



## Department of Treasury and Finance

1 Treasury Place  
Melbourne Victoria 3002 Australia  
Telephone: +61 3 9651 5111  
dtf.vic.gov.au  
DX210759

D21/73680

Ms Lizzie Blandthorn MP  
Chair  
Public Accounts and Estimates Committee  
Parliament of Victoria  
Spring Street  
EAST MELBOURNE VIC 3002

Dear Chair

### **INQUIRY INTO THE VICTORIAN PARLIAMENTARY BUDGET OFFICER**

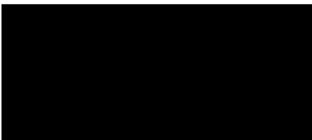
I am writing to respond to your correspondence of 18 March and 7 April 2021 to the Treasurer, inviting him respectively to make a written submission to your Committee's Inquiry and to appear before the Inquiry.

The Treasurer has requested that I make a submission to the Inquiry on behalf of the Victorian Secretaries Board, representing the Secretaries of all Victorian Government departments.

I am pleased to provide the attached submission on behalf of the Victorian Secretaries Board.

The Treasurer has also requested that I appear before your Committee in his place. I understand that you have agreed to this. Accordingly, I will attend the Committee hearing at 11.25 am on Monday 26 April 2021.

Yours sincerely



David Martine  
Secretary

23 / 4 / 2021

**Submission to the Public Accounts and Estimates Committee Inquiry into the Victorian Parliamentary Budget Officer by Mr David Martine, Secretary of the Department of Treasury and Finance, on behalf of the Victorian Secretaries Board**

To the Chair and members of the Public Accounts and Estimates Committee:

I make this Submission in my capacity as Secretary of the Department of Treasury and Finance on behalf of the Victorian Secretaries Board, which consists of all Secretaries of Victorian Government departments.

Passage of the *Parliamentary Budget Officer Act 2017* ('the Act') fulfilled a commitment made during the 2014 State election. Following that election, the Department of Treasury and Finance developed the *Parliamentary Budget Officer Bill 2017*, and following its enactment responsibility of the Act was assigned to the former Special Minister of State, with administration responsibilities undertaken by the Department of Premier and Cabinet.

On 23 March 2020 the Act was allocated to the Treasurer, and since then the Department of Treasury and Finance has been responsible for the administration of the Act. I note that section 54 of the Act imposes specific responsibilities on the Public Accounts and Estimates Committee to review and report to the Parliament on various matters relating to the Parliamentary Budget Officer, and I understand that this Inquiry is being conducted as part of the undertaking of those responsibilities.

The objectives of the Act, as set out in section 5, are:

- (a) for members of Parliament to be provided with ongoing, authoritative, independent and credible policy costing and advisory services; and
- (b) for those policy costing and advisory services to be delivered in a timely, relevant and readily understandable manner; and
- (c) to inform policy development and public debate in Parliament and the Victorian community.

The functions of the Parliamentary Budget Officer, as set out in section 7 include:

- the preparation of election policy costings, pre-election reports and post-election reports;
- the preparation of costings of other policies;
- the provision of advisory services to members of Parliament; and
- administration of the Parliamentary Budget Office (the Office).

The Parliamentary Budget Officer's powers, duties and responsibilities require the office holder and the Office to obtain information from State government entities, primarily related to government finances and associated matters, and the Department of Treasury and Finance is one of the primary sources of relevant information.

Ministers and their offices are not involved in information requests, which are matters between the Parliamentary Budget Officer and the heads of the various government entities. As outlined in the Act, all of the Parliamentary Budget Officer's work must originate from a request by a member of Parliament, and cannot be initiated by the Parliamentary Budget Officer or the staff of the Office on their own volition.

Departments have established a professional working relationship with the Office to ensure the timely provision of information. Occasionally information has not been provided, in accordance with the exemption provisions set out in the Act, and on other occasions, the complexity and scope of requests means that information has not been provided as quickly as was requested.

On occasions where complex requests are involved or clarification is required, there is a need for consultation and discussion to ensure that requests by the Office are framed in a way that enables the department to identify and provide the information that is most relevant and useful. Such consultation and discussion has been undertaken in a responsive manner.

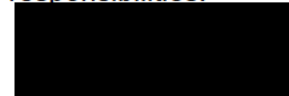
To facilitate further the provision of information, negotiations are ongoing between myself, on behalf of the Victorian Secretaries Board, and the Parliamentary Budget Officer with respect to establishing a Memorandum of Understanding governing the conduct of future information requests. The establishment of such a Memorandum is envisaged by section 25 of the Act. I understand the Office has established Memorandums with the State Revenue Office, Infrastructure Victoria, Victoria Police, the Game Management Authority and the Victorian Public Sector Commission.

As is the case for all areas of government, including those such as the courts and the Parliament which are independent of direction by the executive government, their resourcing through annual appropriations is nonetheless the responsibility of the executive government, which under the *Constitution Act 1975*, has sole authority to introduce appropriations Bills to the Parliament.

The funding provided to the Parliamentary Budget Office in the 2020-21 financial year, as set out in the Schedule to the *Appropriation (Parliament 2020-2021) Act 2020* was \$3.3 million. Under the initial funding agreement for the Office in 2017-28, \$3.3 million a year was allocated for each of the four years of the 2017-18 forward estimates period, with an additional \$1.1 million for initial establishment costs. In 2018-19, the Office also received a Treasurer Advance of \$0.741 million for temporary surge resources for the election period.

Published financial data shows that the Office has not required all of its allocated funding, particularly with respect to establishment costs and operational funding in its first few years. Funding allocations for 2021-22 will be published as part of the *2021-22 Budget* next month.

Performance data provided by the Office and published in Budget Paper No. 3 demonstrate that the Office met or exceeded each of its performance targets, indicating that the current level of funding is sufficient for the Parliamentary Budget Office to carry out its responsibilities.

  
David Martine

Secretary

23 / 4 / 2021