



A larger Parliamentary Budget Office	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would expand the resources of the Parliamentary Budget Office (PBO) through a series of additional funding components.</p> <ul style="list-style-type: none"><li>• <b>Component 1:</b> Provide \$1.1 million per year in ongoing funding.</li><li>• <b>Component 2:</b> Provide a \$6.0 million special account.</li><li>• <b>Component 3:</b> Expand costing capabilities by tripling the size of the PBO.</li><li>• <b>Component 4:</b> In addition, empower the PBO to independently prepare macroeconomic forecasts and analyses.</li></ul> <p>The proposal would be ongoing and start on 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p>Component 4 would provide resourcing equivalent to the Treasury's Macroeconomic Conditions and Population Division.</p>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$111.2 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses.

The financial impact reflects the specification provided above. The PBO has not made an assessment as to whether the funding would be appropriate.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

**Table 1: A larger Parliamentary Budget Office – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-36.2	-37.7	-37.3	-111.2
Underlying cash balance	-	-36.2	-37.7	-37.3	-111.2

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The PBO baseline funding profile would be consistent with the current Budget forward estimates which includes a \$0.5 million boost every 3 years to cover election related activities. Funding (except for the election related activities boost) beyond the forward estimates would be indexed by Wage Cost Index 3 (WCI3).
- The \$6 million special account would be in addition to the PBO's existing special appropriation. As a special account is not recognised in the budget aggregates until it is drawn down, this has no immediate financial impact.
  - As the special account would operate as a buffer to support the PBO's operational independence against unexpected budgetary pressures and that the resourcing of the PBO would be increased as part of this proposal, it is assumed that it would not be drawn down.
- Based on the specification provided, the resourcing to independently prepare macroeconomic forecasts and analysis would be equivalent to the Macroeconomic Conditions and Population Division (MECD) of the Treasury Macroeconomic Group.

## Methodology

### Component 1

Departmental funding of \$1.1 million annually as specified was indexed by the CPI from 1 July 2026.

### Component 2

The \$6 million in a special account would not be drawn down until needed and therefore does not affect fiscal aggregates until it is used. It has zero financial impact for this costing.

### Component 3

The baseline funding profile was established using the current estimated funding levels for the PBO over the 2025-26 Budget forward estimates, indexed by WCI3 over the medium term. The additional funding from Component 1 was added and then the total was multiplied by 3. The baseline was subtracted from the total to establish the difference.

### Component 4

The cost of the staff for macroeconomic forecasting was estimated based on the MECD ASL profile using the PBO's departmental costing calculator.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The Treasury provided information on the size and profile of the Macroeconomic Group.

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – A larger Parliamentary Budget Office – Financial implications

**Table A1: A larger Parliamentary Budget Office – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Departmental</b>													
<i>Component 1: Additional funding</i>	-	-1.1	-1.1	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-3.4	-12.3
<i>Component 2: Special account increase</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Component 3: Triple funding</i>	-	-21.4	-22.7	-22.0	-22.5	-23.0	-23.6	-24.1	-24.7	-25.2	-25.8	-66.1	-235.0
<i>Component 4: Macroeconomic function</i>	-	-13.7	-13.9	-14.1	-14.3	-14.4	-14.6	-14.8	-15.0	-15.2	-15.4	-41.7	-145.4
<b>Total (excluding PDI)</b>	-	-36.2	-37.7	-37.3	-38.0	-38.6	-39.4	-40.2	-41.0	-41.7	-42.6	-111.2	-392.7

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: A larger Parliamentary Budget Office – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	-	-0.8	-2.5	-4.2	-6.1	-8.1	-10.2	-12.4	-14.8	-17.4	-20.1	-7.5	-96.6
<b>Underlying cash balance</b>	-	-0.6	-2.1	-3.8	-5.6	-7.6	-9.7	-11.9	-14.2	-16.8	-19.4	-6.5	-91.7

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)