

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the Parliamentary Budget Officer

Melbourne—Monday, 26 April 2021

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

Ms Bridget Vallence

WITNESS

Mr Scott Cameron, Policy Analyst, Secretariat for the OECD Working Party of Senior Budget Officials, Budgeting and Public Expenditures Division, Directorate for Public Governance and Territorial Development, Organisation for Economic Co-operation and Development (*via videoconference*).

The CHAIR: You are very welcome, Mr Cameron, from the OECD. We welcome you to the public hearings for the Public Accounts and Estimates Committee Inquiry into the Parliamentary Budget Officer. This committee is reviewing and reporting to Parliament on the operational and resourcing arrangements for the Parliamentary Budget Officer, including how well the Parliamentary Budget Officer's functions are being performed.

All evidence taken by this committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this forum, including on social media, those comments may not be protected by this privilege.

You will be provided with a proof version of the transcript for you to check. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible. These hearings may be rebroadcast in compliance with standing order 234.

We invite you to make a brief opening statement of no more than 10 minutes. We ask that you state your name, position and the organisation represented for broadcasting purposes, and this will be followed by questions from the committee. Thank you.

Mr CAMERON: Okay. Thank you. Good afternoon. I always appreciate the opportunity to talk about PBOs. I am Scott Cameron, and I am a Policy Analyst at the Organisation for Economic Co-operation and Development in the public management and budgeting division. I shall share my screen for the slide deck, which I believe you have in your hands as well. I have screen sharing disabled, but I do not necessarily need it. I will just speak.

The CHAIR: Great. Thank you.

Mr CAMERON: Okay, that works. As I said, it is great to be here. So my background: I spent seven years at the Canadian PBO after working at treasuries in the UK and Canada and helped set up similar PBO institutions in Canadian provinces, in Europe and in Asia. But now I am running the OECD network for PBOs and other independent fiscal institutions, and I will refer to them all as IFIs today. We have around 40 IFIs in that network, including subnationals like Victoria. The network mainly exists to promote and monitor the OECD principles for independent fiscal institutions, and those principles have been adopted as OECD soft law, where member countries like yourselves are expected to adhere to them, and then our network monitors their implementation. So there are these principles, but of course we recognise that every jurisdiction is unique and needs to build the institution that works for them.

On slide 3 now there are 22 principles across nine different headings. There is independence, resources, access to information, transparency et cetera. In 2018, my colleagues here at the OECD were asked to evaluate the Victorian PBO against the principles and make recommendations. So it was not me, but I have been briefed on those findings, and I will share them with you very quickly now.

We will just kick off to slide 5. The PBO was found to be largely in line with the principles, but there are a few areas that were identified that could use improvement. On the mandate, the principles say that IFIs should have the ability to do self-initiated research. Although I think I see them doing that now it is not exactly explicit in the PBO Act of 2017 that they should be free to be doing self-initiated research, so we recommended that it should be more explicit in the legislation that they are able to do so.

And then on slide 6, again on the mandates, there should be clear links to the legislative budget process. So the PBO partially ticks this box with the cost estimates and their mandates in a way, and that is mostly what you had in mind when you set them up, and that is fine, but most other jurisdictions legislate a specific role for the PBO in the budget calendar. For example, after the budget is tabled the PBO would assess the economic and fiscal forecasts that underpin it and provide their opinion in a report to the finance committee or the appropriate one—whether that is this PAEC committee, I think? So you could make that change tomorrow. You do not

need to reopen legislation to do so. In Canada, for example, the finance committee has a standing order that the PBO must submit a spring and fall update to the committee that reviews the budget, so they tick the box that way. Your PBO is publishing these, I believe I just saw, kinds of budget reviews now on their own, but you could formalise that with a committee standing order that it must come to you as part of the annual budget cycle.

Then moving to slide 7 on resources, we suggested that the PBO budget be treated at a greater arms-length to the DTF, Department of Treasury and Finance, so more like your Auditor-General's office's budget, I believe, which is determined in consultation with you—your committee. There is a conversation happening right now with respect to the PBO's budget line, but the DTF still has ultimate control over that. We also recommended that the PBO should get a top-up during election years to reflect the extra staffing requirements that that may require.

Slide 8: we can see very quickly on the resources that the Victorian PBO is not out of line with IFIs overall. These charts are in euros but they have not been adjusted for purchasing power parity, which makes a difference of course. The Victorian PBO is not obviously at the top or bottom overall. They seem somewhat under-resourced compared to their PBO peers on the right that have kind of similar costing mandates. They have highlighted some sub-nationals there—Scotland above them and the province of Ontario just above them—but, of course, all these offices have different mandates. They are very tough to compare. Victoria's mandate is quite limited. The Scottish Fiscal Commission, for example, does the official economic and fiscal forecast for the budget, so they need extra staff for that. I also understand that the kind of baseline Victorian PBO budget is not indexed to inflation. That might be something else you want to look at.

Then on slide 7 we have essentially the same story on staff levels—roughly in the middle. One thing to keep in mind is that whether you are a big country with a large population or a small state, a costing is a costing. It takes around the same amount of people to do them. It does not necessarily scale linearly, so you see countries below them, countries above them at the kind of aggregate central government level. It is tough. At the same time we also find that staff levels are not a great indication of output and quality of output. So you can have a PBO with one high productivity super analyst that publishes 20 peer-reviewed papers a year and then another PBO with 30 staff who barely produce anything. But if you want to build a sustainable institution that does not rely on a single personality or a super analyst, then you do require generally more than 10 people. That is what you have so far, so the PBO seems largely in line with international practice.

Slide 10 is on the relationship with the legislature. The principles state that the PBO should support committees and that that role should be well defined in legislation. I believe you interpret your legislation as saying that the PBO is not excluded from supporting your committee, but there is nothing laying out explicitly that it should be doing so. The OECD has recommended that that change.

Slide 11, 'Access to information': we found that it would help if your legislation were more precise in what the PBO is entitled to. We find in other jurisdictions the more specific it is the better. We also recommend that there should be a dispute resolute mechanism. For example, in Canada if they are not getting the information from a department that they would like, then they are able to go to the speakers to complain, and the speakers can compel the government to produce information. I saw the Canadian PBO has made a submission to your review and they mentioned that.

Finally, on slide 12, on transparency, again it just comes back to this ability to publish self-initiated reports. We have recommended that if among stakeholders, like yourselves, you decide that the PBO should—and it is encouraged and put it in legislation—do self-initiated research, then of course the results of that research should be public and it should be explicit in legislation that it can be public. They are doing so now from what I see. So they largely have followed up and put that into practice but maybe not legislation. So those are the main points. I am happy to take questions on any of those or any other questions you have.

The CHAIR: Thank you very much. Deputy Chair, would you like to go first?

Mr RIORDAN: Thank you, Chair. I will fire off. Thanks for that presentation. Look, going through your slides, just a couple of questions if I may. On the question of mandate, it is very clear in the Victorian context that the primary audience are members of Parliament. In other agencies that you have compared, are there other sort of audiences that some PBOs work towards or is it primarily across those OECD ones and mainly members of the legislature?

Mr CAMERON: That is a very good point. There are two main types of bodies. We have the PBOs who serve parliament. We use this term ‘independent fiscal institution’, but the PBOs are not independent per se. They serve the legislature, and that is a good thing. You are the ones with the democratic mandate and it should really be about empowering you. We have this other kind, these fiscal councils that are very popular in the EU, and they serve the public. They are at arms length from the legislature and everybody. They are usually councils of academics that have much more flexibility. Their role is really to give this outside external opinion to the public directly, to the government directly. They do not kind of go through the legislature the way you do. Many of the OECD recommendations—and we need to remind ourselves of that—need to be considered in that context: that the PBOs serve the legislature and—

Mr RIORDAN: So those examples you had there with other countries, such as the Netherlands, I think, topped the list—it as an agency is doing a lot of external information providing.

Mr CAMERON: Yes, the Netherlands is its own kind of beast and it is historically of course very, very—it has been around for 60 years, and they had a postwar planning role. They are closer to a PBO than some of the fiscal councils, but they are more of a think tank and they do the official economic and fiscal forecasts. You absolutely should not be comparing to them. I have tried to separate the ones on the graphs on the right of the resources. Those are closer to your PBO peers. But of course the UK OBR, they also have a role in producing the official forecasts for the budget. The Australian mandate you should be familiar with. I think they are kind of closer to the pure costing role, but they do—well, no, you have the analysis as well. I think you are very similar to the way that Canada is set up now as well.

Mr RIORDAN: So based on across the world they do take in different sort of roles, the issue of resources is something we have talked a lot about in this hearing and we have sort of got the cap-in-hand approach, where the Parliamentary Budget Officer has to put the request in to the government of the day and it is their choice about whether they increase, decrease or whatever. Are there any other options in like PBOs that guarantee that autonomous nature of the agency to keep going and not have to be sensitive to what a government may or may not think of them at the time?

Mr CAMERON: Yes, there are certainly a range of examples. I can dig them up, but I think I will make a submission over the next couple of days to you as well where I will go through some other options. Some are funded straight out of the Parliament’s budget and then the Parliament determines itself. I believe that the PBO is a line item within the parliamentary budget in Victoria? Or no—as any other agency they have to approach the DTF.

Mr RIORDAN: Yes.

Mr CAMERON: I think in terms of a PBO role that serves the legislature, there are several examples where it has just come straight out of parliament’s budget, so parliamentarians directly are allowed to set the service level that they would like to have and then go from there. So that is one option—just to have it entirely under the parliamentary control.

Mr RIORDAN: Yes. One of the issues that we have discussed today is that as we approach our next electoral cycle, in the initial stage of this being founded—this agency—there was extra funding for the election. And the issue that has been raised is that there is not a certainty around that sort of variable funding for the election process. So have other jurisdictions perhaps legislated top-up funding for election cycles?

Mr CAMERON: The OECD principles really recommend that that is ingrained somehow in legislation, but in practice most countries do determine it on an annual basis. The principles say that there should be a multi-annual framework, but as you know with budgeting you can have multi-annual plans, but generally everything is approved on a year-to-year basis and it is very difficult to get that enshrined in legislation. You could go as far as to put it in the constitution, but then you ultimately want to have a hand in deciding the service level that you receive. You do see some instances of, say, setting the level and then guaranteeing in legislation that it be indexed to a certain measure of inflation, so that kind of gets you to the multiyear basis. I am going have to get back to you on explicit examples. I will make that central to my submission. I will try to figure out exactly what we have. I do not think I can pull them up very quickly now.

Mr RIORDAN: Okay. Thanks, Mr Cameron. I will just hand to my colleague Mr O’Brien.

Mr D O'BRIEN: Thank you, Mr Cameron, for your evidence. One of the questions—I bet Ms Vallence is going to ask the same question I do—you mentioned with dispute resolution mechanisms that in Canada they have a situation where the PBO can complain to the Speaker, if you like. The question I have is: does it make any difference? Does it actually work?

Mr CAMERON: Canada have not resorted to that after they have been given the power, and the reason for that is they are starting to put into practice what we were told at the very start, in 2008 when we began. We went down to the Congressional Budget Office in the US for advice and they said to us very clearly that 'Your information is always going to come on an analyst-to-analyst basis, through back channels, using good relationships with the Department of Finance'. Canada did not take that advice. We fought the Department of Finance from the beginning, tooth and nail. We took them to court over things. It got really sour—the relationship—and then for many years we did not have access to very much information. So realistically, no matter who you talk to, this is how information gets exchanged: by maintaining good relationships, but not allowing yourself to be influenced by the maintaining of good relationships with the department.

The situation in Canada is it now works very well. It took five or six years to get this to happen, but what they actually have is an informal memorandum of understanding with the Department of Finance, a quid pro quo—that the department gives them all the information they ask for and then in exchange the PBO lets them see the reports a few days before they go out. And then the department is able to comment on the technical accuracy—not the messaging, not the kind of big picture, but the technical accuracy—of the report, and that is very valuable to them. It lets them prepare for the political fallout. They are not allowed to brief up to the minister's office before the report is published, but they can get that messaging ready, those briefs ready, and that is kind of the quid of the quid pro quo that—

Ms VALLENCE: Mr Cameron?

Mr CAMERON: Yes.

Ms VALLENCE: Thank you for that. I am just conscious of the time we have left in our section. Mr Cameron, you mentioned about mandate and the right to publish self-initiated reports. We notice that the PBO now is doing budget updates, but you are still limited—as you say, there is a gap in terms of access to information. And, even on notice, can you provide to this committee what types of self-initiated reports you see in other jurisdictions that would benefit members of Parliament here in Victoria and the public?

Mr CAMERON: Yes. I mean there is a wide, wide range, and what that boils down to is you are busy, and you come from a wide range of backgrounds and do not necessarily know what analysis you should be requesting all the time. So you get all kinds of reports—you know, you could see the COVID analysis that the Victorian office produced this year, where the government was not necessarily producing the overviews, the summaries, of all the measures that they were announcing, so the Victorian PBO stepped up and put that information on the website proactively so that you had access to that information.

Ms VALLENCE: I think we are out of time.

The CHAIR: Sorry, Ms Vallence, you are out of time, so you do not have the opportunity for an additional question.

Ms VALLENCE: Can you take that just on notice?

The CHAIR: Sorry, if Mr Cameron would like to finish his answer, he can.

Mr CAMERON: Yes, I will put that together for you.

Mr HIBBINS: Thank you for appearing this afternoon. In terms of the OECD's independent review of the PBO Act compared to the better practice principles, the Victorian PBO Act does not rate too well under the category of access to information. Why was that, and how can that be addressed in the legislation?

Mr CAMERON: Again, I believe it was that it was not very specific in the description of this; it just would have 'access to information'—I forget the exact term. But the more precise the legislation is, the better. So if it says 'They have access to the government's models' would be ideal et cetera, and then the resolution

mechanism—what to do in the event that the department does not produce the information that is required. It is the specifics and the resolution mechanism, really—that is what you would like to see in there.

Mr HIBBINS: In terms of the dispute resolution mechanism, then, you referred to the Canadian experience. Are there other dispute resolution mechanisms that could be applicable to the Victorian PBO?

Mr CAMERON: There is the court route, so there is the fact that this is in law and if it has been defined precisely enough then there are jurisdictions which have taken their governments to court through the court system, and we find that that generally escalates the situation. You do not want it to come to that, but that is certainly another option. But parliamentarians like yourselves and committees, you have the real authority to compel the government to produce information, whether it is through written or oral questions or your other committee powers to compel the government. So if the dispute resolution mechanism can somehow come through yourselves or the speakers or some parliamentary mechanism, that is ideal.

Mr HIBBINS: Because you did mention of course the importance of having the working relationships between the PBO and the various government departments, but obviously that takes both the departments and the PBO to be willing in those constructive relationships. So is there still a role, in your understanding, for whether it is specific legislation, dispute resolution or potential penalties?

Mr CAMERON: If that is there, then the idea is that it will encourage those healthy relationships, because nobody wants it to come to that. They do not want it to have to come to the specific legislated provisions, but having those can mean that the relationship is a lot smoother. Anyway, once it comes to the legislation, then you have already lost. You never want it to get there. But having that backstop can certainly I think encourage those relationships.

Mr HIBBINS: Okay. Terrific. That is all from me, thanks, Chair. Thank you.

The CHAIR: Thanks, Mr Hibbins. Mr Richardson.

Mr RICHARDSON: Thanks, Chair. Thank you, Mr Cameron, for joining us today, this afternoon in Melbourne. Mr Cameron, thank you for your informative presentation that is very helpful for our committee's deliberations in the journey forward of the Victorian Parliamentary Budget Office. I have got a few questions around that. Particularly when we are in the early stages of the Parliamentary Budget Office—it is only a few years in, into its fourth year now—what are some of the challenges or some of the things that the Parliamentary Budget Office should be aware of in sustaining their mandate and work into the future and things to be mindful of along that journey?

Mr CAMERON: That is a great question. So we do need to be mindful of mandate—let me see—not overstepping. There can be a lot of empire building in some of these institutions where they broaden their analysis, they get more and more kind of responsibilities, whether it is through their self-initiated work or they can stretch themselves thin and broad versus the original kind of vision for the office, and then they forget that they are serving you and Parliament and the OECD principles. The way to be effective is through the media and through the public if you really want to influence the government and create change and transparency, all of these good things, but you have to remember that you are there to support Parliament, if you are such an institution, which the PBOs are. So by adding flexibility and other responsibilities sometimes they can forget that they are there to serve you.

Mr RICHARDSON: I think that is a good segue into a point I wanted to raise just around its service of members of Parliament and whether that should be a broader focus or that is our focus going forward. In the context of focusing on supporting members and obviously different political parties and different philosophies, is there an example or research that has been undertaken or observed by the OECD that shows how the parliamentary budget office has added to the public discourse and debate and enhanced some of that policy making and generation?

Mr CAMERON: The OECD right now actually has a very large project involving several of our different divisions on empirically assessing the impact of these IFIs and the PBOs. I think that is a difficult job. It will be difficult to prove that they are influenced convincingly that way, but anecdotally there are many terrific examples of cases of influence.

Most recently in the COVID-19 pandemic governments were trying to kind of skirt the democratic process and skirt Parliament and push through legislation very quickly, and Parliament has granted them that flexibility to do so, but at the same time you did not have a chance to look over a lot of these Bills. We saw some of these PBOs catch things in that legislation that would have been missed and throw up their hands the night before you were scheduled to vote and say, 'Hold up; this is not in the spirit of what the government said it was going to be' and 'You can't push this through'. We had a lot of eleventh-hour changes to legislation during the pandemic that caught overreach from the executive saying, 'Wait, did you know there is a provision in here that gives them authority for 18 months over directly skipping Parliament' and 'How is that called for?'—things like that. That is all through self-initiated kind of research. Nobody asked them to do that. They just paid attention, and they worked through the nights when you were probably also working through the nights, but on other things.

Mr RICHARDSON: I think it is a good point, Mr Cameron, around then how it interacts with the Auditor-General's function as well. I do not know if you are familiar with our Victorian Auditor-General. Obviously we have got a national framework as well, but how do you see that interrelating, because obviously the Victorian Auditor-General looks at a retrospective—

A lot of its reports are in the past tense, but the Parliamentary Budget Office can be forward thinking. How does that interplay or interact in other jurisdictions?

Mr CAMERON: That is exactly it. As you said, it is like a pre-auditor. It is before the money has been spent, and by the time the money has been spent it is too late. So that is that role. But we have had a lot of cases recently of the PBO holding the Auditor-General to account as well. Sometimes you see these institutions combined, and we do not recommend that, because there have been several cases in the last few years where the Auditor-Generals have made some questionable recommendations. They think in terms of financial statements—not in terms of budgeting—and financial reporting, and budgeting and financial reporting can have different objectives, different goals.

We saw cases where the Auditor-General has recommended changes to discount rates to pension plans for financial reporting and said the government had to make those changes in budgeting. And then they recommended to use the futures curve to discount pensions. Then you had these wild \$20 billion fluctuations in the budget plan every year only based on interest rate changes, and the PBO has stepped up and said, 'This is not how you should be budgeting. It doesn't provide certainty et cetera'. So they are similar, but it is important that they also both have the flexibility to comment on each other's work. Sometimes you see them try to harmonise their actions or their messaging, and we do not like to see that.

Mr RICHARDSON: I am interested as well in just the interaction with the executive, and obviously engaging with government departments, which obviously have the mandate from the government of the day to implement the policies that are being set down. How does that interrelate with other jurisdictions in minor parties, Independent members of Parliament or the opposition asking for information that might be completely out of their brief or their engagement on various government or executive policy?

Mr CAMERON: That is an interesting question too. Mostly these PBOs tend to be established and set up during coalition governments or minority parliaments, and they are really there to give support to the backbenchers and the opposition and the small parties. The question is: is there support given to small parties that has kind of exceeded what may be [Zoom dropout]—

Mr RICHARDSON: We hear a conversation around timeliness of information, but where a policy might be very complex and well outside the wheelhouse of the current executive department and their functions, what is the balance between scope and reasonability in that in terms of providing that information when we are looking at the make-ups of parliaments, or it could be one Independent party or one Independent member in a 100-plus or multimember parliament as well.

Mr CAMERON: Yes, it sounds like there might be an example you have here that I am not familiar with. Usually it is the green party in jurisdictions, and they tend to be who submits the most questions to a PBO. They can end up taking a lot of the PBO's resources, and that can be a good thing. There can be interesting questions that really kind of challenge the status quo. We have in Canada right now the PBO doing a lot of work on universal basic incomes, and that has definitely sparked a conversation. The department was not willing to wade into that area with public information; the PBO has been willing to. It can raise the level of

debate. It may lift ideas up to an equal footing that perhaps from a democratic perspective do not deserve an equal footing; I do not know. It overweights probably smaller representative parties and voices, which can be either a terrific thing or, you know, not. It depends how you interpret parliament and democracy, and those are big, high-level questions.

Mr RICHARDSON: Fundamentally our Parliamentary Budget Officer is linked towards members of Parliament putting forward various policies to be costed or as a source of advice. Now, that is a dual focus of the Victorian Parliamentary Budget Office. How does that add to the public discourse and debate in terms of that advice function and the costings, and how does that compare to other jurisdictions? Is it advice and budget, or are they primarily costing focused? What are some of the other comparable jurisdictions?

Mr CAMERON: That is a good question as well. As you know, Australia federally is very costing focused. Canada only very recently had their costing mandate added. They originally were focused purely on scrutiny of the economic and fiscal planning assumptions under the budget. And most of the European councils were set up for macroeconomic forecast endorsements—so the forecasts underpinning the budgets—either doing it themselves or looking at it and signing off on it. That is something that the Victorian PBO does not do a lot of, scrutinising those assumptions. Only very recently they started doing that. As parliamentarians I think the department of finance produces generally very good analysis, but you are never sure whether they are playing games, and what you would like is to have somebody who works for you to check their math and just reassure you that they are not playing games. In most other jurisdictions that has been the primary focus—serving as that check for you, not so much for the costings but for that reassurance to you that the government is not trying to pull one over on you.

Mr RICHARDSON: I am interested. Obviously there is a surge of interest and activity around election times for the Victorian Parliamentary Budget Office, and obviously it was established not long before our election in 2018, but you have made an example, Mr Cameron, of how during the COVID-19 pandemic we have seen parliamentary budget officers bring in that rigour and scrutiny as well. Can you talk through those that are comparable in terms of jurisdictions on focusing on elections or across the term and how you balance that with self-referral as well? I guess, what are some of the priorities that the Parliamentary Budget Office should put forward?

Mr CAMERON: Yes, that is a good question. I had something off the top of my head. I think in your jurisdiction as well as New South Wales the PBOs really focus on those election period cost estimates. That is quite rare. Generally the focus is more on, for the PBOs, legislative scrutiny, so Bills that are being passed—looking at the economic and fiscal implications of those Bills, not just the budget but everything—and answering all kinds of policy-related questions on distributional analysis of Bills and of the job numbers. I do not know how often you seek out analysis from the PBO, but unrelated to costing they generally fulfil a lot of requests. You may use your research staff or your committee research staff, but going through the PBO gets it at a higher level in the public debate and picks up more headlines, which is ultimately what the executive government is concerned about generating. But yes, going back to economic and fiscal planning assumptions underpinning different government announcements, they may quote that a measure creates 3 million jobs, and you look at it and say, ‘Well, that seems a bit of an exaggeration; let’s see what the PBO thinks’.

Mr RICHARDSON: Thank you, Mr Cameron. I just want to ask a couple of final questions in the final minutes I have got. The level of engagement of the Victorian Parliamentary Budget Office with the OECD’s network of parliamentary budget officials and independent fiscal institutions—obviously it is in its initial few years, but what has been the engagement and participation of the Victorian PBO in the OECD’s work?

Mr CAMERON: They have been really terrific actually. They are, I have to say, the most responsive to our questions and our emails. We maintain a database on our 40 different IFIs and PBOs in the network, and we are constantly updating that. The Victorian PBO answers our emails right away on that. They attend our annual meeting. They have, I believe, presented and served as discussants in our annual meeting, and they have answered questions for other countries and particularly subnationals that are setting up PBOs, similar institutions, and are looking for models or support or what works or what does not work. So they have been very responsive and have helped us a lot with our annual meetings and supporting other PBOs around the network.

Mr RICHARDSON: And just finally, Mr Cameron, you make reference to Ontario, Canada, in this slide, which I think is really informative, because the Victorian education department does interact significantly with

the Ontario jurisdiction. I am just interested in the comparison of the funding, which seems not too far off what Ontario is at—14 million people; Victoria is nearly 7 million people, but they are not too far off—and your comments on that as a comparable jurisdiction, on how the resourcing of the Victorian PBO is at the moment.

Mr CAMERON: Yes, the Ontario PBO does not have this costing mandate that you have. They will sometimes look at the cost of Bills on their own if they need it for the rest of their analysis, but they are largely there for an economic and fiscal update—an independent forecasting exercise twice a year—so independent economic and fiscal forecasts and then review of Bills and legislation and responding to parliamentary requests for analysis. Their budget reflects the fight at the federal level for years. The federal PBO came first and were underfunded and fought for years to have their funding increased. When the Ontario PBO was set up, that problem was fixed from the beginning, and they gave them a lot of money. I would not be looking to [Zoom dropout]. They were given a lot of money for their mandate, and they do not have the costing exercise that you do.

I think you compare fairly reasonably to the other subnationals in terms of financial resources overall, but we would like to see some kind of a multi-annual framework that takes the control away from the DTF and puts it in Parliament's hand or some other hand. At least their staffing numbers look reasonable, except the election period again. We would like to see some kind of a secondment system where you pull in analysts from other parliamentary research organisations or libraries or even from government—some way of ramping up that staffing for election periods—because 12 analysts is very small to try and deliver electoral costing. But outside of that, given their mandate, they seem relatively in line with what they need. It is challenging because you cannot exactly ramp up very easily for a few months at a time and then down again either. You need to build that capacity up over the years that are downtime, in between elections. So it is not straightforward, and again I am not sure how the purchasing power compares between institutions or the salary costs in Australia versus Ontario—those all have to be considered as well. I would say they look kind of under-resourced for election periods, and that should be changed, but it is tough to just do that. In Canada they basically permanently expanded their resources to deal with cost estimates at the federal level because they said that it is just not practical to have it go up and down; you need to build that capacity when you are not—and elections could happen at any time.

Mr RICHARDSON: Fantastic. Thanks so much, Mr Cameron, for your time.

The CHAIR: Thank you, Mr Richardson, and thank you, Mr Cameron. That concludes the time we have available for consideration with you today, so we thank you very much for appearing before the committee. The committee will follow up on any questions taken on notice in writing and responses will be required within five working days of the committee's request.

We declare this hearing adjourned and thank you very much for your time.

Mr CAMERON: Thank you.

Committee adjourned.