



The digital revolution is here

Where are you?

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Parliamentary Budget Officer of Victoria

November 2022



Parliamentary Budget Office



1300 615 862



pbo.vic.gov.au



Parliament House, Spring Street
East Melbourne Victoria 3002

Context

The key difference in purpose is the Victorian PBO's objective to support debate in the Victorian community.

Australian Parliamentary Budget Office

Purpose

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

Victorian Parliamentary Budget Office

Objectives

- Provide members of parliament with ongoing, authoritative, independent and credible advice
- Deliver our advice in a manner that is timely, relevant and readily understandable
- Inform policy development and public debate in Parliament and the Victorian community

Context

The key differences in functions relate to the scope of advice, pre-election reports and approach to election commitments in post-election reports.

Function	Australian PBO	Victorian PBO
Costing service	Yes	Yes
Election costing service	Yes (public release)	Yes (confidential)
Advice	Yes (self-initiated)	Yes (client requested)
Pre-election report	No	Yes (all parties by request)
Election commitment tracking	Yes (list from parties)	Yes (monitor public statements)
Post-election report	Yes	Yes
Report of operations	Yes	Yes



Strategic challenge

Election commitment tracking

A Pony for Every American? New Hampshire Primary Has It All

With 44 Candidates, There's Lots of Choice; Positions on Mathematics, Marriage, Zombies



Republican Christopher V. Hill spoke with reporters in Concord, N.H., in September.

CHRISTOPHER V. HILL FOR PRESIDENT

By Elizabeth Williamson

December 6, 2011

KEENE, N.H.—There are 30 Republicans and 14 Democrats running for president of the U.S. in the New Hampshire primary, the same number of candidates as the U.S. has had

Strategic challenge

Election commitment tracking

Our overarching principle:

Would a member of the public think that the public statement is a promise by the political party to take an action in the future if elected?

Strategic response

Monitoring public statements for publicly-announced policies



MEDIA MONITORING
Range date 03/05/2022-31/10/2022

Media monitor
Election long list
Election short list
For Discussion
Election commit
Quasi commit
Quality check

Classify selected/all in table

Add selection to long list

Mark as not relevant

Notes

Media articles
Feed of relevant media articles

ID	Categories	Title	Parties	Sectors	Link	Publish Date
634202		(From @VictorianLabor) "Customary fashion" for Liberals only means one thing - cuts.	LNP ALP		Link	30/10/2022 15:58
634191		Dan Andrews flies under the radar in visit to Echuca	ALP		Link	30/10/2022 15:53
634201		(From @bach_mp) Daniel Andrews is gaslighting Victorians with his	ALP		Link	30/10/2022 15:52

54K commitment(s) found

Media Type: All | Feed: All | Party: All

Sector: All | Category: All | Time: Custom

Search

3/05/2022 31/10/2022

Clear all filters

Strategic response

Preparing publicly-announced policy costings

ID	Title	Current state	Party	MP	Broad sector	Public fundin...	MediaURL
3539	Rebuild the state's road network	Review response	Liberal Nationals Victoria	The Hon. Matthew Guy MI	11 Transport	10,000,000,000	https://www.matthewguy.com.au/media-release/home-safely-liberals-and-national?topic=leader
3525	Build new renewable energy and storage	Prepare response	The Australian Greens - Vi	Dr Samantha Ratnam MP	04 Economic affairs	10,000,000,000	https://greens.org.au/vic/platform/climate
3506	A big build of 200,000 new accessible and sustainable public and affordable homes	Approved response	The Australian Greens - Vi	Dr Samantha Ratnam MP	06 Housing and communi	6,000,000,000	https://greens.org.au/vic/platform/housing
3502	Better access to hospitals, ambulances, doctors and dentists	Registered policy	The Australian Greens - Vi	Dr Samantha Ratnam MP	07 Health	5,000,000,000	https://greens.org.au/vic/platform/health
3118	Establish the Zero Extinction Fund	Approved response	The Australian Greens - Vi	Dr Samantha Ratnam MP	05 Environmental protecti	4,000,000,000	https://greens.org.au/vic/platform/environment
3825	Implement a big bike build	Approved response	The Australian Greens - Vi	Dr Samantha Ratnam MP	11 Transport	2,500,000,000	https://greens.org.au/vic/news/greens-propose-
2186	Rebuilding jobs, bringing manufacturing home	Plan response	Liberal Nationals Victoria	The Hon. Matthew Guy MI	04 Economic affairs	2,500,000,000	https://www.matthewguy.com.au/covid-recover
2335	Getting off gas	Review response	The Australian Greens - Vi	Dr Samantha Ratnam MP	05 Environmental protecti	2,190,000,000	https://greens.org.au/vic/platform/climate
4396	Upgrade schools and help families by building more kinders on-site	Registered policy	Australian Labor Party - Vi	The Hon. Daniel Andrews	09 Education	1,600,000,000	https://www.danandrews.com.au/news/new-kind-upgrades-for-victorian-kids
4601	High quality, genuinely free public schools for all	Registered policy	The Australian Greens - Vi	Dr Samantha Ratnam MP	09 Education	1,460,000,000	https://greens.org.au/vic/platform/education#m4ec6-958d-04a34522a647
3281	Redevelop, expand, and rename the Maroondah Hospital at Ringwood	Registered policy	Australian Labor Party - Vi	The Hon. Daniel Andrews	07 Health	1,050,000,000	https://www.danandrews.com.au/news/a-new-q-in-melbournes-east
4398	Deliver 4.5 gigawatts of renewable power	Registered policy	Australian Labor Party - Vi	The Hon. Daniel Andrews	04 Economic affairs	1,000,000,000	https://www.danandrews.com.au/news/boosting-renewable-jobs
3520	Establish a new Secure Future Art Fund for small and medium arts organisations	Approved response	The Australian Greens - Vi	Dr Samantha Ratnam MP	04 Economic affairs	1,000,000,000	https://greens.org.au/vic/arts
3416	Protect public land and Aboriginal cultural heritage	Approved response	The Australian Greens - Vi	Dr Samantha Ratnam MP	01 General public services	1,000,000,000	https://greens.org.au/vic/platform/first-nations-
3277	Upgrade at the Austin Hospital at Heidelberg and the Northern Hospital at Epping	Registered policy	Australian Labor Party - Vi	The Hon. Daniel Andrews	07 Health	1,000,000,000	https://www.danandrews.com.au/news/a-hospit-northern-suburbs
2520	Establish a Victorian hydrogen strategy	Approved response	Liberal Nationals Victoria	The Hon. Matthew Guy MI	04 Economic affairs	1,000,000,000	https://www.matthewguy.com.au/media-release/solutions-to-lock-in-climate-action-and

Other examples

Automated confidential and public release

Confidential responses to members, and public release on our website if requested, are 'one-button press' processes.

	A	B	C	D	E	F	G	H	I	J	K	L
1												
2	(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
3	Revenue	-	-	-	-	-	-	-	-	-	-	-
4	Expense	279.1	481.5	338.0	214.9	113.2	33.9	-	-	-	-	-
5	Net operating balance impact	-279.1	-481.5	-338.0	-214.9	-113.2	-33.9	-	-	-	-	-
6	Assets	-	-	-	-	-	-	-	-	-	-	-
7	Finance leases	-	-	-	-	-	-	-	-	-	-	-
8	Change in net position	-279.1	-481.5	-338.0	-214.9	-113.2	-33.9	-	-	-	-	-
9												
10	Cumulative											
11	(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
12	Revenue	-	-	-	-	-	-	-	-	-	-	-
13	Expense	279.1	760.7	1,098.7	1,313.6	1,426.8	1,460.8	1,460.8	1,460.8	1,460.8	1,460.8	1,460.8
14	Net operating balance impact	-279.1	-760.7	-1,098.7	-1,313.6	-1,426.8	-1,460.8	-1,460.8	-1,460.8	-1,460.8	-1,460.8	-1,460.8
15	Assets	-	-	-	-	-	-	-	-	-	-	-
16	Finance leases	-	-	-	-	-	-	-	-	-	-	-
17	Change in net position	-279.1	-760.7	-1,098.7	-1,313.6	-1,426.8	-1,460.8	-1,460.8	-1,460.8	-1,460.8	-1,460.8	-1,460.8
18												
19												
20	(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
21	Depreciation	-	-	-	-	-	-	-	-	-	-	-
22	Interest	-	-	-	-	-	-	-	-	-	-	-
23	Non-Cash adjustments	-	-	-	-	-	-	-	-	-	-	-
24												
25	(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
26	TEI	-	-	-	-	-	-	-	-	-	-	-
27												
28												

Election policy costing

75% SRS by 2023 (July 2022)

Requestor: The Australian Greens - Victoria
Dr Samantha Ratnam MP

Request date: 10 January 2022

Response date: 26 July 2022

Policy commencement: 1 January 2023

Policy conclusion: Ongoing

Policy summary: This policy would increase Victorian Government funding for government schools to 75% of the Schooling Resource Standard (SRS) on 1 January 2023. The Victorian Government would maintain its funding of government schools at 75% of the SRS beyond 2023.

Budget baseline: May 2022 budget

Expiry date of this response: At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact

Change in net position

Net operating balance impact

Costing components

Source: Parliamentary Budget Office.

Election policy costing

75% SRS by 2023

Requestor
Dr Samantha Ratnam MP

Political party
The Australian Greens - Victoria

Public release date
24 October 2022

Policy commencement
1 January 2023

Policy conclusion
Ongoing

Policy summary
This policy would increase Victorian Government funding for government schools to 75% of the Schooling Resource Standard (SRS) on 1 January 2023. The Victorian Government would maintain its funding of government schools at 75% of the SRS beyond 2023.

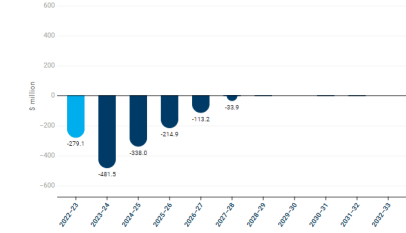
On this page

- Costing response
- Costing components
- Content
- Costing overview
- Assumptions
- Method
- Data sources
- Attachment A - Detailed budget impacts

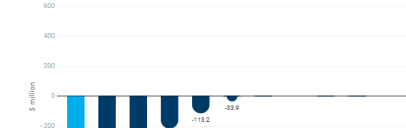
Costing response

Timespan (years)

Change in net position



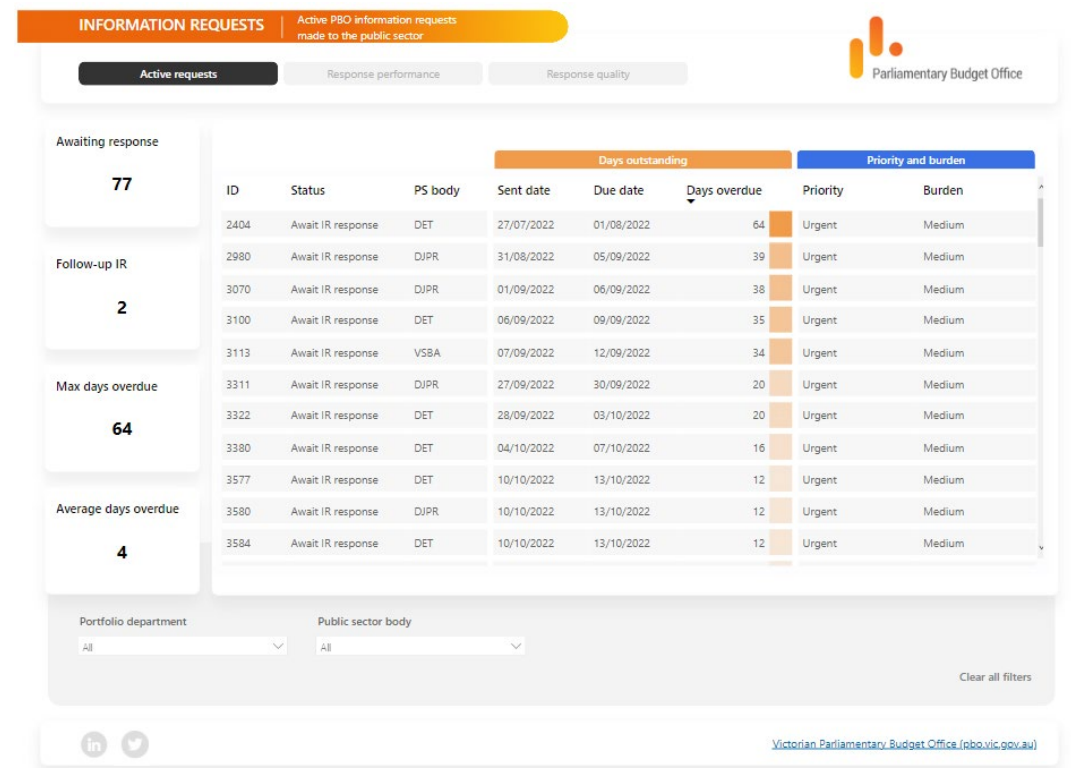
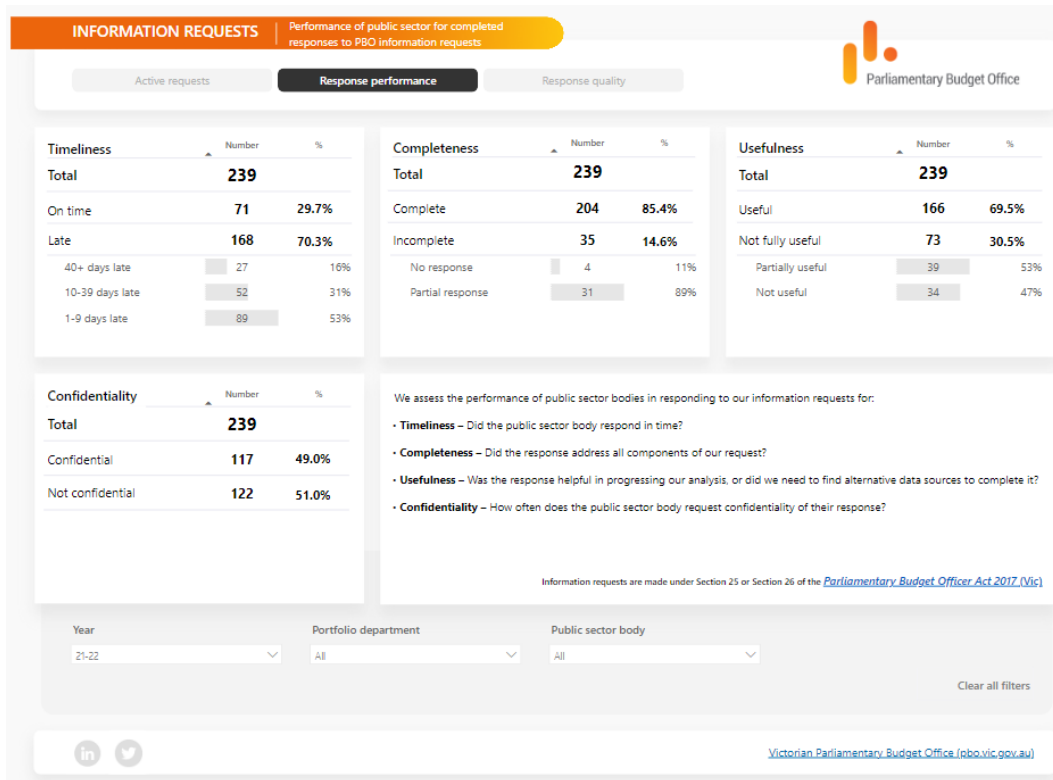
Net operating balance impact



Other examples

Open data approach to reporting public sector performance

To improve information supply, we recently added public sector information response performance to our public website.



*The Victorian PBO has no IT department, no HR department,
no finance department, and no communications team.*

... and only 1 admin support.

*We have had base funding of \$3.3 million per year since inception,
a reduction in real funding of 5% each year.*

We have increased our productivity by between 30% and 50% each year.

Wider perspectives

It is like night and day between public sector bodies that are leveraging the opportunities that the digital revolution gives them, and those that do not.

With increasing use of Australian Government and state government funding relationships, the opportunity exists for PBO legislation at the national and sub-national level to allow for confidential information sharing.

Strong demand exists for 'benefits' analysis by members, however, PBOs are not scoped or funded to deliver both sides of the policy proposal equation.

Conclusion

IFIs across the OECD face similar challenges, particularly in their early years. While it may be in jurisdictions' long-term interests to establish an IFI, politicians may be tempted to constrain the actions of an IFI to avoid criticism in the short term.

On a positive note, the experience of jurisdictions with more long-standing institutions demonstrates that – even if they do not always agree – IFIs are viewed in the longer term as important partners for finance ministries and legislative budget committees in promoting credible fiscal policies.

Source: OECD.

Conclusion

*An audit office is analogous the 'rear view mirror',
and a PBO to the 'view over the bonnet and down the road'.*

*What other 'local problems' exist looking towards the horizon
that an increase in scope and mandate of PBO could solve?*