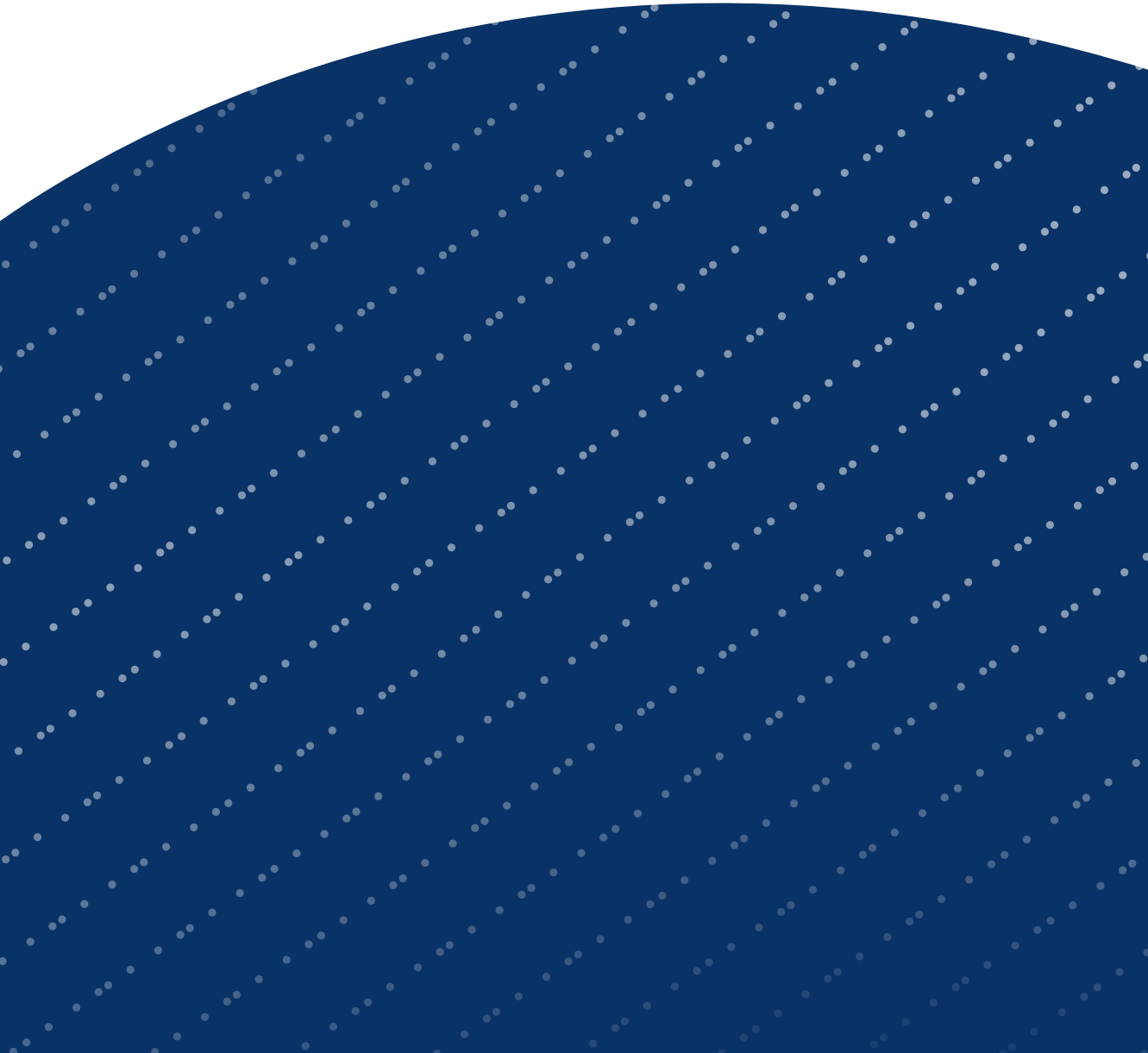




Parliamentary
Budget Office

PARLIAMENTARY BUDGET OFFICE

ANNUAL REPORT 2019–20



PARLIAMENTARY BUDGET OFFICE

**ANNUAL REPORT
2019–20**

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This report and other PBO publications, as well as information on the PBO, are available online at www.pbo.gov.au.

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Parliamentary
Budget Office

Linda Ward
Acting Parliamentary Budget
Officer

The Hon Tony Smith MP
Speaker of the House of Representatives

Senator the Hon Scott Ryan
President of the Senate

Dear Mr Speaker and Mr President

I am pleased to present the Parliamentary Budget Office (PBO) Annual Report 2019–20 in accordance with section 65 of the *Parliamentary Service Act 1999* and section 46 of the *Public Governance, Performance and Accountability Act 2013*.

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that the PBO has taken all reasonable measures to appropriately deal with fraud relating to the PBO, including by having in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs, and having prepared fraud risk assessments and fraud control plans.

Yours sincerely

Linda Ward

9 October 2020

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Part 1: Overview

Parliamentary Budget Officer's review

The year in review



This year has seen the Parliamentary Budget Office refocus its work program in response to the deteriorating fiscal situation as a result of the COVID-19 pandemic. This has been reflected in our published research and budget analysis. Given the traditional post-election fall in demand for costings, we have taken steps throughout the year to enhance our staff capabilities, data, models and website.

During the COVID-19 pandemic, we continued to work from home and the office to serve the Parliament with costing responses, and analysis that aims to be timely, transparent and relevant to the continually evolving fiscal position. We published two research reports on medium-term COVID-19 fiscal scenarios and two reports on Government Finances, which tracked the effect of COVID-19 on the Commonwealth's fiscal position on a monthly basis.

The PBO developed the internal capability to provide parliamentarians with budget analysis against a medium-term scenario that takes account of the impact of COVID-19 on their policy proposals. This was particularly relevant for parliamentarians in the months leading up to the 2020–21 Budget due to the high degree of uncertainty associated with the budget baseline.

We also published a major report on *Alternative financing of government policies: Understanding the fiscal costs and risks of loans, equity injections and guarantees*. This report seeks to explain trends in the use of loans, equity injections and guarantees, along with the budget reporting of these arrangements.

A total of 12 reports were published including regular reports such as the 2019–20 medium term fiscal projections, and an information paper on behavioural assumptions. Our publications continue to be widely cited by the media and in discussions on fiscal and budget policy.

Our website has been updated with the addition of an online budget glossary which explains 63 key terms related to Commonwealth Government budget in a non technical way and aims to assist with public understanding of the budget and financial reporting documentation in the context of the broader economy. We added a data portal page comprising a consolidated list of datasets published with each PBO research report for ease of access and to support transparency around fiscal and budget policy issues.

We continued to receive support from our panel of expert advisors to help shape our work program, review our publications and provide technical input into costings.

The upgrade to our workflow management system and ICT capability is well underway which will improve our operational effectiveness.

The year ahead

Our plans for the coming year are available in our corporate plan, which we published on 16 September 2020.

We will continue to focus our published analytical work on topics designed to promote public understanding of the evolving fiscal situation due to the COVID-19 pandemic and the implications for the budget over the medium term. This program of work retains flexibility to ensure that the research remains relevant and timely.

Following a year of relatively low demand for costings, a sharp increase in demand is anticipated, particularly in the lead-up to the general election period. We will complete the implementation of recommendations from our 2019 election after-action review to ensure the continuous improvement of our performance.

Linda Ward
Acting Parliamentary Budget Officer

Parliamentary Budget Office overview

Purpose and outcome

The purpose of the PBO, articulated in section 64B of the *Parliamentary Service Act 1999* and set out in the Corporate Plan 2019–20, is to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of policy proposals. This is also the PBO's outcome. Our purpose comprises three main elements, which are to:

- provide policy costing and budget analysis services to all parliamentarians to enable fiscal impacts to be considered during policy development
- conduct and publish research to improve public understanding of budget and fiscal policy issues
- publish a report on the budget impacts of the election commitments of parliamentary parties after each general election to enhance transparency around election commitments.

Functions

We achieve our purpose through the provision of our core functions:



Policy costings and budget analysis

The PBO provides all parliamentarians with access to advice on the financial implications of their policy proposals, based on the policy specifications they provide. Outside of the caretaker period for an election, parliamentarians may submit requests for policy costings on a confidential basis, in which case both the request and our response are kept in confidence.

We also provide parliamentarians with access to information relating to the budget, which we may provide on a confidential basis regardless of when the request is made.

We respond to requests for assistance from parliamentary committees on issues that fall within our mandate.

Research

We publish research that focusses on the fiscal sustainability of the Australian Government budget, particularly over the medium term. We also seek, through our publications, to improve budget transparency and promote a better public understanding of the budget and fiscal policy settings.

Report on election commitments

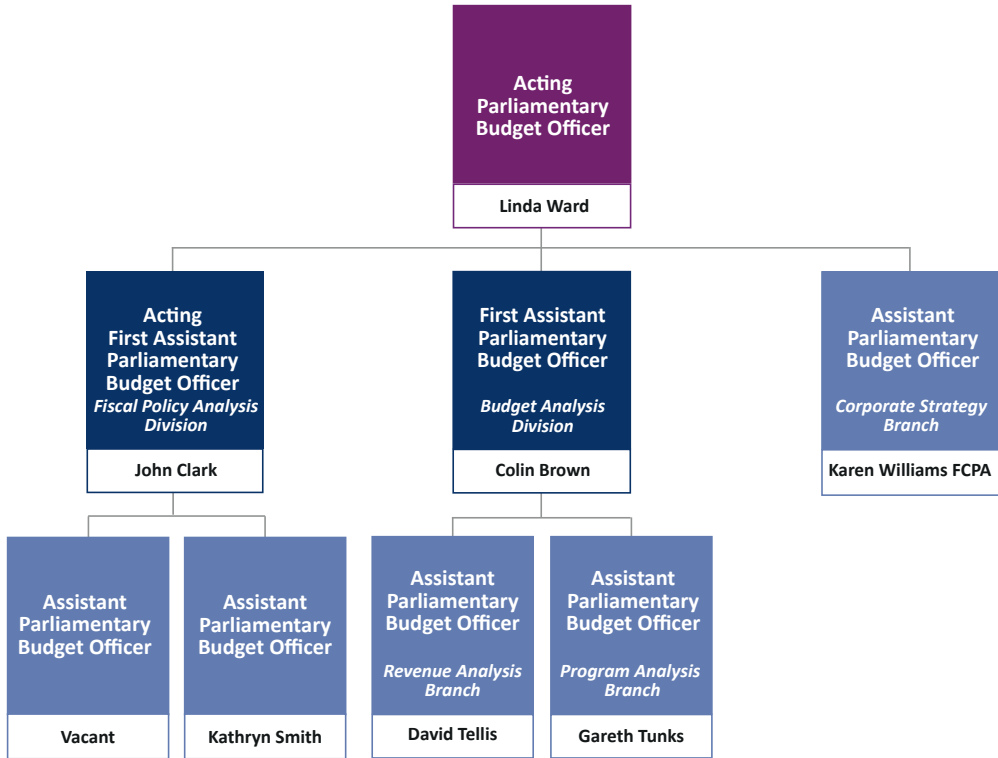
After every general election we publish a report that presents the budget impacts of each of the election commitments of the major parliamentary parties, including their aggregate impact on the fiscal position. Minor parties may choose to opt in to have their election commitments included in an addendum to this report.

Organisational structure

The PBO is led by the Parliamentary Budget Officer, supported by senior executives who have responsibility for specific business areas. The organisational structure comprises:

- the Budget Analysis Division, responsible for preparation of policy costings and budget analysis
- the Fiscal Policy Analysis Division, responsible for leading the PBO's research program and coordinating the report of election commitments
- the Corporate Strategy Branch, responsible for developing and implementing the PBO's corporate strategies and policies, managing the delivery of the PBO's corporate services, and meeting the PBO's compliance obligations.

Figure 1: PBO organisational structure as at 30 June 2020



Part 2: Performance

Annual performance statement

Introduction

This part summarises the performance of the Parliamentary Budget Office (PBO) in 2019–20 against the purpose and performance criteria published in the PBO Corporate plan 2019–20 and the PBO Portfolio Budget Statements 2019–20. This includes reporting on our priorities, key activities and achievements during 2019–20.

As required under paragraph 39(1)(a) and (b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), I present the 2019–20 annual performance statement for the Parliamentary Budget Office.

As the accountable authority for the PBO, in my opinion this annual performance statement is based on properly maintained records, accurately reflects the performance of the PBO, and complies with subsection 39(2) of the PGPA Act.

Linda Ward
Acting Parliamentary Budget Officer

9 October 2020

Purpose

The purpose of the PBO is to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of policy proposals.

To deliver on this purpose, the PBO:



provides **policy costing and budget analysis** services to all parliamentarians to enable fiscal impacts to be considered during policy development



conducts and publishes **research** of budget and fiscal policy issues to improve public understanding in these areas



publishes a **report on the budget impacts of the election commitments** of parliamentary parties after every general election to enhance transparency around election commitments

Our purpose is communicated through our corporate plan and is aligned with our Portfolio Budget Statements, which specifies our outcome and our single program:

<p>Outcome As articulated in the Portfolio Budget Statements and in legislation</p>	<p>Inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals.</p>
<p>Program As articulated in the Portfolio Budget Statements</p>	<p>The PBO provides all parliamentarians access to confidential costing and budget analysis services to improve the quality of the public policy debate. The PBO publishes research to improve public understanding of fiscal and budget policy issues and enhances transparency around the financial implications of election commitments.</p>

The PBO has developed performance measures to assess our overall achievement of our purpose and outcome, with targets that:

- drive the achievement of our purpose and outcome
- guide us to develop and mature our capabilities to ensure we continue to achieve our purpose into the future, and
- are reviewed annually to ensure they remain relevant and appropriate.

Achievement of our purpose

The PBO adopts a three-point scale to report on its performance in achieving our purpose:

Achieved	Substantially Achieved	Not Achieved
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A summary of the PBO’s performance measures, assessments, targets and results can be found in the final section of this statement.

Purpose	Inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals (<i>Outcome 1</i>)
Performance measures	PBO’s outputs are relevant, high quality and timely PBO’s work is undertaken with independence, transparency and integrity
Source	PBO Corporate plan 2019–20, pages 12-13 Portfolio Budget Statements 2019–20, page 12
Measurement	A range of indicators inform the assessment of our performance, including: <ul style="list-style-type: none"> – the extent of the demand for, and efficiency in the provision of, PBO services – the PBO’s contribution to the public policy debate – the transparency of PBO processes and data, and – feedback from stakeholders.
Result	Substantially achieved

In 2019–20, we substantially achieved our purpose with the following high-level results:

- We maintained a high-quality program of published research papers and shorter analysis pieces to support improved public understanding of budget and fiscal issues. We adapted our research in response to the COVID-19 pandemic and the rapidly evolving fiscal environment.
- We continued to provide high-quality and confidential costings and budget analysis services to parliamentarians, however demand for these services overall was reduced compared with previous years:
 - demand is traditionally reduced in the period immediately following a general election
 - we usually experience increased activity around budget time. Due to the impact of COVID-19, the 2020–21 Budget was delayed and did not occur during the 2019–20 year

- significant national and global events, such as bushfires and the COVID-19 pandemic, focused the Parliament’s attention on specific emergency responses rather than broader policy debate and discussion of fiscal policy settings.
- We implemented a new data portal on our website for readers to access the data supporting the research reports in an accessible format.
- We published an extensive glossary of budget terms on our website. This glossary is intended to make key budget terms more accessible to a general audience by defining terms in a relatively non-technical way.



Policy costings and budget analysis

Demand

The demand for the high quality and confidential **policy costing and budget analysis** services that the PBO provides to parliamentarians is directly affected by the general election cycle.

WHAT WE DO: Policy costings and budget analysis

We provide all parliamentarians with access to advice on the financial implications of their policy proposals, based on the policy specifications they provide. Outside of the caretaker period for an election, parliamentarians may submit requests for policy costings on a confidential basis, in which case both the request and our response are kept in confidence.

We provide parliamentarians with access to information relating to the budget, which we may provide on a confidential basis regardless of when the request is made.



The last general election was held late in the 2018–19 financial year (18 May 2019) and the period following an election typically sees a significant decrease in demand for policy costing and budget analysis services. Consistent with historical trends, we experienced a sharp decline in requests for services during 2019–20, responding to 279 requests from parliamentarians (2018–19: 2,970).

Table 1 provides further information on the number of **policy costing and budget analysis** we responded to over the course of the year and in the previous year. Appendix B provides further detail on the PBO’s output of policy costings and budget analysis over the past five financial years.

Table 1: Completion of costing and budget analysis requests

	2018–19 Total	2019–20 Q1	2019–20 Q2	2019–20 Q3	2019–20 Q4	2019–20 Total
Requests completed in period	2,970*	49	95	30	105	279
Average time to completion (business days)	18	19	29	35	28	27
Median time to completion (business days)	12	23	16	34	25	25

* includes 427 costings prepared for the purpose of the election commitment report

Note: The table identifies the number of ‘options’ contained in requests completed by the PBO, noting that a single request can contain multiple options.

The significant reduction in demand for services can be largely attributed to the deferral of the Budget to October 2020 and the attention of the Parliament being focussed on national and global events:

- the catastrophic bushfires Australia experienced late in 2019 and in early 2020, and
- the global COVID-19 pandemic and the associated economic and fiscal crisis.

These events have diverted attention away from the broader policy debate that often drives demand for our services, and parliamentary parties have made fewer new policy announcements.

These events also resulted in the budget baseline, which we use when responding to costing requests, becoming significantly out of date. As an alternative, we developed the internal capability to provide responses to requests for budget analysis that include an assessment of the financial impact of a policy proposal against a scenario that takes account of the economic and fiscal impact of COVID-19. On 10 August 2020, prior to the finalisation of this annual report, we released additional guidance to parliamentarians regarding our ability to provide parliamentarians with scenario analysis.

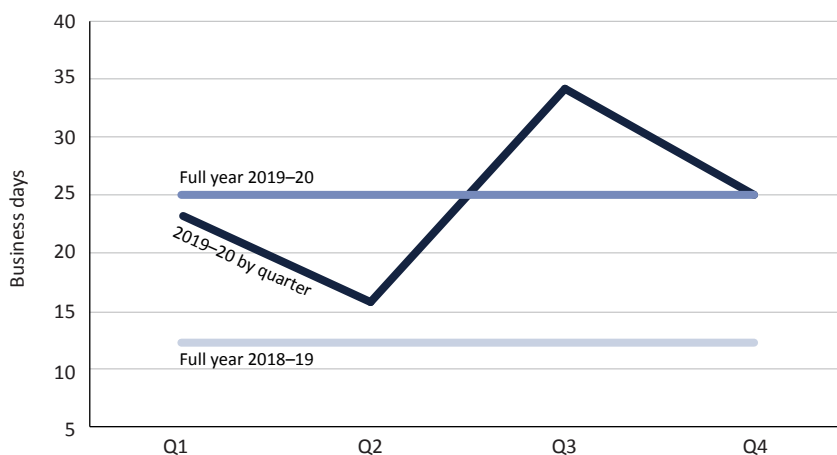
Efficiency

The PBO strives for efficiency in providing **policy costings and budget analyses** to parliamentarians. For 2019–20, our performance targets were:

- A median time of 15 business days or less to complete **policy costing and budget analysis** requests; and
- Completing 95 per cent of non-caretaker requests within 60 days.

Both targets have not been achieved for the 2019–20 financial year. The median time to completion was 25 business days (2018–19: 12 business days) (see Figure 2). In 2019–20, 90 per cent of non-caretaker requests were completed within 60 business days (2018–19: 97 per cent).

Figure 2: Median response time for policy costing and budget analysis requests



Throughout 2019–20, the majority of **policy costing and budget analysis** requests have been for costing complex policy proposals and very few simple requests, such as capped costings. The complexity of the requests we have received has required new models or modifications to existing models to cost the policy options requested. In previous years, there has been a higher volume of straightforward or capped costings with quick turnaround times, which has offset the time taken to cost more complex proposals. Historically, this has resulted in averages that are more closely aligned with our targets.

Another factor contributing to the longer time periods to complete requests has been the need for us to invest in capability development activities, which are best undertaken during periods of lower demand. These included broadening our secondment program, model refinements and evaluations, and other continuous improvement activities. These development activities assist in maintaining our expertise across a broad range of policy areas and enable us to continue to provide high-quality services to parliamentarians.

Quality and impact

There have been overall high levels of satisfaction with the quality of the services the PBO provides to parliamentarians in 2019–20. Parliamentarians place high importance on being able to make policy announcements that are accompanied by estimates of the impact of the policy on the budget.

The Australian Labor Party’s public submission to the Joint Committee of Public Accounts and Audit (JCPAA) inquiry reviewing the operations of the PBO (PBO review) provides evidence of this, describing our **policy costing and budget analysis** services as:

“valuable and vital service to non-government parties and the Parliament since its establishment, through the provision of costings and associated information”

Dr Jim Chalmers MP and Senator Katy Gallagher

Submission 6 – JCPAA Review of the Operations of PBO 2019–20

Other public submissions from independent research institutions to the PBO review indicate that we are perceived as independent and transparent, and our outputs are valued:

“The credibility of PBO costings has enhanced policy development by the opposition and minor parties, improving the contest of ideas”

Grattan Institute

Submission 4 – JCPAA Review of the Operations of PBO 2019–20

“the TTPI has found the PBO to be transparent around its costings. The PBO’s information papers about its costing process and methodology... have facilitated better public understanding about these aspects of its work. Additionally, the TTPI has been satisfied with the high quality of PBO costings”

Tax and Transfer Policy Institute

Submission 1 – JCPAA Review of the Operations of PBO 2019–20

Parliamentarians often use our confidential policy costing services for both the policy development phase and the final specification prior to the announcement of the policy. While the overall number of requests for our services has declined in 2019–20, requests are increasingly complex, reflecting the confidence parliamentarians have in the quality of work as discussed above.

The impact of the work of the PBO is measured by the number of times it is mentioned or relied upon by parliamentarians and the public. During 2019–20, the PBO recorded 73 mentions of the PBO by parliamentarians. Of these instances, 15 per cent referenced **policy costing or budget analysis** advice provided by the PBO, 64 per cent related to the general function or role of the PBO, and 21 per cent related to our published research reports.

In 2019–20, half of the publicly released costings have been referenced by parliamentarians. This suggests evidence of both the trust that parliamentarians place in the PBO and the expectations of the Australian public that policies are high quality and independently costed. In each case where a PBO costing was cited as part of a policy announcement, we checked the published information against the costing we provided to the relevant parliamentarian to ensure accurate reporting.

Public engagement with publicly released costings can be viewed as evidence of the relevance and quality of our outputs and our contribution to public policy debate. For instance, on 30 April 2020, the PBO publicly released the ‘Increase JobSeeker Payment’ costing on our website. The costing generated 12,965 Twitter impressions, recorded seven media mentions and was downloaded 469 times from our website in the period of 30 April to 30 June 2020.

The relevance of the work of the PBO to the public is also demonstrated by the nature of the references that the media makes about the PBO. The media’s references to our work usually referred to the PBO in a way that indicated the costing estimates were reliable and the descriptions indicated a public perception that the PBO is impartial and displays a high degree of independence and integrity. In 2019–20, 91 per cent of media references were neutral (that is, references to the function or outputs of the PBO). The remaining 9 per cent of mentions were positive.

The PBO complies with all obligations imposed by legislation to ensure all requests, advice and information are treated confidentially. We effectively balance this with the need to meet public expectations regarding our independence, and commitments to transparency and acting with integrity. Each year, we publish three reports on our website that outline our recent activity and performance. The timing of the activity reports are aligned with our appearance at Senate Estimate hearings. Although the 2020–21 Budget was delayed, and the Budget Estimates hearing was not held in 2019–20, we prepared our third activity report in May 2020. This was provided to the Finance and Public Administration Estimates Committee, the JCPAA and published on our website. In 2019–20, we published three activity reports in total.

To support the transparency of our processes and methodologies, all information papers, guidance material and general information about the PBO have been published on our website, including responses to requests to parliamentarians where the requester has asked the PBO to make our response public.



Research

Throughout the year, the PBO published a range of high-quality reports to improve budget transparency and promote a better public understanding of the budget and fiscal policy settings. We flexibly responded to the COVID-19 pandemic by reshaping our work program during 2019–20 and publishing three additional **research** publications tracking the effects and policy response of the pandemic.

WHAT WE DO: Research

We publish research which focusses on the fiscal sustainability of the Australian Government budget, particularly over the medium term. We also seek, through our publications, to improve budget transparency and promote a better public understanding of the budget and fiscal policy settings.



Output

Our **research** program is made up of a series of regular publications along with a number of additional **research** reports, as outlined in our corporate plan. During 2019–20, we published five out of six targeted regular publications:

- *2019–20 Budget Chart Pack* (on 24 September 2019) – provided a graphical summary of the 2019–20 Budget relative to the 2018–19 Mid-Year Economic and Fiscal Outlook
- *2019–20 Medium-term fiscal projections* (on 26 September 2019) – reported on the budget outlook over the coming decade to look beyond the four-year projections provided in the Budget, including projections of receipts and payments, and analysis of the major trends in, and risks to, the medium-term outlook
- *2019–20 National fiscal outlook: As at 2019–20 budgets* (and its related *At a glance* graphical summary) (on 27 November 2019) – provided a national perspective on fiscal challenges over the short term by examining outcomes across all levels of government
- *2019–20 Mid-Year Economic and Fiscal Outlook Snapshot* (on 17 December 2019) – presented a graphical summary and highlighted the impacts of policy decisions and parameter changes, and
- *Unlegislated measures carried forward in the budget estimates – April 2020* (on 24 April 2020) – summarised estimates of the medium-term impact on the Commonwealth budget of measures with significant financial implications that have been announced but are yet to be implemented.

The Budget Snapshot, the last of our regular publications was not published this year due to the delay of the 2020–21 Budget.

The PBO achieved our target to publish at least four additional **research** reports. On 19 March 2020, we published a report on the *Alternative financing of government policies: Understanding the fiscal costs and risks of loans, equity injections and guarantees*. The report examined the trends in the use of alternative financing arrangements, explained how these arrangements relate to the Commonwealth budget and identified possible enhancements to budget reporting to support public understanding.

In May 2020, the Tax and Transfer Policy Institute released a short fact sheet drawing on the report. A link to the factsheet has been made available on our website.



The PBO retains flexibility within its **research** program to add additional **research** topics to its work program over the course of the year, including in response to emerging issues or requests from parliamentary committees. We modified our work program during 2019–20, in response to the COVID-19 pandemic, publishing an additional three **research** publications:

- On 8 May 2020, we began a monthly report of government finances. *Government finances: March 2020* was the first in a series of monthly reports designed to track the effect of COVID-19 and the associated policy response on the Commonwealth’s fiscal position
- *Medium-term fiscal projection scenarios: impact of COVID-19 pandemic and response* and accompanying technical appendix (on 5 June 2020) – a report presenting medium-term fiscal scenarios based on the Reserve Bank of Australia’s latest economic forecasts to provide timely information on what is a rapidly evolving situation
- *Government finances: April 2020* (on 9 June 2020).

This is evidence of PBO providing information which was timely and relevant to the public during the pandemic.



We also publish the underlying data for our **research** reports, where relevant, to enable others to directly analyse the data to draw their own conclusions or re-present specific aspects of the data. In 2019–20, we released seven publications with accompanying datasets. The data was published on the same day as the report for all publications. On 26 June 2020, the PBO published a data portal containing a consolidated list of datasets for ease of access and to support transparency around fiscal and budget policy issues.

In addition to our **research** program, we developed an extensive glossary of budget terms which was made available on our website as an interactive page and in a downloadable format on 16 June 2020. The online glossary makes key budget terms more accessible to a general audience by defining them in a relatively non-technical way. Entries in the online glossary provide examples to help explain terms, as well as information on where to find further information in the budget and related documents.

Efficiency

The PBO strives for efficiency in delivering our **research** program. We consult with our expert panel, parliamentary committees and the JCPAA to ensure we are directing resources to publish reports on issues relevant to the public fiscal debate.

In late 2019, the PBO undertook a review of its research processes to identify possible efficiencies, including whether best practice techniques from comparable organisations might be implemented at the PBO. The review made 10 recommendations which are currently being implemented. Research tools such as the data portal and online budget glossary support interested parties to undertake their own analysis using PBO outputs.

Quality and impact

Our research work is shaped by and strengthened through consultation with a range of external stakeholders:

- In developing our **research** program for the year, we sought input from our expert panel and consulted with the JCPAA and parliamentary committees on our proposed program.
- Individual members of our expert panel provided review of specific publications ahead of release or connected us to key academic or industry experts to provide feedback.
- We consulted with relevant Commonwealth agencies ahead of releasing specific reports to confirm the validity of our approach and recommendations.
- We undertook a comprehensive review of our research program and processes.
- We broadened the methods that facilitate feedback being provided to the PBO on any of our publications, including by expanding feedback buttons on our website to older publications and inviting feedback through our LinkedIn profile.

We measure the impact and relevance of our **research** by the influence our reports have in the media. In 2019–20, the PBO recorded 390 media mentions (2018–19: 1,045) across print, online and social media, television and radio, blogs and other media, of which 253 mentions (65 per cent) related to published **research**. This reflects a substantial increase in comparison to the previous year where 28 per cent of mentions were related to our published **research**. In 2019–20, all of our **research** reports were mentioned by major media outlets.

A number of reasons are likely to have contributed to the lower than average total media mentions, including:

- media focus on significant national and global issues, including the bushfires and COVID-19 pandemic,
- the reduction of parliamentary sitting weeks, which generally see increased coverage of PBO work,
- a number of major media outlets reducing the number and frequency of their printed newspapers, and
- reduced demand for PBO’s costings services as external events diverted attention away from broader policy debate.

The PBO engages with media both immediately before a publication release and just following its release, to support an improved understanding of how the publications can build on the public’s understanding of issues impacting the budget. During 2019–20, our **research** reports were the subject of 16 speeches or presentations to Commonwealth agencies, participants at various conferences and international audiences.

Another measure of the quality and impact of our **research** is the average number of downloads from our website. In 2019–20, the PBO recorded 55,549 report downloads. Although this is a high volume, it is lower overall than the year prior (2018–19: 69,549). Despite the lower number of total document downloads, the average downloads of PBO **research** reports remained at least at the same level as previous years.

Feedback

The PBO has a range of mechanisms available for stakeholders to provide us with feedback. There have been overall high levels of satisfaction with the quality of our **research** reports, including from parliamentarians:

“I really just wanted to ask about the medium-term fiscal projections in the document that was released recently. Thank you for this piece of work. This is a really useful bit of analysis that I think a lot of the parliamentarians find helpful”

Senator Jenny McAllister

**Finance and Public Administration Legislation Committee, 2019–20
Supplementary Budget Estimates (21 October 2019)**

Public submissions from independent research institutions to the PBO review have described our **research** outputs to be of high quality and relevant to improving public understanding of fiscal and budget policy issues:

“We draw on the PBO’s work in our research and find it to be of a high quality. It has been particularly useful in understanding issues around medium-term budget sustainability”

Grattan Institute

Submission 4 – JCPAA Review of the Operations of PBO 2019–20

“The TTPI has already found the PBO’s research reports to be a valuable resource”

Tax and Transfer Policy Institute

Submission 1 – JCPAA Review of the Operations of PBO 2019–20

We received positive feedback from our panel of expert advisors on the *Alternative financing of government policies: Understanding the fiscal costs and risks of loans, equity injections and guarantees* and *Medium-term fiscal projection scenarios: impact of COVID-19 pandemic and response* publications. The expert panel also described the monthly *government finances* reports as useful.

Feedback from external stakeholders on the online glossary indicates that it is valued, given the number and nature of definitions provided are not readily available elsewhere. Reflecting on this feedback, we will continue to look at expanding our online glossary, which currently contains 63 detailed entries.



Election commitments report

The PBO's **election commitments report** details and aggregates the budget impacts of the election commitments made by the major political parties. We are required to publish the election commitment report in less than 30 days from the end of the caretaker period, or within seven days before the first sitting day of Parliament.

WHAT WE DO: Report on election commitments

After every general election, we publish a report that presents the budget impacts of each of the election commitments of the major parliamentary parties, including their aggregate impact on the fiscal position. Minor parties or independent parliamentarians may choose to opt in to have their election commitments included in an addendum to this report.



The 2019 **Post-election report of election commitments** was published last financial year on 19 June 2019. In 2019–20, the **election commitments report** and supporting costing documents accounted for 17,427 downloads from our website.

Our next **election commitments report** will be published after the next general election.

Our capability

Our performance against the three elements of our purpose is underpinned by our capability. During 2019–20, we prioritised investment in capability across key areas to improve our capacity to achieve our outcome in the future. In 2019–20, improving our people capability was our highest priority given demand for our **policy costings and budget analyses** services are typically at its lowest at this stage in the election cycle (following the general election late last financial year).

People

Our employees are our biggest asset in terms of our ability to fulfil our purpose. The PBO comprises a group of employees with experience and highly developed skills in economics, data analysis, the budget and fiscal policy, and key areas of Commonwealth policy and service delivery.

In 2019–20, our analysts participated in secondments to gain experience in the policy development and costing areas of Commonwealth agencies.

The secondment of staff to other Commonwealth agencies demonstrates our commitment to provide development opportunities to our staff, build organisational capability and to maintain strong working relationships with the agencies that support us to fulfil our purpose through the provision of data and models. The secondment program assists us in expanding the pool of potential candidates that we may draw upon during election periods when surge capacity is required.

Data and models

The PBO develops and maintains a wide range of models and datasets. Access to the data held by various Commonwealth agencies is critical for us to estimate the budget impact of policy proposals and analyse key budget issues through our research program.

We have well-established arrangements in place with agencies to facilitate the provision of information in a way that maintains the confidentiality of the nature of work we are undertaking. This is fundamental to the work that we do. We acknowledge the valuable support we continued to receive from Commonwealth agencies in 2019–20, who continued to provide us with data and models on a timely basis to support our work. Table 2 summarises the number of information requests sent to Commonwealth agencies and timeliness statistics. The strength of our relationships is reflected in the number of requests for information received within the timeframe requested.

The strengthening of our relationships with Commonwealth agencies has also been reflected in increased access to electronic data warehouses, which provides us with direct access to specified datasets held by agencies.

This access, which is subject to strict conditions around data confidentiality, provides us with timelier access to the information and reduces the burden placed on agencies to provide information.

Table 2: Information requests to agencies

	2018–19 Total	2019–20 Q1	2019–20 Q2	2019–20 Q3	2019–20 Q4	2019–20 Total
Responses received in period	549	24	31	108	104	267
Percentage received on time (%)	98	100	100	100	99	100¹
Average response time (business days)	7	9	6	13	16	12

¹ 99.8 per cent of information requests were received on time. The figure above has been rounded to the nearest whole number.

As discussed above, the increased complexity of requests received during 2019–20 required us to develop new models or modify existing models to cost the policy options requested. We have taken advantage of the lower than average level of demand to evaluate and refine our models. This will ensure we are well placed as we commence preparations for the next general election.

Systems

During 2019–20, in collaboration with our outsourced information and communications technology (ICT) provider, we commenced work on refreshing our ICT systems. This work is intended to provide a more flexible ICT environment to enhance our productivity and further improve the efficiency of our operations.

Relationships

Since its establishment on 27 December 2017, our panel of independent expert advisors has met on an annual basis to discuss and provide feedback on the scope, quality and effectiveness of our work program and operations. The purpose of regular engagement with our expert panel is to ensure that our work is of the highest analytical quality, is well considered and draws upon expertise from a range of sources. Interactions between panel members and PBO staff occur regularly outside of these annual meetings, for example to provide peer review of draft research reports or of published costings as part of our evaluation process.

In addition to our consultation and engagement with our expert panel, the JCPAA and Commonwealth agencies, we maintain a range of other relationships that build our capacity and in turn allow us to contribute to the capacity of other organisations undertaking related functions. To improve the quality and relevance of our work, we have increased our focus on engagement with relevant experts in the public and private sectors, academia and similar international organisations. We engage formally and informally to inform the development of our costing methodologies, to assist with evaluations and in relation to our research publications.

Internationally, we engage with peer independent fiscal institutions such as the Canadian Parliamentary Budget Office, the United States' Congressional Budget Office and the United Kingdom's Office for Budget Responsibility as well as through the Organisation for Economic Cooperation and Development (OECD) network of independent fiscal institutions.

Table of performance measures

The following table summarises the measures included in our 2019–20 Corporate plan and provides an assessment of our performance against our targets.

Table 3: Summary of our performance against our targets for 2019–20

Measure	Assessment	Target	Result	Page #
Outputs are relevant, high quality and timely	Demand for policy costing and budget analysis services remains significant in line with historical levels.	Yes	No	10
	Median time to complete policy costing and budget analysis requests is 15 business days or less.	<15 business days	25 business days	12
	95 per cent of non-caretaker requests are completed within 60 business days.	95 per cent within 60 business days	90 per cent within 60 business days	12
	95 per cent of caretaker requests are completed within five business days.	95 per cent within five business days	Not applicable	na
	Six regular research publications and at least four additional research reports are published over the course of the year.	Six regular and four additional reports	Five regular and four additional reports ²	15
Legislative obligations are met	The election commitment report is published within the legislated timeframe.	Yes	Not applicable	na
	The confidentiality of all requests, advice and information is maintained.	Yes	Yes	14

² The Budget Snapshot, the last of our regular publications was not published this year due to the delay of the 2020–21 Budget

Measure	Assessment	Target	Result	Page #
Feedback from stakeholders	Feedback from stakeholders, including parliamentarians and our panel of expert advisors, is positive.	Yes	Yes	13, 19
	Media references to the PBO suggest we are perceived as independent, robust and/or non-partisan.	Yes	Yes	14
Media mentions	All PBO research papers are reported by major media outlets.	Yes	Yes	18
Mentions by Parliamentarians	Publicly released PBO costing and budget analysis advice is referenced in relevant parliamentary debates.	Yes	50 per cent referenced	14
Accessibility and transparency	Downloads of regular PBO reports are maintained at least at the same level as the previous year's report.	Yes	Yes	18
	Average downloads of other PBO research reports are maintained at least at the same level as the previous year's average.	Yes	Yes	18
	All information papers, guidance material and general information about the PBO are available on the website.	Yes	Yes	14
	Three activity reports outlining PBO performance, including information about ongoing evaluation of our models and approaches, are published each year.	Three	Three	14
	The PBO website includes a data portal where all research report-related data is available.	Yes	Yes	17

Measure	Assessment	Target	Result	Page #
	Data is available on the website on the same day as report publication.	Yes	Yes	17
	A glossary of budget terms is available on the website.	Yes	Yes	17
	PBO research reports are the subject of at least ten external speeches or presentations each year.	10	16	18

Part 3: Management and accountability

Corporate governance

Our operations are primarily governed by the *Parliamentary Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Other legislation and policy also governs our work, including workplace relations legislation and a suite of Australian Government policies.

Under the Parliamentary Service Act and the PGPA Act, the Parliamentary Budget Officer is accountable for the PBO's performance and compliance with legislative requirements.

The key components of our governance framework are the PBO Executive, the Audit Committee and a risk management framework. We also participate in Parliament House-wide governance arrangements.

We continued to strengthen our governance framework and internal policies and procedures during the year. In 2019–20, key focus areas were: human resources; business continuity; and risk management.

We refined our performance measures to more clearly outline how we monitor and measure what we did (output); how well we did it (quality and/or efficiency); what the benefits were (impact); and how we gather and assess feedback from stakeholders. These are reflected in our Corporate Plan 2020–21.

PBO Executive

The PBO Executive—consisting of the Parliamentary Budget Officer and all SES officers—meets weekly to consider PBO-wide issues, to monitor performance and to consider risk issues.

The Executive considers key performance information on a regular basis, including the status of outstanding requests for policy costings and budget analyses, the timeliness of our responses, the status of requests for information made to Commonwealth agencies, progress of the research program, and citations in the media.

In response to the COVID-19 pandemic, the Executive closely monitored remote working and business continuity arrangements, along with a staged transition back to office-based work taking into account relevant health advice.

The Executive also considers risks on a rolling basis to monitor any changes in the risk environment and update risk ratings and treatments accordingly. In 2019–20, work, health and safety risks were closely monitored, including those arising from COVID-19.

In accordance with our Information Governance Framework, the Executive serves as the Information Governance Committee, ensuring that information governance is managed and driven by key personnel within the organisation.

Audit Committee

The Audit Committee provides independent advice and assurance to the Parliamentary Budget Officer about the PBO’s governance arrangements. The Committee comprises two independent members (including the chair) and the Assistant Parliamentary Budget Officer, Program Analysis Branch. The Committee met four times during the financial year. The Assistant Parliamentary Budget Officer, Corporate Strategy Branch; Chief Financial Officer; representatives from the Australian National Audit Office; and the PBO’s internal auditors also attended these meetings.

Table 4 – Qualifications and remuneration of the PBO Audit Committee

Member	Qualifications, knowledge, skills or experience (formal and informal)	No. of meetings attended / total no. of meetings	Total annual remuneration \$
Chair Mr Ian McPhee AO PSM	Mr McPhee was the fourteenth Auditor-General for Australia from 2005 to 2015. He brings extensive public sector and industry knowledge and experience from a range of roles including company director, audit committee chair/member, chair of various governance reviews, and other senior positions in the Commonwealth.	4 / 4	\$14,260

Member	Qualifications, knowledge, skills or experience (formal and informal)	No. of meetings attended / total no. of meetings	Total annual remuneration \$
Independent member Ms Jennifer Clark	Ms Clark has an extensive background in business, finance and governance through a career as an Investment Banker and as a Non-Executive Director since 1991. She has been a chair or member of over 20 audit, risk and finance committees in the Commonwealth and private sectors. Ms Clark is also a Fellow of the Australian Institute of Company Directors.	4 / 4	\$12,972
Internal member Mr Gareth Tunks	Mr Tunks has over 20 years' experience as a public and parliamentary service employee and has worked in policy, central and statutory agencies. Mr Tunks is the PBO's internal representative on the audit committee and has been employed at the PBO since its inception in 2012.	4 / 4*	Not applicable

* One meeting attended via proxy.

The PBO's Audit Committee charter is available at https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/About_the_PBO/Corporate_information/Audit_Committee.

Risk management

Risk management forms an integral part of the PBO's governance and internal planning arrangements. Our risk management framework, most recently updated in May 2020, consists of a collection of policies, processes and plans that are embedded into business-as-usual practices at all levels.

Individual risk management plans are developed to operationalise the PBO's risk policy and strategy at various levels, including: strategic risks; divisional/branch operational risks; specialist risks – including protective security and fraud; and project risks.

During 2019–20, the PBO developed the ICT Project Risk Register to manage project-specific risks associated with the upgrade to our workflow management system and ICT capability. In response to the COVID-19 pandemic, we carried out a risk assessment in relation to preparing to transition staff back to the workplace.

Fraud prevention and control

In 2019–20 the PBO took all reasonable measures to minimise the incidence of fraud. We continued to monitor the fraud risks identified in the most recent fraud risk assessment. No incidences of fraud were detected.

Provision of corporate services to the PBO

To maximise the staff and resources dedicated to core functions, the PBO has shared services arrangements with other parliamentary departments for the delivery of some of the PBO's corporate services.

During 2019–20, the Department of the Senate continued to provide the PBO's financial transaction processing and payroll services. The PBO's information and communication technology (ICT) services continued to be provided by the Department of Parliamentary Services (DPS).

Interdepartmental committees

The four parliamentary department heads meet on a regular basis to discuss matters relating to governance, policy and operational matters of significance to the departments.

We also participate in a range of interdepartmental committees through which the parliamentary departments co-ordinate common and joint activities, particularly in relation to human resources, ICT and other corporate matters.

In 2019–20, the PBO participated in the Australian Parliament House COVID-19 working group to discuss parliamentary department responses to the pandemic and its effects on business continuity.

External scrutiny

During 2019–20, there were no external reports or judicial decisions involving the PBO.

On 4 December 2019, the JCPAA, pursuant to provisions contained in sections 64S and 64T of the Parliamentary Service Act, resolved to inquire into the operations of the PBO. A public hearing was held on 7 February 2020. As at 30 June, the review was in progress.

Joint Committee of Public Accounts and Audit

The JCPAA plays an important oversight role in relation to the PBO's resourcing and operations. This includes considering the PBO's draft budget estimates and receiving regular activity reports on the PBO's operations ahead of each of the PBO's appearances at Senate Estimates hearings. We consulted with the JCPAA on our Corporate Plan 2019–20.

Senate Finance and Public Administration Legislation Committee

The PBO appeared before the Senate Finance and Public Administration Legislation Committee throughout the year. In advance of each hearing, we provided the Committee with our detailed activity report on the PBO's operations. Although the 2020–21 Budget was delayed, and the Budget Estimates hearing was not held in 2019–20, the PBO prepared its activity report. This was provided to the Committee and published on our website, consistent with timing of reports in previous years.

Legal services and expenditure

The *Legal Services Directions 2017*, issued by the Attorney-General under the *Judiciary Act 1903*, requires non-corporate Commonwealth entities to ensure that legal services expenditure is appropriately recorded and monitored. The PBO's total expenditure on external legal services in 2019–20 was \$34,128 (GST exclusive).

Human resource management

The skills, experience and commitment of our employees are critical to us achieving our purpose. Developing our existing workforce continued to be a high priority for the PBO in 2019–20, as well as maintaining our ongoing recruitment, secondment and graduate programs.

Details of the classification level, employment status and gender of the PBO's employees are presented in Appendix A.

Directors leadership group

The PBO Director's leadership group – consisting of the Parliamentary Budget Officer, Assistant Parliamentary Budget Officer, Corporate Strategy Branch and all directors (PEL2) meets fortnightly to consider staff wellbeing and ensure efficient and effective information sharing during the COVID-19 pandemic.

This forum has supported development of the leadership skills of this cohort.

Capability development

During the year we focused on leadership development for employees at all levels to enhance the leadership skills and capabilities across the PBO.

The continued development of employee's technical capability was a priority during the year. This was provided through a mixture of on the job learning and coaching, attendance at courses and seminars, and job rotations through different functional teams.

A key component of the development of technical skills was the continuation of an internal seminar series aimed at analytical staff. Presenters for these sessions included key internal subject matter experts and external speakers.

We delivered essential corporate training through our online learning management system, in areas including risk management and fraud awareness. We also continued delivery of a rolling program of regular training including communication training.

Secondments

The PBO has an ongoing secondment program with Commonwealth agencies, involving secondments both to and from the PBO. This is aimed at enhancing our capacity through the development of employees' skills in specific policy areas, and developing relationships with Commonwealth agencies. This program provides participants from other agencies with an increased understanding of our role and exposure to a broad range of policy areas and budgetary issues.

During 2019–20, the PBO participated in the Parliament of Australia graduate program. The program allows participants from APS graduate programs to undertake a secondment of up to six months with the PBO to learn about the role and functions of the PBO, as well as the Parliament generally. Eight graduates were placed with the PBO in 2019–20. In response to the COVID-19 pandemic, some placements were deferred to early 2021.

Employment arrangements

The PBO's SES employees are engaged under individual determinations under subsection 24(1) of the Parliamentary Service Act, with their remuneration and superannuation salary set under common law agreements.

All non-SES employees are engaged under common law agreements.

The Parliamentary Budget Officer is engaged as a full-time public office holder under section 64X of the Parliamentary Service Act. The Parliamentary Budget Officer's remuneration is determined by the Remuneration Tribunal.

The PBO implemented remuneration increases for non-SES employees for the three year period commencing 1 December 2017. The remuneration proposal was agreed with the Australian Public Service Commissioner, with associated productivity offsets. This was undertaken in accordance with the Australian Government's workplace bargaining policy. Commensurate increases were implemented for SES employees.

The PBO did not make any performance payments to employees during 2019–20. Under the PBO's Performance Management Framework, increments through the PBO's salary ranges are based on performance achievements.

Employees have access to a number of non-salary benefits including study assistance, and access to salary sacrifice arrangements. The PBO provides SES employees with a mobile phone and tablet. Employees also have access to the Capital Hill Early Childhood Centre in Parliament House, on-site gym facilities and free car parking.

Work health and safety

The following information for the 2019–20 reporting period is provided in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011* (WHS Act).

All new employees undertook an induction program, which included information on work health and safety issues, an outline of the legislative and policy framework, and information on their obligations as employees.

The PBO has appointed Health and Safety Representatives. A Health and Safety Committee, chaired by Ms Kathryn Smith, Assistant Parliamentary Budget Officer, Fiscal Policy Analysis Division, met on at least a quarterly basis. In response to COVID-19, the Health and Safety Committee met more frequently (at times, weekly) to ensure employee views on health and safety were considered.

The PBO provides sit-to-stand workstations to encourage healthy work practices. Support is provided to employees to ensure correct workstation setup and, where appropriate, professional expertise is sought to complement existing practices.

The PBO has an Employee Assistance Program to provide access to free confidential professional counselling services to assist staff and their families with any personal or work-related matters, and offer guidance and advice to managers on staff management.

During 2019–20, no incidents were reported to Comcare in accordance with section 35 of the WHS Act.

Commitment to reconciliation

In November 2019, the four parliamentary departments launched the Australian Parliamentary Service Reconciliation Action Plan (RAP) 2019–2022. The RAP works to build relationships, respect and opportunities between the Parliamentary Service and Aboriginal and Torres Strait Islander peoples.

The RAP Champions of each parliamentary department together comprise the Parliamentary Service RAP Champions Group. The RAP Champions Group meets periodically to review and monitor progress against the RAP. At 30 June, the PBO's RAP Champion was Mr David Tellis, Assistant Parliamentary Budget Officer, Revenue Analysis Branch.

Parliamentary Service Indigenous Employee Network

During 2019–20, the PBO continued to support the Parliamentary Service Indigenous Employee Network (PSIEN). The PSIEN provides a safe, supportive environment for all Parliamentary Service employees to meet and express their views, experiences and concerns pertaining to Aboriginal and Torres Strait Islander issues both professionally and personally. The PSIEN played a key role in the development and launch of the:

- 2019–2022 RAP
- Acknowledgement of Country card, and
- Welcome to Country and Acknowledgement of Country protocols.

Share our Pride learning module

One of our actions under the RAP is to engage our employees in cultural learning opportunities to increase their understanding and appreciation of Aboriginal and Torres Strait Islander cultures, histories and achievements.

Within the first few months of their employment with the PBO, all new employees undertake the Share our Pride online learning module, developed by Reconciliation Australia.

Jawun Indigenous Community Australian Public Service Secondment Program

Jawun is a not-for-profit organisation managing secondments from corporate and government partners to Jawun Indigenous partner organisations.

One of our Parliamentary Executive Level 1 employees participated in the 2019 Jawun Indigenous Community APS Secondment Program, which involved a six-week placement to the Central Coast region of New South Wales. The placement aims to increase both the employee's and the PBO's cultural awareness and broader awareness of Indigenous matters, and provide positive outcomes for the Indigenous communities.

Our participation in the program contributes to the commitment to establish respectful, sustainable and enduring partnerships between the parliamentary departments and Aboriginal and Torres Strait Islander peoples under the RAP.

Other information

Information publication scheme

The Parliamentary Budget Officer and the Parliamentary Budget Office are defined as exempt agencies in subsection 7(1) and Division 1 of Part I of Schedule 2 of the *Freedom of Information Act 1982*.

Section 45A of the Freedom of Information Act also protects the confidentiality of documents related to PBO requests that may be held by other agencies.

Disability reporting mechanism

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available on the Commission's website at www.apsc.gov.au. From 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. Further information is available on the Department of Social Services' website at www.dss.gov.au.

Ecologically sustainable development and environmental performance

As the PBO is located in Parliament House, all facilities and environmental management activities are undertaken by DPS and included in its annual report.

Part 4: Financial

Financial management

The PBO's operations are funded through annual departmental appropriations with supplementation from a special appropriation made under section 64D of the *Parliamentary Service Act 1999*.

Overview of financial performance

The PBO recorded an operating surplus of **\$0.455** million for the year ended 30 June 2020. Excluding depreciation and amortisation, the operating result attributable to the PBO was a surplus of **\$0.533** million.

We managed our financial performance and position appropriately throughout the year. The PBO's surplus result was largely attributable to the impact of COVID-19 on recruitment and interstate secondments. Variances to budget are outlined further in Note 3 in the financial statements.

In addition to ongoing departmental appropriation, the PBO has a special appropriation that can be used at the discretion of the Parliamentary Budget Officer to respond flexibly to changes in demand for our services. As at 30 June 2020, the balance of the special appropriation was **\$1.851** million.

We continue to consult with the Joint Committee of Public Accounts and Audit on PBO resourcing.

Expense impacts

Overall, total expenses decreased to **\$8.161** million (2018–19: \$8.601 million). This reduction was largely a result of the PBO's workforce contracting following augmentation to meet the increased demand associated with the 2019 general election in 2018–19.

Revenue and gains impacts

In 2019–20, the PBO’s revenue from its annual departmental appropriation increased to **\$8.258** million (2018–19: \$7.238 million). This directly related to funding augmentation received in the 2019–20 Budget for \$5.303 million over four years from 2019–20. As a result, there was no special appropriation used this financial year. Other revenue, relating to resources received free of charge, remained constant.

Financial position

As at 30 June 2020, the PBO was in a sound net worth position, reporting net assets of **\$2.102** million (2018–19: \$1.647 million). This was represented by assets of **\$5.326** million (2018–19: \$4.721 million) and liabilities of **\$3.224** million (2018–19: \$3.074 million).

The increase in assets and liabilities was primarily due to unused appropriation associated with the operating surplus, and an increase in the measurement of employee leave provisions as a result of decreases in the bond rate.

Entity resource and outcome statements

Table 5 summarises the total resources available to the PBO by funding type and the total payments made by the PBO in cash terms. The balance remaining for ordinary annual services is held for the PBO’s liabilities, predominantly employee leave entitlements. The special appropriation balance can be used to support the PBO’s operational expenses.

Table 5: Entity resource statement

	2019–20 Actual available appropriation	2019–20 Payments made	2019–20 Balance remaining
	\$'000 (a)	\$'000 (b)	\$'000 (a)–(b)
Ordinary annual services ¹	11,492	7,959	3,533
Special appropriation ²	1,851	–	1,851
Total resourcing and payments	13,343	7,959	5,384

(1) *Appropriation (Parliamentary Departments) Act (No.1) 2019–20*. This includes prior year departmental appropriation and retained revenue receipts under section 74 of the *PGPA Act 2013*.

(2) Special appropriation limited by amount [*Parliamentary Service Act 1999* section 64D].

Table 6 shows the total budgeted and actual expenses for the PBO’s outcome. The Budget amounts correspond to the information contained in the ‘Budgeted expenses for its Outcome’ table on page 11 of the PBO’s 2019–20 Portfolio Budget Statements. The actual expenses reconcile to the statement of comprehensive income in the financial statements.

Table 6: Outcome expense statement

	2019–20 Budget*	2019–20 Actual expenses	2019–20 Variation
Outcome 1	\$'000 (a)	\$'000 (b)	\$'000 (a)–(b)
Departmental expenses			
Departmental appropriation ¹	8,258	7,725	533
Special appropriation	–	–	–
Expenses not requiring appropriation in the budget year ²	432	436	(4)
Total expenses for Outcome 1	8,690	8,161	529

	2018–19	2019–20
Average staffing level (number)	45	40

* Full year budget including any subsequent adjustments made to the 2019–20 Budget.

(1) Ordinary annual services (*Appropriation (Parliamentary Departments) Act (No.1) 2019–20*) and retained revenue receipts under section 74 of the *PGPA Act 2013*.

(2) Expenses not requiring appropriation in the budget year are made up of depreciation expense and resources received free of charge.

Compliance with finance law

The PBO had no significant issues relating to non-compliance with the finance law.

Asset management

The PBO’s asset management framework includes an asset register that records all assets held by the PBO. An annual stocktake keeps records up to date and the assets are assessed each year for impairment and change in value. The PBO’s assets are comprised of office fitout and equipment.

Purchasing

Purchasing was managed in accordance with the PBO's Accountable Authority Instructions and financial procedures, which are consistent with the Commonwealth Procurement Rules. The PBO's purchasing processes focus on the core principle of value for money.

Consultants

The PBO engages consultants where specialist skills are required that are not available in-house or when independent research, review or assessment is required.

During 2019–20, six new reportable consultancy contracts were entered into, involving total expenditure of \$121,339 (inclusive of GST). There were no ongoing consultancy contracts entered into during previous periods that were active during 2019–20. Typical reasons for engaging consultancy services included a requirement for specialist or professional skills and independent research and/or assessment. Consultants were engaged in accordance with the PGPA Act, Commonwealth Procurement Rules and internal policies.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website, www.tenders.gov.au.

Procurement initiatives to support small business

The PBO supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance's website: www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/.

Procurement practices support SMEs by the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 and electronic systems to facilitate on-time payment.

Advertising and market research

The PBO did not undertake any advertising campaigns during 2019–20.

Financial statements



INDEPENDENT AUDITOR'S REPORT

To the President of the Senate and Speaker of the House of Representatives

Opinion

In my opinion, the financial statements of the Parliamentary Budget Office (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Parliamentary Budget Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Parliamentary Budget Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Parliamentary Budget Officer is also responsible for such internal control as the Parliamentary Budget Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Budget Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Parliamentary Budget Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Senior Director
Delegate of the Auditor-General

Canberra
3 September 2020

Statement by the Parliamentary Budget Officer and Chief Financial Officer

Certification of financial statements

In our opinion the following financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Parliamentary Budget Office will be able to pay its debts as and when they fall due.



Linda Ward
Acting Parliamentary Budget Officer
3 September 2020



Raquel DeCruz
Acting Chief Financial Officer
3 September 2020

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2020

	Notes	2020 \$	2019 \$	Original Budget 2020 \$
NET COST OF SERVICES				
Expenses				
Employee benefits	1.3	6,564,443	6,734,216	7,067,000
Supplier	1.4	1,518,077	1,788,156	1,537,000
Depreciation and amortisation	1.6	78,219	78,219	86,000
Total expenses		8,160,739	8,600,591	8,690,000
Own-source income				
Other revenue				
Resources received free of charge	1.5			
Accommodation		307,829	302,683	} 346,000
Auditor remuneration		50,000	50,000	
Total other revenue		357,829	352,683	346,000
Gains				
Other gains		-	33,805	-
Total gains		-	33,805	-
Total own-source income		357,829	386,488	346,000
NET COST OF SERVICES				
		7,802,910	8,214,103	8,344,000
Revenue from Government				
Departmental Appropriation	1.5	8,258,000	7,238,000	8,258,000
Special Appropriation		-	931,689	-
Total revenue from Government		8,258,000	8,169,689	8,258,000
Surplus/(deficit) attributable to the Australian Government		455,090	(44,414)	(86,000)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT		455,090	(44,414)	(86,000)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Notes	2020 \$	2019 \$	Original Budget 2020 \$
ASSETS				
Financial assets				
Cash		25,722	36,175	32,000
Receivables				
Appropriation receivable	1.5	3,507,169	2,989,612	} 2,322,000
GST receivable		3,269	3,314	
Other receivables		215,613	-	
Total financial assets		3,751,773	3,029,101	2,354,000
Non-financial assets				
Property, plant and equipment	1.6	1,528,343	1,606,562	1,513,000
Prepayments		46,138	85,543	65,000
Total non-financial assets		1,574,481	1,692,105	1,578,000
Total assets		5,326,254	4,721,206	3,932,000
LIABILITIES				
Payables				
Trade creditors		212,668	306,806	130,000
Employee payables		118,536	73,852	-
Other payables		9,116	19,248	77,000
Total payables		340,320	399,906	207,000
Provisions				
Employee leave provisions	1.2	2,883,986	2,674,440	2,206,000
Total liabilities		3,224,306	3,074,346	2,413,000
Net assets		2,101,948	1,646,860	1,519,000
EQUITY				
Asset revaluation reserve		30,263	30,263	30,000
Retained earnings		2,071,685	1,616,596	1,489,000
Total equity		2,101,948	1,646,859	1,519,000

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

as at 30 June 2020

	2020 \$	2019 \$	Original Budget 2020 \$
RETAINED EARNINGS			
Opening balance	1,616,595	1,661,009	1,575,000
Surplus/(deficit) for the period	455,090	(44,414)	(86,000)
Closing balance as at 30 June	2,071,685	1,616,595	1,489,000
ASSET REVALUATION RESERVE			
Opening balance	30,263	30,263	30,000
Revaluation adjustment	-	-	-
Closing balance as at 30 June	30,263	30,263	30,000
Total equity	2,101,948	1,646,858	1,519,000

CASH FLOW STATEMENT

for the period ended 30 June 2019

	2020 \$	2019 \$	Original Budget 2020 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations	7,556,477	6,972,783	8,225,000
Net GST received	23,883	34,083	
Non-appropriation receipts ^(a)	183,966	442,386	
Total cash received	7,764,326	7,449,252	8,225,000
Cash used			
Employees	6,334,771	6,184,363	7,034,000
Suppliers	1,440,008	1,260,471	1,191,000
Total cash used	7,774,779	7,444,834	8,225,000
Net cash from operating activities	(10,453)	4,418	-
Net (decrease) / increase in cash held	(10,453)	4,418	-
Cash at the beginning of the reporting period	36,175	31,757	32,000
Cash at the end of the reporting period	25,722	36,175	32,000

(a) Non-appropriation receipts are required to be returned to the Official Public Account. They increase the PBO's available appropriation under section 74 of the *PGPA Act 2013* and when subsequently drawn down for use by the PBO they are recorded as ordinary appropriations.

Notes to the financial statements

1 Summary of significant accounting policies

1.1 Basis of preparation of the financial report

The financial statements are general purpose, not-for-profit financial statements and are prepared in accordance with section 42 of the *Public Governance, Performance and Accountability Act 2013*, which in turn requires the statements to comply with the:

- a *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) and
- b Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention. No allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Significant accounting judgements and estimates

In the process of applying the accounting policies, the PBO has made the following judgements that have a significant impact on the amounts recorded in the financial statements.

Employee leave provisions

The Department of Finance shorthand method is used to estimate the provision for annual leave and long service leave. This method calculates the provision using current leave balances, discounted using the 10-year government bond rate. Additional costs are applied for superannuation and leave accrued while on leave, based on the percentage of leave taken while in service. In addition, the Department of Finance probability factor (based on length of service) is applied to the long service leave balances. Historical data is used to calculate the average additional cost for superannuation, and to calculate the percentage of leave taken in service.

1.3 Employee benefits

	2020 \$	2019 \$
Employee benefits		
Wages and salaries	4,801,297	4,918,722
Superannuation		
Defined benefit plans	434,608	421,796
Defined contribution plans	467,656	427,257
Leave and other entitlements	860,882	969,175
Total employee benefits	6,564,443	6,734,216

Key management personnel remuneration

The key management personnel in the PBO comprise the Parliamentary Budget Officer and the three senior executives who directly report to this position. The below table includes the remuneration for the six officers who occupied these four positions (2019: five officers, four positions).

	2020 \$	2019 \$
Key management personnel remuneration		
Short-term employee benefits	1,093,192	1,204,512
Post-employment benefits	159,209	155,283
Other long-term employee benefits	27,646	35,262
Total key management personnel remuneration	1,280,047	1,395,057
Number of KMP positions	4	4
Number of officers in KMP positions	6	5

1.4 Supplier expenses

	2020	2019
	\$	\$
Supplier expenses		
Professional services	226,851	168,705
Enhanced capability ^(a)	236,667	579,920
Corporate services outsourced	373,725	374,866
Employee related	152,313	122,845
Accommodation expenses	307,829	302,683
Travel	27,666	25,883
Software licences	108,615	117,233
Other	68,632	77,133
Workers compensation expenses	15,779	18,888
Total supplier expenses	1,518,077	1,788,156

^{a)} Enhanced capability expenses include secondments and temporary contract labour.

1.5 Revenue

	2020	2019
	\$	\$
Revenue from Government		
Annual appropriation	8,258,000	7,238,000
Section 74 PGPA Act receipts	183,966	442,386
Total appropriation	8,441,966	7,680,386
Less Appropriation applied (current and prior years)	(7,958,745)	(6,955,531)
Variance^(a)	483,221	724,855

^{a)} In 2019, the variance between appropriation provided and applied is largely due to retained funding for future leave entitlements.

Amounts appropriated for the year are recognised at their nominal amount as Revenue from Government when the PBO gains control of the appropriation.

The PBO may draw upon the following appropriations:

- 1 Annual appropriations providing for the ordinary course of business are noted below. The amount of unspent appropriations is equal to the sum of the cash and appropriation receivable balances, as at 30 June.
 - a *Appropriation (Parliamentary Departments) Act (No.1) 2018–19*
Unspent balance as at 30 June 2020: nil (2019: \$3,025,787)
 - b *Appropriation (Parliamentary Departments) Act (No.1) 2019–20*
Unspent balance as at 30 June 2020: \$3,532,891

2 A Special appropriation, of a limited amount, to provide for payments in relation to the Parliamentary Budget Officer or the Parliamentary Budget Office. Special appropriation revenue is recognised for the year when amounts are expended or to meet obligations incurred during the reporting period.

a *Parliamentary Service Act 1999*

Limited to \$6,000,000, unspent balance as at 30 June 2020: \$1,850,947
(2019: \$1,850,947)

	2020	2019
	\$	\$
Special appropriation balance		
As at 1 July	1,850,947	2,782,636
Special appropriation applied	-	(931,689)
Balance as at 30 June	1,850,947	1,850,947

Resources received free of charge

Resources received free of charge are recognised as other revenue when fair value can be reliably determined and the services would have been purchased if they had not been donated. These revenues are measured at their fair value and the use is recognised as an expense.

1.6 Property, plant and equipment

	2020
	\$
Property, plant and equipment	
As at 1 July 2019	
Gross book value	2,075,799
Accumulated depreciation	(469,237)
Total as at 1 July 2019	1,606,562
Depreciation expense	(78,219)
Total as at 30 June 2020	1,528,343
Total as at 30 June 2020 represented by:	
Gross book value	2,075,799
Accumulated depreciation	(547,456)
Total as at 30 June 2020	1,528,343

Revaluations and impairment

Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The PBO performed a valuation of property, plant and equipment assets as at 30 June 2017. As at 30 June 2020 there were no indicators of impairment.

Fair value measurement

All property, plant and equipment non-financial assets are measured at fair value using the cost approach (depreciated replacement cost). The inputs used to determine the fair value include historical actual cost information and costing guides to estimate the current replacement cost. Appropriate useful life profiles have been adopted to depreciate the replacement cost to reflect the expended life.

2 Events after the reporting period

There were no significant events following the reporting period that impact on the PBO's financial statements for the year ended 30 June 2020.

3 Budget variance

The comparison of the unaudited original budget as presented in the 2019–20 Portfolio Budget Statements to the 2019–20 final outcome as presented in accordance with Australian Accounting Standards is included in the statement of comprehensive income, the statement of financial position and the cash flow statement. The major variance detailed below is in relation to the management of resources, to ensure the performance of the PBO in achieving its mandate during the course of the year.

Major variances

The unbudgeted surplus result was driven by lower than anticipated employee expenses due to the impact of COVID-19, which precluded several secondments into the PBO and significantly exacerbated the recruitment delay to fill vacant positions. In addition, as a result of executive backfilling arrangements, there was reduced SES staffing over the second half of the financial year. The cumulative effect of these factors resulted in variances to the budget for the appropriation receivable and employee items in the statement of comprehensive income, the statement of financial position and statement of cash flows.

The 10-year government bond rate decreased during the year, which increased employee leave provisions and employee benefit expenses. This resulted in variances to the budget for the appropriation receivable and employee items in the statement of comprehensive income, the statement of financial position and statement of cash flows.

Appendices

Appendix A – Staffing statistics

The Parliamentary Budget Officer is a statutory appointment and is not an ongoing employee of the Parliamentary Budget Office. All employees are engaged under the *Parliamentary Service Act 1999*.

All employees are located at Parliament House, Canberra.

No employee identified themselves as Indigenous.

Table A1: Salary ranges for non-SES employees by classification

Classification	As at 30 June 2019	As at 30 June 2020
PEL 2	130,769 - 155,784	133,385 - 158,900
PEL 1	110,301 - 127,357	112,508 - 129,905
PSL 6	87,559 - 98,361	89,311 - 100,329
PSL 5	76,188 - 83,579	77,712 - 85,251
PSL 4	68,228 - 73,914	69,593 - 75,393

Note: Amounts exclude superannuation.

Table A2: Employee numbers (headcount)

Classification	30 June 2019		30 June 2020	
	Ongoing	Non-ongoing	Ongoing	Non-ongoing
Parliamentary Budget Officer	–	1	1 ^(a)	–
SES Band 2	2	–	2	–
SES Band 1	5	–	4	–
PEL 2	5	–	8 ^(b)	–
PEL 1	19	1	14	–
PSL 6	5	–	8	–
PSL 5	3	–	1	–
PSL 4	1	–	1	–
Secondees	–	6	–	2
Total	40	8	40	2
Full time or part time				
Full time	35	8	36	2
Part time	5	–	4	–
Total	40	8	40	2
Gender				
Female	18	5	19	2
Male	22	3	21	–
Total	40	8	40	2

a) This position is currently being filled by an ongoing SES Band 2 as Acting Parliamentary Budget Officer. The recruitment process is ongoing.

b) Number inclusive of PEL2 on secondment to another Commonwealth agency.

Note: these numbers include employees on long-term paid leave and secondment, but exclude employees on leave without pay. Secondees include employees seconded to the PBO from APS agencies, including graduates under the Parliament of Australia graduate program.

Table A3: Information about remuneration for key management personnel

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the PBO, directly or indirectly. The PBO has determined the KMP to be the Parliamentary Budget Officer and the three senior executives who directly report to this position.

Name	Position title	Term as KMP	Short-term benefits \$		Post-employment benefits \$	Other long-term benefits \$		Total remuneration \$
			Base salary	Other benefits and allowances		Superannuation contributions	Long service leave	
Jenny Wilkinson	Parliamentary Budget Officer (Accountable Authority)	Part-year ^(a)	207,285	978	17,219	5,158	230,641	
Colin Brown	First Assistant Parliamentary Budget Officer ^(b)	Full year	283,419	1,538	45,468	7,390	337,815	
Linda Ward	First Assistant Parliamentary Budget Officer ^(c)	Full year	262,882	1,538	42,103	6,928	313,451	
John Clark	First Assistant Parliamentary Budget Officer	Part-year ^(d)	63,523	438	8,852	1,475	74,287	
Kathryn Smith	First Assistant Parliamentary Budget Officer	Part-year ^(e)	51,990	385	6,939	1,207	60,520	
Karen Williams	Assistant Parliamentary Budget Officer	Full year	217,678	1,538	38,629	5,488	263,333	
Total (totals may not sum due to rounding)			1,086,776	6,416	159,209	27,646	1,280,047	

a) Parliamentary Budget Officer (Accountable Authority) from 1 July 2019 to 27 January 2020.

b) Acting Parliamentary Budget Officer (Accountable Authority) from 13 January 2020 to 2 February 2020.

c) Acting Parliamentary Budget Officer (Accountable Authority) from 25 December 2019 to 12 January 2020 and 3 February 2020 to 30 June 2020.

d) Acting First Assistant Parliamentary Budget Officer during February, April and June 2020.

e) Acting First Assistant Parliamentary Budget Officer during January, March and May 2020.

Table A4: Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits \$		Post-employment benefits \$	Other long-term benefits \$		Average total remuneration \$
		Average base salary	Average other benefits and allowances		Average superannuation contributions	Average long service leave	
\$0 – \$220,000	3	155,192	1,264	25,925	4,021	186,401	
\$220,001 – \$245,000	1	205,857	1,538	33,910	5,088	246,393	

The PBO had no other highly paid staff above the remuneration threshold amount of \$220,000.

Appendix B – Other statistics

Table B1: Costing and budget analysis requests from parliamentarians and parliamentary parties by year

	2015–16	2016–17	2017–18	2018–19	2019–20
Requests outstanding at start of period	138	20	180	586	20
Requests received in period	4,146	2,572	2,218	3,014*	333
Requests withdrawn in period	1,013	524	252	610	33
Requests completed in period	3,251	1,888	1,560	2,970*	279
Average time to completion (business days)	19	20	20	18	27
Median time to completion (business days)	16	12	15	12	25
Requests outstanding at end of period	20	180	586	20	41

* includes 427 costings prepared for the purpose of the election commitment report

Note: The table identifies the number of 'options' contained in requests completed by the PBO, noting that a single request can contain multiple options.

Table B2: Information requests to Commonwealth agencies by year

	2015–16	2016–17	2017–18	2018–19	2019–20
Requests outstanding at start of period	3	1	16	11	1
Requests sent in period	743	523	424	539	178
Responses received in period	745	508	429	549	175
Responses received by due date	695	499	425	540	174
Responses received after due date	50	9	4	8	1
Percentage received on time	93	98	99	99	99
Average time taken to respond (business days)	7	8	9	7	12
Average punctuality (business days late)	-1	-2	-1	-3	-2
Requests outstanding at end of period	1	16	11	2	4

Table B3: Information request responsiveness by Commonwealth agencies—2019–20 ^(a)

Department/Agency	Responses received in period	Average time taken to respond (business days)	Responses received after due date	Per cent late
Australian Bureau of Statistics	1	7	-	-
Australian Taxation Office	26	10	-	-
Department of Agriculture, Water and the Environment	1	6	-	-
Department of Agriculture and Water Resources	1	11	-	-
Department of Defence	1	32	-	-
Department of Education and Training	8	11	-	-
Department of Education, Skills and Employment	2	12	1	50%
Department of Employment, Skills, Small and Family Business	5	10	-	-
Department of Finance	23	10	-	-
Department of Health	11	10	-	-
Department of Home Affairs	10	18	-	-
Department of Industry, Innovation and Science	1	3	-	-
Department of Infrastructure, Regional Development and Cities	4	14	-	-
Department of Infrastructure, Transport, Regional Development and Communications	2	10	-	-
Department of Social Services	28	18	-	-
Department of the Environment and Energy	4	14	-	-
Department of the Treasury	30	10	-	-
Department of Veterans' Affairs	13	14	-	-
Services Australia	4	12	-	-
Total	175	12	1	1%

a) Some are part year results due to Machinery of Government changes.

Appendix C – List of requirements

Paragraph 17AJ(d) of the PGPA Rule requires the following list of requirements to be included in the annual report as an aid of access.

Table C1: List of requirements

PGPA Rule Reference	Page no	Description	Requirement
17AD(g) Letter of transmittal			
17AI	iii	A copy of the letter of transmittal signed and dated by accountable authority on the date final text approved, with a statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h) Aids to access			
17AJ(a)	v	Table of contents.	Mandatory
17AJ(b)	67	Alphabetical index.	Mandatory
17AJ(c)	66	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	59	List of requirements.	Mandatory
17AJ(e)	ii	Details of contact officer.	Mandatory
17AJ(f)	ii	Entity's website address.	Mandatory
17AJ(g)	ii	Electronic address of report.	Mandatory
17AD(a) Review by accountable authority			
17AD(a)	1	A review by the accountable authority of the entity.	Mandatory
17AD(b) Overview of the entity			
17AE(1)(a)(i)	3	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	4	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	3	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	3	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	55	Name of the accountable authority or each member of the accountable authority.	Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AE(1)(aa)(ii)	55	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	55	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	na	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory
17AE(2)	na	Where the outcomes and programmes administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c) Report on the performance of the entity			
<i>Annual performance Statements</i>			
17AD(c)(i); 16F	7	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii) Report on financial performance			
17AF(1)(a)	37	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	38	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	na	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
17AD(d) Management and accountability			
<i>Corporate governance</i>			
17AG(2)(a)	iii, 30	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	iii, 30	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AG(2)(b)(ii)	iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	iii, 30	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	27	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	39	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance.	If applicable, Mandatory

Audit Committee

17AG(2A)(a)	29	A direct electronic address of the charter determining the functions of the audit committee for the entity.	Mandatory
17AG(2A)(b)	28	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	28	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	28	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	28	The remuneration of each member of the entity's audit committee.	Mandatory

External scrutiny

17AG(3)	30	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	na	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	30	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	na	Information on any capability reviews on the entity that was released during the period.	If applicable, Mandatory

PGPA Rule Reference	Page no	Description	Requirement
<i>Management of human resources</i>			
17AG(4)(a)	31	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	54	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> • Statistics on full time employees • Statistics on part time employees • Statistics on gender • Statistics on staff location 	Mandatory
17AG(4)(b)	na	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing classification level • Statistics on full time employees • Statistics on part time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous. 	Mandatory
17AG(4)(c)	33	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Parliamentary Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	33	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	53	The salary ranges available for parliamentary service employees by classification level.	Mandatory
17AG(4)(c)(iii)	33	A description of non salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	na	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	na	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	na	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	na	Information on aggregate amount of performance payments.	If applicable, Mandatory

PGPA Rule Reference	Page no	Description	Requirement
Assets management			
17AG(5)	39	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
Purchasing			
17AG(6)	40	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	40	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	40	A statement that " <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]</i> ".	Mandatory
17AG(7)(c)	40	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	40	A statement that " <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts and is available on the AusTender website.</i> "	Mandatory
Australian National Audit Office access clauses			
17AG(8)	na	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory

PGPA Rule Reference	Page no	Description	Requirement
Exempt contracts			
17AG(9)	na	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
Small business			
17AG(10)(a)	40	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	40	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	na	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory
Financial statements			
17AD(e)	41	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive remuneration			
17AD(da)	55	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f) Other Mandatory Information			
17AH(1)(a)(i)	na	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory

PGPA Rule Reference	Page no	Description	Requirement
17AH(1)(a)(ii)	40	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	na	A statement that " <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].</i> "	If applicable, Mandatory
17AH(1)(c)	35	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	35	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	na	Correction of material errors in previous annual report.	If applicable, Mandatory
17AH(2)	33, 35	Information required by other legislation.	Mandatory

Glossary

budget analysis	Budget analysis is analysis that the PBO can be asked to provide about the budget. This may include: information about the amount of money allocated to particular programs; details of the profile of spending on particular programs; or details of the different sub-components of expenditure or revenue associated with a particular program.
election commitment	In relation to a general election, this means a policy that a parliamentary party has publicly announced it intends to seek to have implemented after the election, as defined in section 7 of the <i>Parliamentary Service Act 1999</i> .
policy costing	Policy costings are the PBO's estimate of the financial impact on the Commonwealth Budget of a policy proposal.

Abbreviations and acronyms

APS	Australian Public Service
DPS	Department of Parliamentary Services
ICT	Information and Communication Technology
JCPAA	Joint Committee of Public Accounts and Audit
OECD	Organisation for Economic Co-operation and Development
PBO	Parliamentary Budget Office
PEL	Parliamentary Executive Level
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PSL	Parliamentary Service Level
RAP	Reconciliation Action Plan
SES	Senior Executive Service
SME	Small and medium enterprises

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