



18 June 2018

Media release

Imputation credits policy costing

Earlier today, comments have been made about the Parliamentary Budget Office (PBO) estimates of the gains to revenue that may flow from the Australian Labor Party's (ALP's) policy to make imputation credits non-refundable.

“The PBO brings our best professional judgement to the independent policy costing advice we provide. We have access to the same data and economic parameters as The Treasury and draw upon similar information in forming our judgements,” Parliamentary Budget Officer Jenny Wilkinson stated today.

“We stand behind the PBO estimates that have been published by the ALP in relation to this policy, noting that all policy costings, no matter who they are prepared by, are subject to uncertainty.” In its advice, the PBO is explicit about the judgements and uncertainties associated with individual policy costings.

The PBO confirms that it always takes into account current and future policy commitments, as well as behavioural changes, in its policy costings. In this case, as outlined at the recent Senate Estimates hearings, these included the superannuation changes announced in the 2016–17 Budget and the scheduled company tax cuts. In addition, the PBO explicitly assumed that there would be significant behavioural changes that would flow from this policy, particularly for trustees of self-managed superannuation funds.

The PBO was established as an independent institution in 2012 with broad support from the Parliament. A key rationale for the formation of the PBO was to develop a more level playing field, by providing independent and unbiased advice to all parliamentarians about the estimated fiscal cost of policy proposals. The purpose of establishing the PBO was to improve the public's understanding of, and confidence in, policy costings and enable policy debates to focus on the merits of alternative policy proposals.

Contact Officer: Jenny Wilkinson
02 6277 9510