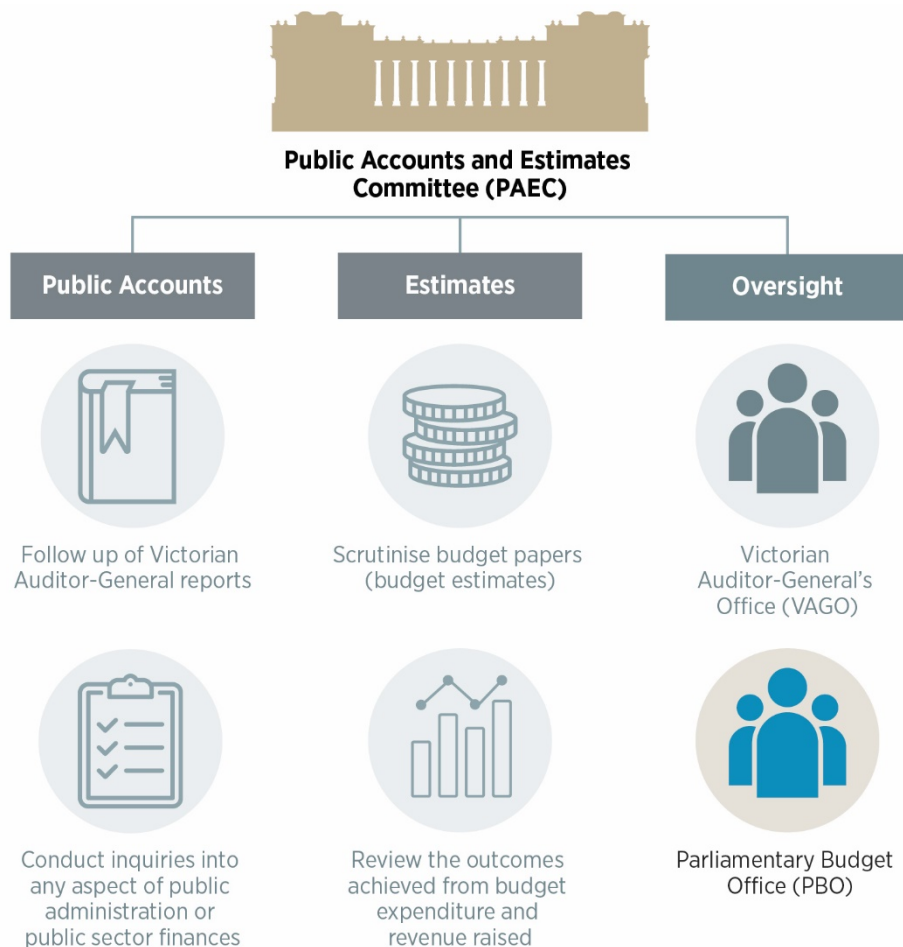




The Public Accounts and Estimates Committee BRIEFING PAPER

PAEC's obligations regarding the Parliamentary Budget Office

Of the three main functions of the PAEC, the Committee has statutory oversight responsibilities in relation to the Parliamentary Budget Office (PBO).



On 1 July 2017, the *Parliamentary Budget Officer Act* (the Act) was passed in Victoria. The legislation created the position of a Parliamentary Budget Officer and an office to provide policy costing and advisory services to Members of Parliament. The Parliamentary Budget Officer is an independent officer of the Parliament, with primary responsibility for:

- preparing election policy costings, pre-election reports and post-election reports
- preparing costings of other policies or proposed policies at the request of a Member of Parliament
- providing advisory services to Members of Parliament on financial, fiscal or economic matters (including in relation to the costing of proposals included in the State Budget).

The Act sets out a number of responsibilities for the Committee. Section 54 prescribes the following functions:

- to recommend the appointment of the Parliamentary Budget Officer to the Minister
- to review the operational and resourcing arrangements of the office, including the draft budget of the PBO
- to consult the Parliamentary Budget Officer on an operational plan
- to review reports of PBO operations and annual reports
- to review and assess how well the PBO's functions are being performed
- to report to the Parliament on any matter regarding operational and resourcing arrangements for the PBO that requires the attention of Parliament.

The Committee is not authorised to question the PBO on policy costings, pre-election reports, post-election reports or information contained in the analysis or advice provided to Members of Parliament.

Appointment of the Parliamentary Budget Officer

In March 2018 the Committee recommended that Mr Anthony Close be appointed as the inaugural Parliamentary Budget Officer. Anthony Close commenced his position in April 2018.

Report of PBO operations during the election costing period

Following a general election, the Parliamentary Budget Officer must prepare a report outlining the PBO's operations during the election costing period.¹ The report must set out:

- the cost of PBO operations during the election costing period
- the number of election policy costings received and prepared
- how many members of staff are employed during the election costing period
- how many consultants were engaged during the election costing period
- any significant issues or problems encountered
- each statement publicly released explaining why an election policy costing request was stopped due to insufficient time or information
- the number of times the Parliamentary Budget Officer decided to stop preparing an election policy costing or report; and deferred or declined the exercise of a function under certain circumstances.

It may also include any recommendations for the future operations of the PBO and Parliamentary Budget Officer; and any other information the Parliamentary Budget Officer considers appropriate.

The Parliamentary Budget Officer must transmit this report to the Chair of PAEC three months after the date of the election or the first day on which the Chair is elected. The Chair is required to lay the report before the Parliament in the first sitting day after having received it.

Further information

The PBO is based on level 4, 55 St Andrews Place. Staff of the PBO are Parliamentary Officers. Further information can be found on the PBO website at <https://www.pbo.vic.gov.au>.

¹ The election costing period is the period beginning with the moving of the second reading of the Annual Appropriation Bill in an election year and ending on the Thursday immediately preceding the general election or if before the moving of the Bill, the Assembly is dissolved, the period beginning with that dissolution and ending on the Thursday immediately preceding the resulting general election.