

## Tax and Transfer Policy Institute: Submission to the Review of the Operations of the Parliamentary Budget Office 2019-20

The Tax and Transfer Policy Institute is grateful for the opportunity to make a submission to the Review of the Operations of the Parliamentary Budget Office 2019-20. In this submission, we provide a response to the terms of reference which are most relevant to the TTPI. To summarise our perspective, the PBO has an appropriate mandate and appears to be operating effectively. Further, the PBO has been a valuable addition to the Australian public policy landscape.

### PBO implementation of recommendations from the PBO Review 2016/17 Report of the Independent Review Panel

The PBO Review 2016/17 Report of the Independent Review Panel included several recommendations aimed at enhancing the transparency and quality of PBO costings. Overall, the TTPI has found the PBO to be transparent around its costings. The PBO's information papers about its costing process and methodology, published in response to this review, have facilitated better public understanding about these aspects of its work. Additionally, the TTPI has been satisfied with the high quality of PBO costings. The PBO's establishment of an expert advisory panel, and its increased focus on secondments, including with the TTPI, should continue to augment its costing capabilities.

This prior review also contains a recommendation that the PBO take various actions to improve the relevance of its self-initiated work. The TTPI has already found the PBO's research reports to be a valuable resource. For example, the PBO has assisted the TTPI in better understanding behavioural responses to policies in Australia through sharing its research on this topic. (This paper is going to be published in early 2020.) We believe that the PBO's ongoing external engagement activities, including consulting the expert advisory panel, undertaking secondments and conducting stakeholder surveys, will assist in maintaining the relevance of its self-initiated research.

### Stakeholder relationships and engagement

We consider the PBO and the TTPI to have a mutually supportive relationship. The TTPI is grateful for the PBO's representation on the TTPI board and provision of secondees. Sharing work between our organisations for comment before publication has been highly valuable. More generally, the PBO has developed a wide range of consultative procedures that appear to be working effectively, and the PBO's public communications are typically clear and informative.

### Possible areas of reform to support the effective operation of the PBO

The PBO's primary mandate to support Parliament in an independent, non-partisan manner through its costing, reporting and research functions is appropriate. The TTPI does not have recommendations for reform at this time, but acknowledges that any need for reform should be monitored via regular oversight from the Joint Committee on Public Accounts and Audit.