

**SENATE STANDING COMMITTEE ON
FINANCE AND PUBLIC
ADMINISTRATION**

LEGISLATION COMMITTEE

Parliamentary Budget Office Bill 2010

SUBMISSION

SUBMISSION NUMBER: 1

SUBMITTER

Australian National Audit Office



Auditor-General for Australia

19 July 2010



Ms Christine McDonald
Secretary
Senate Standing Committee on Finance and
Public Administration
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms McDonald

Thank you for your letter of 28 June inviting a submission to the Committee's inquiry into the Parliamentary Budget Office Bill 2010.

While the ANAO notes there is some overseas experience that lends support to the Parliament having access to independent advice and analysis in relation to the Budget process, it is ultimately a matter for the Parliament to decide whether mechanisms over and above existing Parliamentary Committee arrangements are needed for the Parliament to be better informed about the Commonwealth Budget process.

In relation to specific aspects of the Bill, I note that Clause 16 specifies that the Presiding Officers must establish a panel, including the Auditor-General, to assess and recommend candidates for the position of Parliamentary Budget Officer. In this context, it is noted that the Bill also proposes that the Parliamentary Budget Officer and the staff of the Parliamentary Budget Office (PBO) would constitute a Statutory Agency. As it would be reasonable to expect that the PBO would be subject to the *Financial Management and Accountability Act 1997* and be audited by the Auditor-General in accordance with the provisions of the *Auditor-General Act 1997*, it is suggested that such an arrangement involving the Auditor-General would not be prudent in view of the independence of the Auditor-General.

It is noted that Clause 9 of the Bill gives the Parliamentary Budget Officer "the power to do everything necessary or convenient to be done for, or in connection with, the performance of the functions of the Parliamentary Budget Officer". The Committee may wish to consider the appropriateness of including specific provisions that provide the PBO with powers of access to information and records relevant to its responsibilities.

The ANAO contact officer is Mr Tony Steele, who can be contacted on 6203 7386.

Yours sincerely

Ian McPhee