

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2017 - 2018

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: Outcome 1: Prime Minister and Cabinet

Topic: Parliamentary Budget Office

Senator: Roberts

Question reference number: 252

Type of question: Written

Date set by the committee for the return of answer: 7 July 2017

Number of pages: 2

Question:

1. Has the following been considered – ie providing the authority & resources to the Parliamentary Budget Office (PBO) to implement & manage a budget expenditure transparency portal like that advocated by the Australian Taxpayers' Association (ATA)?
2. Has the following been considered – ie providing the authority & resources to the PBO to implement & undertake dynamic tax modelling based on Laffer Curve principles like the American Heritage Foundation's TaxBrain ... noting that such modelling shows that economies grow and create greater tax revenue when tax rates are significantly reduced?
3. Has the following been considered – ie providing the authority & resources to the PBO to implement & undertake, for at least major policies, cost-benefit-analysis (CBA) ... perhaps as guided by the Office of Best Practice Regulation (OBPR) ... and checked by the Productivity Commission (PC) &/or Australian National Audit Office (ANAO)?

Answer:

1. The Productivity Commission considered the Australian Taxpayers' Association (ATA) submission in the context of the Data Availability and Use Inquiry report. Questions on the ATA's submission are best directed to the Productivity Commission.

2. The preparation of economic forecasts and budget estimates are explicitly excluded from the PBO's functions under the *Parliamentary Service Act 1999*. In addition, consistent with the Charter of Budget Honesty Policy Costing Guidelines, the PBO does not generally include broader economic, or second-round, effects in policy costings.
3. Under the *Parliamentary Service Act 1999*, the PBO informs the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals. The Department of the Prime Minister and Cabinet is not aware of any plans to expand the PBO's role in the manner suggested by the question.