion (business days)	18	27	31	29	20	14	19	17
Median time to completion (business days)	12	25	25	18	19	15	19	17

Note: The table identifies the number of 'options' received by the PBO, noting that a single request can have multiple options. The number of options for a request is assessed as part of confirming the exact specification of the request. Between 1 April and 30 April, we received an additional 124 request options and completed 43.

- (a) This includes 429 costings prepared for the 2019 Election Commitments Report.
- (b) This includes 316 costings prepared for the 2022 Election Commitments Report. 314 costings were for commitments by parties and 2 additional costings were for interactions between policies.
- (c) Most of these requests were automatically withdrawn due to expiration of the 46<sup>th</sup> Parliament in accordance with the PBO's legislative mandate which does not allow requests to carry over between parliaments.
- (d) Since the last report we have re-examined metadata for the second quarter of 2022-23 and recalculated the number of options for requests outstanding. Adjustments to the option count for 3 outstanding requests led to a net upwards revision of 3 options compared to the figures shown in the previous Activity Report. These requests were received mid to late in the report period and were yet to be fully assessed at the time of reporting.
- (e) This is a preliminary number based on an initial assessment of the number of options involved in the parliamentary request and is subject to change on completion of the costing.

In quarter 3, the average and median time to completion was 19 business days. This was an improvement on average time to completion of 35 days and median time of 34 business days for quarter 3 in 2019-20 (the most recent post-election year). However, it was a slight deterioration on the previous quarter (see Figure 4).

One factor which appears to have a particularly strong relationship with the average and median time to completion is whether the PBO needs to source information from Commonwealth agencies via one or multiple information requests to complete a response.

Analysis indicates that in the 9 months to the end of quarter 3 in 2022-23, the median time to completion was 9 business days longer for requests where we had to source information from an external agency (23 days compared to 14 days) (see Table 2).

Figure 4: Median time taken to respond to requests by quarter

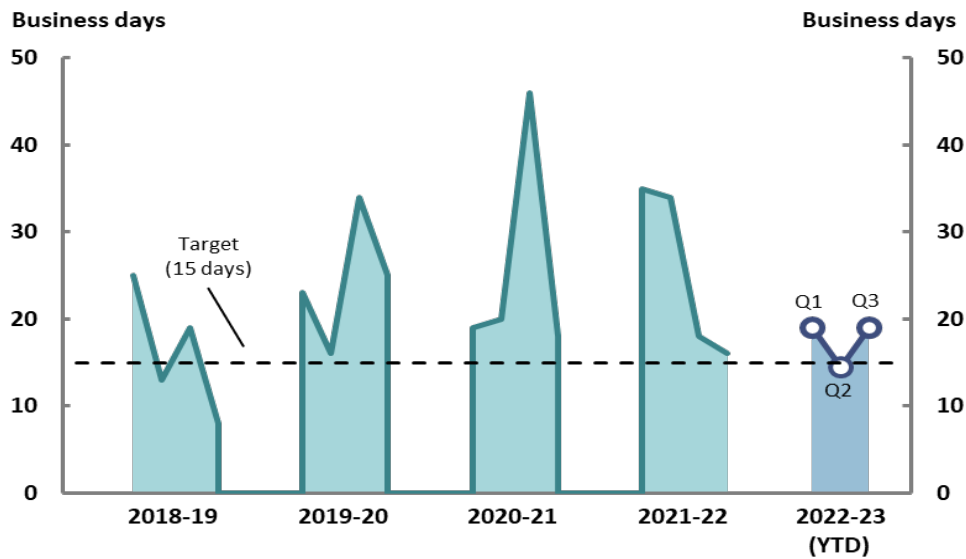


Table 2: Completion of parliamentary request options by whether the request required an associated information request

	22-23 Q1	22-23 Q2	22-23 Q3	22-23 Total
<b>Request options completed</b>	105	180	183	468
<i>With information requests</i>	42	63	70	175
<i>Without information requests</i>	63	117	113	293
<b>Average time to completion (business days)</b>	20	14	19	17
<i>With information requests</i>	19	21	27	23
<i>Without information requests</i>	20	11	14	14
<b>Median time to completion (business days)</b>	19	15	19	17
<i>With information requests</i>	15	22	23	23
<i>Without information requests</i>	20	9	14	14

### Requests by the PBO for information from agencies

We continue to have highly collaborative and cooperative relationships with other Commonwealth agencies. These agencies provide us with key information and models and help us to understand policies to support the provision of robust costings and analyses. Table 3 provides high level performance data for Commonwealth agencies responding to PBO information requests. Table 4 provides information for individual agencies from 1 January 2023 to 31 March 2023. All responses were received on time during quarter 3 2022-23.

**Table 3: Responses to PBO information requests as at 31 March 2023**

	17–18	18–19	19–20	20–21	21–22	22–23			
	Total	Total	Total	Total	Total	Q1	Q2	Q3	YTD
Responses received in period	429	549	175	523	538	21	163	20	204
Percentage received on time (%)	99	98	99	99	99	100	99	100	99
Average response time (business days)	9	7	12	11	6	12	10	11	10

Note: An additional 4 responses were received between 1 April 2023 and 30 April 2023.

**Table 4: Information request responsiveness by agencies 1 January 2023 to 31 March 2023**

Department/Agency	Responses received in period	Average of time taken to respond (business days)	Responses received after due date	Per cent late
Australian Criminal Intelligence Commission	1	5	0	0%
Australian Taxation Office	1	2	0	0%
Department of Climate Change, Energy, the Environment and Water	3	8	0	0%
Department of Employment and Workplace Relations	1	11	0	0%
Department of Finance	2	6	0	0%
Department of Health and Aged Care	1	6	0	0%
Department of Industry, Science and Resources	1	10	0	0%
Department of Infrastructure, Transport, Regional Development and Communications and the Arts	3	8	0	0%
Department of the Treasury	4	26	0	0%
National Disability Insurance Agency	1	8	0	0%
National Indigenous Australians Agency	1	6	0	0%
Services Australia	1	6	0	0%
<b>Total</b>	<b>20</b>	<b>11</b>	<b>0</b>	<b>0%</b>

Note: An additional 4 responses were received between 1 April 2023 and 30 April 2023, from The Australian Taxation Office, Department of Climate Change, Energy, The Environment and Water, Department of Defence and Department of the Treasury.

### Publicly referenced parliamentary requests

Table 5 shows our costings or budget analyses that were publicly referenced for the first time in the period from 1 January 2023 to 30 April 2023. The items listed include references to costings, whether or not the associated costing minute has been publicly released. Just under half of public mentions related to a costing or budget analysis that had not been publicly released. Figure 5 provides a breakdown of this practice over the past 5 quarters.

Public references to PBO costings have also increased significantly.

**Table 5: Costings or budget analysis publicly referenced for the first time and method of release between 1 January 2023 and 30 April 2023**

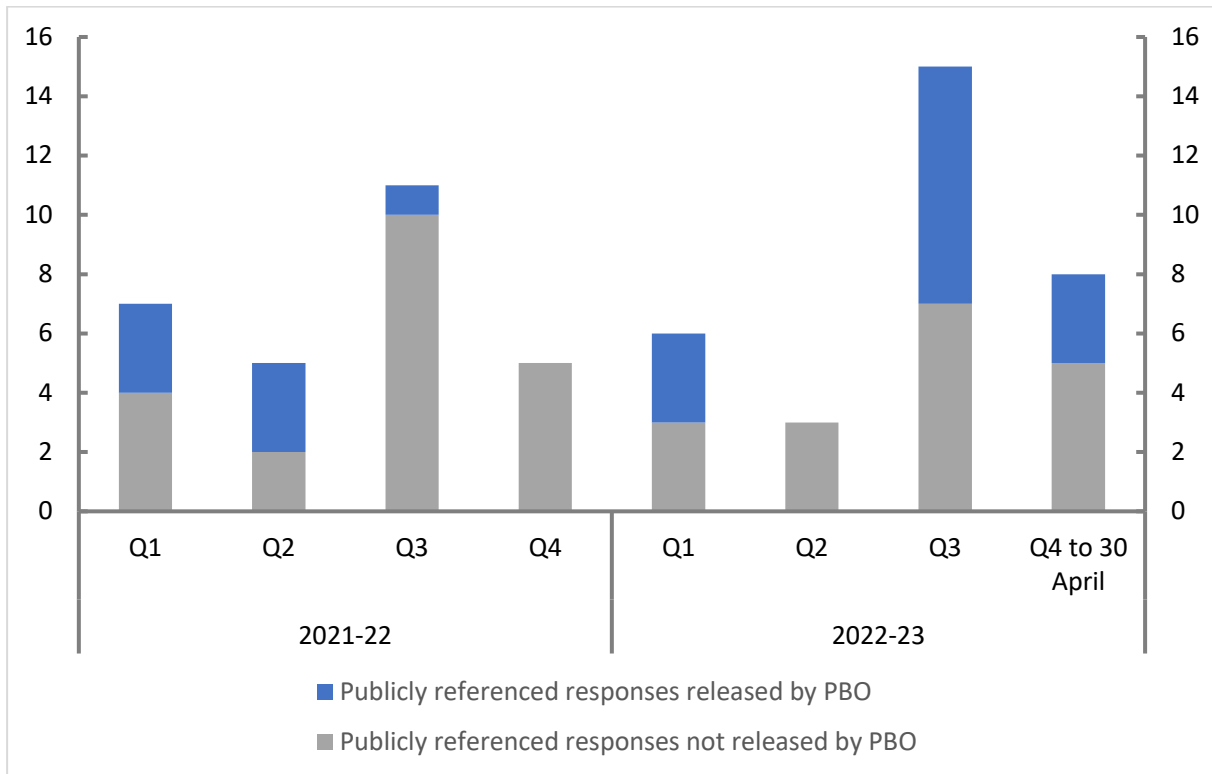
Description of policy	Party or Parliamentarian	Method	Date of announcement	Date of PBO release
Suburb Zero pilot in the ACT <sup>(a)</sup>	Senator David Pocock	Online	15-Dec-22	27-Feb-23
Help to Buy	Australian Labour Party	Radio	27-Jan-23	14-Jul-22, 2022 ECR
Legalise Cannabis Nationally	Australian Greens	Online	30-Jan-23	31-Jan-23
Cost to implement Private Members Bill Transparent and Quality Public Appointments Bill 2023	Dr Sophie Scamps MP	Online	3-Mar-23	Not released
Net Zero Emissions Farms Extension Network	Dr Helen Haines MP	Print	3-Mar-23	14-Jul-22, 2022 ECR
Capping High Balance Superannuation Funds	Australian Greens	Print	4-Mar-23	Not released
No One in Poverty	Australian Greens	Online	15-Mar-23	14-Jul-22, 2022 ECR
Government Owned Affordable Housing Build	Australian Greens	Radio	17-Mar-23	20-Mar-23
Jobseeker Information	Australian Labour Party	Print	18-Mar-23	Not released
Legalise Cannabis Nationally	Australian Greens	Online	18-Mar-23	31-Jan-23
Home Battery Incentive Scheme	Dr Helen Haines MP	Print	31-Mar-23	27-Mar-23
Free public transport 12-month trial	Australian Greens	Print	6-Apr-23	Not released
Climate Agricultural Extension Officers	Dr Helen Haines MP	Print	11-Apr-23	14-Jul-22, 2022 ECR
Raise Repayment Threshold & Remove Indexation for Student Debt	Australian Greens	Online	13-Apr-23	Not released
Make Gas Exporters Pay Taxes and Royalties	Australian Greens	Online	18-Apr-23	26-Apr-23
Restoring Parenting Payment Single 1	Ms Zoe Daniel MP	Online	26-Apr-23	28-Apr-23
Restoring Parenting Payment Single 2	Ms Zoe Daniel MP	Online	26-Apr-23	28-Apr-23
Rent Freeze Housing Fund	Australian Greens	Print	26-Apr-23	Not released
The cost of nuclear submarines	Australian Greens	Online	28-Apr-23	Not released
Ending unfair tax breaks for property investors	Australian Greens	Online	28-Apr-23	Not released

Note: While the PBO endeavours to capture all policy announcements that reference PBO costings, there may be announcements missing from the table above, for example, because the announcement was not reflected in any media monitored by the PBO.

(a) This item was reported in the February 2023 Activity Report and has subsequently been publicly released at the request of the Senator.



**Figure 5: Publicly referenced responses by release status**



If a response to a request is publicly released and the requestor wishes, it is subsequently published on the PBO website. A total of 14 parliamentary requests have been published in the 10 months to 30 April 2023, compared to 4 for the entire 2019-20 period.

In addition to the publicly referenced costings shown in Table 5, we publicly released the following costing response on our website as the request was submitted on a non-confidential basis (meaning that once completed it was automatically released):

- *Increase in the Assistance for Isolated Children Allowance* (released on 16 January 2023).

The following responses were also released on our website. These requests were submitted on behalf of a Parliamentary Standing Committee. In such cases, once the Committee releases its report, the responses are publicly released:

- *Employment Services Information Part 1- Cancellations, suspensions and costs per commencement* (released on 2 March 2023)
- *Employment Services Information Part 2- Financial Information* (released on 2 March 2023)
- *Expenditure on Employment Services* (released on 2 March 2023).

### Correcting the record

We routinely monitor references to the PBO in media articles to ensure we, and the information or advice we prepared, are referenced correctly. Our policy for correcting the record is on our [website](#).

Since 1 January 2023 (when records commenced) to the end of April 2023, we have requested a correction less than 10 times. All cases related to factual errors, and all were corrected to our satisfaction. We report this information at an aggregate level to provide transparency while maintaining confidentiality.

## Model evaluations

We have finalised our *2023-25 Data and Model Strategy* which will support the management of the data and models held within the PBO consistent with our legislation. The strategy, and its action plan, focusses on building capability and establishing a systematic approach to managing our data holdings. A focus is to simplify models with the aim to publish key models to support transparency.

## Self-initiated work

We retain flexibility within our self-initiated work program and periodically re-evaluate our priorities, given available resources. Our projects fall under the following themes:

- fiscal sustainability
- medium- and long-term fiscal risks, with a focus on climate change
- improving understanding of the budget
- distributional analysis, with a focus on gender.

The following self-initiated publications have been released since the last activity report:

- *Indexation and the budget – an introduction* (1 March 2023), discusses the rationale, use and limitations of indexation in the Commonwealth budget and associated programs.
- *How is super taxed?* (27 April 2023) explains how Australian taxes apply to fund members' balances during their working lives then to their account balance and withdrawals in retirement.
- *Indexation and the budget – long term impacts* (2 May 2023), discusses the impact of indexation arrangements on the budget, with a focus on analysing the long-term consequences.
- *Budget snapshot* (9 May 2023) provides chart highlights using 2023-24 May Budget data.
- *Historical fiscal data* (10 May 2023)
- *Guide to the Budget – update for the 2023-24 Budget* (11 May 2023).

Over a year, we aim to deliver at least 5 major (or regular) publications and 4 occasional ones. To date in 2022-23, we have released 4 major and 13 occasional publications. We have met the benchmark for occasional publications and remain on track to meet the benchmark for major publications by end June 2023.

We regularly review our self-initiated work agenda, taking into account the views of our panel of expert advisors and other stakeholders. Accordingly, the work program changes over the course of a year to publish insights on topical issues related to our research themes, where we feel the PBO can add value.

## Build your own Budget – consultation release feedback

During the quarter we sought user feedback on the 'Build your own Budget' (BYOB) experimental interactive tool made available on the PBO website. The feedback will help the PBO to shape the future of the tool and ensure that it is a valuable resource for its users.

BYOB allows users to adjust economic parameters and policy settings in order to gauge their impacts on the Commonwealth's fiscal position. It is intended to enrich public and parliamentary understanding of the Australian Government budget, including the overarching accounting framework, the various components and their relative significance, how they are interlinked, and

how they broadly respond to changes in key economic and policy assumptions. It does not provide PBO costings.

There were 38 responses to the BYOB consultation release survey, and 5 people separately sent an email to [feedback@pbo.gov.au](mailto:feedback@pbo.gov.au). There were a broad range of responses, from people who were very positive about the tool, enjoyed using it and were keen for new functionality, to people who were unable to use the tool (possibly from not having access to Microsoft Office). The overall theme of the responses was that users wanted more levers and functionality in the tool.

There were a small group of respondents who fundamentally disagreed with the premise of the model, including that the model was in isolation from the broader economy. This isolation is by design – the PBO has no role in economic modelling. What the tool does do is to enable a user to take key outputs from an external economic model and apply them to fiscal analysis.

All feedback will be taken into account in developing the next version of the tool, which is scheduled for release by end June 2023.

## External engagement

A key priority for the PBO is to enhance our interactions with parliamentarians, their staff, and committees. We are committed to continual improvement in our service delivery and to making our work accessible to our audience.

Since February 2023, we have held 2 *Budget Insights* seminars on the topics of: trends in personal income tax (15 March 2023) and on the Budget papers and process (19 April 2023). The *Budget Insights* series aims to support parliamentarians and their staff to better understand the budget process and fiscal issues. The PBO has also made presentations to the Australian Gender Economics Workshop in Perth, and the ANZ Investor Tour of Australia and New Zealand.

### Semi-structured stakeholder interviews (tranche 1)

We actively seek feedback from our stakeholders to support continuous improvement in our services. We are evolving our approach to obtaining timely stakeholder feedback and have commenced a new six-monthly one-on-one semi-structured interview process with a sample of parliamentarians or their offices.

In February and March 2023, we undertook our first tranche of interviews with a sample of stakeholders who had requested costings or budget analysis between July to December 2022.

Overall, those sampled were either satisfied or very satisfied with the quality of the costings/budget analysis prepared by the PBO and their direct experiences with the PBO. In particular, those surveyed valued upfront discussions with PBO staff about requests, as this provided opportunities to clarify their request and to ask questions.

Feedback was also positive for the timeliness of request responses, noting that where there were delivery delays, this was communicated effectively.

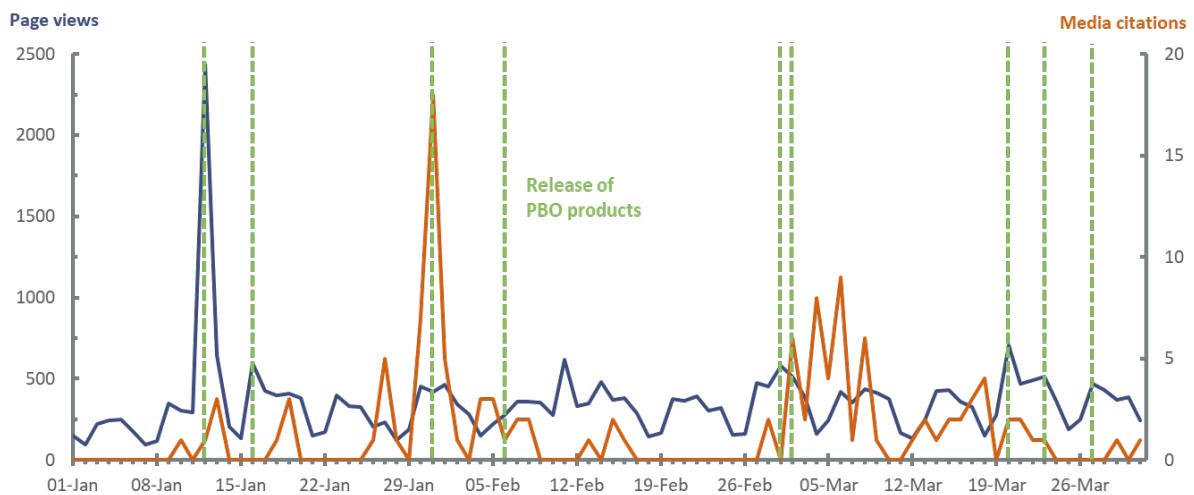
There were also opportunities for further improvement identified, including improving awareness of PBO services, the costing process and deliverables. This feedback will be incorporated into our ongoing management of parliamentary requests.

The second tranche of semi-structured interviews is proposed to commence in August 2023.

## Digital engagement statistics

Interest in our products can be seen through the statistics on webpage views and media citations. These figures, together with relevant dates, are shown in Figure 6 below. The largest peaks in the period coincided with the release of the *Budget Bite - JobSeeker Payment: COVID-19, age & gender* on 12 January 2023 and the first public references to the costing *Legalise Cannabis Nationally* on 31 January 2023.

Figure 6: Overview of webpage views and media citations



## People and systems

To support us to effectively deliver services, we continue to invest in our people and systems in two key areas:

- OnePBO – in April we implemented our refreshed organisational approach to enhance operational flexibility and support timely fit for purpose outputs that add value and reflect the needs of our clients. At this early stage, the refresh looks set to result in improved staff satisfaction, work allocation and work flow.
- Modernisation of our tools and systems including website upgrades and digital tools that are more user focused. The information request tracking app was improved to enhance internal automatic reporting capability.

### Staffing

At 27 April 2023, we had 45 full-time equivalent (FTE) staff and a headcount of 51. In 2022–23, we estimate an average staffing level (ASL) of 44.

We are continuing to participate in the Parliament of Australia graduate program. We expect 7 graduates will join the PBO for 4 to 6 months over this calendar year. As of 30 April 2023, 3 graduates have started their placements with the remaining 4 to start in the second half of the year.

### Review into Parliamentary culture

We continue to work closely with the other parliamentary departments to effectively coordinate responding to the Jenkins review and associated matters, including the Foster review and any recommendations from Comcare.

Most recently, the PBO collaborated with other Parliamentary Departments to deliver a joint paper on its activities in relation to diversity and inclusion. Key initiatives to facilitate an inclusive and diverse work environment, include:

- updating and implementing the PBO's Workplace diversity program (in progress)
- continuing to celebrate days of significance internally, including Harmony Day, NAIDOC Week, and others
- collaborating with other parliamentary departments on joint events and cross network information sharing, including participation in diversity and inclusion networks across the parliamentary services
- together with other parliamentary departments, implementation of the Reconciliation Action Plan.

### **Information and communication technology (ICT) capability**

The PBO operates in a modern, collaborative, and integrated cloud-based ICT environment. We have 2 ICT projects underway to enhance our services: a new website and parliamentarian portal project.

#### *Website project*

A new website is expected to be launched by end June 2023. Benefits of the new website will include improved search functionality and enhanced interactivity of tools and charts.

#### *Parliamentarian portal*

We are working with the Department of Parliamentary Services (DPS) on a self-service portal that allows authorised users to submit, manage, and download costings and budget analysis requests. This will be supported by real-time management of status and prioritisation of requests.

Development work is well in train with initial functionality is expected to be operational in the first quarter of 2023-24.

## Concluding summary

The PBO continues to experience strong demand for its services compared to the same period after the previous election. This is reflected in the sustained number of parliamentary request options received and completed, the increased volume of published parliamentarian requests and media citations.

We have made a conscious effort to improve our business processes to support this increased demand, whilst also maintaining our self-initiated work program. Technical innovations, including the new website and Parliamentarian Portal, should enable us to continue to do this.

Our self-initiated publications and seminars seek to support parliamentarians and the public understand key budget and fiscal issues. Our focus on shorter pieces and interactive tools aims to make it easier to engage with questions about budget settings, and how policy choices and changes in economic parameters flow through to the fiscal position over the short and longer term.

As we move through the term of the 47<sup>th</sup> Parliament we will continue to evolve and look for further ways to enhance delivery of meaningful and timely information to our clients.