

Introduction

- 1.1 Under the *Parliamentary Service Act 1999*, the Joint Committee of Public Accounts and Audit (the committee) has an oversight role in relation to the Parliamentary Budget Office (PBO). The committee has a duty to consider the operations and resources of the PBO, and report to the Parliament on any matters arising from that consideration, or any other matters relating the Parliamentary Budget Officer's functions and powers.¹ Following a Federal general election, the committee may also request the Parliamentary Budget Officer to initiate an independent review, which must be completed within 9 months of the end of the caretaker period.²
- 1.2 On 17 July 2014, the committee decided to commence its inquiry into the operations of the PBO to consider a number of performance and policy issues. The terms of reference take into account the findings and recommendations of a recent Australian National Audit Office (ANAO) performance audit, and the National Commission of Audit.³
- 1.3 The committee's inquiry was announced on 17 July 2014 and a media release was distributed to a wide range of media organisations and published on the committee's webpage. Submissions were invited from all Ministers of the Commonwealth Government, all members of the Commonwealth Parliament, the Leaders of each of the Federal political parties, the Parliamentary Budget Officer, the Auditor General and several external stakeholders.

1 Section 64S, *Parliamentary Service Act 1999*.

2 Section 64T, *Parliamentary Service Act 1999*.

3 ANAO, Performance Audit Report No.36 20-13-14: *The Administration of the Parliamentary Budget Office*, June 2014 (hereafter referred to as ANAO Report; See Chapter 5, *Approach to government and New Fiscal Rules*, in *Toward Responsible Government, Report of the National Commission of Audit*, National Commission of Audit, Commonwealth, 2014 (NCA Report).

- 1.4 The committee received seven submissions, and held one public hearing in Canberra on 28 August 2014.
- 1.5 A list of submitters and witnesses who appeared before the committee appear at Appendices A and B.
- 1.6 The report is divided into five chapters. Chapter 2 provides a short background to the establishment of the PBO and chapters 3, 4 and 5 address the substantive issues arising from the terms of reference.