



Budget

2023–24

PORTFOLIO BUDGET STATEMENTS 2023–24
BUDGET RELATED PAPER NO. 1.16D

PARLIAMENTARY BUDGET OFFICE

Budget Initiatives and Explanations of Appropriations
Specified by Outcomes and Programs by Entity

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Parliamentary
Budget Office

Stein Helgeby
Parliamentary Budget Officer

Senator the Hon. Sue Lines
President of the Senate
Parliament House
CANBERRA ACT 2600

The Hon. Mr Dick MP
Speaker of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Ms President and Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2023–24 Budget for the Parliamentary Budget Office.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Stein Helgeby

2 May 2023

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact the PBO's Chief Financial Officer on (02) 6277 9522 or via corporate@pbo.gov.au.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**User Guide
To The
Portfolio Budget Statements**

User guide

The purpose of the *2023-24 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

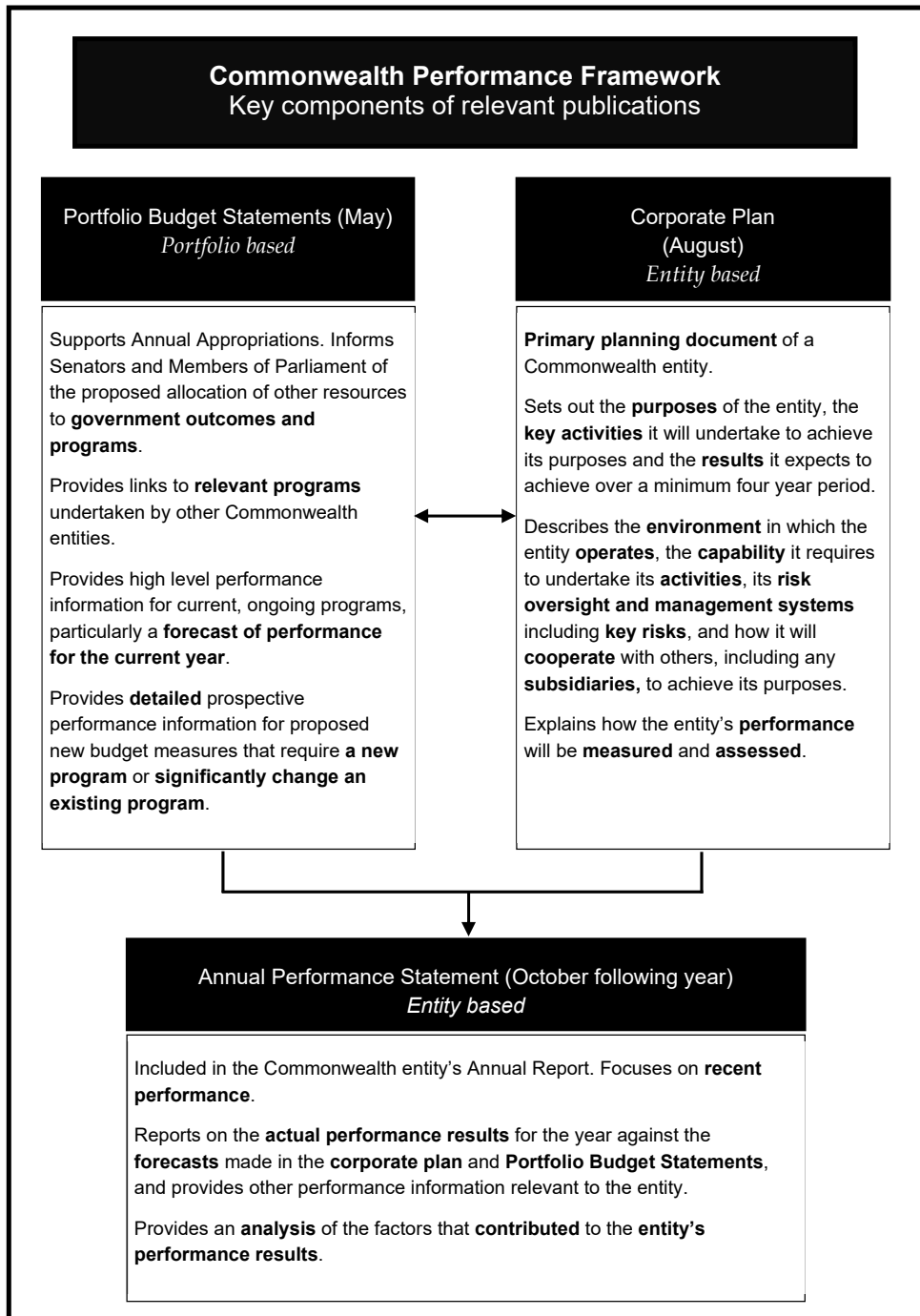
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2023-24 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2023-24 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth Performance Framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.



Department Overview

Parliamentary Budget Office overview

Department responsibilities

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

The Parliamentary Budget Officer, under the Presiding Officers, is responsible for leading and managing the PBO.

As set out in the *Parliamentary Service Act 1999*, the Parliamentary Budget Officer has the following functions:

- outside the caretaker period for a general election, to prepare policy costings and undertake budget analysis on request by Senators and Members, with the requests and the PBO's responses to be kept confidential if so directed by the requestor
- during the caretaker period for a general election, to prepare costings of publicly announced policies on request by authorised members of parliamentary parties or independent parliamentarians, with the requests and the PBO's responses to be made public
- to prepare submissions to inquiries of parliamentary committees, on request by such committees, with the requests and the PBO's response to be made public
- after a general election, to prepare a report that analyses and summarises the budget impacts of the election commitments of designated parliamentary parties
- to conduct and publish research on the budget and fiscal policy issues.

Entity resources and planned performance

Parliamentary Budget Office

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Parliamentary Budget Office

Section 1: Entity overview and resources

1.1 Strategic direction statement

The purpose of the Parliamentary Budget Office (PBO) is to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy, and the financial implications of proposals. Our vision of enriching Australia's democracy through independent budget and fiscal analysis drives everything we do.

Our work includes supporting the Parliament by providing non-partisan analysis and information that is factual and evidence based. We also publish self-initiated research and information papers on the budget, to improve public understanding of fiscal policy and budget policy issues, and to enhance transparency around the financial implications of election commitments.

The PBO is a trusted partner that acts with integrity, transparency, discretion, and mutual respect. We strive for excellence by continuously improving and innovating to provide high-quality, useful and timely information, tailored to the needs of our clients.

To support the 2023-24 Portfolio Budget Statements (PB Statements) and in accordance with section 64Q of the *Parliamentary Service Act 1999*, the Parliamentary Budget Officer, in consultation with the Joint Committee of Public Accounts and Audit, will prepare a work plan for the PBO setting out:

- the priorities for the PBO for the 2023-24 financial year
- protocols for the allocation of the resources for the PBO during the financial year

This information will be incorporated into the PBO's 2023-24 Corporate Plan, to be released before 31 August 2023.

Ahead of the release of the 2023-24 Corporate Plan, section 2 of the 2023-24 PB Statements provides detail on the PBO's outcome and planned performance.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources. The table summarises how resources will be applied to the PBO.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses for its Outcome' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: PBO resource statement — Budget estimates for 2023-24 as at Budget May 2023

	<i>2022-23 Estimated actual \$'000</i>	<i>2023-24 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	4,654	4,654
Departmental appropriation	8,823	9,137
Total departmental annual appropriations	13,477	13,791
Total departmental resourcing	13,477	13,791
	<i>2022-23</i>	<i>2023-24</i>
Average staffing level (number)	44	44

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

(a) Appropriation (Parliamentary Departments) Bill (No. 1).

Section 2: Outcomes and planned performance

The Parliamentary Budget Office (PBO) outcome is described in section 2.1, specifying the performance indicators and targets used to assess and monitor the performance of the PBO. This performance information will be further detailed in the PBO's 2023-24 Corporate Plan.

The outcome described at section 2.1 provides detailed information on expenses broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for PBO can be found at:

https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Budget_Office/About_the_PBO/Corporate_information/Corporate_plans/Corporate_plan_2022-23

The most recent annual performance statement can be found at:

https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Budget_Office/About_the_PBO/Corporate_information/Annual_reports/Annual_Report_2021-22

2.1 Budgeted expenses and performance

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

Budgeted expenses for Outcome 1

This table shows how much the PBO intends to spend (on an accrual basis) on achieving its outcome, broken down by funding sources.

Table 2.1.1: Budgeted expenses for its Outcome

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1: PBO - Departmental - Outcome 1					
Departmental expenses					
Departmental appropriation	8,823	9,137	9,895	9,491	9,593
Expenses not requiring appropriation in the Budget year (a)	469	476	476	476	476
Departmental total	9,292	9,613	10,371	9,967	10,069
Total expenses for Outcome 1	9,292	9,613	10,371	9,967	10,069
	2022-23	2023-24			
Average staffing level (number)	44	44			

a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and resources received free of charge (office accommodation and audit fees).

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2 below details the performance measures for the PBO program associated with its Outcome.

Table 2.1.2: Performance measures for its Outcome

Outcome – Inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implication of proposals.		
Program 1.1 – Parliamentary Budget Office 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.		
Key Activities	The PBO's outcome is delivered under a single program. Key activities reported in the 2022-23 Corporate Plan that relate to this program include: <ul style="list-style-type: none"> • Prepare high quality policy costings and budget analysis on request from parliamentarians on a confidential basis, and in a timely manner. • Undertake self-initiated research of fiscal and budget policy issues and publish this analysis. • Prepare and publish a report of election commitments after each general election. • Proactive engagement with the parliamentarians, other agencies and key stakeholders. 	
Year	Performance measures	Expected Performance Results
Current Year 2022-23	Number of policy costing and budget analysis requests completed.	Target: Equal to or greater than historical levels in the election cycle. Expected to be achieved.
	Number of PBO research products	Target: 5 major reports 4 occasional reports Expected to be achieved for major reports. Achieved and exceeded for occasional reports.
	Percentage of major reports published at the time specified by our schedule (reports related to the budget).	Target: 100% Expected to be achieved.
	Publication of the election commitments report within the legislated timeframe.	Target: Less than 30 days after the end of the caretaker period or 7 days before the first sitting day of parliament. Achieved. The 2022 Election commitments report was published by the legislated date.
	Median time to complete policy costing and budget analysis requests.	Target: Fewer than 15 business days (non-caretaker). Expected to be substantially achieved.
	Percentage of publicly released costings referenced in the public debate.	Target: 100% of publicly released costings are referenced in the public debate Expected to be substantially achieved.

Year	Performance measures	Expected Performance Results
Current Year 2022-23 (continued)	Demand for PBO research products.	Target: 220 total mentions (annual total) 100% of all major research reports are mentioned by a major news outlet. Expected not to be achieved. Expected to be substantially achieved.
	Demand for the election commitments report.	Target: 90% of mentions are positive or neutral. Expected to be achieved.
	Proportion of pre-election PBO costings that have informed election commitments (election commitments report-specific).	Target: 60% Achieved. For the 2022 election, in aggregate, 64% of election commitments submitted by parties prior to polling day were informed by PBO costings.
	Satisfaction and/or perception of stakeholders.	Target: 90% of mentions are positive or neutral. 85% of feedback is positive or neutral (customer service quality). 85% of feedback is positive or neutral (output). Expected to be achieved. Expected to be achieved. Expected to be achieved.
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	Number of policy costing and budget analysis requests completed.	The number of requests completed is equal to or greater than historical levels in the election cycle.
	<i>Number of PBO publications.</i>	5 'major' publications are published.
		5 'occasional' publications are published.
	Percentage of 'major' publications published at the time specified by our schedule (publications related to the budget).	100% of 'major' publications are published on time.
	Median time to complete policy costing and budget analysis requests.	The median time taken to complete costings is fewer than 15 business days (non-caretaker).
	Percentage of publicly released costings referenced in the public debate.	100% of publicly released costings are referenced by media sources.
	<i>Demand for PBO publications.</i>	<i>Number of total media mentions are maintained or increased compared to the previous year.</i>
		100% of all major publications are reported on by a major news outlet.
Satisfaction and/or perception of stakeholders.	90% of media mentions in relation to costings, publications and the PBO function are positive or neutral.	

Year	Performance measures	Planned Performance Results
Budget Year 2023-24 (continued)		85% of feedback from stakeholders (including parliamentarians) in relation to customer service quality is positive or neutral.
		85% of feedback from stakeholders (including parliamentarians) in relation to the quality of the PBO's outputs is positive or neutral.
Forward Estimates 2024-27	As per 2023-24, noting that different measures and targets may apply in election years.	As per 2023-24, noting that different measures and targets may apply in election years.

Note: For the performance measures and targets for the Budget year (2023-24) the terms 'research reports' and 'research products' have been replaced with 'publications' to reflect the PBO's current and future data and modelling focused outputs. This change will be reflected in the 2023-24 Corporate Plan. The target for the performance measure: 'Demand for PBO publications' has been modified (noted in italics) and will be reflected in the 2023-24 Corporate Plan. Additionally, the target for the performance measure: 'Number of PBO publications' has been modified (from 4 to 5 'occasional publications' – noted in italics) and will be reflected in the 2023-24 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The PBO does not have any material differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted comprehensive income statement

Under the net cash appropriation framework, the PBO receives an appropriation to meet budgeted expenses (except depreciation). This appropriation is recognised as revenue.

The PBO received a special appropriation at the time of its establishment. The special appropriation is recognised as revenue in the year the funds are spent. The associated expense is recognised in the comprehensive income statement except where the PBO has purchased assets, which are recognised in the balance sheet.

The increase in Revenue from Government in 2024-25 reflects a triennial increase in the PBO's departmental appropriation, enabling the PBO to respond to increased demand for services in line with the general election cycle.

The PBO's budgeted operating loss in 2023–24 and across the forward estimates is entirely attributable to depreciation.

The PBO has sufficient cash reserves to fund provisions and payables as they fall due across the forward estimates period.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	7,401	7,753	7,936	7,921	8,025
Suppliers	1,800	1,769	2,344	1,955	1,953
Depreciation and amortisation (a)	91	91	91	91	91
Total expenses	9,292	9,613	10,371	9,967	10,069
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	378	385	385	385	385
Total own-source revenue	378	385	385	385	385
Total own-source income	378	385	385	385	385
Net (cost of)/contribution by services	(8,914)	(9,228)	(9,986)	(9,582)	(9,684)
Revenue from Government	8,823	9,137	9,895	9,491	9,593
Surplus/(deficit) attributable to the Australian Government	(91)	(91)	(91)	(91)	(91)
Total comprehensive income/(loss) attributable to the Australian Government	(91)	(91)	(91)	(91)	(91)

Prepared on Australian Accounting Standards basis.

- a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	27	27	27	27	27
Trade and other receivables	4,618	4,618	4,618	4,618	4,618
Total financial assets	4,645	4,645	4,645	4,645	4,645
Non-financial assets					
Property, plant and equipment	1,240	1,149	1,058	967	876
Other non-financial assets	46	46	46	46	46
Total non-financial assets	1,286	1,195	1,104	1,013	922
Total assets	5,931	5,840	5,749	5,658	5,567
LIABILITIES					
Payables					
Suppliers	406	406	406	406	406
Other payables	189	189	189	189	189
Total payables	595	595	595	595	595
Provisions					
Employee provisions	2,523	2,523	2,523	2,523	2,523
Total provisions	2,523	2,523	2,523	2,523	2,523
Total liabilities	3,118	3,118	3,118	3,118	3,118
Net assets	2,813	2,722	2,631	2,540	2,449
EQUITY*					
Reserves	3	3	3	3	3
Retained surplus (accumulated deficit)	2,810	2,719	2,628	2,537	2,446
Total equity	2,813	2,722	2,631	2,540	2,449

Prepared on Australian Accounting Standards basis.

*'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2023-24)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Opening balance as at 1 July 2023			
Balance carried forward from previous period	2,810	3	2,813
Adjusted opening balance	2,810	3	2,813
Comprehensive income			
Surplus/(deficit) for the period	(91)	-	(91)
Total comprehensive income	(91)	-	(91)
of which:			
Attributable to the Australian Government	2,719	3	2,722
Estimated closing balance as at 30 June 2024	2,719	3	2,722
Closing balance attributable to the Australian Government	2,719	3	2,722

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	8,823	9,137	9,895	9,491	9,593
Total cash received	8,823	9,137	9,895	9,491	9,593
Cash used					
Employees	7,401	7,753	7,936	7,921	8,025
Suppliers	1,422	1,384	1,959	1,570	1,568
Total cash used	8,823	9,137	9,895	9,491	9,593
Net cash from/(used by) operating activities	-	-	-	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	27	27	27	27	27
Cash and cash equivalents at the end of the reporting period	27	27	27	27	27

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

The PBO does not have any planned capital expenditure over the forward estimates.

Table 3.6: Statement of departmental asset movements (Budget year 2023-24)

	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2023		
Gross book value	1,429	1,429
Accumulated depreciation/ amortisation and impairment	(189)	(189)
Opening net book balance	1,240	1,240
Other movements		
Depreciation/amortisation expense	(91)	(91)
Total other movements	(91)	(91)
As at 30 June 2024		
Gross book value	1,429	1,429
Accumulated depreciation/ amortisation and impairment	(280)	(280)
Closing net book balance	1,149	1,149

Prepared on Australian Accounting Standards basis.