

Explanatory note

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

Overview of Bill

The object of this Bill is to establish the Parliamentary Budget Officer as an independent officer of Parliament with the following functions:

- (a) preparing costings of election policies for parliamentary leaders and Independent members (including a budget impact statement for all their policies) in the period prior to a State general election,
- (b) preparing costings of proposed policies of members of Parliament at the request of the member at any time during the year,
- (c) providing to members of Parliament analysis, advice and briefings of a technical nature on financial, fiscal and economic matters (including in relation to the costing of proposals included in the State budget).

The Parliamentary Budget Officer will be appointed jointly by the President of the Legislative Council and the Speaker of the Legislative Assembly (the **Presiding Officers**). Parliamentary staff employed by the Presiding Officers to assist the Parliamentary Budget Officer to exercise his or her functions will comprise the Parliamentary Budget Office.

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The Bill also repeals the *Charter of Budget Honesty (Election Promises Costing) Act 2006* as a result of the inclusion in Part 4 of the proposed Act of the provisions relating to costing of election promises.

Outline of provisions

Part 1 Preliminary

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. The provisions relating to the establishment of the Parliamentary Budget Officer commence on assent but the provisions relating to election and other costings do not commence until 25 January 2011.

Clause 3 defines certain words and expressions used in the proposed Act.

A **parliamentary leader** means any of the following:

- (a) the Premier,
- (b) the Leader of the Opposition,
- (c) a member of Parliament who is the recognised parliamentary leader of a registered party (other than a party, and any coalition party, whose parliamentary leader is the Premier or the Leader of the Opposition),
- (d) a member of Parliament who is not an endorsed candidate of any registered party.

Clause 4 provides that the Presiding Officers are to act and decide matters jointly for the purposes of the proposed Act. If the Presiding Officers are from the same registered party (or registered parties that are coalition parties), they must act and decide matters jointly with a deputy Presiding Officer who is from a different registered party.

Part 2 Parliamentary Budget Officer

Clause 5 establishes the position of Parliamentary Budget Officer as an independent officer of Parliament.

Clause 6 provides for the appointment of the Parliamentary Budget Officer by the Presiding Officers. The person is to be selected from a list of at least 2 persons recommended by a panel comprising the Ombudsman, the Information Commissioner and the Chairperson of the Independent Pricing and Regulatory Tribunal.

Clause 7 provides that the Parliamentary Budget Officer is to hold office for a period

of not less than 4 years and not greater than 9 years. A person can be re-appointed but cannot hold the office for a total period of more than 9 years. The first person appointed as the Parliamentary Budget Officer is to be appointed for a period of 9 years and is not eligible for re-appointment.

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Clause 8 enables the Presiding Officers to appoint an acting Parliamentary Budget Officer during the absence, or a vacancy in the office, of the Parliamentary Budget Officer.

Clause 9 sets out the circumstances in which the office of the Parliamentary Budget Officer becomes vacant. The Parliamentary Budget Officer cannot be removed from office by the Presiding Officers except for misbehaviour, incapacity or incompetence.

Clause 10 provides that the Parliamentary Budget Officer is to be paid remuneration in accordance with the *Statutory and Other Offices Remuneration Act 1975*.

Clause 11 authorises the Presiding Officers to employ staff to assist the Parliamentary Budget Officer to exercise his or her functions, which will comprise the Parliamentary Budget Office. Directions to staff in relation to the exercise of functions of the Parliamentary Budget Officer may only be given by that Officer. The Parliamentary Budget Officer may also engage consultants.

Part 3 Functions

Clause 12 confers on the Parliamentary Budget Officer the functions relating to the preparation of election policy costings under proposed Part 4.

Clause 13 authorises the Parliamentary Budget Officer to also, at the request of any member of Parliament, prepare a costing of a proposed policy of the member, and provide any analysis, advice or briefings of a technical nature on financial, fiscal and economic matters (including in relation to the costing of proposals included in the State budget). The functions of the Parliamentary Budget Officer do not extend to providing any analysis, advice or briefings to committees of Parliament or developing policy proposals on behalf of members of Parliament.

Clause 14 requires the Parliamentary Budget Officer to prepare an operational plan that includes the objectives of the Officer in exercising his or her functions, a broad outline of the strategies of the Officer to achieve those objectives and a schedule of the activities that the Officer proposes to undertake. A draft operational plan must be provided to the Presiding Officers, who are to approve the draft plan or request changes to the draft plan. The plan and any variation are required to be tabled in Parliament. The Parliamentary Budget Officer must take the operational plan into account in exercising his or her functions.

Clause 15 requires the Parliamentary Budget Officer to provide an annual report to a committee of the Legislative Assembly and a committee of the Legislative Council designated by the Presiding Officers.

Clause 16 enables the Parliamentary Budget Officer to request information from the head of any Government agency to assist the Officer in the preparation of a costing of an election or other policy under the proposed Act. The head of the Government agency must respond to such a request within 10 business days (or such other period as is agreed between the head of the agency and the Parliamentary Budget Officer), but is not required to provide information if for the purposes of the *Government*

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Information (Public Access) Act 2009 there is an overriding public interest against the disclosure of the information or access to the information would otherwise be denied under that Act.

Clause 17 makes it an offence for the Parliamentary Budget Officer, or any member of staff of the Parliamentary Budget Office, to disclose certain information or documents provided to the Officer, or prepared by the Officer, for the purposes of costings under the proposed Act (maximum penalty: 50 penalty units).

Part 4 Election policy costings

Division 1 Requests for election policy costings

Clause 18 provides that a parliamentary leader (including an Independent member of Parliament) may request the Parliamentary Budget Officer to prepare costings of policies that are announced or proposed for implementation after the next State general election. A parliamentary leader may make an election costing request in relation to a policy publicly announced or proposed by that leader or in relation to a policy of another parliamentary leader.

Clause 19 allows costing requests to be made during the period from the day on which the last State budget before the election is presented to Parliament until the State general election. For the State general election due to be held on 26 March 2011, costing requests may be made from 25 January 2011.

Clause 20 provides that a costing request may be withdrawn at any time before the costing is provided by the Parliamentary Budget Officer.

Division 2 Parliamentary Budget Officer to prepare costings of election policies

Clause 21 requires the Parliamentary Budget Officer to provide an election policy costing as soon as possible after receiving a request from a parliamentary leader. A parliamentary leader will be required to notify the Parliamentary Budget Officer of the public announcement by that leader of policies that have been costed by the Officer.

Clause 22 enables a parliamentary leader to publicly release election policy costings provided to the leader by the Parliamentary Budget Officer. The Parliamentary Budget Officer will be required to publicly release an election policy costing once the parliamentary leader who made the costing request has notified the Officer that the policy has been publicly announced. If the Parliamentary Budget Officer considers that an election policy costing provided by the Officer has been publicly misrepresented, the Officer may issue a public statement to correct the misrepresentation.

Clause 23 requires the Parliamentary Budget Officer to prepare a separate budget impact statement for the respective policies of each parliamentary leader that have been costed under the proposed Part. A budget impact statement will show a

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summary of the assessed financial impact of each costed policy and the total net financial impact of all costed policies on the current year's State budget and on the following 3 financial years. Two weeks before a State general election, the Parliamentary Budget Officer is to provide a draft budget impact statement to each parliamentary leader in relation to his or her respective policies. Within 48 hours of being provided with a draft budget impact statement, a parliamentary leader may notify the Parliamentary Budget Officer of the final list of costed policies for inclusion in the budget impact statement. The Parliamentary Budget Officer is to revise the statements in accordance with any notification and publicly release those final statements 5 days before the State general election.

Division 3 General election costing provisions

Clause 24 provides that the Secretary of the Treasury is to publicly release, on the release of the half-yearly budget review prior to the State general election, a statement of the amount of uncommitted funds that are available to meet any future expenditure commitments for the General Government Sector during the current

year's State budget and during the following 3 financial years.

Clause 25 authorises the Parliamentary Budget Officer to issue guidelines for the purposes of the making of election costing requests and the preparation of election policy costings and budget impact statements.

Clause 26 enables the Parliamentary Budget Officer to revise election policy costings and budget impact statements to correct any errors.

Clause 27 authorises a parliamentary leader to nominate, in writing to the Parliamentary Budget Officer, a person to exercise the parliamentary leader's functions under the proposed Part.

Part 5 Miscellaneous

Clause 28 provides that offences under the proposed Act may be dealt with summarily before the Local Court.

Clause 29 enables the Governor to make regulations for the purposes of the proposed Act.

Clause 30 provides for the review of the proposed Act in 5 years.

Clause 31 repeals the *Charter of Budget Honesty (Election Promises Costing) Act 2006*.

Schedule 1 Amendment of other Acts

Schedule 1.1 makes a consequential amendment to the *Government Information (Public Access) Act 2009* to provide that there is a conclusive presumption of an overriding public interest against disclosure of confidential information relating to election policy and other costings.

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Schedule 1.2 makes a consequential amendment to the *Statutory and Other Offices Remuneration Act 1975* to provide that the Statutory and Other Offices Remuneration Tribunal is to determine the remuneration of the Parliamentary Budget Officer.