



Australian Government

The Treasury

Joint Party Room meeting 24 March 2015

Treasurer
Minister for Finance

**The focus of the 2015 Budget
will be to build a stronger
Australian economy**

Initiatives in the Budget will be focused on jobs, growth and opportunity

- Small business package
- Childcare reform
- Infrastructure investment
- Free trade agreements
- Integrity in our tax and welfare systems

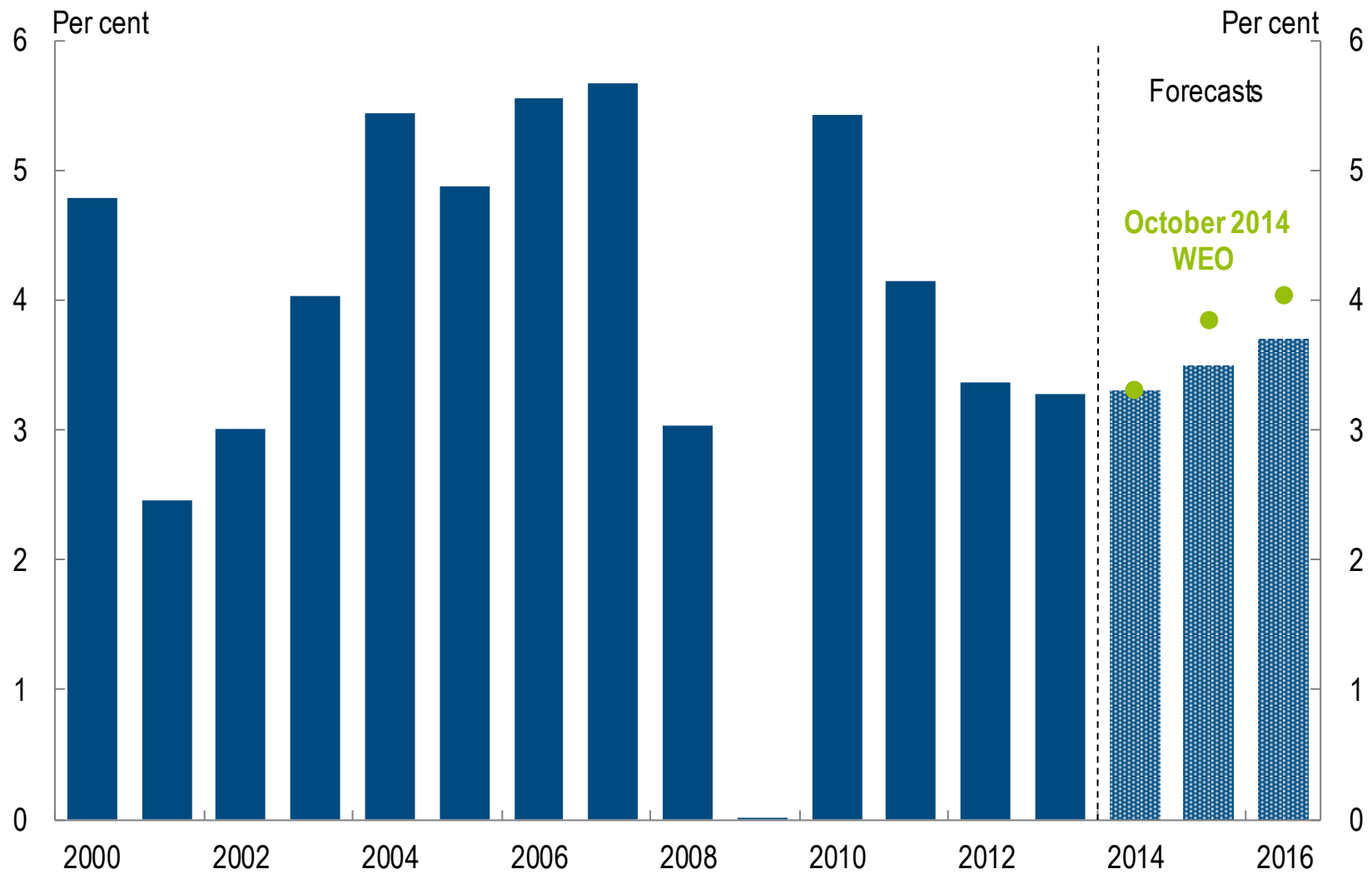
Main beneficiaries from the Budget will be families and small business

- The IGR showed that our future prosperity will rely on boosting workforce participation and increasing productivity
- PC Childcare Report showed that roughly 165,000 parents with children aged under-13 would like to work but are not able to
- Small business employs around 4.5 million people but could create even more jobs and innovation

State of the books

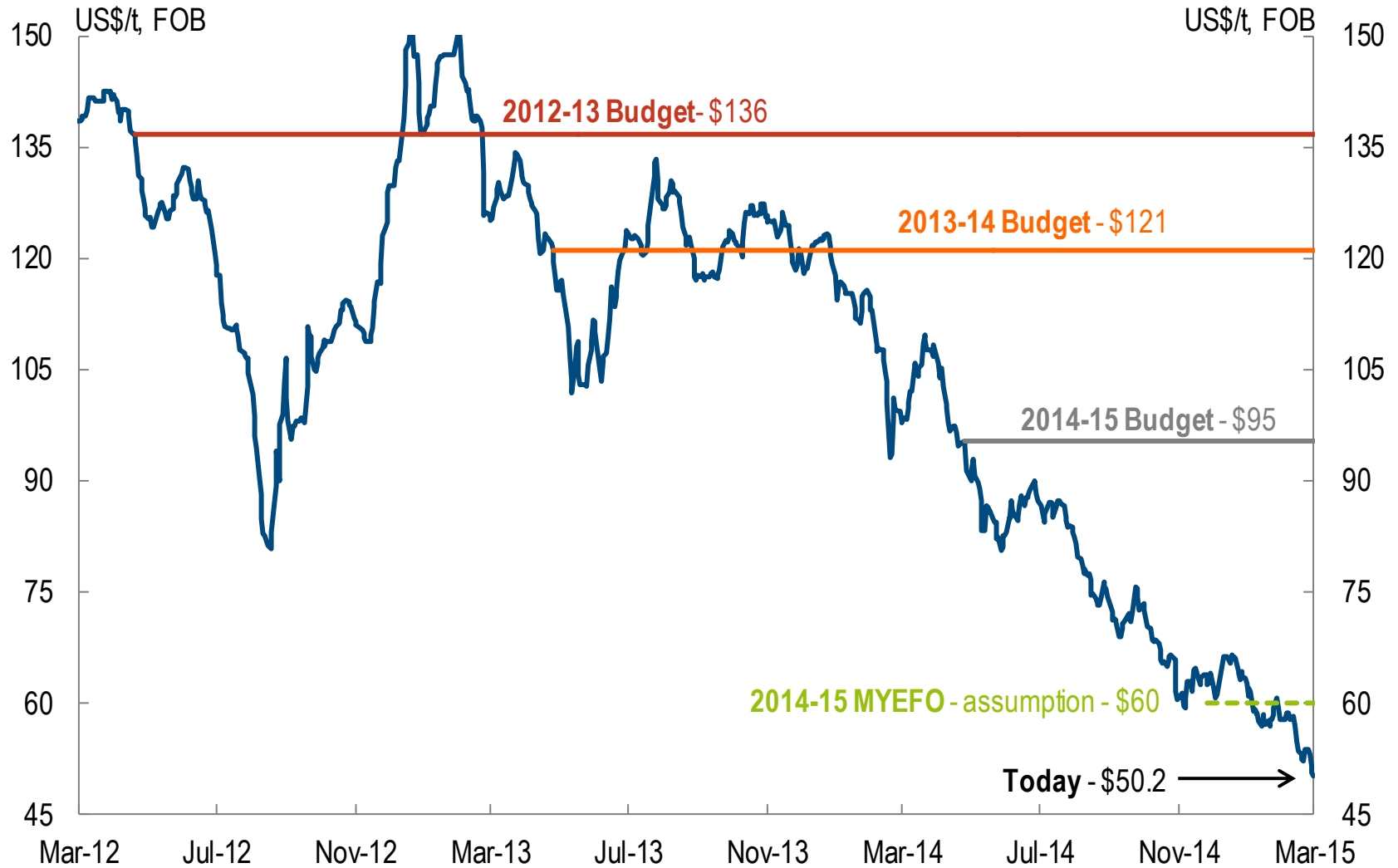
- MYEFO showed we are on track to return to surplus
 - Despite weaker global outlook
 - Despite historic iron ore price collapse
 - Despite impact of the Senate

Falling global growth forecasts



Source: IMF January 2015 World Economic Outlook.

Iron ore



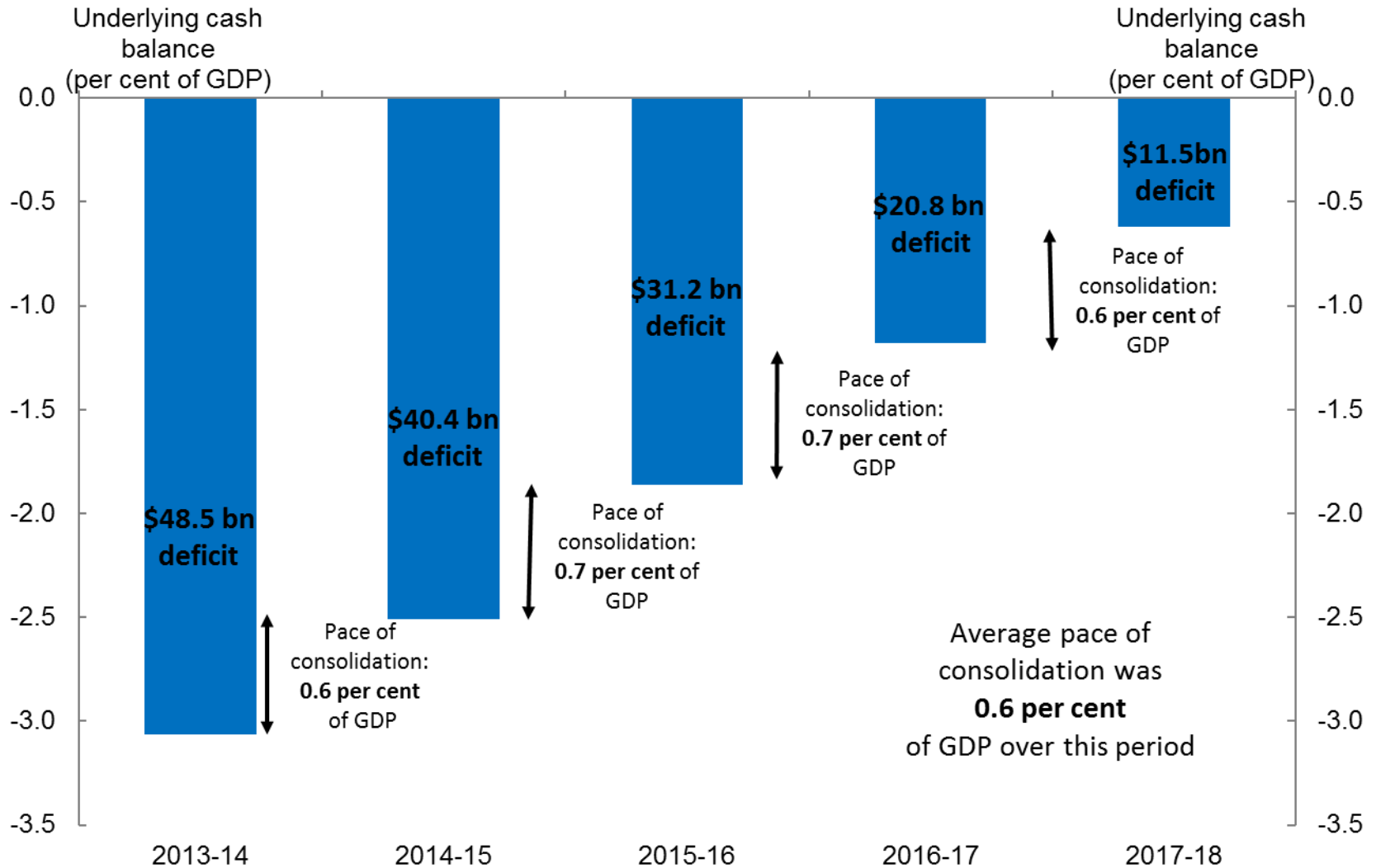
Source: Platts and Treasury.

**All new spending will be offset
by savings that are
responsible and fair**

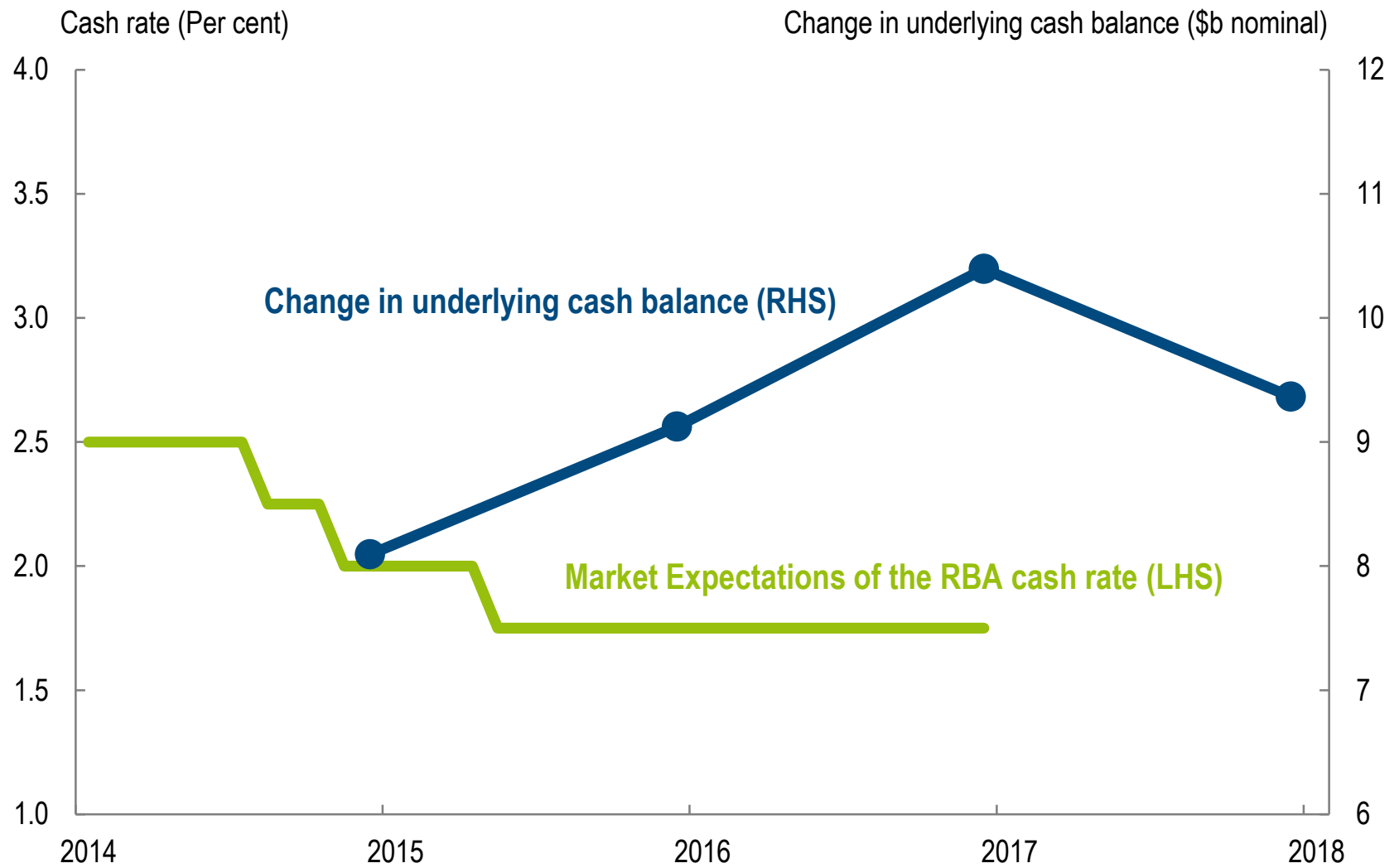
We will continue to improve the Budget bottom line each and every year

- MYEFO showed average of 0.6% of GDP consolidation
- Must continue a sensible path of fiscal consolidation
- Monetary policy and fiscal policy must work hand in hand

Pace of budget consolidation (MYEFO)



The cash rate and the pace of consolidation



Source: Treasury, RBA and ASX.

**We will get the Budget back
to surplus as soon as possible**

Building a stronger Australia and getting back to living within our means