

2000-01 BUDGET PAPER No. 1

**BUDGET STRATEGY
AND OUTLOOK
2000-01**

CIRCULATED BY
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FOR THE INFORMATION OF HONOURABLE MEMBERS
ON THE OCCASION OF THE BUDGET 2000-01
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2000-01

Foreword

Budget Paper No. 1 — Budget Strategy and Outlook 2000-01 has been drafted in line with the *Charter of Budget Honesty Act 1998*. The Charter requires that, inter alia, the Government provide a statement of its fiscal strategy and a report on the economic and fiscal outlook.

Consistent with these requirements, this Paper contains eight statements:

- **Statement 1 — Fiscal Outlook and Strategy.** A Statement of the fiscal outlook and the Government's fiscal strategy. The fiscal outlook section provides an overview of the fiscal position and the factors influencing expense and revenue estimates. The Statement also contains a summary of budget priorities. Appendices provide information on rural and regional initiatives and fiscal reporting standards.
- **Statement 2 — Economic Outlook.** The Economic Outlook discusses the economic forecasts which underpin the expense and revenue estimates.
- **Statement 3 — Maintaining Low Inflation and Strong Growth.** This Statement provides an analysis of the expected economic impact of *The New Tax System*.
- **Statement 4 — Financial Outlook.** Discusses the primary financial statements of the Commonwealth: the operating statement, balance sheet and cash flow statement. Appendices provide information on: statistics, concepts and notes to the financial statements; sensitivity of fiscal aggregates to economic developments; and a detailed description of general and specific risks to the forward estimates.
- **Statement 5 — Revenue.** A detailed discussion of budget and forward year revenue estimates. The Statement also includes an overview of estimated tax expenditures for the budget and forward estimates years.
- **Statement 6 — Expenses and Net Capital Investment.** A Statement of the Government's expense and net capital investment estimates.
- **Statement 7 — Budget Funding.** Details of the Commonwealth's recent and prospective net funding requirements and budget funding activities.
- **Statement 8 — The Public Sector.** Trends in public sector balances as a whole and Government Finance Statistics tables.

Contents

Statement 1: Fiscal Outlook and Strategy	1-1
Part I: Overview	1-3
Part II: Budget Aggregates	1-5
Part III: Budget Priorities	1-13
Part IV: Fiscal Strategy	1-23
Appendix A: Rural and Regional Initiatives.....	1-30
Appendix B: Fiscal Reporting Standards.....	1-33
Statement 2: Economic Outlook.....	2-1
Part I: Overview	2-3
Part II: The Outlook for the International Economy	2-6
Part III: The Outlook for the Domestic Economy	2-10
Part IV: Uncertainties	2-31
Statement 3: Maintaining Low Inflation and Strong Growth	3-1
Part I: Introduction	3-3
Part II: The Benefits of Tax Reform	3-4
Part III: Competition and Indirect Tax Reform.....	3-7
Part IV: Tax Cuts and Compensation Measures.....	3-13
Part V: The Timing of the Price Changes.....	3-17
Part VI: Prolonging the Expansion	3-20
Statement 4: Financial Outlook.....	4-1
Part I: Overview	4-3
Part II: Primary Financial Statements.....	4-8
Appendix A: Statistics, Concepts and Notes to the Financial Statements.....	4-11
Appendix B: Sensitivity of Financial Aggregates to Economic Developments	4-21
Appendix C: Statement of Risks	4-24

Statement 5: Revenue	5-1
Part I: Overview	5-3
Part II: Budget Estimates of Revenue.....	5-6
Appendix A: Forward Estimates of Revenue	5-20
Appendix B: Revenue Measures.....	5-22
Appendix C: Tax Expenditures.....	5-28
Appendix D: Revenue Statistics.....	5-30
Statement 6: Expenses and Net Capital Investment	6-1
Introduction.....	6-3
Part I: Overview of General Government Expenses	6-6
Part II: Overview of General Government Net Capital Investment and Capital Appropriations	6-10
Part III: Expenses and Net Capital Investment by Portfolio	6-16
Appendix A: Expenses Statistics.....	6-70
Appendix B: Expense Measures	6-85
Appendix C: General Government Net Capital Investment and Capital Appropriations.....	6-100
Appendix D: Net Capital Investment Measures	6-106
Statement 7: Budget Funding	7-1
Net Funding Requirement.....	7-3
Funding Programme	7-4
Statement 8: The Public Sector	8-1
Part I: Introduction	8-3
Part II: General Government Fiscal Balance.....	8-5
Part III: Non-financial Public Sector Cash Surplus	8-7
Part IV: Non-financial Public Sector Liabilities	8-14
Appendix A: Size and Structure of the Public Sector	8-21
Appendix B: Non-financial Public Sector — Supplementary Cash Tables.....	8-22
Appendix C: Commonwealth Government Finance Statistics.....	8-26
Appendix D: Commonwealth Historical Budget Data.....	8-40

NOTES

- (a) The following definitions are used in this Budget Paper:
- 'real' means adjusted for the effect of inflation;
 - real growth in expenses is measured by the non-farm Gross Domestic Product deflator;
 - Budget year refers to 2000-01, while the forward years refer to 2001-02, 2002-03 and 2003-04; and
 - 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; 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. For the cash tables in Statement 8, however, the ABS sign convention is used for presenting a deficit, where a negative 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 |

- (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

Budget Strategy and Outlook 2000-01 is one of a series of Budget Papers, the purpose of which is to provide information supplementary to that in the Budget Speech. A full list of the series is printed on the inside cover of this Paper.