

Speech by the President of the Fiscal Council, at the 61st emergency meeting of the Finance Committee, 12 March 2025

The Fiscal Council received the first draft of the Fiscal Rule Act from the Ministry of Finance in October last year. After several rounds of constructive talks, I can say that the Fiscal Council agrees with the proposal for the revised Act which was submitted by the Government to the National Assembly for consideration.

The area that the Fiscal Council has worked hardest to improve in its coordination with the Ministry of Finance is greater national ownership of medium-term budgetary planning. In this sense, the final proposal for the Act maintains the existing important role of the National Assembly in decision-making and debate, and the role of the Fiscal Council in providing an independent assessment of the medium-term budgetary documents and their implementation. I believe it is important that, despite the uncertain situation, all stakeholders are aware of the importance of the medium-term sustainability of public finances, as well as of its role in providing one of the key bases for the country's economic development and prosperity.

In this context, I would also like to inform you of the Fiscal Council's written disagreement with the Court of Auditors' amendment, which seeks to withdraw from its important role of providing administrative and technical support to the Fiscal Council. We have been cooperating with the Court of Auditors in this way since the establishment of the Fiscal Council eight years ago, and three years ago we concluded an agreement on the provision of administrative and technical support and the sharing of premises and equipment, which has further underpinned the smooth provision of such support to date. Adoption of the proposed amendment would initially make the work of the Fiscal Council difficult or even block it and, in particular, would entail disproportionately high costs for the administration of the Fiscal Council compared to the costs of carrying out its regular tasks. As the administrative support cannot be fully outsourced due to the specifics of the public service operation, this would also reduce the rationality of the use of public funds.

The currently missing adjustment of the existing Fiscal Rule Act has created a number of uncertainties in the area of budgetary planning control. Therefore, the Fiscal Council considers it essential to transpose the renewed European legislation into national legislation as soon as possible. The existing Fiscal Rule Act can no longer be implemented in the area of assessing compliance with the fiscal rules due to changes in the key parameters and a shift in focus towards medium-term planning. This fact was already pointed out by the Fiscal Council during the discussion of the autumn budget papers, in which the procedures in effect bypassed to a large extent the pursuit of national ownership of budgetary planning.

In view of the mentioned, the Fiscal Council supports the version of the proposal for the Fiscal Rule Act as submitted by the Government to the National Assembly for consideration and agrees with the legislative drafting corrections based on the opinion of the Legislative and Legal Service of the National Assembly. However, the Fiscal Council does not agree with the amendment to Article 10 proposed by the Slovenian Democratic Party Deputy Group. The Fiscal Council has neither the resources nor the staff to set up its own administrative support services.