

FOREWORD

The *Mid-Year Economic and Fiscal Outlook 2007-08* (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 1: Overview** — contains summary information on the key fiscal and economic indicators.
- **Part 2: Personal income tax reform** — outlines the Government's tax reform goal and plan for continuing reform of Australia's personal tax system.
- **Part 3: Economic outlook** — discusses the domestic and international economic forecasts that underpin the budget estimates.
- **Part 4: 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 2007-08 Budget. This part also discusses the sensitivity of the forward budget estimates to changes in major economic parameters.
- **Appendix A: Policy decisions taken since the 2007-08 Budget** — provides details of decisions taken since the 2007-08 Budget that affect revenue, expenses and capital estimates.
- **Appendix B: 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 C: Australian Accounting Standards (AAS) financial statements** — provides AAS statements and notes to the financial statements.
- **Appendix D: 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.
- **Appendix E: Financial 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 F: Historical Australian Government data** — provides historical data for the Australian Government's key fiscal aggregates.

