



Parliamentary
Budget Office

Maintaining trust in the parliamentary process

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Outline

- The role of independent fiscal institutions in supporting the parliament and building trust
- Role, purpose and features of Australia's PBO
- Impact of the PBO

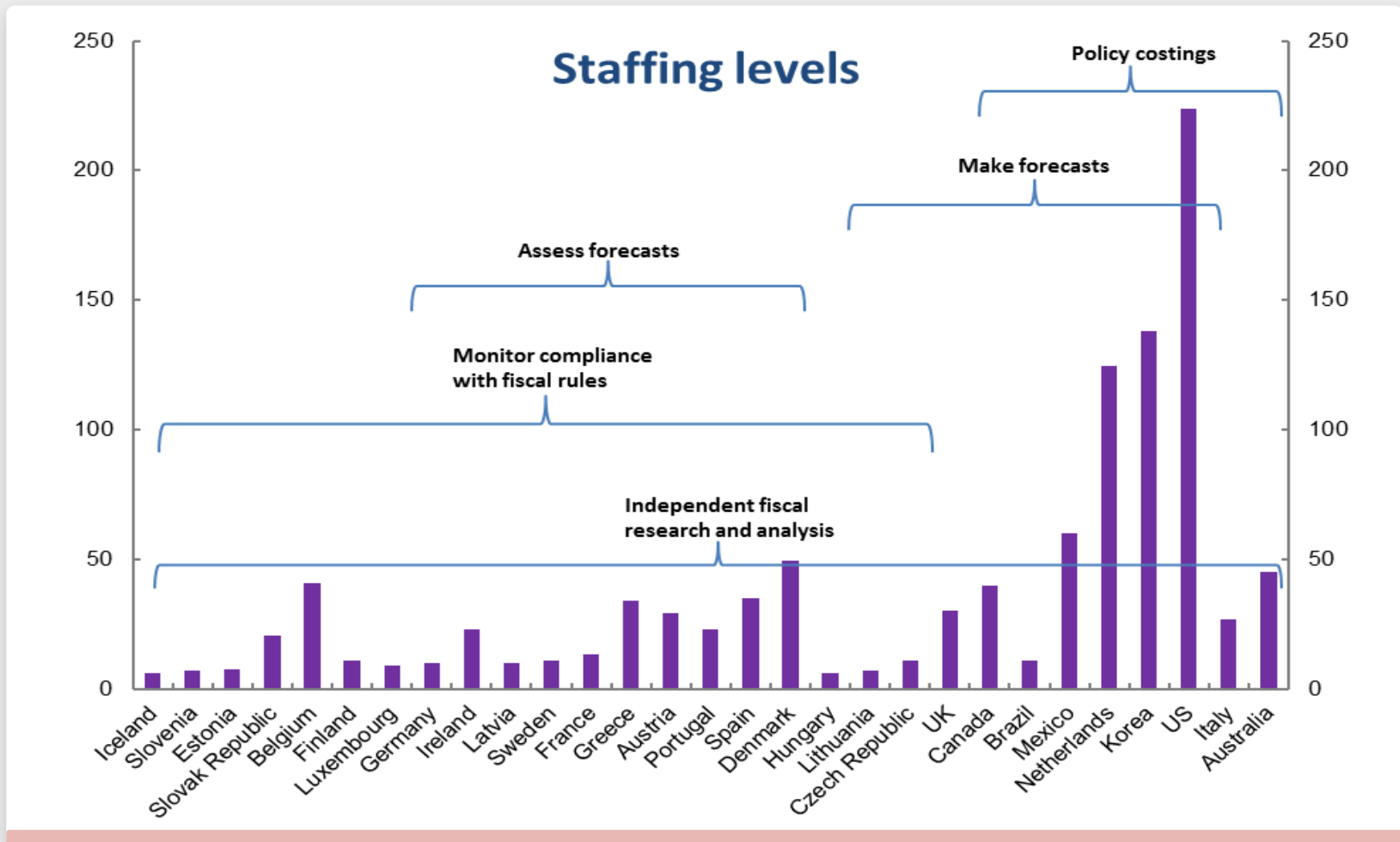
The expansion of independent fiscal institutions

- Relatively new institution in the parliamentary landscape
- Between 2005 and 2019: the number of independent fiscal institutions around the world expanded from 11 to 39
- OECD/IMF advocate the establishment of independent authorities as part of good-practice fiscal frameworks
- OECD has established principles to guide the establishment of effective independent fiscal institutions

Overarching objective of IFIs

- To assist parliaments and the public by providing independent, non-partisan and expert advice on fiscal policy issues, improving understanding and enhancing transparency around these issues
- Where the Auditor-General focuses on performance at a program level, independent fiscal institutions look at the aggregate fiscal outcomes, trends, risks and projections
- Operational details of IFIs vary widely

IFIs differ significantly by role, mandate, governance and size



Source: OECD Independent Fiscal Institutions database, September 2019

What are the features of the Australian PBO?



The PBO is an **independent and non-partisan** department of the Parliament



We aim to **assist all parliamentarians** to better understand budget issues and the budget implications of policies they may be considering



We undertake **objective analysis;** we do not provide policy advice or recommendations

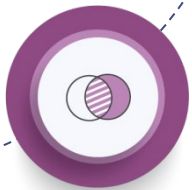
What is our purpose?



To provide a **more level playing field for all parliamentarians**; particularly non-government parties and independent parliamentarians



To improve the **accuracy of election commitment costings** and facilitate the release of costed election platforms



To **improve transparency**, particularly around budget information and budget-related issues

Who oversees the PBO?

The **Joint Committee of Public Accounts and Audit** has a legislated oversight role in respect of the PBO.

Four key functions:

- Provide comment on the PBO corporate plan
- Report to Parliament on any matters relating to the PBO's operations, available resources and performance
- Commission regular reviews of PBO operations and performance
- Approve appointments of new Parliamentary Budget Officer

What do we do?

1. Confidential costings of policy proposals for parliamentarians
2. Confidential budget analysis for parliamentarians
3. Assistance with parliamentary committee work
4. After each general election, publicly report on cost of parties' election commitments
5. Publish independent research on fiscal and budgetary issues

What has supported our performance?

- **Legislation:** established our mandate, independence and ability to work confidentiality
- **Access to information and models:** effective MoU and cooperation with government agencies
- **Adequate resourcing:** around 45 staff with specialist skills
- **Research program:** builds reputation and commitment to transparency
- **Relationships:** with requestors, government agencies and external experts

Our experience

- Demand for **costings** is strong throughout the Parliamentary term, peaking in the lead up to elections
- Broad interest in PBO **research** program – both regular publications and other papers on specific topics
- The report on the budget impact of **election commitments** holds parties to account for announcements during election campaigns

Impact of the PBO

- Provision of costing services has:
 - assisted parliamentarians **develop and refine policies** informed by estimates of fiscal cost
 - increased **focus** on fiscal trade-offs
 - enabled debate to focus on **policy merit**, not veracity of fiscal cost
 - increased focus on **medium-term** fiscal impacts
 - enabled additional information to be used to inform **parliamentary debate**
 - enabled parties to release fully costed election platforms **earlier** in campaigns

Our experience: demand for costings is strong

- Demand is strong in all years, with a peak in election years

	2014-15	2015-16	2016-17	2017-18	2018-19
Number of requests completed (options)	869	3,251	1,888	1,560	2,970
Number of information requests sent to government agencies	203	743	523	424	549

Impact of the PBO

- Publication of election commitment report has:
 - encouraged **accountability**
 - **increased transparency** around election commitments
- Publication of research has:
 - supported a **better-informed** fiscal policy debate, particularly around medium-term projections
 - **influenced** content of budget papers
 - **improved** transparency

Questions?