



Pre-election Economic and Fiscal Outlook 2019

A report by
The Secretary to the Treasury
and
The Secretary of the Department of Finance

April 2019

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Notes

- (a) The following definitions are used in the Pre-election Economic and Fiscal Outlook (PEFO):
- 'real' means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator;
 - the Budget year refers to 2019-20, while the forward years refer to 2020-21, 2021-22 and 2022-2023; 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.
- (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| nfp | not for publication |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.

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PREFACE

The *Charter of Budget Honesty Act 1998* (the Charter) provides for the Secretary to the Treasury and the Secretary of the Department of Finance (the Secretaries) to release publicly a Pre-election Economic and Fiscal Outlook report (PEFO) within 10 days of the issue of the writs for a general election. Such writs were issued on 11 April 2019.

The purpose of the PEFO is to provide updated information on the economic and fiscal outlook. The information in the report takes into account, to the fullest extent possible, all Government decisions and all other circumstances that may have a material effect on the economic and fiscal outlook that were in existence before the issue of the writs for the election.

The Charter provides that, where there is information unchanged from that set out in full in an earlier budget report, the PEFO may summarise and state this information is unchanged. As the writs for the 2019 election were issued shortly after the release of the 2019-20 Budget, this PEFO provides reference to information published in the 2019-20 Budget where it is unchanged.

Consistent with the requirements of the Charter, the PEFO includes:

- fiscal estimates and projections for the current financial year (2018-19) and the following four financial years (2019-20, 2020-21, 2021-22 and 2022-23);
- economic and other assumptions for the current financial year and the following four financial years used in preparing these updated fiscal estimates;
- discussion of the sensitivity of updated fiscal estimates to changes in those economic and other assumptions and refers to the detailed analysis in the 2019-20 Budget that remains unchanged;
- an updated set of financial statements and summary of the external reporting standards used in the preparation of the PEFO (**Appendix A**);
- a list of policy decisions taken by the Government since the 2019-20 Budget and decisions that were taken but not announced at that time (**Appendix B**). The PEFO does not include the impact of commitments made in the context of the current election campaign; and
- an updated statement of the risks that may have a material effect on the fiscal outlook (**Appendix C**).

STATEMENT BY THE TREASURER AND THE MINISTER FOR FINANCE AND THE PUBLIC SERVICE

Consistent with the *Charter of Budget Honesty Act 1998*, we declare that we have disclosed to the Secretary to the Treasury and the Secretary of the Department of Finance all details of any Government decision, or any other circumstance, that we know about:

- (i) that has, or could have, material fiscal or economic implications; and
- (ii) that neither of the responsible Secretaries could reasonably be expected to know about.



The Hon Josh Frydenberg MP
Treasurer

11 April 2019



Senator the Hon Mathias Cormann
Minister for Finance and the Public
Service

11 April 2019

STATEMENT BY THE SECRETARY TO THE TREASURY AND THE SECRETARY OF THE DEPARTMENT OF FINANCE

Consistent with the *Charter of Budget Honesty Act 1998*, we declare that, to the fullest extent possible, the information in the Pre-election Economic and Fiscal Outlook 2019 for which we are responsible:

- (i) reflects the best professional judgment of the officers of the Treasury and the Department of Finance;
- (ii) takes into account all economic and fiscal information available; and
- (iii) incorporates the fiscal implications of Government decisions and circumstances disclosed by the responsible Ministers.



Mr Philip Gaetjens
Secretary to the Treasury
17 April 2019



Ms Rosemary Huxtable, PSM
Secretary, Department of Finance
17 April 2019

