

# Mid-Year Economic and Fiscal Outlook 2020-21

DECEMBER 2020

Statement by

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and

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For the information of honourable members

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## NOTES

- (a) The following definitions are used in this Mid-Year Economic and Fiscal Outlook (MYEFO):
- 'real' means adjusted for the effect of inflation
  - real growth in expenses and payments is calculated by the Consumer Price Index (CPI) as the deflator
  - the Budget year refers to 2020-21, while the forward years refer to 2021-22, 2022-23 and 2023-24
  - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.
- Estimates under \$100,000 are rounded to the nearest thousand.
  - Estimates \$100,000 and over are generally rounded to the nearest tenth of a million.
  - Estimates midway between rounding points are rounded up.
  - The percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- |         |   |
|---------|---|
| -       | nil   |
| na      | not applicable (unless otherwise specified) |
| \$m     | millions of dollars                         |
| \$b     | billions of dollars                         |
| nfp     | not for publication                         |
| (e)     | estimates (unless otherwise specified)      |
| (p)     | projections (unless otherwise specified)    |
| NEC/nec | not elsewhere classified                    |

- (e) The Australian Capital Territory and the Northern Territory are referred to as 'the territories'. References to the 'states' or 'each state' include the territories. The following abbreviations are used for the names of the states, where appropriate:

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

- (f) In this paper the term Commonwealth refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term Australian Government is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.

# Foreword

The *Mid-Year Economic and Fiscal Outlook 2020-21* (MYEFO) has been prepared in accordance with the *Charter of Budget Honesty Act 1998*. The Charter requires that the Government provide a mid-year budget report which provides updated information on the Government's fiscal position.

Consistent with these requirements:

- **Part 1: Overview** – contains summary information on the key fiscal and economic indicators and outlook and an outline of the key policy decisions taken since the 2020-21 Budget
- **Part 2: Economic outlook** – discusses the domestic and international economic forecasts and projections that underpin the budget estimates
- **Part 3: Fiscal strategy and outlook** – provides a discussion of the fiscal strategy and outlook, in addition to a summary of the factors explaining variations in the cash flow statement, the operating statement and the balance sheet since the 2020-21 Budget
- **Part 4: Debt statement** – provides information on current and estimated Government debt
- **Part 5: Statement of risks** – provides details of general developments or specific events that may have an impact on the fiscal position, and contingent liabilities which are costs the government may possibly face, some of which are quantified
- **Part 6: Australian Government Budget Financial Statements** – provides financial statements for the general government sector, the public non-financial corporations sector, the total non-financial public sector, the public financial corporations sector and notes to the general government sector financial statements
- **Appendix A: Policy decisions taken since the 2020-21 Budget** – provides details of decisions taken since the 2020-21 Budget that affect payment and receipt estimates
- **Appendix B: Supplementary expense tables and the Contingency Reserve** – provides estimates of general government expenses by function and sub-function and outlines the role of the Contingency Reserve
- **Appendix C: Australia's federal relations** – provides information on payments for specific purposes and general revenue assistance provided to the states and territories
- **Appendix D: Historical Australian Government data** – provides historical data for the Australian Government's key fiscal aggregates

The MYEFO does not include a Tax Benchmarks and Variations Statement or details on forecast uncertainties, sensitivities and scenarios as this information has not materially changed since the 2020-21 Budget. The 2020 Tax Benchmarks and Variations Statement will be published in early 2021.

# Contents

<b>Foreword</b> .....	<b>v</b>
<b>Part 1: Overview</b> .....	<b>1</b>
Introduction.....	1
Updated Economic Outlook .....	2
Updated Fiscal Outlook.....	4
The Government’s priorities .....	6
COVID-19 health response .....	6
COVID-19 economic response .....	7
JobMaker Plan .....	8
Guaranteeing essential services .....	9
<b>Part 2: Economic outlook</b> .....	<b>11</b>
Overview .....	11
International economic outlook .....	13
Domestic economic outlook .....	17
Medium-term projections.....	27
<b>Part 3: Fiscal strategy and outlook</b> .....	<b>29</b>
Overview .....	29
Economic and Fiscal Strategy.....	30
Fiscal outlook — forward estimates .....	32
Underlying cash balance estimates .....	34
Receipts estimates .....	36
Payments estimates .....	42
Net operating balance estimates.....	44
Revenue estimates.....	46
Expense estimates .....	50
Headline cash balance estimates .....	51
Net capital investment estimates .....	52
Gross debt estimates .....	52
Net debt estimates .....	52
Net financial worth and net worth estimates .....	54
Medium-term fiscal projections .....	55
Underlying cash balance projections .....	55
Receipts and payments projections .....	55
Gross debt projections .....	56
Net debt projections .....	57
Net financial worth projections .....	58

<b>Part 4: Debt Statement .....</b>	<b>59</b>
Australian Government Securities issuance .....	59
Estimates of AGS on issue .....	59
Breakdown of AGS currently on issue .....	62
Estimates of net debt .....	64
Interest on AGS.....	66
<b>Part 5: Statement of risks .....</b>	<b>69</b>
Risks to the Budget — Overview .....	69
Details of fiscal risks, contingent liabilities and contingent assets .....	70
Fiscal risks.....	72
Contingent liabilities and assets.....	74
Significant but remote contingencies .....	74
Contingent liabilities — unquantifiable .....	76
Contingent assets — unquantifiable .....	79
Contingent liabilities — quantifiable .....	79
Government loans .....	82
<b>Part 6: Australian Government Budget Financial Statements.....</b>	<b>89</b>
Australian Government Financial Statements.....	90
Notes to the general government sector financial statements.....	105
Financial reporting standards and budget concepts .....	119
Operating statement.....	120
Balance sheet.....	121
Cash flow statement.....	123
<b>Appendix A: Policy decisions taken since the 2020-21 Budget .....</b>	<b>127</b>
Receipt Measures .....	127
Payment Measures .....	139
<b>Appendix B: Supplementary expenses table and the Contingency Reserve .....</b>	<b>179</b>
Expenses.....	179
Contingency Reserve.....	182
<b>Appendix C: Australia’s Federal Relations.....</b>	<b>183</b>
Overview of payments to the states .....	183
Payments for specific purposes .....	185
General revenue assistance .....	190
<b>Appendix D: Historical Australian Government Data .....</b>	<b>193</b>
Data sources .....	193
Comparability of data across years.....	193
Revisions to previously published data .....	194