

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 117

Topic: Parliamentary Budget Office

Hansard Page: Wednesday 30 May 2012, page 108

Senator WATERS asked:

Senator WATERS: That is optimistic. I do like optimism generally. That answers that question. I want to move now to the Parliamentary Budget Office, if we have the relevant people here. The interim executive officer of the PBO told us last week that he had had discussions with Treasury about a memorandum of understanding. I was interested in what you had in mind. What is your understanding of the memorandum of understanding?

Mr Heferen: I think the PBO, the Parliamentary Budget Office, is in our fiscal group, which was on this morning.

Senator Wong: What is the question?

Senator WATERS: The PBO told us last week that there was a memorandum of understanding in the offing. I was interested in—

Senator Wong: That is consistent with the unanimous report of the joint committee which looked at the Parliamentary Budget Office. We indicated in the course of putting that legislation through that that would be one of the aspects that would be implemented. Yes, it is something that probably the fiscal group can assist with and the department of finance. So if you want to put it on notice, I am sure the fiscal group can be of assistance.

Senator WATERS: So there have been no discussions about the PBO MOU with your group?

Mr Heferen: I think I am right in saying that we certainly have input into that, but I think the discussions are largely led by colleagues in fiscal group.

Senator WATERS: Do you have any views about what should be in that MOU?

Senator Wong: Senator, with respect, it is probably not an issue for Mr Heferen. I am just trying to see what I have. The MOU was for the purpose of ensuring costings were robust and not putting public servants in a difficult position. It was to govern the nature of the information provision between the Parliamentary Budget Office and public servants for the purposes of costings. That is the policy imperative. If you have detailed questions, as I said, we would have to take them on notice.

Senator WATERS: I want to ask a foolish question. What is the purpose of the MOU?

Senator Wong: I think I just explained it, did I not?

Senator WATERS: It is to give, effectively, confidentiality. Is that what you were getting at?

Senator Wong: I do not have the officers here, so I am just having a quick look at the information we had. The act which was passed last year included the provision for the memorandum of understanding, which would enable bodies to obtain information and documents relevant to the PBO's function. The draft was prepared by the department of finance and the Department of the

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Treasury. It was reviewed by the secretaries, board, the National Audit Office, the Australian Government Solicitor and the Attorney-General's Department. It sets the groundwork for how finance would engage with the Parliamentary Budgetary Office in providing a clear basis for the development of a high-quality, open, trusting relationship with the Finance secretary and the officer. So it is us giving effect to the recommendations of a joint committee.

Senator WATERS: Is that in a form that has been released?

Senator Wong: Could you put that on notice? As I have said a number times now, if you could put that on notice, we will try to assist. I am trying to be helpful here, but these are not the officers responsible.

Senator WATERS: Thank you for your help.

Answer:

Please refer to BET 357 – 359.