



**Government Response to the Report of the
Standing Committee on Administration and
Procedure on The Merit of Appointing a
Parliamentary Budget Officer**

TABLING STATEMENT

**Presented by
Ms Katy Gallagher MLA
Treasurer**

17/11/2009

Mr Speaker, I present to the Assembly the Government's response to the Standing Committee on Administration and Procedure's report on The Merit of Appointing a Parliamentary Budget Officer.

A fundamental principle of democracy is to ensure accountability of the Executive to the Legislature in relation to its activities. Continued scrutiny of the Executive by the Legislature leads to improved policy outcomes.

The Budget is a fundamental document in the governance processes for any Executive. A Budget is a multifaceted document read by a wide constituency laying out the social, economic and fiscal values of the Government.

The Government believes strongly in these fundamental principles of democratic and governance and for this reason supports measures taken by the Assembly to enhance its capacity to scrutinise the Government's budget.

The Government would like to take the opportunity to congratulate the Committee on the report and broadly supports the recommendations made by the Committee.

The Government supports the first and second recommendations on appointing an expert consultant be

appointed to assist the Select Committee on Estimates to scrutinise the ACT Budget Papers; and outlining the role of such an individual in providing independent economic and financial analysis of the ACT Budget, as well as assisting with the provision of advice on the technical aspects of the Budget Papers.

This is a logical and cost effective approach to expanding the knowledge and skills of the Committee to effectively scrutinise the ACT Budget Papers.

It follows the precedent established during the Estimates hearings for the 2009-10 Budget which saw the appointment of Mr. Tony Harris, a highly respected practitioner and commentator in public sector finances by the Assembly to examine the 2009-10 ACT Budget and provide advice to the Estimates Committee.

The Government does not agree with aspects of the third recommendation. Staffing of the Committees and the Assembly is a matter for the Assembly, and in this regard there should be no constraint placed on the recruitment of additional resources to assist the appointed consultant if the Speaker desires that to be the case.

The Government is concerned by the notion that these additional staff may be seconded from the ACT Public Service. The Government received advice from the A/g Commissioner for Public Administration in March 2009 that such secondments would be inappropriate.

The A/g Commissioner explained that 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. To this end, the Government does not support the secondment of ACT Public Service staff to the Legislative Assembly to assist in the financial scrutiny of the Government's Budget.

The Government is nevertheless exploring in cooperation with the Clerk of the Assembly the piloting of a scheme which would see the generalist ACT Public Service staff seconded to work with the Committee secretariat on a regular basis.

The purpose of the program would be to offer participants a professional development opportunity and enhance the understanding of the perspectives of the Legislature and the Executive.

Mr Speaker, I commend the response to the Assembly.



Government Response
to the Report of the
Standing Committee on Administration and
Procedure on the inquiry into
The Merit of Appointing a Parliamentary
Budget Officer

November 2009
Katy Gallagher MLA
Treasurer

INTRODUCTION

The Standing Committee on Administration and Procedure presented its Report on The Merit of Appointing a Parliamentary Budget Officer to the Legislative Assembly on Thursday, 20 August 2009.

The Government thanks the Committee for its Report. The Committee made provided a report with 3 recommendations in relation to the issue.

The Government notes that the recommendations included in this Standing Committee Report are a matter for the Speaker of the Legislative Assembly and as such the Government will only be making comments on the recommendations included in this report.

Recommendation 1

The Committee recommends that each financial year the Speaker make available an expert consultant to assist the Select Committee on Estimates to scrutinise the ACT Budget Papers.

Government Comment

The Government notes this is an issue for the Speaker, and welcomes such an initiative which would improve Committee's overall understanding of the ACT Budget papers as well as its capacity to examine and analyse them. Contracting an expert consultant is a cost effective approach to expanding the knowledge and skills of the Committee to effectively scrutinise the ACT Budget Papers.

Recommendation 2

The Committee recommends that the expert consultant's role be to provide independent economic and financial analysis of the ACT Budget and to assist with providing advice on the technical aspects of the Budget Papers. The role could be fulfilled by provision of Budget Paper analysis, analysis of the evidence taken during public hearings and additional advice as requested by the Select Committee on Estimates.

Government Comment

The Government again notes this is an issue for the Speaker, and again welcomes such an initiative that will enable the Estimates Committee to obtain independent advice on the technical aspects of the ACT Budget Papers and financial reports. This will lead to improved understanding, transparency and accountability of the Government.

Recommendation 3

The Committee recommends that the role of the expert consultant could be extended at the request of a committee. Upon request by a relevant committee and following a decision by the Speaker that the workload requires it, the consultant may be asked to provide independent economic and financial analysis to the relevant committee. In such circumstances, additional staff could be temporarily engaged to assist the Assembly with financial scrutiny of Government action. These additional staff may be seconded from the ACT Public Service, or hired from the private sector.

Government Comment

The Government again notes this is an issue for the Speaker, and again supports measures that will expand the skills and knowledge of the Members within the Legislative Assembly to understand the ACT Budget papers.

However, in regard to the secondment of additional staff from the ACT Public Service to assist the Legislative Assembly with financial scrutiny of Government action, the Government received advice in March 2009 from the A/g Commissioner for Public Administration that this would be inappropriate.

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. To this end, the Government **does not support** the secondment of staff from the ACT Public Service to the Legislative Assembly to assist in the financial scrutiny of the Government's Budget.

The Government is nevertheless exploring in cooperation with the Clerk of the Assembly the piloting of a scheme which would see the generalist ACTPS staff seconded to work with the Committee secretariat on a regular basis (say from February to November in a given year). The purpose of the program would be to offer participants a professional development opportunity and enhance the understanding of the perspectives of the Legislature and the Executive.

