

Part 3: Fiscal strategy and outlook

Returning the budget to surplus

Reflecting the Government's responsible budget management, the underlying cash balance is expected to be a surplus of \$5.0 billion (0.3 per cent of GDP) in 2019-20, with surpluses continuing across the forward estimates and the medium term. Table 3.2 provides key budget aggregates for the Australian Government general government sector.

Table 3.2: Australian Government general government sector budget aggregates

	Estimates			
	2019-20		2020-21	
	PEFO \$b	MYEFO \$b	PEFO \$b	MYEFO \$b
Receipts	505.5	502.5	522.3	516.6
Per cent of GDP	25.2	25.0	25.1	25.1
Payments(a)	493.3	492.0	511.3	510.5
Per cent of GDP	24.6	24.5	24.6	24.8
Net Future Fund earnings(b)	5.1	5.5	na	na
Underlying cash balance(c)	7.1	5.0	11.0	6.1
Per cent of GDP	0.4	0.3	0.5	0.3
Revenue	513.8	511.1	534.3	527.3
Per cent of GDP	25.6	25.4	25.7	25.6
Expenses(d)	500.9	503.2	516.1	515.1
Per cent of GDP	25.0	25.0	24.8	25.0
Net operating balance(d)	12.9	8.0	18.2	12.1
Per cent of GDP	0.6	0.4	0.9	0.6
Net capital investment(d)	4.7	4.2	7.7	6.3
Fiscal balance(d)	8.1	3.8	10.4	5.8
Per cent of GDP	0.4	0.2	0.5	0.3
<i>Memorandum:</i>				
Net Future Fund earnings(b)	5.1	5.5	5.2	5.5
Headline cash balance	-4.4	-2.8	-0.5	-2.5