

**MID-YEAR ECONOMIC AND
FISCAL OUTLOOK
2003-04**

STATEMENT BY
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FOREWORD

The 2003-04 *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 1: Overview** – contains summary information on the key fiscal and economic indicators.
- **Part 2: Economic outlook** – discusses the domestic and international economic forecasts that underpin the budget estimates.
- **Part 3: 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 2003-04 Budget. This part also discusses the sensitivity of the forward budget estimates to changes in economic and other parameters.
- **Appendix A: Policy decisions taken since the 2003-04 Budget** – provides details of decisions taken since the 2003-04 Budget that affect revenue, expenses and capital estimates.
- **Appendix B: Government Finance Statistics 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: AAS Financial Statements** – provides AAS31 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.
- **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 fiscal data** – provides historical data for the Australian Government'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 2003-04, while the forward years refer to 2004-05, 2005-06 and 2006-07.
- (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:
- | | |
|---------|---|
| * | The nature of this measure is such that a reliable estimate cannot be provided. |
| NEC/nec | not elsewhere classified |
| - | 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

