



VICTORIAN PARLIAMETARY BUDGET OFFICE SUMMARY OF FINDINGS FROM THE OECD'S REVIEW

Opening statement to the Public Accounts and Estimate Committee

Scott Cameron
Public Management and Budgeting Division
26 April 2021



The PBO Network

The OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions (**PBO Network**)

2014 Recommendation of the Council on Principles for Independent Fiscal Institutions

Members are expected to adhere to these principles and the OECD monitors their implementation

But first and foremost:

The role and structure of the IFI should reflect local needs and the local institutional environment



The OECD Principles for IFIs

22 principles across
9 headings

Victorian PBO evaluated
against the principles
in 2018

Local
ownership



Role and structure determined
according to local needs

Independence
and non-
partisanship



Independent appointments
and non-partisan analysis

Mandate



Mandate clearly defined and IFI
able to work at own initiative

Resources



Resources commensurate
with mandate

Relationship with
legislature



Appropriate accountability to
the legislature

Access to
information



Access to information
guaranteed in legislation

Transparency



Act as transparently as
possible

Communica-
tion



Effective communication
channels, especially with media

External
evaluation



A mechanism for external
evaluation in place



FINDINGS



Mandate

Principle: 3.2 IFIs should have the scope to produce reports and analysis at their own initiative and autonomy to determine their own work programme within their mandate.

Recommendation:

- Currently a grey area.
- The *PBO Act* has the objective to “inform policy development and public debate in Parliament and the Victorian community” and the PBO is to provide services to Members of Parliament.
- But the act does not mention a clear right to publish self-initiated reports. It should.



Mandate

Principle 3.3 Clear links to the budget process should be established within the mandate.

Recommendation:

Establish specific contributions to the legislative budget process:

- Some PBOs are required to independently assess economic and fiscal projections and submit a report to a committee.
- Some required to assess the budget document and sign a statement that it has been prepared under reasonable assumptions.

Does not require re-opening the *PBO Act*. Could be by committee standing order.



Resources

Principle 4.1 The resources allocated to IFIs must be commensurate with their mandate. The appropriations for IFIs should be published and treated in the same manner as the budgets of other independent bodies such as audit institutions. Multiannual funding commitments may further enhance IFIs independence and provide additional protection from political pressure.

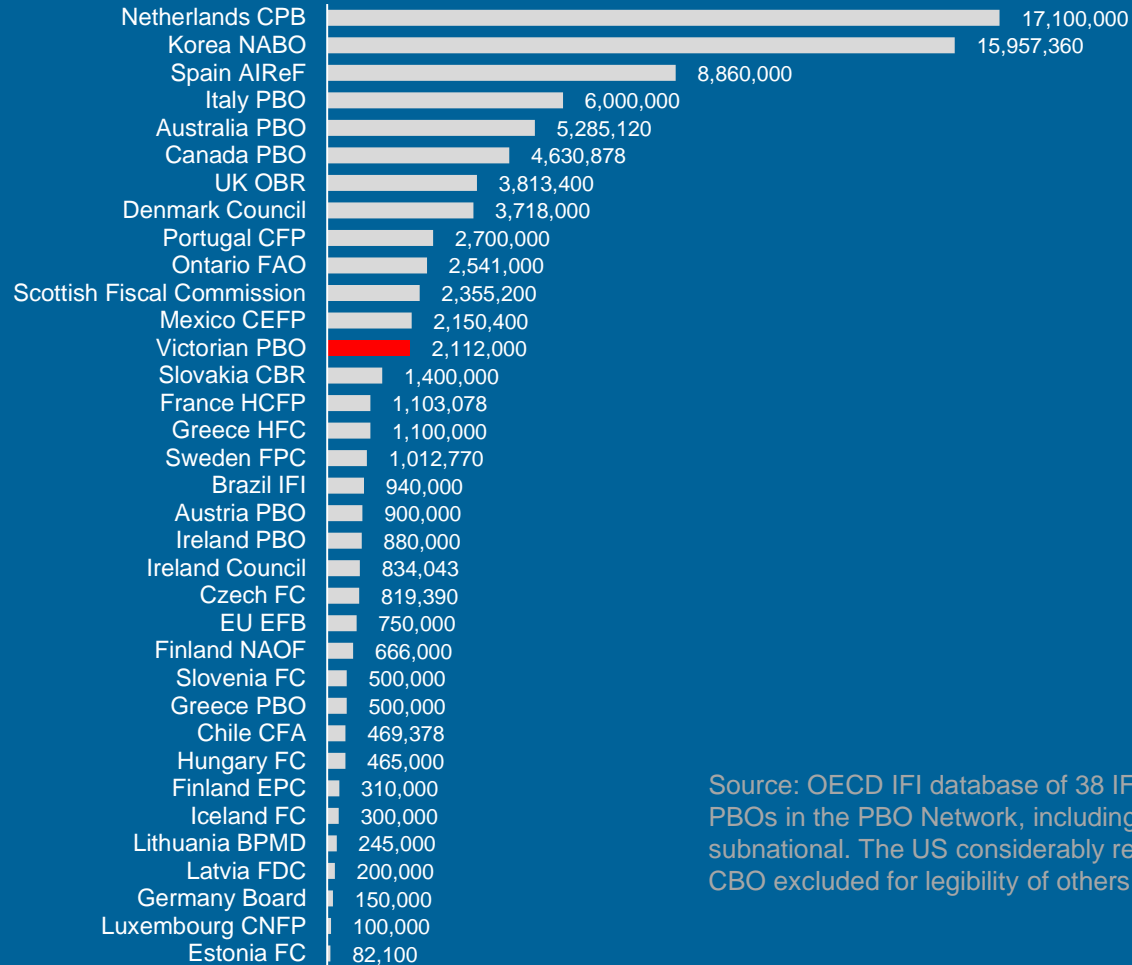
Recommendation:

- PBO's budget should be determined in consultation with PAEC, taking into account its operational plan, similar to other independent bodies.
- The PBO should be granted additional resources during election years.

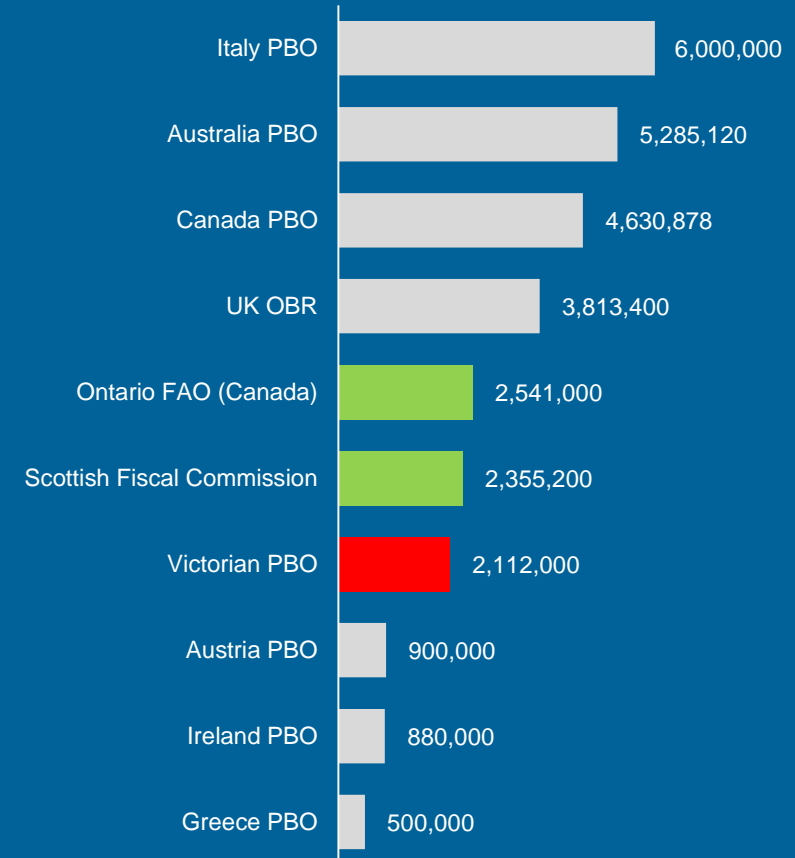


Financial resources comparable to peers

Among all IFIs (euros)



Among closest peers (euros)

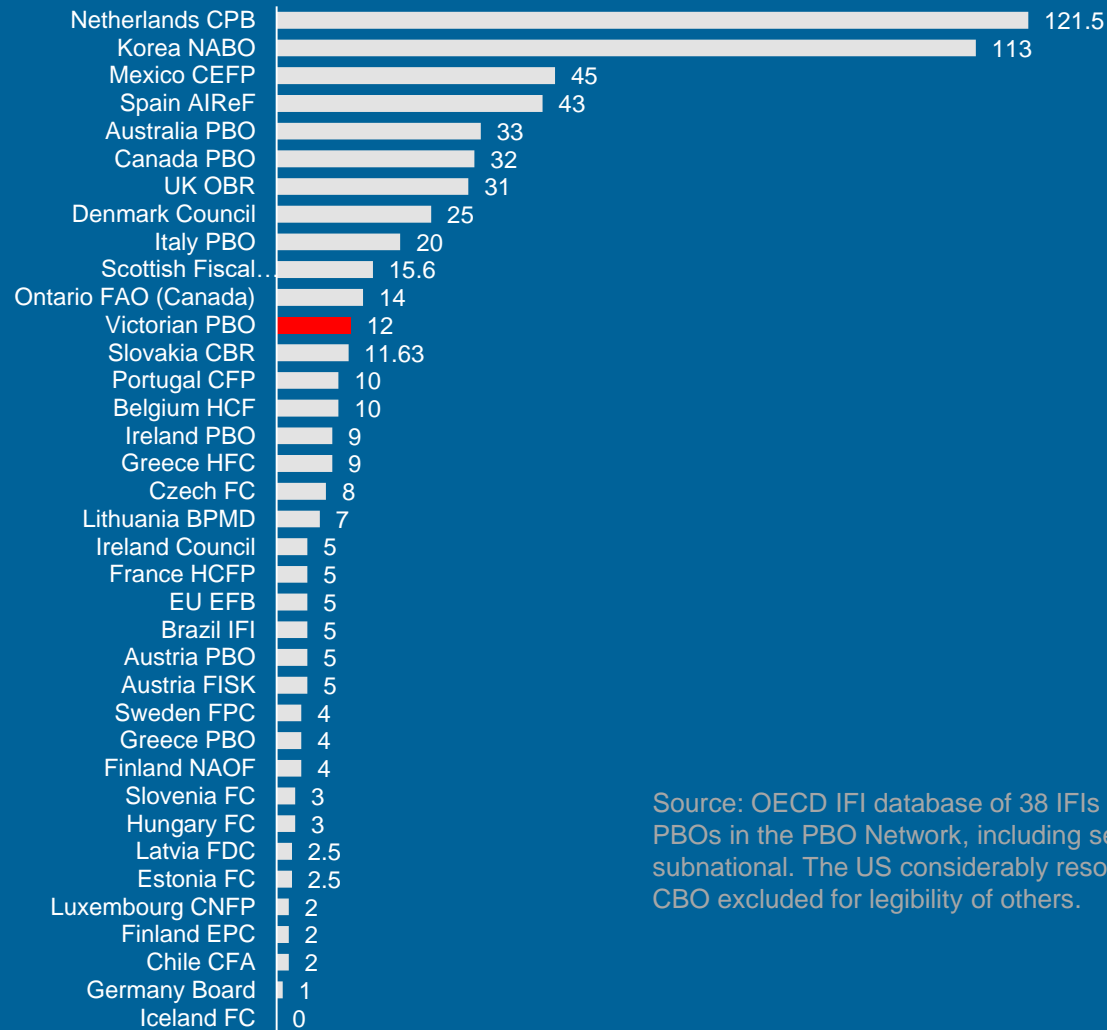


Source: OECD IFI database of 38 IFIs and PBOs in the PBO Network, including several subnational. The US considerably resourced CBO excluded for legibility of others.

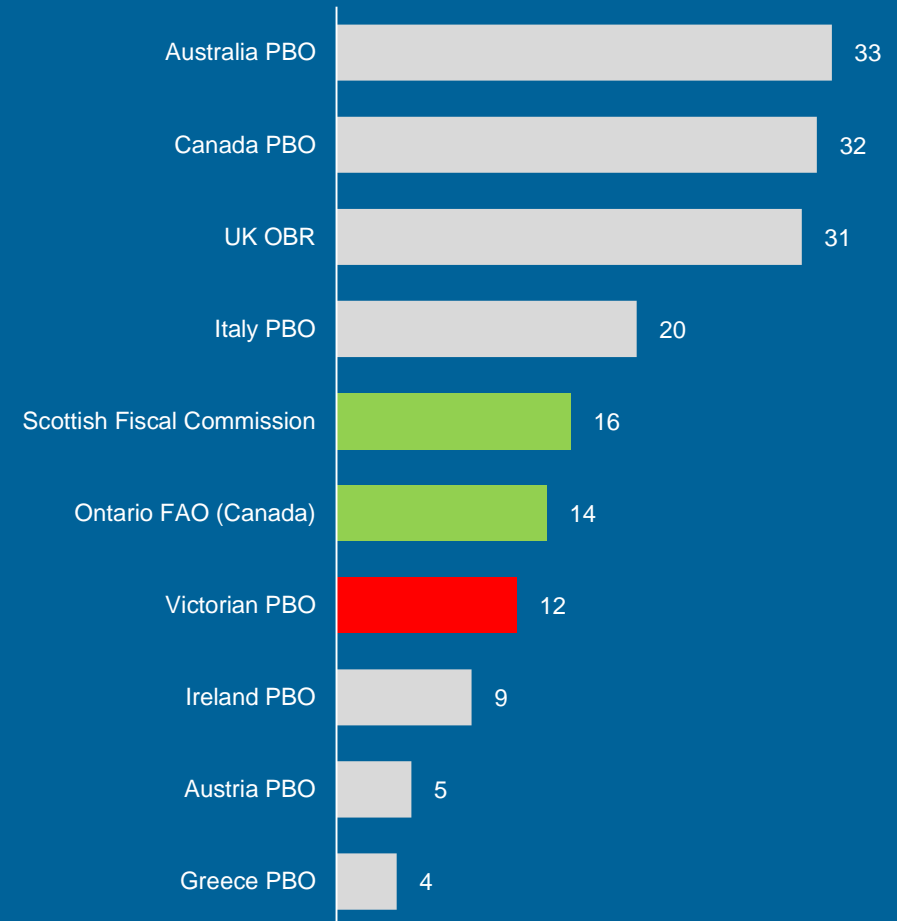


Staff resources comparable to peers

Among all IFIs (full-time equivalents)



Among closest peers (full-time equivalents)



Source: OECD IFI database of 38 IFIs and PBOs in the PBO Network, including several subnational. The US considerably resourced CBO excluded for legibility of others.



Relationship with the legislature

Principle 5.2 The role of the IFI vis-à-vis parliament's budget committee (or equivalent), other committees, and individual members in terms of requests for analysis should be clearly established in legislation. Preferably, the IFI should consider requests from committees and sub-committees rather than individual members or political parties. This is particularly relevant for those IFIs established under the jurisdiction of the legislature.

Recommendation:

- The PBO's role in supporting committees should be clarified in legislation.



Access to information

Principle 6.2 Any restrictions on access to government information should also be clearly defined in legislation.

Recommendation:

- Legislation should be specific in defining ‘information and documents’ and the circumstances under which a public body might not fulfil an information request.
- There should be a dispute resolution mechanism defined in legislation.



Transparency

Principle 7.2 IFI reports and analysis (including underlying data and methodology) should be published, made freely available to all and sent to parliament.

Recommendation:

- Legislation should be precise that the PBO has authority to publish its self-initiated reports to achieve its objective of improving public awareness and debate.