# MID-YEAR ECONOMIC AND FISCAL OUTLOOK 2001-02

STATEMENT BY
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# Foreword

The 2001-02 Mid-Year Economic and Fiscal Outlook (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 to allow the assessment of the Government's fiscal performance against its fiscal strategy.

Consistent with these requirements:

- **Part I: Overview** — contains summary information on the key fiscal and economic indicators.
- **Part II: Economic outlook** — discusses the domestic and international economic forecasts that underpin the budget estimates.
- **Part III: Fiscal outlook** — provides a discussion of the budget outlook and a summary of the factors explaining variations in the operating statement, balance sheet and cash flow statement since the 2001-02 Budget.
- **Appendix A: Government Finance Statistics (GFS) statements** — provides the general government and consolidated whole of government financial statements on a GFS basis, consistent with the accrual *Uniform Presentation Framework*.
- **Appendix B: AAS31 *Financial Reporting by Government* statements** — provides AAS31 statements and notes to the financial statements.
- **Appendix C: Sensitivity of fiscal aggregates to economic developments and statement of risks** — discusses the sensitivity of the forward budget estimates to changes in economic and other parameters and provides the statement of fiscal risks.
- **Appendix D: External reporting standards and budget concepts** — provides a discussion of key budget concepts relevant to the MYEFO and the external reporting standards upon which the MYEFO is based.
- **Appendix E: Historical fiscal data** — provides historical data for the Commonwealth's key fiscal aggregates.

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## NOTES

(a) The following definitions are used in the MYEFO:

- 'real' means adjusted for the effect of inflation;
- real growth in expenses is measured by the non-farm Gross Domestic Product (GDP) deflator;
- one billion is equal to one thousand million; and
- the budget year refers to 2001-02, while the forward years refer to 2002-03, 2003-04 and 2004-05.

(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; and
- 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:

| | |
|---|---|
| NEC/nec | not elsewhere classified |
| AEST | Australian Eastern Standard Time |
| - | nil |
| .. | not zero, but rounded to zero |
| na | not applicable (unless otherwise specified) |
| nfp | not for publication |
| $m | $ million |
| $b | $ billion |

(e) References to the 'States' or 'each State' include the Territories, because from 1993-94 onwards, general purpose funding has been on the same basis for all jurisdictions. The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. The following abbreviations are used for the names of the States, where appropriate:

| | |
|---|---|
| NSW | New South Wales |
| VIC/Vic | Victoria |
| QLD/Qld | Queensland |
| WA | Western Australia |
| SA | South Australia |
| TAS/Tas | Tasmania |
| ACT | Australian Capital Territory |
| NT | Northern Territory |