

Section 1: Introduction

Under section 64MA of the *Parliamentary Service Act 1999* (the Act), the Parliamentary Budget Officer must, before the end of 30 days after the end of the caretaker period for a general election, prepare a post-election report of election commitments.

This report must include, for each designated Parliamentary party, costings of all the election commitments of that party that the Parliamentary Budget Officer in his or her best professional judgement, reasonably believes would have a material impact on the Commonwealth budget estimates for the current financial year and the following three financial years, along with the total combined impact of those election commitments on the budget.

Section 7 of the Act defines a designated Parliamentary party as a political party at least five members of which were members of the Parliament of the Commonwealth immediately before the caretaker period.

Section 7 of the Act defines an election commitment as a policy that a Parliamentary party has publicly announced it intends to seek to have implemented after the election.

Designated Parliamentary parties

The 43rd Parliament was prorogued and the House of Representatives was dissolved on 5 August 2013. At that time there were three parties that met the requirements of a designated Parliamentary party for the purposes of the Act. These were:

- the Australian Labor Party with 71 members of the House of Representatives and 31 Senators;
- the Liberal Party of Australia and National Party of Australia (the Coalition) which for the purposes of this report are treated as a single party, with 72 members of the House of Representatives and 34 Senators; and
- the Australian Greens with one member of the House of Representatives and nine Senators.

The Parliamentary Budget Officer consulted with the designated Parliamentary parties at various stages during the preparation of this report. The process for consultation with the designated Parliamentary parties, as set out in the Act is summarised in **Attachment A**.

Basis for inclusion of election commitments in the report

In preparing the list of election commitments to be included in this report, as required by subsection 64MA(6) of the Act the Parliamentary Budget Officer has had regard to the lists of policies provided by the designated parties under subsection 64MA(3) of the Act and public announcements made by the designated Parliamentary parties before and during the caretaker period for the 2013 general election. On this basis, the Parliamentary Budget Officer is reasonably satisfied that the election commitments of the designated Parliamentary parties that would have a material impact on the Commonwealth budget have been included in the report.

Basis for costings of election commitments

In accordance with subsection 64E(3) of the Act, the baseline for the costings of election commitments included in this report is the Pre-Election Economic and Fiscal Outlook 2013 report (PEFO) released on 13 August 2013 by the Secretary to the Treasury and the Secretary of the then Department of Finance and Deregulation (Finance).

The costings included in this report have been prepared in accordance with the Charter of Budget Honesty Policy Costing Guidelines (the Charter Guidelines) issued by the Secretary to the Treasury and the Secretary of Finance. The costings have been prepared either by the Parliamentary Budget Officer under the provisions of the Act or by the Secretary to the Treasury and the Secretary of Finance under the provisions of the *Charter of Budget Honesty Act 1998* (the Charter). Where the costings have been prepared by the Secretary to the Treasury and the Secretary of Finance, the Parliamentary Budget Officer has taken all reasonable steps necessary to determine that the costings are valid and appropriate for inclusion in the report.

Costings prepared by the Parliamentary Budget Officer are based on the best information available, including known details of items already included in the budget. The Parliamentary Budget Officer does not have access to the details of provisions for individual items included in the Contingency Reserve in the budget. Accordingly, the Parliamentary Budget Officer's costings are subject to the qualification that they are prepared in the absence of information on the possible impact of any provisions in the Contingency Reserve.

Financial impact of a party's election commitments on Commonwealth budget estimates

The total combined impact of each designated Parliamentary party's election commitments on the Commonwealth budget comprises the sum of the direct financial impacts of the individual election commitments, plus any consequential change in public debt interest cost. Each policy is costed in its own right against the PEFO estimates as the baseline, but where there are significant interactions between the policies of a party, those interactions are identified and taken into account in the report.

This report does not account for the effect of parameter and other variations on the Commonwealth budget estimates that may have arisen since the PEFO, and therefore the information contained in this report does not represent revised budget estimates for the Commonwealth.