

## Mid-Year Economic and Fiscal Outlook (23-24)

On 13th December 2023, Treasurer Jim Chalmers and Finance Minister Katy Gallagher released the Albanese Government's mid-year budget update.

The complete MYEFO budget document can be accessed [here](#).

The mid-year update illustrates:

- The Government has returned 92 per cent of upward revisions to revenue since the May Budget, and 88 per cent of revenue upgrades since coming to office.
- The identification of a further \$9.8 billion in savings and reprioritisations, with a total of \$49.6 billion since the election.
- An improvement of \$12.8 billion compared to the May Budget, and a \$55.4 billion turnaround compared to what was left by our predecessors.

The underlying cash balance is forecast to be a smaller deficit of \$1.1 billion in 2023-24. Over the five years to 2026-27, the underlying cash balance improved by a cumulative \$211.4 billion relative to PEFO.

Gross debt as a share of GDP is expected to peak lower at 35.4 per cent of GDP in 2027-28, before declining to 32.1 per cent of GDP by the end of the medium term.

**Table 1.2: Budget aggregates**

	Estimates							
	2023-24		2024-25		2025-26		2026-27	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Underlying cash balance</b>								
MYEFO	-1.1	0.0	-18.8	-0.7	-35.1	-1.2	-19.5	-0.6
<i>Budget</i>	-13.9	-0.5	-35.1	-1.3	-36.6	-1.3	-28.5	-1.0
<b>Gross debt(a)</b>								
MYEFO	909.0	34.0	934.0	34.2	1,007.0	35.2	1,058.0	35.3
<i>Budget</i>	923.0	35.8	958.0	36.3	1,015.0	36.5	1,067.0	36.5
<b>Net debt(b)</b>								
MYEFO	491.0	18.4	533.3	19.5	586.4	20.5	623.9	20.8
<i>Budget</i>	574.9	22.3	620.6	23.5	665.2	24.0	702.9	24.1

The Albanese Government's economic strategy is focused on:

- Easing cost-of-relief pressures through the roll-out of the \$23 billion cost-of-living plan
- Unlocking greater housing supply. The MYEFO invests approximately **\$6.5 billion** to improve housing supply and affordability
- Investing in Australia's potential to become a renewable energy superpower. The Government has committed an **additional \$3 billion** in the MYEFO
- Progressing the Employment White Paper Roadmap.

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- Strengthening Medicare and securing essential services
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