



Jon Stanhope MLA

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Tom Duncan
Secretary
Standing Committee on Administration and Procedure
ACT Legislative Committee
GPO Box 1020
CANBERRA ACT 2601

	A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE
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Dear Mr Duncan

Thank you for the opportunity to provide a submission to the Standing Committee on Administration and Procedure's inquiry into the merit of appointing a Parliamentary Budget Officer (PBO) for the Legislative Assembly.

The Government recognises and values the importance of the role played by the Legislative Assembly and its Committees in scrutinising the actions of the Executive, and is committed to principles of accountability, transparency and openness in its budgeting and financial and performance reporting processes.

The Government also recognises that any proposal to allocate additional resources or add additional processes, should be done so with clear understanding of the costs and benefits of doing so. In this context I would urge the Committee to very clearly articulate these benefits and rigorously assess alternatives.

The Government therefore supports the Committee in its examination of the potential for the appointment of a PBO to enhance the Assembly's capacity to scrutinise the operations of the Executive.

Of course, this assessment would also need to be undertaken in light of the current mechanisms including the Assembly itself, Assembly Committees, the Auditor-General and the press for scrutinising the Government's actions, competing budget priorities in the current economic and fiscal climates, and the relative size, complexity, and nature of the ACT Budget.

Ultimately it is a matter for Assembly to determine whether the PBO is of sufficient priority to receive funding within its overall budget, but the Government notes that the Estimates Committee has been able to engage advisers from the private sector to provide high level economic analysis in 2009, and that this may well prove to be a more cost effective mechanism for supporting the Assembly's scrutiny role.

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While always prepared to consider options for enhancing the transparency of Government operations and the Assembly's capacity to scrutinise, the Government considers the specific problem to which the appointment of a PBO is the answer has not been clearly articulated. Greater clarification of the objectives of such a role would enable the Assembly to perhaps develop more efficient and effective ways of responding that suit the particular circumstances of our jurisdiction.

The Government notes the PBO role is not widely adopted internationally, and where it has been, it overwhelmingly tends to be employed for national parliaments, rather than state or territory levels. Such a position is not utilised by any other Australian jurisdiction.

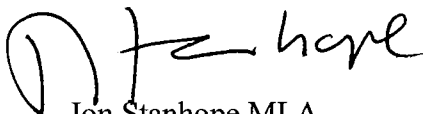
The Auditor-General already provides an independent assessment of the ACT budget and assesses the performance of government programs. In those jurisdictions with a PBO, the Government notes the potential for ultimately unhelpful overlapping of responsibilities with the Auditor-General, and for the diversion of public service resources in providing information to support inquiries under a further accountability mechanism. The Government would be keen to ensure the crucial role and responsibilities of the Auditor-General are not muddled by the appointment of a PBO, or that the ACT Public Service is not diverted from its core service delivery functions to support inquiries by a new accountability mechanism in the absence of a clearly demonstrated need, or benefit produced.

The Budget process in particular is already subject to a high level of scrutiny - through Estimates Committees, debate on the Appropriation Bill(s), Annual Report hearings and Assembly Question Time; through the publishing of Annual and Quarterly whole of government financial reports and statements; and the release of the Mid Year Review.

The Government has considered the possibility of seconding ACT public servants as PBOs. However, advice from the Commissioner for Public Administration is that it would be inappropriate. The effectiveness of the ACT Public Service is contingent upon the impartiality of its officers, who must act in accordance with the *Public Sector Management Act 1994*. Active participation in the development of a report commenting on, and possibly criticising, the Government's chief financial planning document, undermines the effectiveness and impartiality of the ACT Public Service.

I look forward to the outcomes of this inquiry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jon Stanhope', is written over a circular stamp.

Jon Stanhope MLA
Chief Minister

- 4 JUN 2009