



NSW GOVERNMENT RESPONSE

Report on the Parliamentary Budget Office 2023 Post-Election Report

INTRODUCTION

The NSW Government welcomes the Public Accounts Committee's tabling of the Parliamentary Budget Office (PBO) 2023 Post-Election Report (the Report) and acknowledges the Committee's recommendation to consider a formal response to the recommendations made in the Report.

The NSW Government recognises the PBO had a busier year during 2022-23 operations compared to previous elections with a record number of proposed policies that were costed for the Government and the Opposition.

The Report details a number of issues encountered by the PBO and makes seven recommendations to ensure the efficient and effective operation of future PBOs.

In recognising the critical role that the PBO plays in fostering transparency and facilitating an informed public policy debate, the NSW Government:

- Notes six recommendations; and
- Does not support one recommendation.

Regarding the six recommendations that are noted, the NSW Government acknowledges the Parliamentary Budget Office's analysis of the issues impacting the costing process and the objective of the recommendations. The Government notes that certain issues experienced throughout the 2023 election were exacerbated by the record number of election costings received and the tight labour market. However, further consideration will be given to determine whether legislative amendments are required to bring effect to the objectives of the recommendations.

The one recommendation not supported, which relates to the date of the Pre-Election Budget Update, is on the basis that the NSW Government believes the current provision in the legislation is sufficient and provides the right level of flexibility.

Further detail on the position for each of the report's recommendations is outlined in the following section.

The NSW Government thanks the Committee for its examination of the Report and its recommendations.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

That section 23 of the *Parliamentary Budget Officer Act 2010* (NSW) be amended to require that 1) parliamentary leaders notify the PBO of their final list of policies for the Budget Impact Statements on the twelfth last day before the election, and 2) the PBO publish Budget Impact Statements on the eighth last day before the election.

Noted

The NSW Government notes the objectives of this recommendation which is to reduce risks associated with compressed timeframes for the Budget Impacts Statements and to support an informed public policy debate ahead of a general election. The Government considers that earlier engagement with Parliamentary Leaders regarding their final list of policies, including ongoing confirmation of policies that have been publicly released (refer to Recommendation 3), will support the PBO in meeting these objectives.

Recommendation 2

That the PAC consider whether the PBO should be made permanent; or alternatively, the Parliamentary Budget Officer be appointed on or as soon as practicable after 1 June immediately before the general election is due to be held.

Noted

The NSW Government does not support the establishment of a permanent PBO at this time and notes the option to appoint the Parliamentary Budget Officer earlier than the currently legislated date of 1 September.

While an earlier appointment will allow more time for administrative and operational planning, recruitment and office setup, internal briefings and training to occur, further consideration is required to determine the appropriate timing for an earlier appointment to occur.

The NSW Government will also investigate the use of non-legislative options to mitigate issues identified by the PBO.

Recommendation 3

That section 22 of the *Parliamentary Budget Officer Act 2010* (NSW) be amended to require parliamentary leaders to advise the Parliamentary Budget Officer within 48 hours of the public announcement of an election policy.

Noted

The NSW Government notes that the current Act includes a provision that requires notification of the public release of an election policy. The NSW Government considers that improved adherence with this existing provision should be facilitated through the PBO operational plan and ongoing discussions with Parliamentary Leaders throughout the election period.

Recommendation 4

That section 18(1A)(a) of the *Parliamentary Budget Officer Act 2010* (NSW) be amended to require published costings and budget impact statements to include the financial year immediately following the current and relevant forward budget estimates.

Noted

The NSW Government acknowledges the importance of providing the public with a holistic view of the cost of election policies. The Government notes that the fiscal aggregates for the year following the forward estimates will not be available for the PBO, or for release to the public at the time of publication. Therefore, further consideration will be given to how this information could be incorporated, including through the PBOs operational plan.

Recommendation 5

That section 7.16(2) of the *Government Sector Finance Act 2018* (NSW) be repealed so that the Act requires the Half-Yearly Review be released no later than 31 December in the year immediately preceding a year in which an election will be held.

Noted

The NSW Government will consider the merits of this amendment through a broader review of the *Government Sector Finance Act 2018*.

Recommendation 6

That section 24(1) of the *Parliamentary Budget Officer Act 2010* (NSW) be amended to require the Pre-Election Budget Update to be publicly released no later than three days after the caretaker period commences.

Not supported

The NSW Government does not support this amendment. The Government of the day can make decisions which could impact the budget aggregates up until the caretaker period commences. Maintaining the current legislative wording, which requires the Pre-Election Budget Update to be released as soon as reasonably practicable, will ensure sufficient time to produce accurate budget aggregates should late Government decisions be made and updated economic forecasts.

Recommendation 7

That the *Parliamentary Budget Officer Act 2010* (NSW) be amended to include a provision allowing the head of a government agency to delegate his or her function to a nominee and that the head of the agency, or nominee, be allowed to consult with other agencies, if required, to obtain information to respond to a PBO request for information.

Noted

The NSW Government acknowledges the importance of the efficient provision of information during the costing process. The Government notes that existing processes have been in place for the past two elections to facilitate the objectives set out in the recommendation. Further consideration is required to determine the need to strengthen these processes by way of legislative amendment.