



New South Wales

Parliamentary Budget Officer Amendment Bill 2018

Explanatory note

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

Overview of Bill

The object of this Bill is to amend the *Parliamentary Budget Officer Act 2010* as follows:

- (a) to require a draft operational plan to be prepared by the Parliamentary Budget Officer within 1 month of appointment,
- (b) to reduce the period within which the head of a Government agency must respond to a request for information by the Parliamentary Budget Officer from 10 business days to 6 business days if the request is made after the commencement of the caretaker period,
- (c) to enable an election costing request to be withdrawn at any time before the election policy costing is publicly released,
- (d) to revise the matters to be included in budget impact statements prepared by the Parliamentary Budget Officer for costed election policies and to extend those statements to include budgetary impacts on other Government sectors if there is an impact on those sectors,
- (e) to extend the period within which the final list of costed policies for inclusion in the budget impact statement is to be provided to the Parliamentary Budget Officer,
- (f) to provide for information to be provided by the Parliamentary Budget Officer to the Secretary of the Department of Premier and Cabinet for the purposes of preparing information for the incoming Government, while retaining the confidentiality of information provided about another party's policies,

- (g) to require the Secretary of the Treasury to publicly release a pre-election budget update statement on or as soon as reasonably practicable after the commencement of the caretaker period before a State general election.

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**

Schedule 1 [1] inserts definitions of *pre-election budget update statement* and *Secretary*.

Schedule 1 [2] defines the *commencement of the caretaker period* as being the day on which the Legislative Assembly is dissolved or expires preceding the holding of a State general election.

Schedule 1 [3] requires a draft operational plan to be prepared by the Parliamentary Budget Officer within 1 month of appointment.

Schedule 1 [4] reduces the period within which the head of a Government agency must respond to a request for information by the Parliamentary Budget Officer from 10 business days to 6 business days, if the request is made on or after the commencement of the caretaker period.

Schedule 1 [5] authorises the Parliamentary Budget Officer to provide to the Secretary of the Department of Premier and Cabinet (the *Secretary*), or a staff member of that Department, a copy of a request for information made by the Officer to the head of a Government agency as well as a copy of any response to the request. **Schedule 1 [6]** makes it clear that it is not an offence for the head of a Government agency or a staff member of the agency to disclose the information or document to the Secretary or a member of staff of that Department.

Schedule 1 [6] also makes it an offence for the Secretary, or a member of staff of the Department of Premier and Cabinet, to disclose information or a document about a request to the head of a Government agency by the Parliamentary Budget Officer for information or a response to any such request. It will not be an offence if the disclosure is to a member of staff of that Department or the Secretary or to an incoming Government following a State general election (if the information or document relates to election policies of a party forming the Government).

Schedule 1 [7] enables election costing requests made by the Premier or the Leader of the Opposition (a *parliamentary leader*) to be withdrawn at any time before the election policy costing is publicly released by the Parliamentary Budget Officer.

Schedule 1 [8] revises the matters that are to be included in the budget impact statement prepared by the Parliamentary Budget Officer for the respective policies of each parliamentary leader. The statement will be required to include the impact of the policies, for the general government sector and (if affected) the public non-financial corporations sector and the public financial corporations sector, on the sector budget results, sector capital expenditure and sector net lending and borrowing. Any other matters arising from costed policies and affecting the current State budget and forward estimates for that period are also to be included in the budget impact statement. The budget impact statement is to reflect any changes to the information shown in the pre-election budget update statement.

Schedule 1 [9] extends, until the ninth last day before a State general election, the time by which a parliamentary leader must notify the Parliamentary Budget Officer in writing of the leader's final list of costed policies for inclusion in the budget impact statement that must be prepared by the Parliamentary Budget Officer.

Schedule 1 [10] requires the Secretary of the Treasury, on or as soon as reasonably practicable after the commencement of the caretaker period, to publicly release a pre-election budget update statement updating matters set out in the previous half-yearly review of the budget issued by the Treasurer.



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New South Wales

Parliamentary Budget Officer Amendment Bill 2018

No. , 2018

A Bill for

An Act to amend the *Parliamentary Budget Officer Act 2010* with respect to election policy costings and budget updates; and for other purposes.

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>Parliamentary Budget Officer Amendment Act 2018</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
	Insert in alphabetical order in section 3 (1):	4
	<i>pre-election budget update statement</i> means the pre-election budget update statement prepared under section 24.	5
	<i>Secretary</i> means the Secretary of the Department of Premier and Cabinet.	6
[2] Section 3 (2)		7
	Insert after section 3 (1):	8
	(2) In this Act, a reference to the <i>commencement of the caretaker period</i> is a reference to the day on which the Legislative Assembly is dissolved or expires preceding the holding of a State general election.	9
[3] Section 14 Operational plan		10
	Insert “not later than 1 month after the appointment of the Parliamentary Budget Officer” after “Presiding Officers” in section 14 (3).	11
[4] Section 16 Parliamentary Budget Officer to have access to Government agencies		12
	Omit section 16 (2). Insert instead:	13
	(2) The head of the Government agency must respond to the request within:	14
	(a) 10 business days, if the request is made before the commencement of the caretaker period, or	15
	(b) 6 business days, if the request is made on or after that commencement, or	16
	(c) any other period that is agreed between the head of the agency and the Parliamentary Budget Officer.	17
[5] Section 16 (3A)		18
	Insert after section 16 (3):	19
	(3A) The Parliamentary Budget Officer may provide copies of a request under this section, and any response to that request, to the Secretary or a member of staff of the Department of Premier and Cabinet.	20
[6] Section 16 (4) and (5)		21
	Omit section 16 (4). Insert instead:	22
	(4) The head of a Government agency or any member of staff of a Government agency must not disclose any information or document provided to the head or member of staff under this section, except:	23
	(a) to a member of staff of the agency or the head of the agency, or	24
	(b) to the Secretary or a member of staff of the Department of Premier and Cabinet.	25
	(5) The Secretary or a member of staff of the Department of Premier and Cabinet must not disclose any information or document provided to the Secretary or member of staff under this section, except:	26
	(a) to a member of staff of the Department or the Secretary, or	27

(b)	to an incoming Government following a State general election, if the information or document relates to election policies of a party forming the Government.	1 2 3
	Maximum penalty (subsections (4) and (5)): 50 penalty units.	4
[7]	Section 20 Withdrawal of election costing requests	5
	Omit “provided to the parliamentary leader who made the request” from section 20 (2).	6
	Insert instead “publicly released by the Parliamentary Budget Officer under this Act”.	7
[8]	Section 23 Budget impact statements for all costed policies	8
	Omit section 23 (2A). Insert instead:	9
(2A)	The budget impact statement is also to show, for the general government sector, the impact of all the costed policies on the following financial indicators:	10 11 12
(a)	the sector budget results, identifying the difference between expenses and revenues from transactions for the sectors,	13 14
(b)	sector capital expenditure,	15
(c)	sector net lending/borrowing, identifying the financing requirement for the sectors.	16 17
(2B)	If the costed policies have an impact on the public non-financial corporations sector or the public financial corporations sector, the budget impact statement is also to show the impact on financial indicators for that sector, as set out in subsection (2A) (a), (b) and (c).	18 19 20 21
(2C)	The budget impact statement prepared under this section is also:	22
(a)	to show any other matters (not otherwise specified under this section) arising from costed policies that have an impact on the current year’s State budget and on the forward estimates for the periods to which the pre-election half-yearly budget review and the pre-election budget update statement relate, and	23 24 25 26 27
(b)	to reflect any changes to the current year’s State budget and the forward estimates set out in the pre-election budget update statement.	28 29
[9]	Section 23 (4)	30
	Omit the subsection. Insert instead:	31
(4)	A parliamentary leader is, on or before the day that is the ninth last day before the State general election is due to be held, to notify the Parliamentary Budget Officer in writing of the leader’s final list of costed policies for inclusion in the budget impact statement.	32 33 34 35
[10]	Section 24	36
	Omit the section. Insert instead:	37
24	Pre-election budget update statement	38
(1)	The Secretary of the Treasury is to publicly release, on or as soon as reasonably practicable after the commencement of the caretaker period, a pre-election budget update statement that updates the matters set out in the previous half-yearly budget review issued by the Treasurer.	39 40 41 42
(2)	The pre-election budget update statement is to contain, for the general government sector, the following:	43 44

- (a) the revised projections for the current financial year, 1
- (b) the revised forward estimates, for major aggregates, over 3 years, 2
- (c) the latest economic projections for the current financial year and the 3 years for which the revised forward estimates are provided, 3
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- (d) an explanation of any significant variation in the revised projections, forward estimates or economic projections that were contained in the previous half-yearly budget review or budget, 5
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- (e) revised financial statements for the general government sector for the current financial year and the 3 years for which the revised forward estimates are provided, 8
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- (f) an update of any matter required to be included in the budget papers by section 8 (b) of the *Fiscal Responsibility Act 2012*. 11
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- (3) The pre-election budget update statement is to specify the date on which it was prepared and is to be based, as far as possible, on actual results and Government decisions as at the commencement of the caretaker period. 13
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- (4) The pre-election budget update statement is to be: 16
 - (a) in a format that is consistent with the format of the previous half-yearly budget review, and 17
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 - (b) consistent with the statement of significant accounting policies and forecast assumptions in that review. 19
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