



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 14/03/2019

Proposal No: B459  
Date Published: 18/03/2019

Proposal Title: Permanent Parliamentary Budget Office (PBO)

Cluster: The Legislature

### General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	1,548	1,587	1,626	4,761
Depreciation	-	-	-	-	-
Less: Offsets	-	1,548	1,587	1,626	4,761
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Notes and costing assumptions

This policy proposes the establishment of a permanent, ongoing Parliamentary Budget Office (PBO) from 1 July 2019. The policy states that funding for the PBO would be re-allocated proportionately from other government clusters.

The PBO estimates the cost of the PBO to be around \$4.8 million over the forward estimates. According to the Victorian Government's 2018-19 Budget Paper 3, the Victorian PBO cost \$4.4 million in 2017-18 and \$3.3 million in 2018-19. Funding is ongoing. The PBO therefore considers the estimated cost of a permanent NSW PBO (\$1.5 million in 2019-20) to be reasonable.

As funding is to be re-allocated from other government agencies, the budget impact of this policy is nil.

The PBO estimates that a permanent team would be comprised of eight full time equivalent (FTE) positions as outlined below, with annual salaries (including oncosts) per FTE:

- 1 x Parliamentary Budget Officer at a Band 2 Executive Director level (\$391,070)
- 5 x Grade 9/10 Clerks (\$146,644), and
- 2 x Grade 3/4 Clerks (\$95,603).

Additional funding of \$1.5 million would be required in the election year (2022-23) to enable the PBO to undertake election policy costing work for the 2023 NSW State Election similar to that done for the 2015 and 2019 elections. This funding falls outside the forward estimates.

**Notes and costing assumptions continued:**

Annual salaries are in 2018-19 dollars and are based on the NSW Parliament's 2018 Clerk, Admin and Parliamentary Senior Officers Salary Scale for Clerks, and the Statutory and Other Offices Remuneration Tribunal's 2018 Annual Determination for Public Service Senior Executives. All staff salaries are inclusive of 23% oncosts, and have been escalated at 2.5% per annum in line with the NSW public sector wages policy.

Non-salary operating costs are estimated to be \$200,000 per year (2019-20 dollars), escalated according to the Sydney consumer price index forecasts/projections in the Pre-Election Budget Update (2.25% in 2020-21 and 2.5% in 2021-22).

This policy would require amendment to the *Parliamentary Budget Officer Act 2010*. It would be open to the Parliament to allocate additional responsibilities (and commensurate funding) to the PBO as part of that legislative package.