

A photograph of a diverse group of people, including children and adults, smiling and looking towards the camera. The image is partially obscured by the Labor logo and the title.

POSITIVE POLICY

Greater Budget Transparency

The Abbott-Turnbull Liberals have trashed the principles of budget honesty and transparency during their first term in office.

From the misleading figures included in their first Mid-Year Economic and Fiscal Outlook to the politicisation of the most recent Intergenerational Report, this government has shown it is time for Australia to put in place new rules to ensure greater transparency and independence in our national budgeting.

Labor will give the independent Parliamentary Budget Office an enhanced role in Australia's macroeconomic reporting to promote stronger fiscal discipline and enhance transparency around Commonwealth Budgets.

Under Labor, an enhanced Parliamentary Budget Office will:

- prepare the macroeconomic forecasts that underpin all key Budget statements and updates;
- prepare and publish the Intergenerational Report every five years;
- prepare and publish an annual structural budget balance statement.

The Australian people and financial markets should be able to trust the integrity of the way budgets are put together. Unfortunately, the Abbott-Turnbull Government has shown that nothing is sacred when it comes to rewriting political history at the expense of confidence and trust in economic and fiscal decision-making.

The Charter of Budget Honesty served us well up until the last federal election. But it is now time to strengthen it in line with other fiscal authorities around the world.

Delegating further responsibilities to the independent PBO will strengthen Australia's budget frameworks that currently underpin our AAA credit rating from all three major ratings agencies, achieved for the first time under Labor.

The vast majority of independent fiscal councils overseas evaluate the long-term sustainability of the government's finances – transferring responsibility for the Intergenerational Report to the PBO moves Australia in line with other countries.

Annual structural budget balance statements each and every year will also help avoid the misstep of the previous Coalition Government which, despite running headline surpluses, drove the budget into structural deficit towards the end of its tenure – doing so at a time when the economy was already running at full capacity.

Labor will ensure the enhanced PBO has the resources it needs to undertake these three new roles and we will work to see these reforms implemented within 12 months of Labor taking office.

Improving outreach

In addition to enhancing the PBO, a Shorten Labor Government will open an Australian Treasury outreach office in Perth to develop closer links with Australian businesses and boost engagement with the nations in our region.

This is critical for a better understanding of the Australian economy as well as the challenges confronting different sectors, including the Western Australian economy.

The Australian Treasury has some of the best and brightest minds and will benefit from being 'on the ground', working more closely with some of Australia's biggest and most important companies, including resource, agriculture and service-oriented businesses.

The office will have a dedicated number of Treasury staff and will be located in the Perth central business district.



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WE'LL PUT PEOPLE FIRST.**

These policies (including where relevant their costings from the independent Parliamentary Budget Office) were accurate at the time they were announced. Labor will publish the updated final cost of all policies and their combined impact on the Budget prior to election day.

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Website created by Principle Co, built on NationBuilder