



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Parliamentary Service Amendment
(Parliamentary Budget Officer) Bill 2013**

Second Reading

SPEECH

Tuesday, 28 May 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Leigh, Andrew, MP

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Dr LEIGH (Fraser—Parliamentary Secretary to the Prime Minister) (17:44): Although this is a topic that I feel very strongly about, there is a large number of bills before the House so I will speak briefly today. The Parliamentary Budget Office was established on the recommendation of a joint select committee of parliament including support from all parties. The aim of the PBO is to ensure that elections are fought around values, so that there are two well-costed sets of policies which face the Australian people. The alternative to the Parliamentary Budget Office is what we saw in the 2010 election where the coalition avoided the Charter of Budget Honesty, a charter set up by Peter Costello, and then went to the election offering policies which instead had been so-called 'audited' by a private accounting firm. That accounting firm was later fined for professional misconduct because they had not conducted an audit. We had the farce of the member for North Sydney claiming that they had conducted only a small 'a' audit. Unfortunately, audit only has a small 'a'. The coalition were, needless to say, embarrassed by this, embarrassed by the \$11 billion hole in their costings which Treasury exposed. We saw some deeply disappointing scenes in here when members of the opposition criticised former Treasury secretary Ken Henry for doing his job and simply scrutinising coalition costings.

But what the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2013 will do is now place the role of a post-election audit in the hands of the Parliamentary Budget Office. So even if a party does what the coalition did at the last election and fails to put forward policies under the Charter of Budget Honesty, the Parliamentary Budget Office will still go ahead after the election and assess their costings. It will use its best professional judgement and it will draw on data provided by agencies including the Australian Taxation Office. That is an important reassurance to the Australian people, that if a party attempts to circumvent the Charter of Budget Honesty they will be caught in the noose of the Parliamentary Budget Office's post-election audit. It is a guarantee to the Australian people that they should have costed policies put in front of them. But the Australian people are not yet seeing that from the opposition. The opposition have, on their own admission, a \$70 billion gap. That is not my number. That is a number which was first put forward by the member for North Sydney on the *Sunrise* program on 12 August 2011, when he said:

Therefore finding \$50, 60 or 70 billion is about identifying waste and identifying areas where you do not need to proceed with programs.

On *Meet the Press* the member for Goldstein said:

We came out with the figure, right?

That was on 4 September 2011, and on ABC's *AM*, on 12 August 2011, the member for Goldstein said, 'It's a case of simple arithmetic.' They did regret it a little later, with the member for North Sydney saying on 8 February 2012, 'Okay, I shouldn't have said any figure because it was part of a debate and now it has been taken as a statement of fact.' But the cat at that stage was well and truly out of the bag.

We have that significant costings hole on the coalition side and the coalition now suggesting to the Australian people that they will do the mathematically impossible, that they will manage to cut taxes, raise spending and pay down debt faster than Labor. At the same time as promising the mathematically impossible, the coalition are repeatedly attempting to avoid scrutiny. They are saying to the Australian people that they will not produce their policies until PEFO, the Pre-Election Economic and Fiscal Outlook. Unfortunately, Treasury secretary Martin Parkinson directly rejected the allegation of the opposition that budget numbers cannot be a basis for costings. Treasury secretary Parkinson said, on 21 May 2013:

I can say on behalf of David Tune, the secretary of the department of finance, and myself—and get this right—were PEFO to have been released on the 14th of May it would have contained the numbers that were in the budget.

As Senator Wong has said, the numbers are the numbers. The figures in the budget are not figures which have a partisan hue to them. They are the figures that are the best estimates of Treasury as to the state of the nation's

finances. Based on those figures, the Australian people are entitled to hear what the opposition would do in order to close that \$50 billion, \$60 billion or \$70 billion hole.

The member for North Sydney has said:

I would have expected Martin Parkinson to say nothing different yesterday because he is—quite appropriately—a servant of the Government.

That is a slur on a professional public servant who upholds the best of frank and fearless advice; not the kind of flaccid and fearful public servants that the coalition would like to see but a frank and fearless tradition. The member for North Sydney should withdraw the slur on the Secretary to the Treasury, which is in essence arguing that the Treasury secretary is a liar and a law-breaker.

I commend the bill to the House. I commend the hard work of public servants, particularly Treasury officials, and their professionalism in discharging their duty.