



New South Wales

Parliamentary Budget Officer Amendment Bill 2013

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

This Bill amends the *Parliamentary Budget Officer Act 2010* (*the Principal Act*) to give effect to the Government's response to an inquiry into the Parliamentary Budget Office by the Joint Select Committee on the Parliamentary Budget Office (December 2011) (*the Parliamentary Inquiry*).

In particular, the Bill:

- (a) limits the function of the Parliamentary Budget Officer to the preparation of costings of general election promises of the Premier and Leader of the Opposition, and removes functions of costing the election promises of other parties or members and of providing technical analysis, advice and briefings to members on budget and economic matters, and
- (b) limits the appointment of the Parliamentary Budget Officer to a period before and after a State general election during which election costings and reports are to be made, and
- (c) requires the Premier and the Leader of the Opposition to request the Parliamentary Budget Officer to prepare election policy costings for all

- general election promises that are likely to impact on the current and relevant forward budget estimates, and
- (d) authorises the Parliamentary Budget Officer to publicly release more than one budget impact statement prior to the State general election, and
 - (e) clarifies that a budget impact statement of all the costed policies of the Premier and Leader of the Opposition must show the budgetary impact of all costed policies on a specified core set of financial indicators, and
 - (f) makes a number of other amendments in relation to the reporting and parliamentary review arrangements of the Parliamentary Budget Officer.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Schedule 1 Amendment of Parliamentary Budget Officer Act 2010 No 83

Amendment relating to recommendation 1 of Parliamentary Inquiry

Schedule 1 [14] gives effect to the recommendation that parliamentary leaders be required to submit all of their publicly announced election promises (that are likely to impact on the budget estimates) for costing by the Parliamentary Budget Officer. A parliamentary leader will be required to advise the Parliamentary Budget Officer in writing on the fifth last day before the election that all those promises have been submitted.

Amendments relating to recommendation 2 of Parliamentary Inquiry

Schedule 1 [4] and [5] give effect to the recommendation that the Parliamentary Budget Officer be appointed before each State general election (commencing 1 September before a general election due in March of the following year). The appointment will end within 3 months after the general election. Currently the Parliamentary Budget Officer is appointed for a period of between 4 and 9 years. **Schedule 1 [6] and [7]** make consequential amendments.

Amendments relating to recommendation 3 of Parliamentary Inquiry

Schedule 1 [8] gives effect to the recommendation that the sole function of the Parliamentary Budget Officer is to be the preparation of election policy costings. The proposed Act limits costings to the election policies of the Premier and the Leader of the Opposition and removes the following functions:

- (a) the preparation of costings of proposed policies of any member of Parliament at the request of the member at any time during the year,

- (b) providing to members of Parliament analysis, advice and briefings of a technical nature on financial, fiscal and economic matters (including in relation to costings of proposals included in the State budget).

Schedule 1 [1], [3], [11], [12] and [13] make consequential amendments.

Amendment relating to recommendation 4 of Parliamentary Inquiry

Schedule 1 [9] gives effect to the recommendation that the operational plan of the Parliamentary Budget Officer be prepared as soon as practicable after the appointment of the Parliamentary Budget Officer before a State general election (instead of after each State general election).

Amendments relating to recommendations 5 and 6 of Parliamentary Inquiry

Schedule 1 [10] gives effect to the recommendation that the Parliamentary Budget Officer furnish a report to the relevant parliamentary committee on his or her activities after the general election instead of furnishing an annual report.

Schedule 1 [10] also designates the Public Accounts Committee of the Legislative Assembly as the parliamentary committee that is to monitor and report on the activities of the Parliamentary Budget Officer. Currently, the Parliamentary Budget Officer reports to a committee of the Legislative Assembly and a separate committee of the Legislative Council.

Amendment relating to recommendation 7 of Parliamentary Inquiry

Schedule 1 [20] gives effect to the recommendation that the Parliamentary Budget Officer be permitted to release more than one budget impact statement during the pre-election period. Currently, the Parliamentary Budget Officer may only publicly release a single budget impact statement 5 days before the State general election. The Parliamentary Budget Officer is authorised by the amendment to publicly release revisions of a final budget impact statement following further costings of policies under the Principal Act after the public release of the statement.

Amendments relating to recommendation 8 of Parliamentary Inquiry

Schedule 1 [17] and [18] give effect to the recommendation that the content of budget impact statements be clarified. The amendment requires the Parliamentary Budget Officer to show the budgetary impact of all costed policies on the following financial indicators:

- (a) general government sector net operating result,
- (b) general government sector capital expenditure,
- (c) general government sector net lending/borrowing,
- (d) general government sector net financial liabilities,
- (e) total state sector net financial liabilities.

Other amendments

Schedule 1 [2] provides that State general elections for which election policy costings are required do not include any general election held following a no-confidence motion and dissolution of the Legislative Assembly before the end of the 4-year term of Parliament.

Schedule 1 [15] and [16] provide that election policy costings cannot be requested until the operational plan of the Parliamentary Budget Officer has been approved by the Presiding Officers and tabled in Parliament.

Schedule 1 [19] removes some spent editorial notes.

Schedule 1 [21] authorises the making of regulations of a savings and transitional nature consequent on the enactment of the proposed Act or of any other Act that amends the Principal Act.

First print



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Parliamentary Budget Officer Amendment Bill 2013

No. , 2013

A Bill for

An Act to amend the *Parliamentary Budget Officer Act 2010* to revise the role of the Parliamentary Budget Officer and to make further provision with respect to the costing of election promises.

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>Parliamentary Budget Officer Amendment Act 2013</i> .	3
2 Commencement	4
This Act commences on the date of assent to this Act.	5

Schedule 1	Amendment of Parliamentary Budget Officer Act 2010 No 83	1
		2
[1] Section 3 Definitions		3
	Omit the definition of <i>parliamentary leader</i> from section 3 (1). Insert instead:	4
	<i>parliamentary leader</i> means either of the following:	5
	(a) the Premier,	6
	(b) the Leader of the Opposition.	7
[2] Section 3 (1)		8
	Insert in alphabetical order:	9
	<i>State general election</i> does not include a State general election held following the dissolution of the Legislative Assembly, unless the election is to be held after the due date for the election following the expiry of the Legislative Assembly or within 1 month before that due date.	10
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[3] Section 3 (2)		15
	Omit the subsection.	16
[4] Section 6 Appointment of Parliamentary Budget Officer		17
	Omit section 6 (1). Insert instead:	18
	(1) The Presiding Officers are to appoint a person as Parliamentary Budget Officer for each State general election. Each appointment is to take effect on or as soon as practicable after 1 September immediately before the general election is due to be held.	19
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[5] Section 7		23
	Omit the section. Insert instead:	24
	7 Term of office of Parliamentary Budget Officer	25
	(1) The Parliamentary Budget Officer holds office for the period that is specified in his or her instrument of appointment. The period cannot extend for more than 3 months after the holding of the State general election for which the appointment was made.	26
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	(2) A person appointed as Parliamentary Budget Officer for a State general election may be re-appointed for a subsequent State general election.	30
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[6] Section 9 Vacancy in office of Parliamentary Budget Officer	1
Omit “and is not re-appointed” from section 9 (1) (b).	2
[7] Section 9 (3)	3
Omit the subsection. Insert instead:	4
(3) If the office of the Parliamentary Budget Officer becomes vacant before the Officer’s duties with respect to the State general election for which he or she was appointed have been completed, the Presiding Officers are to appoint a person to fill the vacancy for the balance of the predecessor’s term of office.	5 6 7 8 9
[8] Section 13 Functions relating to advice etc to members of Parliament	10
Omit the section.	11
[9] Section 14 Operational plan	12
Omit “commencement of this Part and after each State general election” from section 14 (2).	13 14
Insert instead “appointment of the Parliamentary Budget Officer”.	15
[10] Section 15	16
Omit the section. Insert instead:	17
15 Role of Public Accounts Committee	18
(1) The Public Accounts Committee of the Legislative Assembly may monitor and review the operations of the Parliamentary Budget Officer appointed for a State general election and report to Parliament on any matter relating to that Officer.	19 20 21 22
(2) The Parliamentary Budget Officer is to provide to the Public Accounts Committee a copy of the operational plan of the Parliamentary Budget Officer as soon as practicable after it is approved by the Presiding Officers.	23 24 25 26
(3) The Parliamentary Budget Officer is required to furnish a report to the Public Accounts Committee as soon as practicable after the holding of the State general election for which he or she was appointed. The report may include recommendations on operational arrangements and activities of the Parliamentary Budget Officer in respect of future general elections.	27 28 29 30 31 32
[11] Section 16 Parliamentary Budget Officer to have access to Government agencies	33 34
Omit “or other” from section 16 (1).	35

[12] Section 17 Confidentiality of information or documents relating to election policy costings	1 2
Omit section 17 (1) (b) and (2) (b).	3
[13] Section 17 (3) (c)	4
Omit “or other”.	5
[14] Section 18 Request for election policy costings by parliamentary leaders	6
Insert before section 18 (1):	7
(1A) A parliamentary leader has the following obligations:	8
(a) a parliamentary leader is to have costed under this Part all the policies of the leader’s party that are proposed to be implemented if the party is elected to Government at the next State general election and that are likely to impact on the current and relevant forward budget estimates,	9 10 11 12 13
(b) a parliamentary leader is to advise the Parliamentary Budget Officer in writing on the fifth last day before the State general election is due to be held that all such policies of the leader’s party have been notified to the Parliamentary Budget Officer.	14 15 16 17 18
This subsection does not place an obligation on a parliamentary leader that is enforceable in a court or tribunal.	19 20
[15] Section 19	21
Omit the section. Insert instead:	22
19 When election policy costings to be requested	23
(1) Election costing requests are to be made by a parliamentary leader after the operational plan prepared by the Parliamentary Budget Officer under section 14 has been approved by the Presiding Officers and tabled in each House of Parliament. The requests are to be made in sufficient time before the State general election to enable the parliamentary leader to comply with section 18 (1A).	24 25 26 27 28 29 30
(2) For the purposes of subsection (1), an operational plan that is approved by the Presiding Officers during a period when a House of Parliament is not sitting is taken to have been tabled if it has been provided to the Public Accounts Committee under section 15 (2).	31 32 33 34 35

Parliamentary Budget Officer Amendment Bill 2013

Schedule 1 Amendment of Parliamentary Budget Officer Act 2010 No 83

[16] Section 23 Budget impact statements for all costed policies	1
Omit “, during the pre-election period,” from section 23 (1).	2
[17] Section 23 (2)	3
Omit “The budget impact statement is also to show the impact of all the costed policies on the State’s net financial liabilities.”.	4 5
[18] Section 23 (2A)	6
Insert after section 23 (2):	7
(2A) The budget impact statement is also to show the impact of all the costed policies on the following financial indicators:	8 9
(a) general government sector net operating result, being the difference between expenses and revenues from transactions for the general government sector,	10 11 12
(b) general government sector capital expenditure,	13
(c) general government sector net lending/borrowing, being the financing requirement for the general government sector that equals transactions in financial assets less transactions in liabilities,	14 15 16 17
(d) general government sector net financial liabilities, being the financial obligations of the general government sector (including debt, unfunded superannuation liabilities, insurance liabilities and employee related liabilities) less its financial assets (including cash and investments),	18 19 20 21 22
(e) total state sector net financial liabilities.	23
[19] Section 23 (3) and (5)	24
Omit the notes to the subsections.	25
[20] Section 23 (7)	26
Insert after section 23 (6):	27
(7) The Parliamentary Budget Officer may publicly release revisions to a final budget impact statement following further costings of policies under this Part after the public release of the statement.	28 29 30

[21] Section 29 Regulations

Omit section 29 (2). Insert instead:

- (2) The regulations may contain provisions of a savings or transitional nature consequent on the enactment of this Act or any Act that amends this Act.

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