

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Additional Estimates  
2014 - 2015

**Department/Agency:** Treasury  
**Question:** AET 380-382  
**Topic:** Intergenerational Report  
**Reference:** written - 16 March 2015  
**Senator:** Wong, Penny

**Question:**

- 380. When is the Budget projected to get to a surplus (UCB terms) of 1 per cent of GDP?
- 381. How does that compare with the fiscal strategy outlined in the 2014-15 MYEFO?
- 382. How does it compare with the Government's 2013 pre-election promise of achieving a surplus of 1 per cent of GDP within a decade?

**Answer:**

- 380. The Charter of Budget Honesty Act requires the Australian Government to produce an Intergenerational Report every five years, which among other things, assesses the long-term sustainability of current Government policies. Based on this, the underlying cash balance under the 'proposed policy' scenario is projected to reach a surplus of 1 per cent of GDP in 2027-28, similar to the trajectory outlined in the 2014-15 Mid-Year Economic and Fiscal Outlook.

381 and 382.

The Government set out a comprehensive path towards achieving its medium-term fiscal objectives in the 2014-15 Budget and, while changes in the economic outlook and the Senate have had an impact, the Intergenerational Report shows that considerable progress has been made to return to a sustainability trajectory over the medium-term.

The Government remains committed to its objective of building a stronger economy and achieving surpluses, which build to at least 1 per cent of GDP by 2023-24. The Intergenerational Report notes that the task of budget repair is incomplete. Without the Government's proposed policies, or alternative measures with an equivalent fiscal impact, the budget will not return to surplus at any point over the next 40 years.