



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.