

**Senate Finance and Public Administration Legislation Committee:  
Answers to written Questions on Notice Budget Estimates 2014–15  
Parliamentary Departments Portfolio  
May 2014**

---

<b>Department</b>	Parliamentary Budget Office
<b>Topic</b>	PBO Work Plan 2013-14
<b>Senator</b>	Senator Bernardi
<b>Question reference number</b>	92
<b>Type of question</b>	Written

**Question**

- 1 Can you provide an update to the Committee on the Parliamentary Budget Office (PBO) work plan for 2013-14?
- 2 What type of work has the PBO been focusing on in the months after the 2013 general election?
- 3 Your work plan for 2013-14 lists on pages 6 and 7 some broad areas that the PBO will focus on over the next few years such as trends in Government expenditure and revenue and their sensitivities, Commonwealth and State fiscal issues, budget reporting to name a few. Can you give an update on where you are with these?
- 4 Will the PBO publish any reports on these?
- 5 Has the PBO given thought to what might be in its work plan for 2014-15 and what its priorities might be?

**Answer**

Question 1 to 4

As foreshadowed in the 2013-14 work plan and the May 2014 Report on PBO Activity and Staffing, work has been undertaken on a number of topics contained in the self-initiated work program since the 2013 general election.

On 15 April 2014, the PBO released a report on *Trends in Australian Government receipts: 1982-83 to 2012-13*, intended to help put in perspective the fiscal position of the Australian Government and improve understanding of the sustainability of the Budget.

On 10 June 2014, the PBO released a chart pack, *2014-15 Budget and forward estimates – charts*, detailing historical trends and the outlook for the Australian government's underlying cash balance and major revenue and expenditure items that make up the budget over the 2014-15 budget and forward estimate years. The aim of this publication is to provide a graphical representation of historical and forecast/projected trends in the major components of the Budget and detail the reason for changes in these components since the last update.

Work is close to completion on part 2 of the analysis of Australian government expenditure trends by function and sub-function. This project will extend over the forward estimates and medium term, the report *Australian Government spending Part 1: Historical trends from 2002-03 to 2012-13* published on 10 December 2013. The report on this work is expected to be published early in August 2014.

Reflecting the PBO's experience to date in analysing trends in Australian government spending, where the PBO has noted that spending data is not prepared on a consistent basis, work is currently underway with the Department of Finance to develop a consistent time series of expenditure data at the program level.

The project investigating the sensitivity of medium term projections of the budget to key economic parameters (the terms of trade, productivity growth and the participation rate) is also progressing. This project requires the construction of many models that capture the details of the government's revenue and expenditure forecasts and projections. A report is expected to be published in the first quarter of 2014-15.

The PBO has also commenced a project analysing historical fiscal trends at the national level looking separately at the Commonwealth and State and Territory budget positions, including budget balances, balance sheets, sources of revenue, and areas of spending. This report is expected to be published in the first quarter of 2014-15.

Due to the surge in demand for costings and analysis from parliamentarians since February 2014, the detailed analysis of trends and drivers of health expenditure is expected to be published in the latter half of 2014-15.

#### Question 5

The PBO has begun the process of identifying priorities for the 2014-15 work plan, which is required to be published before 1 October 2014. In broad terms, the PBO's self-initiated work will continue to focus on the sustainability of the budget over the medium term and will seek to improve budget transparency and promote a better understanding of the budget and fiscal policy settings.