



**Tithe an
Oireachtais**
**Houses of the
Oireachtas**

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23 April 2021

Lizzie Blandthorn MP

Chair

Public Accounts and Estimates Committee

Parliament of Victoria

Inquiry into the Victorian Parliamentary Budget Officer

Dear Ms Blandthorn,

Thank you for the invitation to contribute to the Committee's Inquiry into the Parliamentary Budget Officer.

Appended to this letter is our formal submission to the Inquiry.

It is framed around issues raised through follow-on correspondence with Committee staff. In that correspondence it was indicated that the Committee considers the Inquiry would benefit from gaining insight on:

- The development of the Oireachtas PBO's work programme and services, including the impact on the functions, structure and resourcing arrangements of the office.
- Guaranteeing information supply without legislative recourse, and the challenges to obtaining timely and useful responses from agencies.
- The value of performing self-initiated research and providing support to the Committee for Budgetary Oversight, including participation in private sessions of the Committee.

We have endeavoured to address these issues in our submission. I hope our submission will be useful to you and your colleagues in completing your Committee's Inquiry.

If any follow-up information is needed we would be happy to provide it.

Cuirfear fáilte roimh chomhfhreagras i nGaeilge.

Yours sincerely



Annette Connolly
Director
Parliamentary Budget Office

Houses of the Oireachtas Service's Parliamentary Budget Office's submission to the Parliament of Victoria's Public Accounts and Estimates Committee's Inquiry into the Parliamentary Budget Officer

Disclaimer

This submission has been prepared by the Houses of the Oireachtas Service's Parliamentary Budget Office. It is not to be construed as representing the view of either House of the Oireachtas.

Context

The Houses of the Oireachtas Service's Parliamentary Budget Office (henceforth PBO) was set up in 2017. The PBO was put on a statutory basis in the *Houses of Oireachtas Commission (Amendment) Act 2018*.

The objective of the Parliamentary Budget Office (PBO) is to provide tailored support to the Houses of the Oireachtas and their Committees in relation to fiscal issues and the management of the public finances. The office is independent and impartial, staffed by specialist civil servants, and provides expert advice and analysis to the Houses.

History

During and following significant economic and fiscal crisis from 2008-2012 many fiscal reforms including, amongst others, new European Union fiscal rules, the establishment of the Irish Fiscal Advisory Council (IFAC), a rolling spending review process, additional budgetary documentation and information, etc. were introduced in Ireland. These reforms focussed on the Government's fiscal processes whereas the Houses of the Oireachtas's processes in terms of budget approval and scrutiny did not change.

The Houses of the Oireachtas Service with the approval of the Houses of the Oireachtas's Joint Committee on Finance and Public Expenditure and Reform and the House of the Oireachtas Commission¹ commissioned the OECD to complete a [review of budget oversight by the Irish Parliament](#) (published in late 2015). This review recommended new processes for budget scrutiny including a **Budget Committee** and a **Parliamentary Budget Office**.

After the 2016 election a *Committee on Arrangements for Budgetary Scrutiny* was established to review how the Houses of the Oireachtas could better engage in budgetary scrutiny. Among its main recommendations was to (a) set up a new Committee on Budget Oversight whose remit would be to provide oversight of the public finances and (b) set up a Parliamentary Budget Office to support the Committee and the Houses more generally in their budgetary scrutiny role. This Committee reported to *Dáil Sub-Committee on Dáil Reform*. The [Dáil Sub-Committee on Dáil Reform](#), in May 2016, endorsed the Committee on Arrangements for Budgetary Scrutiny recommendations that the office be established.

The Office was officially established with the recruitment of its Director in August 2017.

¹ The Houses of the Oireachtas Commission is the governing body which oversees the delivery of services to the Houses of the Oireachtas, their Members and members of the public by the Houses of the Oireachtas Service (i.e. the parliamentary administration). It is made up of ten Oireachtas members and the Secretary General of the Houses of the Oireachtas Service and chaired by the Ceann Comhairle (Speaker) of Dáil Éireann (lower house of the Irish Parliament). It has no role in relation to parliamentary business or procedure.

Functions

The PBO is an independent specialist unit within the Houses of the Oireachtas Service. Its function is to provide the Houses of the Oireachtas and its Committees with fiscal and economic information, analysis and advice that is independent and impartial relating to:

- the particular macroeconomic conditions in the State;
- developments affecting public finances;
- the management of public finances; and
- the financial implications of proposals affecting the public finances.

It does this through publishing research and analysis and presenting its analysis to committees of the Houses of the Oireachtas.²

The PBO provides a limited costing service for political parties at present which supplements the costing service that Government Department's offer political parties.

The PBO does not currently have a mandate to cost election manifestos. The 2020 ***Programme for Government: Our Shared Future*** commits the then new Government to working with other [political] parties to:³

Expand the role of the Parliamentary Budget Office to independently audit the cost of individual tax and spending measures contained in political parties' budget submissions and general election manifestos, their overall dynamic impact, and to assess their broader economic impact.

Implementing this commitment would require additional resources for the PBO, as well as, a closer working relationship between the PBO, Government Departments and perhaps other institutions. It would also need a change in the PBO's legislative functions.

Structure and resourcing

The Director of the Parliamentary Budget Office is appointed by Houses of the Oireachtas Commission. She is recruited through normal Civil Service procedures. The current Director is also the Assistant Secretary for Research and Information Services in the Houses of the Oireachtas Service. Aside from the PBO she has responsibility for the Library and Research Service and the Communications and Broadcasting sections of the Houses of the Oireachtas Service.

The staff of the PBO are staff of the Houses of the Oireachtas Service. Including the Director, the full staff complement is 14. The staff are economists or policy analysts with one staff member providing administrative support. One issue since 2019 has been the retention and recruitment of staff. Many staff have left the PBO on promotion and the recruitment of specialist staff to replace them has been a slow process.

² Ireland has another independent fiscal institution the Irish Fiscal Advisory Council (IFAC). Its role is to independently evaluate and endorse the Irish Government's economic forecasts and to evaluate Ireland's compliance with the European Union's fiscal rules. It also comments on the 'fiscal stance' of the Government. The roles of IFAC and the PBO while in a similar sphere are distinct – the PBO's focus is on the information needs of parliamentarians whereas the main focus of the IFAC is on evaluation of the fiscal and economic forecasts of Government.

³ See Government of Ireland (2020) Programme for Government: Our Shared Future p120 – first point under the Oireachtas Reform section.

The PBO is funded from the budget of the Houses of the Oireachtas Commission. Its non-pay budget is currently approximately €120,000 though this excludes general services available to all sections of the Houses of the Oireachtas Service (i.e. facilities, IT, etc.).

The section is divided into three main areas though there is some overlap, economics, taxation and spending with current staff resources divided equally between them.

Work programme and operation

The PBO sets its own work programme based on its legislative mandate and the resources available to it. The work programme is based on issues and themes considered to be important for Members. In addition, the PBO analyses the Government's main Budget related publications throughout the year.

The themes and topics are addressed in various ways including briefings, notes, data visualisations and infographics. Some topics may be treated on their own, other as part of more general publications.

The PBO also has a special relationship with the Committee on Budgetary Oversight and is mindful of its work programme. Consultation with the Committee on Budgetary Oversight and its Chair takes place when setting the PBO's annual work programme.

The PBO disseminates its work on its website www.oireachtas.ie/pbo and informs all Members and their staff of its publications through email. In addition, it has a mailing list for subscribers for others interested in its work.

In addition, the PBO makes the Committee on Budgetary Oversight and other committees aware of publications that have specific relevance to their remits. The PBO will present its work to the Committee on Budgetary Oversight or another Committee in private session if requested to do so. In addition, Oireachtas Committees may commission specific work from the PBO, however this facility has been used sparingly.

This approach allows the PBO the flexibility to address member's needs within the relatively limited resources the PBO has.

In addition, the PBO is beginning to develop some economic and costing models. This allows it to supplement its analysis of the economic and fiscal situation.

Right to information

The current power of the Director to request and receive information for the performance of her duties derives from section 14B (7) of the Houses of the Oireachtas Commission Acts:

The Director shall have all such powers as are necessary or expedient for, or incidental to, the performance of his or her functions and, without prejudice to the generality of the foregoing, the Director may request in writing a Minister of the Government or other body to provide to him or her such information as he or she considers necessary for the performance of the functions specified in any paragraph of subsection (4)."

Section 14B (7) gives the Director the right to request information and states she has all such powers as are necessary or expedient for, ..., the performance of his or her functions. However, it is silent on

the obligation of the requestees to provide that information, any enforcement mechanism or a right to appeal a lack of provision of information.

While co-operation with Government Departments with requests for information has in general been good, there have been instances where requests have been ignored or refused or informal consultation before a request was made indicated that no information would be forthcoming. This in general has not impeded the work of the Office – however it is a concern if the PBO's remit on costing proposals is expanded.

Support to the Committee for Budgetary Oversight

As stated above the PBO also has a special relationship with the Committee on Budgetary Oversight. The Director of the PBO regularly appears before the Committee to present the PBO's analysis of major Government budget related documents or the economic and fiscal situation. These sessions are in private. This allows for an open exchange with Members.

In addition, the Director and Deputy Director of the PBO will meet the Committee Chair and Clerk regularly to discuss various issues.

PBO staff are in regular contact with the staff of the Committee on Budgetary Oversight. PBO staff will give Committee staff advice and information on various aspects of the Committee's work.

During 2019 and 2020 the PBO provided a staff member on secondment to the Committee Secretariat who worked almost exclusively with the Committee on Budgetary Oversight briefing the Committee and writing its reports. The secondee has subsequently left the Service and this arrangement is currently under review.

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