**4. REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE CONTRACT EXTENSION OF THE DIRECTOR OF THE PARLIAMENTARY BUDGET OFFICE, DATED 24 MAY 2018**

**1. The Parliamentary Budget Office**

Section 15 of the Money Bills Amendment Procedure and Related Matters Act, Act No. 9 of 2009 (the Act), establishes the Parliamentary Budget Office (PBO). The PBO must provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills. A Director must manage the PBO. The Director must be appointed by resolution of both Houses of Parliament, after a recommendation of the committees on finance and appropriations of both Houses. In terms of subsection 15(7) of the Act, any committee considering making such recommendation contemplated in the Act must do so in an open and transparent manner. In addition, the aforementioned committees must also recommend to the Houses of Parliament the conditions of service for the appointee.

**2. Appointment of Director**

On 09 May 2013, the Standing Committee on Finance adopted a Report recommending the appointment of Professor M I Jahed as the Director of the PBO for a period of five years. Thereafter, the Report was tabled and considered by the National Assembly.

Since May 2012, Professor M I Jahed was seconded from the Development Bank of Southern Africa (DBSA) to assist Parliament in the process of setting up the PBO. The project led by Prof. Jahed was able to outline and clarify the functions and scope of the Office, design an operational structure, establish networks with external stakeholders and engage political parties and relevant Committees.

**3. The ATC Referral**

The contract of Professor Jahed is coming to an end, and Parliament has – on 16 May 2018 – tabled a referral in the Announcements, Tablings and Committee Reports (ATC) to the Standing Committees on Appropriations and Finance and the Select Committees on Appropriations and Finance to consider the matter of the expiring contract of the Director of the PBO and to report by 28 May 2018.

**4. Committee’s deliberations**

On Thursday, 24 May 2018, the Committee deliberated on the contract expiry of the Director of the PBO as referred to it on 16 May 2018. The Committee considered the matter, taking into consideration the principles of continuity and stability together with the PBO output since its establishment, the contribution of the PBO to the stimulation of economic and financial debates in Parliament, and Prof. Jahed’s profile, and reached a conclusion on the matter.

Before arriving at a conclusion on the matter, the Committee also took into consideration the substantive interactions that Prof. Jahed has had with the different Committees, political parties and with individual Members, his extensive expertise in finance and economics, and the degree of professionalism with which he has conducted his work over the past five years. The Committee further considered the relevance of section 15(15) which provides what should be done when the position of the Director is vacant. Moreover, the Committee deliberated and resolved that the Money Bills Act was silent on the process that should be followed when re-appointing the Director of the PBO. Based on the above points, the Committee resolved that Prof. Jahed is still a suitable candidate to head the PBO.

**5. Conclusion and Recommendation**

In accordance with subsections 15(5) (a) and (b) of the Money Bills Amendment Procedure and Related Matters Act, the Standing Committee on Finance recommends as follows:

* 1. That Professor M I Jahed, be re-appointed as the Director of the Parliamentary Budget Office, until three months after the 2019 national and provincial general elections.
	2. That the re-appointment of the Director of the Parliamentary Budget Office be subject to an agreement that the conditions of service (including salary and allowance) would remain substantially the same as those of the top rank of the public service as per subsection 15(5)(b) of the Act, as agreed with Prof Jahed.

The Democratic Alliance (DA) objected to the report.

Report to be considered

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