



Parliamentary
Budget Office

Introduction to PBO's services

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www.pbo.gov.au

Agenda

About the PBO

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How to work with us



About the PBO

Purpose of the PBO



To create a **more level playing field for all parliamentarians**



To ensure the **accuracy of election commitment costings**



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

Functions of the PBO



This service is available to Committees

Policy costings & budget analysis

Prepare high quality policy costings and budget analyses at the request of parliamentarians in a timely manner.

Develop and maintain our costing and projection models and databases.



Self-initiated activity

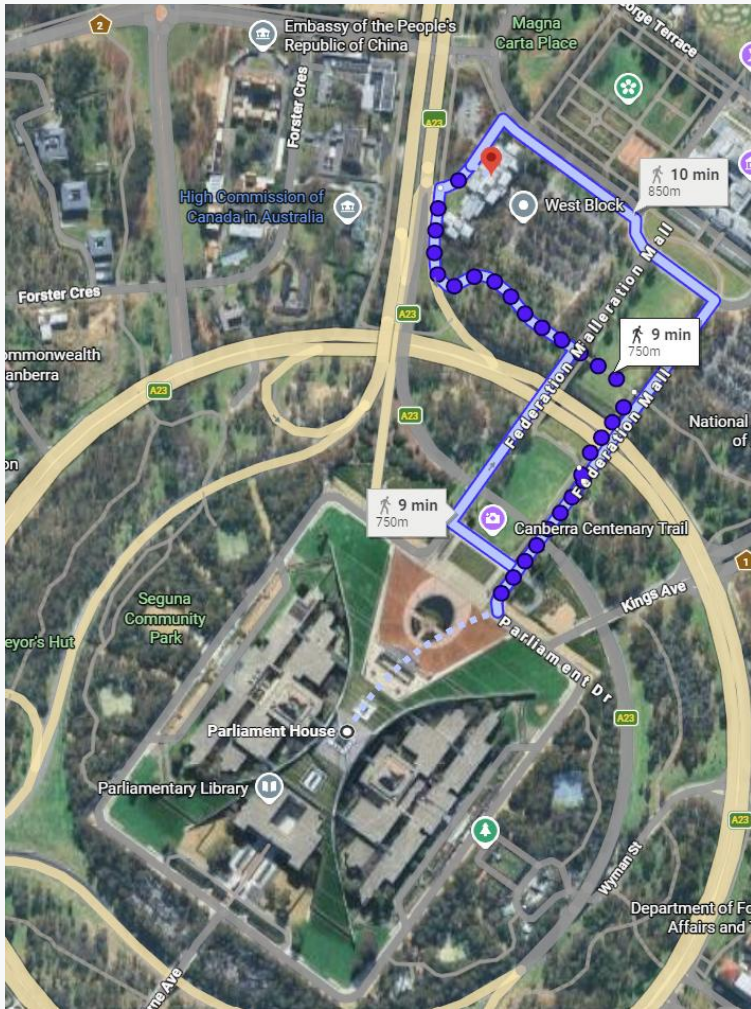
Publish research papers that promote a better public understanding of the budget and fiscal policy settings, with a particular focus on the sustainability of the budget over the medium term.



Election commitments report

Prepare and publish a report analysing the budget impact of the election commitments of parliamentary parties after the next general election.

Where are we?



Plus one remote in Brisbane

We have been relocated to West Block, about 10 minutes walk from the front of APH



Or on sitting weeks, we are in Senate suite 106 (just near the AusPic studio and the Parliamentary Education Office (PEO))



Also on the phone, email and teams meetings





YOU & THE PBO

How we can work with you, and resources you can access

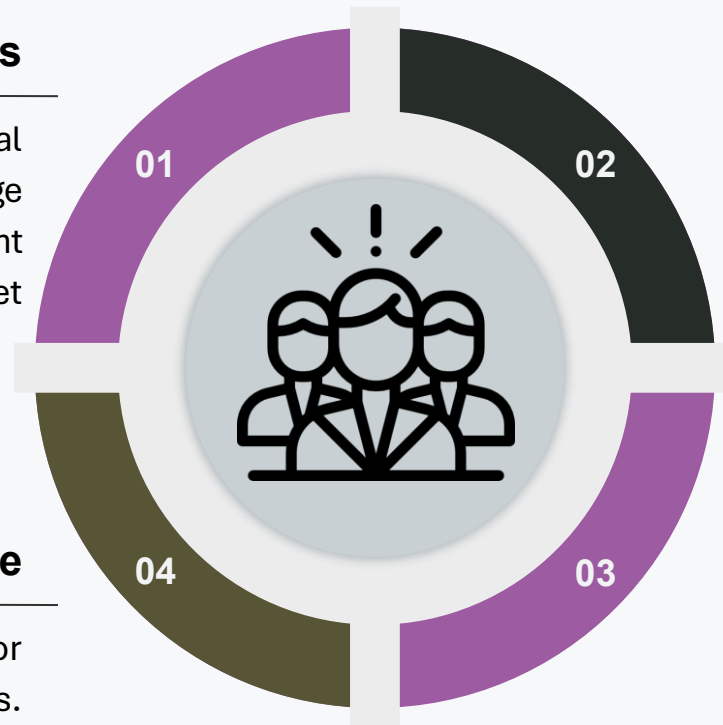
How we can help you

Costing requests

Ask for an assessment of the financial impact of a proposed policy change on the Commonwealth Government budget

Drop-in sessions and phone

You can visit or call the PBO for (confidential) consultations.



Budget analysis

PBO can conduct a range of analyses regarding past and current Budget or seek budget information from departments (eg current cost of a program).

Publications

Existing work of PBO can be used to help your understanding, back consultation papers and reports.

Confidentiality

A request and the response will be kept confidential.

We won't make public any information unless you release it or authorise us to publish it on our website.

If we need to engage with a Department, again this will be confidential, they will not know who we are working for.

- The department can not tell their minister what they are doing for the PBO either.

This is different during a caretaker period before a general election when any costings requested during this period must be made public.

Requests to the PBO are also exempt from FOI.



Our products

Regular reports

- Medium-Term Budget Outlook: Beyond the Budget
- National Fiscal Outlook

Explainers & Budget Bites

- Guide to the Budget
- Bracket Creep
- Fuel taxation
- The Contingency Reserve
- Indexation
- Superannuation taxation
- Imputation

Resources

- Budget chart packs
- Public Debt Interest (PDI) calculator
- Historical Fiscal Data
- Online Budget Glossary

Other reports

- Ageing population
- Trends in GST
- Jobseeker

NEW INTERACTIVE TOOLS

Build your own Budget (BYOB)

An educational interactive tool to explore the impact of different economic assumptions and policy settings of your choice.

Small Model of Australian Representative Taxpayers (SMART)


An experimental analytical tool that allows users change income tax rates and thresholds, enabling finer analysis than what can be achieved with *BYOB*.

PBO costings

Our services – Requests

- You can request a costing from the PBO on a policy proposal.
- Costings and analysis services are designed to support parliamentarians to participate in a more informed policy debate
- We can't give direct policy advice, but we can assist by discussing how different policy options could generate different impacts
- The questions we may ask at the specification stage can help develop better policy

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 Parliamentary Budget Office

Policy costing

| Eliminate Withholding Tax Exemption on Foreign Bondholders | |
|---|--|
| Person/party requesting the costing: | Senator Gerard Rennick, Gerard Rennick People First |
| Date costing completed: | 17 April 2025 |
| Expiry date of the costing: | Release of the next economic and fiscal outlook report |
| Status at time of request: | Submitted outside the caretaker period |
| | <input type="checkbox"/> Confidential <input checked="" type="checkbox"/> Not confidential |
| Summary of proposal: The proposal would remove the exemption under section 128F of the <i>Income Tax Assessment Act 1936</i> to pay withholding tax on interest paid to a foreign resident through a debenture or a 'debt interest'. This results in a 10% withholding tax rate to interest payments to foreign resident lenders. The proposal would be ongoing and commence on 1 July 2025. | |

Overview

The proposal would be expected to increase the fiscal balance by around \$2.35 billion and underlying cash balance by around \$2.23 billion over the 2025-26 Budget forward estimates period (see Table 1).

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.

There would be an increase in departmental expenses for the Australian Taxation Office (ATO) associated with implementing the proposal.

Australia currently imposes various rates of withholding tax on interest paid to foreign residents, unless an exemption applies. Section 128F of the *Income Tax Assessment Act 1997* provides an exemption from interest withholding tax for certain publicly offered debentures and debt interests, where those debentures and debt interests are issued by a State or Territory, the Commonwealth, a resident Australian company, a non-resident company operating through a permanent establishment or certain non-resident subsidiaries.

Table 1: Eliminate Withholding Tax Exemption on Foreign Bondholders – Financial implications (\$m)^{(a)(b)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total to 2028-29 |
|-------------------------|---------|---------|---------|---------|------------------|
| Fiscal balance | 587.4 | 587.8 | 587.8 | 587.8 | 2,350.8 |
| Underlying cash balance | 466.4 | 587.8 | 587.8 | 587.8 | 2,229.8 |

(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.

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The costing process

What the process might seem like to you

Submitted a request to the PBO

Email from PBO saying it isd registered

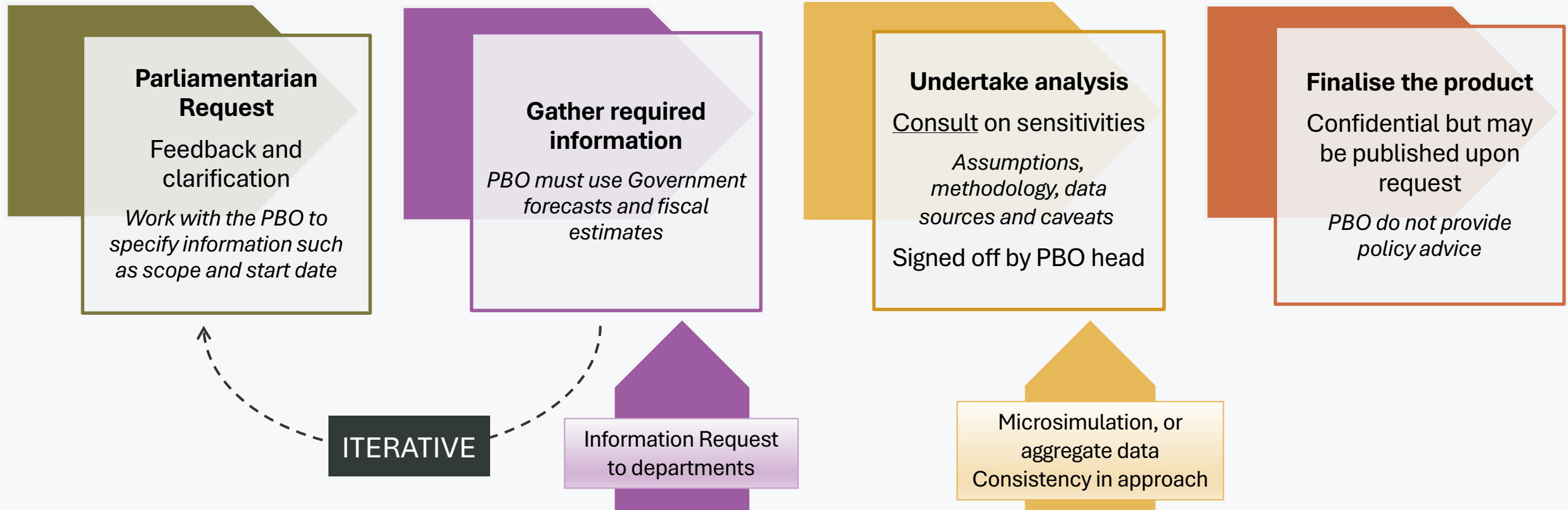
PBO does something

Finalised response

Into the nominated advisor's inbox

The costing process

What is actually happening: The PBO uses our own expertise and if needed works closely **with agencies** and **negotiates with requestors** to seek to deliver a good outcome.



Our method and analysis

Models and databases

- Government agencies
- In-house
- De-identified unit record data
- Time series data

Concepts and knowledge

- Budget accounting
- Treasury and Finance costing experience

Specifications assumptions

- Parameters
- Elasticities
- Behavioural impacts
- First-round vs Second-round



[Home](#) / [For parliamentarians](#) / [How to make a request](#)

How to make a request

Guidance to help parliamentarians and their staff submit requests for policy costings and budget analysis.

[Share](#)

[Print](#)

This section provides guidance on submitting a request and the standards, processes and templates governing how requests are managed. Use our how to guide to step through the process.

Making a request

We encourage you to discuss your request with us prior to formally submitting it, particularly if you have questions on how to specify the request. These conversations are confidential and can greatly assist both PBO analysts and you to understand the detail of a query and to shape the formal request. Please contact us on 02 6277 9500 or pbo@pbo.gov.au.

A formal request for costing or analysis must be submitted by the parliamentarian to pbo@pbo.gov.au. Each request:

- must include a signed letter from the parliamentarian, or email from the parliamentarian's @aph.gov.au email account, that is addressed to the Parliamentary Budget Officer
- should include a completed PBO request template (see below).

You will receive an acknowledgement and a tracking number by email once your request is registered. The tracking number makes each request easier to identify in future correspondence.

| PBO request templates | |
|--|---|
| Costing request template | Budget information request template |



Policy costing request

| | |
|---|--|
| Name of policy request: <i>For example 'Increase the child care subsidy'</i> | |
| Parliamentarian requesting costing: | <i>Parliamentarian's name</i> |
| Description of policy | |
| Purpose or intention of the policy: | <i>A description of the policy's purpose helps to ensure that we understand the higher-level objective of what is being requested, particularly in more detailed policy specifications, eg 'This policy aims to encourage low income families who use child care to enter the workforce'.</i> |
| Summary of policy specification: | <i>Insert a description of the policy changes and how these would be implemented. This box may request multiple costing options. eg 'Increase the level of child care subsidy available to families with income below \$60,000 by: Option 1: 20 per cent Option 2: 25 per cent.'</i> <i>Please outline any additional analysis (in addition to the financial information) that is required, for example:</i> <ul style="list-style-type: none"><i>the number of people or businesses affected</i><i>distributional impacts across the population. For example, distribution across:</i><ul style="list-style-type: none"><i>income</i><i>gender</i><i>age etc.</i> <i>Distributional analysis can help outline who is impacted by this proposal.</i> <i>For detailed requests, attach an example of how you would like the information to be presented. Also attach any additional information such as policy documents or announcements.</i> |
| Policy start date: | <i>This is the start date for the policy, eg '1 July 2022'.</i> |
| Is the policy ongoing? | <input type="checkbox"/> Ongoing <input type="checkbox"/> Non-ongoing <i>Ongoing policies continue in perpetuity, non-ongoing policies cease after a specified time period. For example 'This policy would have effect for three years from 1 July 2020'.</i> |
| Would elements of this policy be indexed over time? If so, by what index? | <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Detail any indexation arrangements that would apply to the proposal (for example some Australian Government payments and elements of the tax system increase each year in line with an economic series such as the consumer price index).</i> |

How to request a costing

Talk to us. We recommend you talk to us before a formal request is submitted – this can help shape your request.

Visit our website. Learn more about the process and find guidance and request templates on our website. www.pbo.gov.au/for-parliamentarians
Look at our publicly [released costings](#) if you'll like to see what your end product could look like.

You must include...

Parliamentarian approval

- Request **MUST** be submitted by your parliamentarian
 - come from their **@aph.gov.au** email address
- OR
- include a signed letter from them

Completed template

- Key information about who to contact
- Specifics about what to include in the costing analysis



How to get what you want

Talk with us

Engage early

Talk to us before you submit a request – we can review the document before you submit.
Reach out if you're not sure what is going on with a request – we do our best to keep you updated but reach out if those updates is not frequent enough.

Empower us to consult

Let us know if you have joint party requests
Allow us to work with the Parliamentary Library (and other relevant stakeholders)

After service care - How to take things beyond your costing

We can review your media material or consolation papers etc, talk about how you reference the PBO and how to interoperate the numbers

Feedback

Let us know how we've done and ways we can work better together to help you

How to get in touch with us

Drop-in

We will be running open-hours next week, book in a time for a consultation with a PBO expert.

We are located at Parliament House in the Senate wing (S1.106)

Call or email us

02 6277 9500
pbo@pbo.gov.au

Visit our website

www.pbo.gov.au

Thank you

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Parliament House
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