

**PRE‑ELECTION ECONOMIC
AND FISCAL OUTLOOK**2025

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

**April 2025**

© Commonwealth of Australia 2025

ISSN 2653‑164X

This publication is available for your use under a [Creative Commons Attribution 4.0 International licence](http://creativecommons.org/licenses/by/4.0/), with the exception of the Commonwealth Coat of Arms, third‑party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/4.0/legalcode>.



Use of Commonwealth of Australia material under a [Creative Commons Attribution 4.0 International](http://creativecommons.org/licenses/by/4.0/) licence requires you to attribute the work (but not in any way that suggests that the Commonwealth of Australia endorses you or your use of the work).

**Commonwealth of Australia material used ‘as supplied’**

Provided you have not modified or transformed Commonwealth of Australia material in any way including, for example, by changing the Commonwealth of Australia text; calculating percentage changes; graphing or charting data; or deriving new statistics from published statistics – then the Commonwealth of Australia prefers the following attribution:

Source: The Commonwealth of Australia.

**Derivative material**

If you have modified or transformed Commonwealth of Australia material, or derived new material from those of the Commonwealth of Australia in any way, then the Commonwealth of Australia prefers the following attribution:

Based on Commonwealth of Australia data.

**Use of the Coat of Arms**

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see [www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms](http://www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms)).

**Other uses**

Enquiries regarding this licence and any other use of this document are welcome at:

Manager
Media Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: media@treasury.gov.au

**Internet**

A copy of this document is available at [www.treasury.gov.au](http://www.treasury.gov.au) and [www.finance.gov.au](http://www.finance.gov.au).

# Notes

(a) The following definitions are used in this Pre‑election Economic and Fiscal Outlook:

* ‘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 2025–26, while the forward years refer to 2026–27, 2027‍–‍28 and 2028–29
* 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
* 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 |
| (e) | estimates (unless otherwise specified) |
| (p) | projections (unless otherwise specified) |
|  |  |

(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.

Contents

[Preface v](#_Toc101281535)ii

[Statement by the Treasurer and the Minister for Finance viii](#_Toc101281536)

[Statement by the Secretary to the Treasury and the Secretary of the Department of Finance ix](#_Toc101281537)

[Pre‑election Economic and Fiscal Outlook](#_Toc101281538) 1

[Overview](#_Toc101281539) 1

[Economic outlook](#_Toc101281540) 2

[Fiscal outlook](#_Toc101281541) 5

[Appendix A: Financial Statements](#_Toc101281544) 13

[Appendix B: Policy decisions since the 2025–26 Budget](#_Toc101281546) 23

[Appendix C: Statement of Risks](#_Toc101281547) 29

# Preface

The Charter of Budget Honesty Act 1998 (the Charter) requires the Secretary to the Treasury and the Secretary of the Department of Finance (the Secretaries) to jointly publicly release a Pre‑election Economic and Fiscal Outlook report (PEFO) within 10 days of the issue of the writs for a general election. These writs were issued on 31 March 2025.

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. Where additional material information or risks have emerged since the issue of the writs, the PEFO may provide a qualitative assessment of that information or those risks.

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.

Consistent with the Charter’s requirements, the 2025 PEFO includes:

* fiscal estimates for the current financial year (2024–25) and the following four financial years (2025–26, 2026–27, 2027–28 and 2028–29)
* 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
* debt aggregates and similar information presented in the debt statement
* an updated set of financial statements and summary of the external reporting standards used in the preparation of the 2025 PEFO (**Appendix A**)
* a list of policy decisions taken by the Government since the 2025–26 Budget and decisions that were taken but not announced at that time (**Appendix B**)
* 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

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.

|  |  |
| --- | --- |
| Signature The Hon Jim Chalmers MP Treasurer2 April 2025 | Signature Senator the Hon Katy GallagherMinister for Finance2 April 2025 |

# 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 2025 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.

|  |  |
| --- | --- |
| SignatureDr Steven Kennedy, PSMSecretary to the Treasury4 April 2025 | SignatureMs Jenny Wilkinson, PSM Secretary of the Department of Finance4 April 2025 |