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|  <b>A.C.T. LEGISLATIVE<br/>ASSEMBLY<br/>COMMITTEE OFFICE</b> |            |
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26 May 2009.

Mr Shane Rattenbury, MLA  
Chair,  
Standing Committee on Administration and Procedure,  
ACT Legislative Assembly,  
GPO Box 1020,  
CANBERRA ACT 2601

**By email: tom.duncan@parliament.act.gov.au**

Dear Mr. Rattenbury,

**Re: Inquiry into the merit of appointing a Parliamentary Budget Officer for the ACT  
Legislative Assembly.**

Thank you for your letter of 27 March 2009 to Jeff Hughes of CPA Australia on the abovementioned matter. Jeff has asked me to respond to you on this matter.

In your letter you indicated that a number of countries now have a budget research organisation attached to their legislature to conduct independent analysis of national budgets, including Canada, the United States and the United Kingdom.

We note in this regard that it is generally more common for foreign jurisdictions with a congressional system of government to establish budget research organisations attached to their legislatures to conduct analysis of national budgets. The benchmark in this area is, of course, the Federal Congressional Budget Office in the United States although countries such as Korea and the Philippines also have similar, albeit smaller, budget offices. A characteristic of these countries is their congressional system of government which separates the executive and legislative branches, and where the legislative branch is able to propose its own expenditures or taxes.

We understand that the Canadian Federal Parliament established a Parliamentary Budget Officer within the Library of Parliament in 2006 to strengthen the capacity of the Library to provide analysis and advice to members of parliament on fiscal and expenditure issues. The wider purpose of this approach appears to have been to strengthen the capacity of Parliament to better hold government to account by increasing transparency in the Government's fiscal planning framework and improving understanding of expenditure proposals. However, we are not aware of any moves by other Canadian jurisdictions to appoint a PBO.

In the case of the UK, we understand that in November 2002 the UK established a Scrutiny Unit, based within the Committee Office of the House of Commons, to provide advice on expenditures and draft bills. It appears that the main focus of this unit in its early stages was on improvements in the presentation of information from the Treasury to improve the ability of members to discuss the estimates.

Against this background, we do not see a strong case at this stage for the appointment of a parliamentary budget officer for the ACT Legislative Assembly but if the ACT legislature decides to pursue this objective further then the Canadian approach outlined above may be a useful model to follow.

We note also that the question of appointing a Parliamentary Budget Officer at the Federal level has also been raised in the press in the light of recent concerns regarding the Government's fiscal forecasts which was also apparently a key issue underlying the establishment of the Canadian PBO as discussed above.

In this light, therefore, we believe that it may be preferable for the ACT to await the outcome of the consideration of this matter at the Federal level before finalising its current Inquiry and/or making any final decisions on whether to appoint a PBO.

Yours sincerely



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