



# Budget

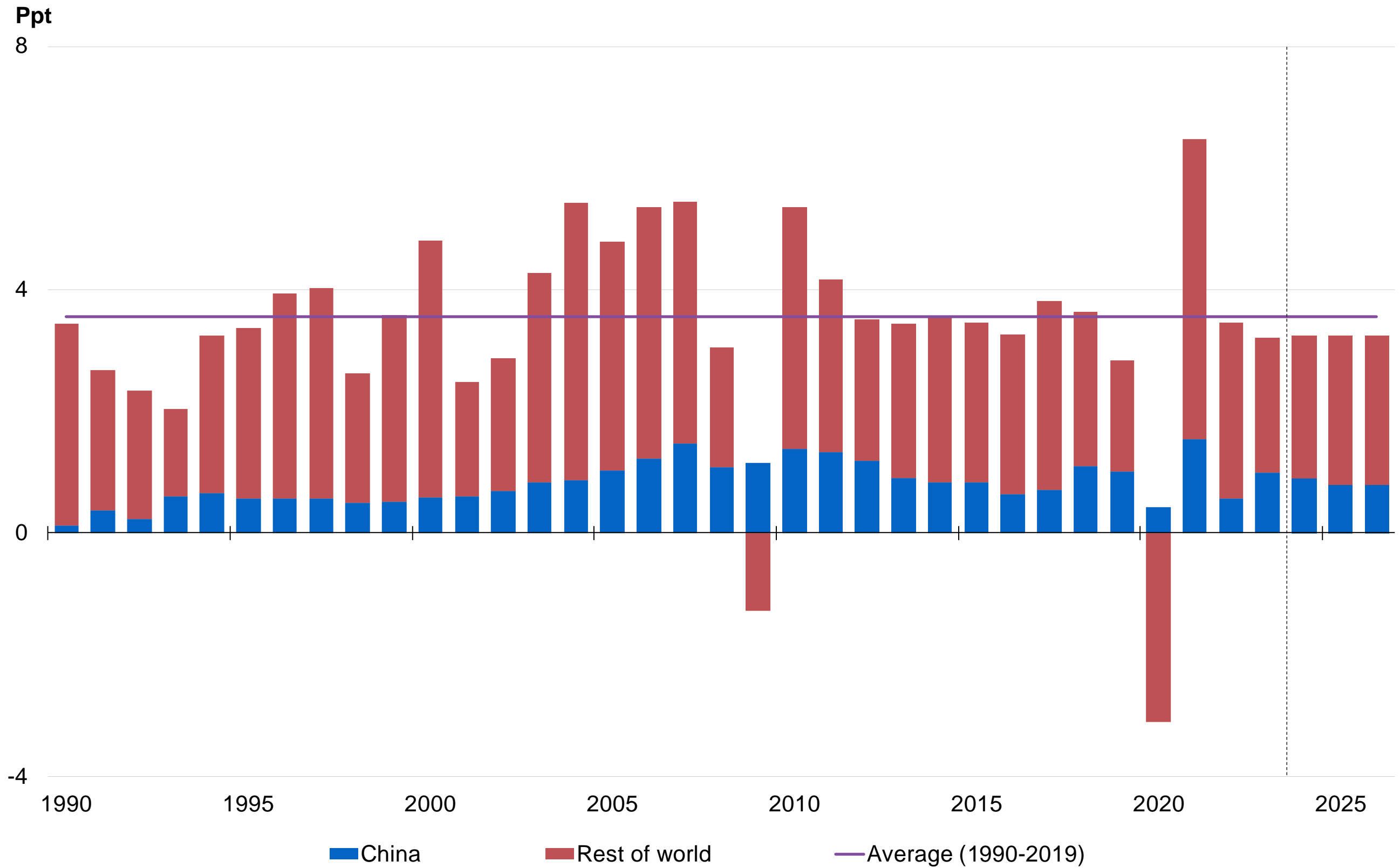
## 2024–25

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# ECONOMIC OUTLOOK

# Contribution to global real GDP growth

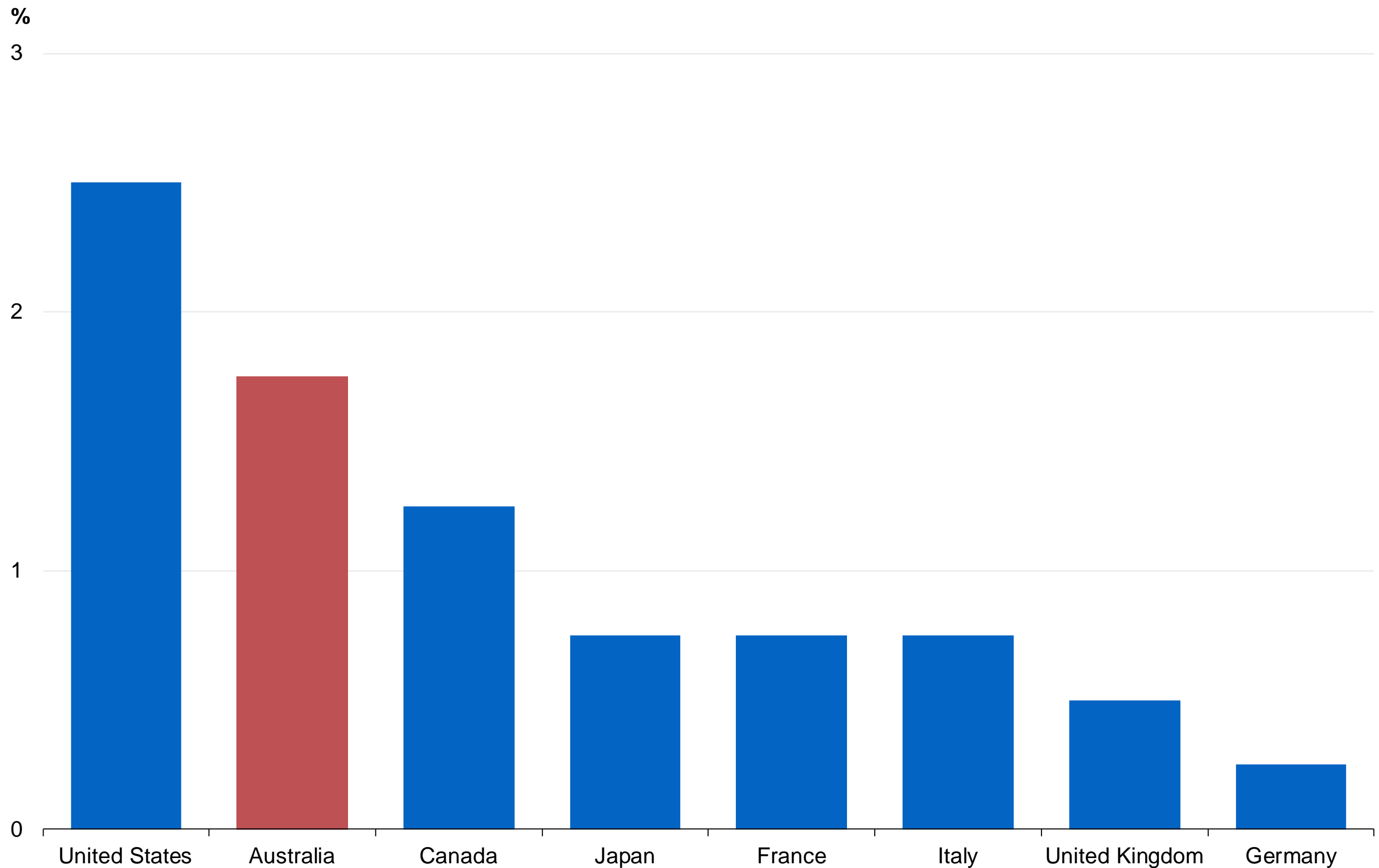
Budget 2024–25



Source: IMF, Treasury (Budget Paper 1, Budget Statement 2).

# Australia and G7 real GDP growth forecasts for 2024

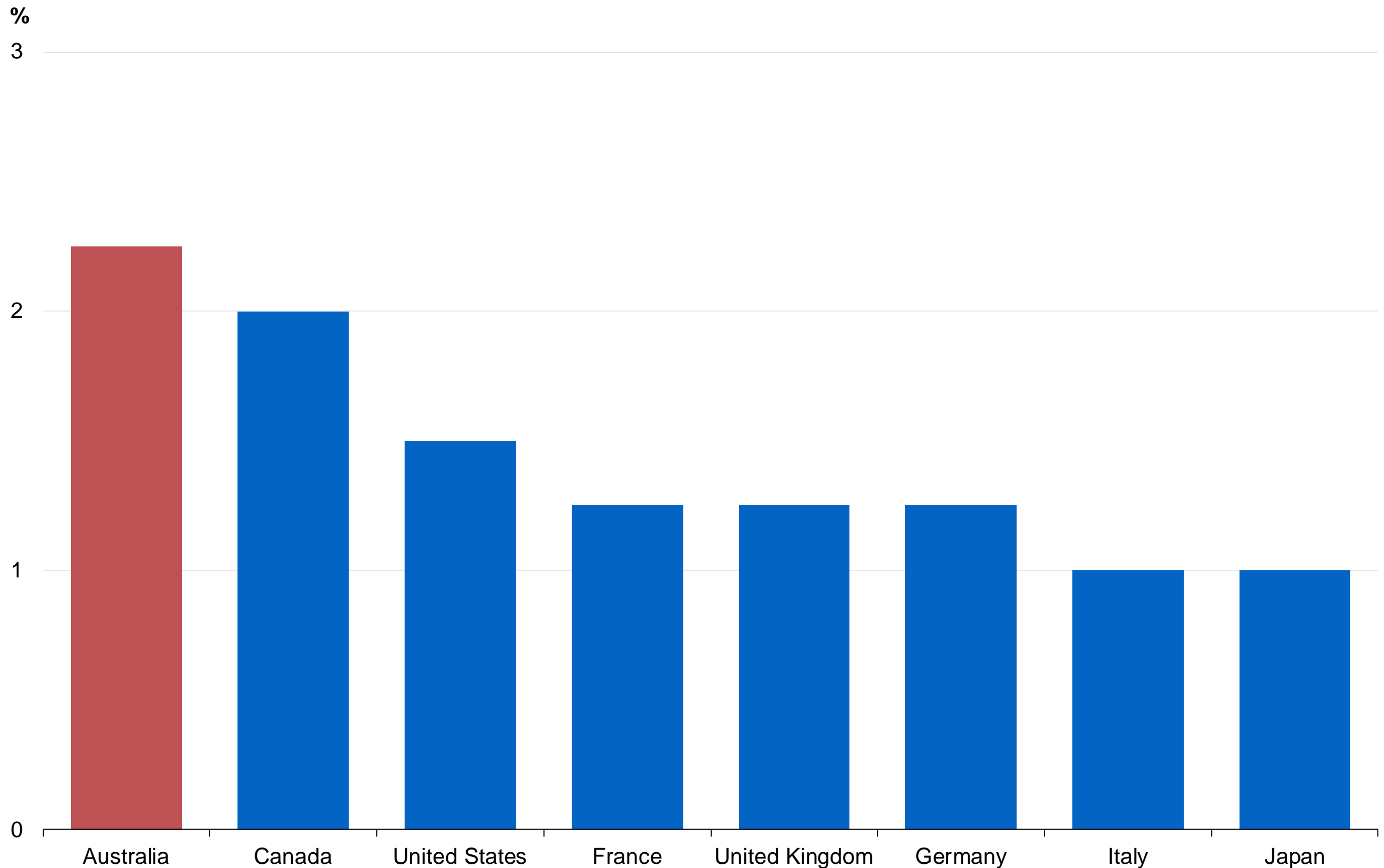
Budget 2024–25



Source: Treasury (Budget Paper 1, Budget Statement 2).

# Australia and G7 real GDP growth forecasts for 2025

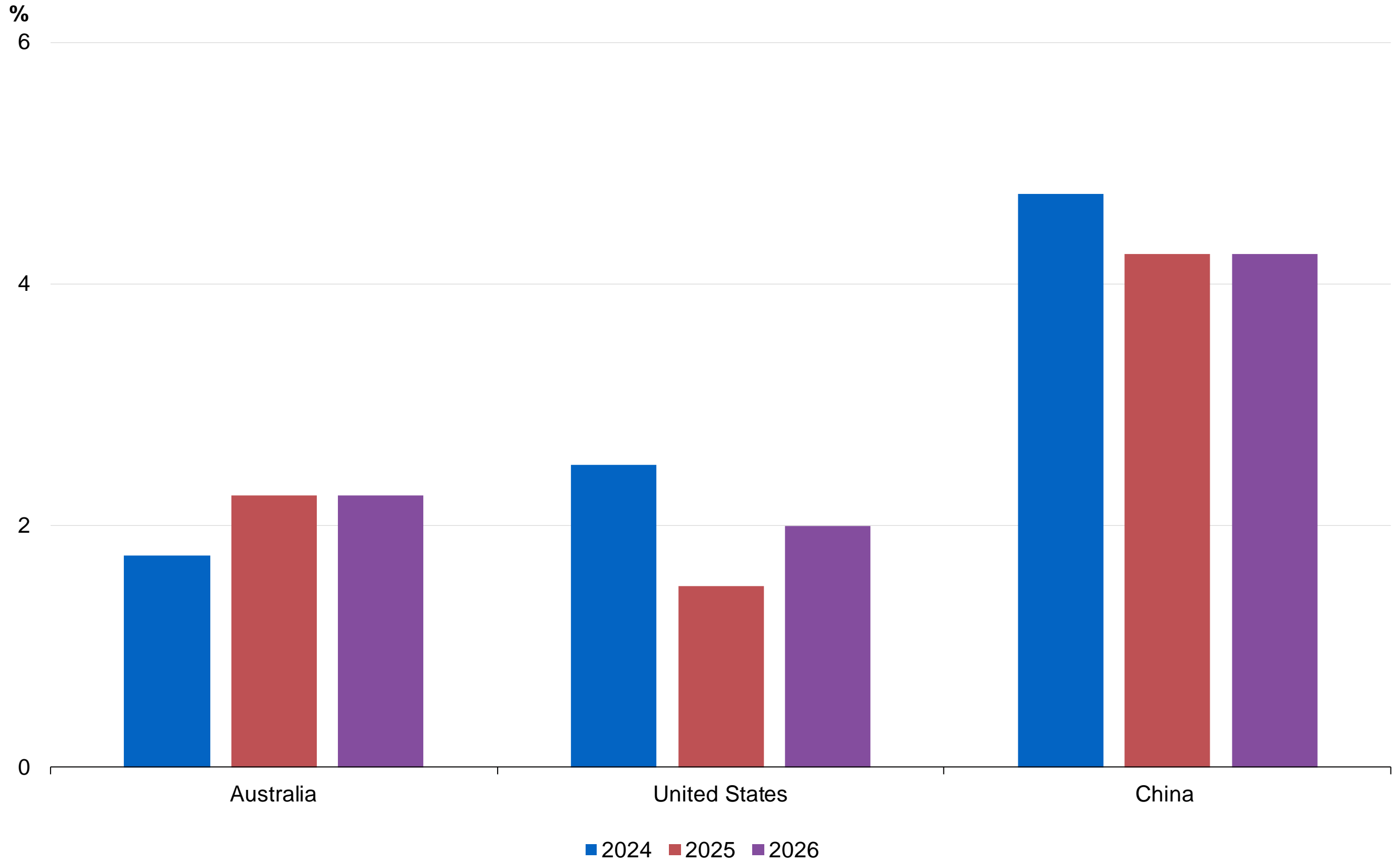
Budget 2024–25



Source: Treasury.

# Australia, US and China real GDP growth forecasts

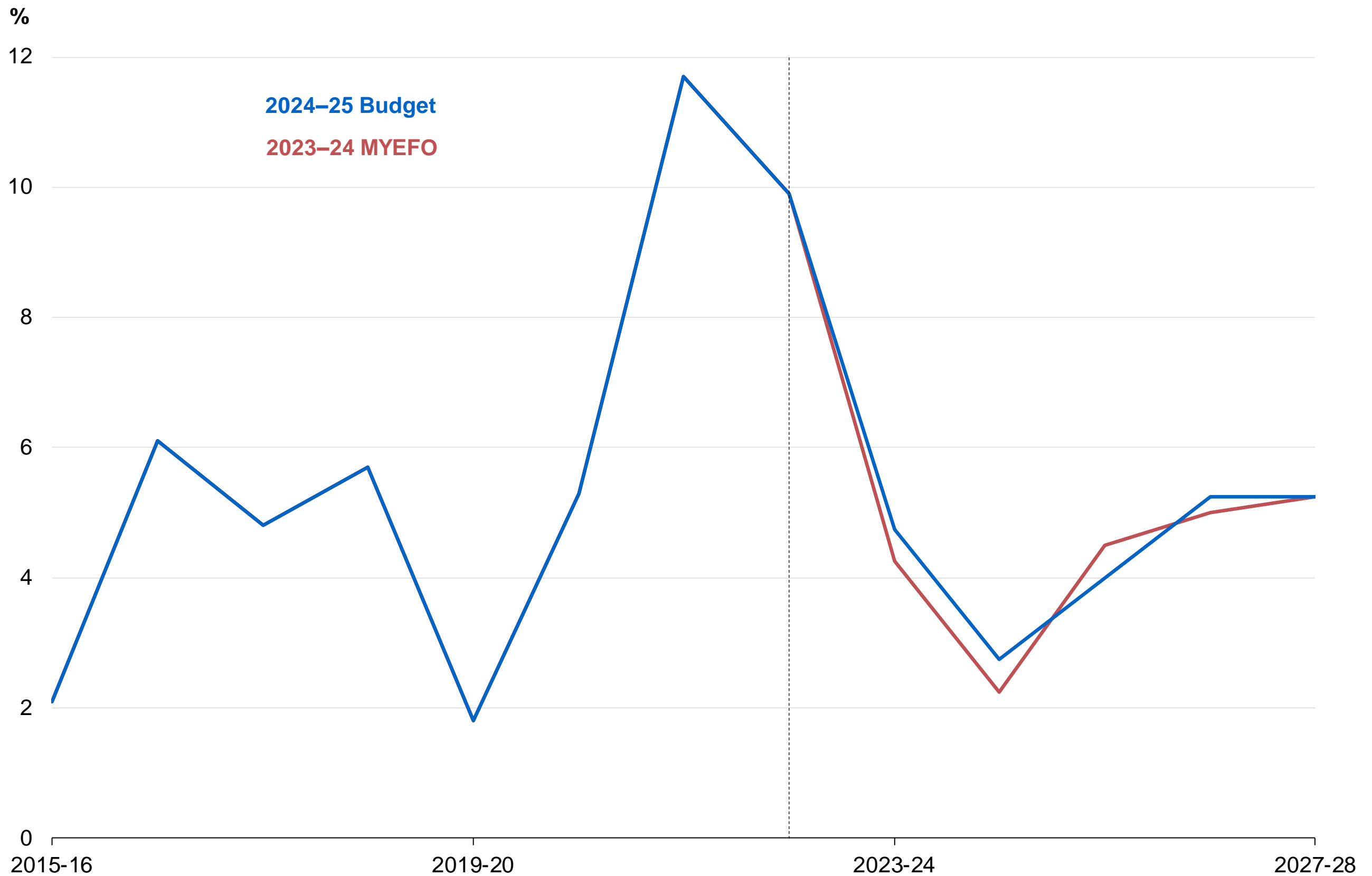
Budget 2024–25



Source: Treasury.

# Nominal GDP growth outlook (compared to 2023-24 MYEFO)

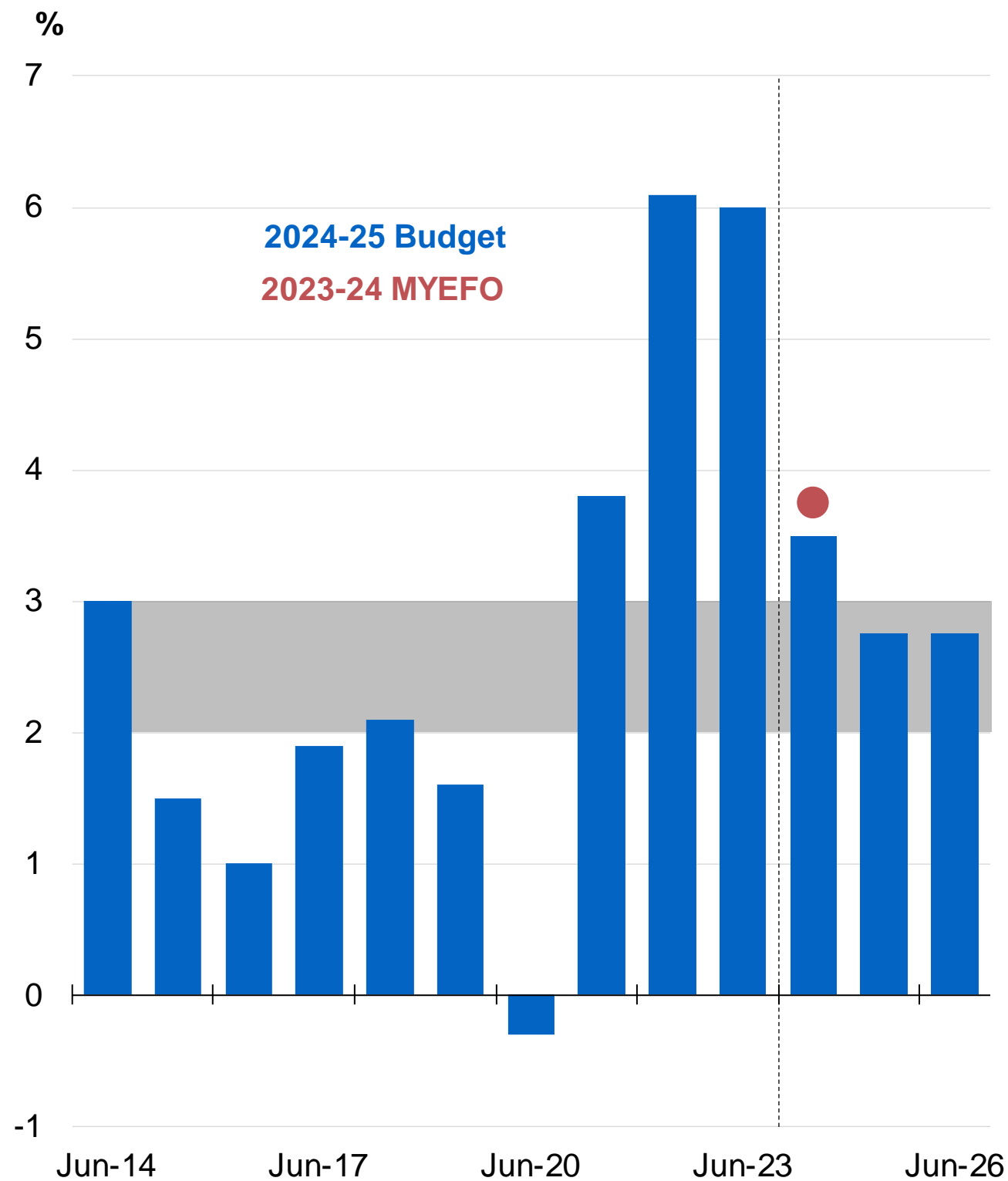
**Budget** 2024–25



Source: Australian Bureau of Statistics, National Income, Expenditure and Product and Treasury.

# Inflation and GDP

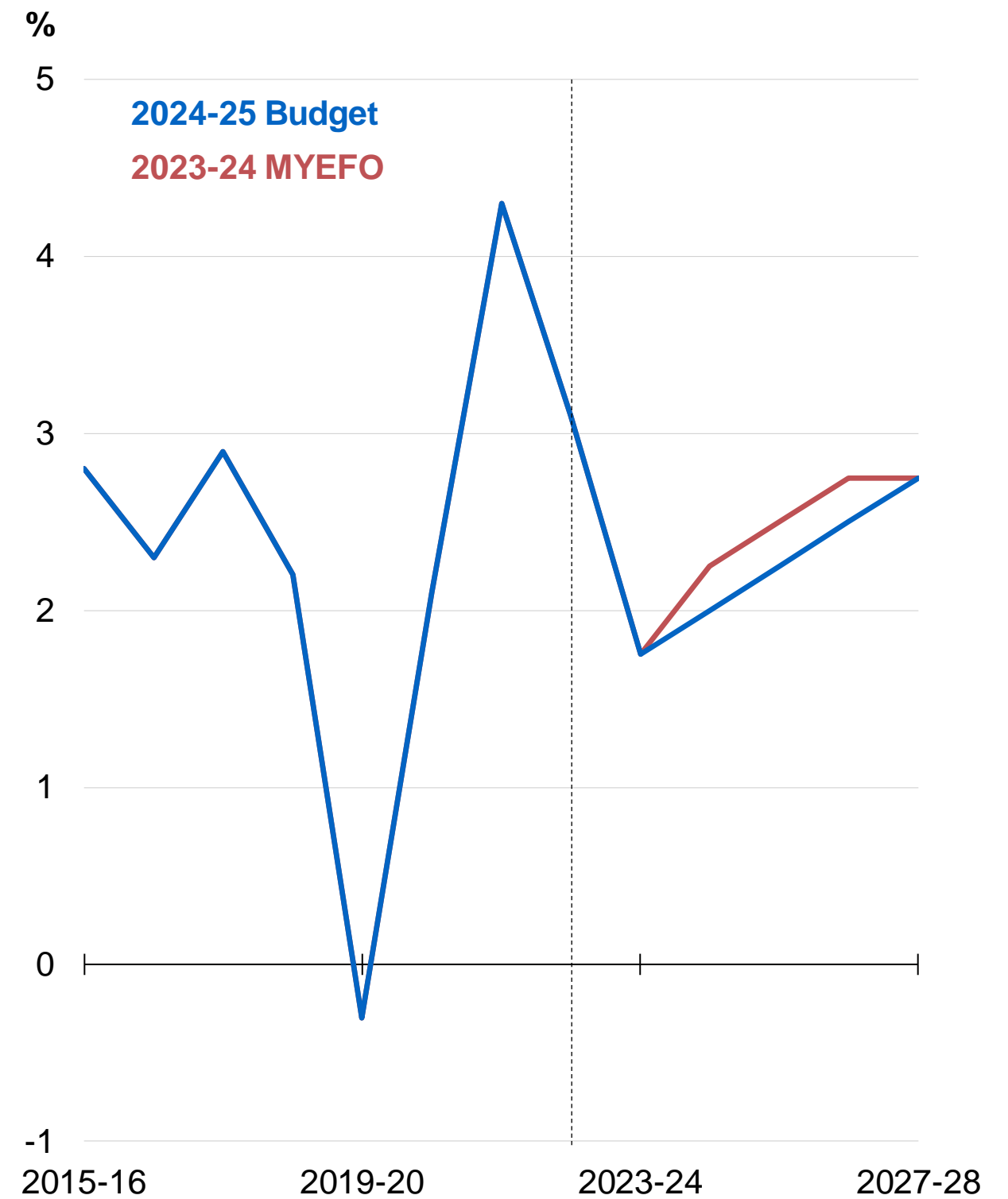
## Headline inflation



Source: Australian Bureau of Statistics, Consumer Price Index and Treasury.

Note: Shaded area is the Reserve Bank of Australia's target band. These are June quarter through-the-year inflation rates.

## Real GDP growth

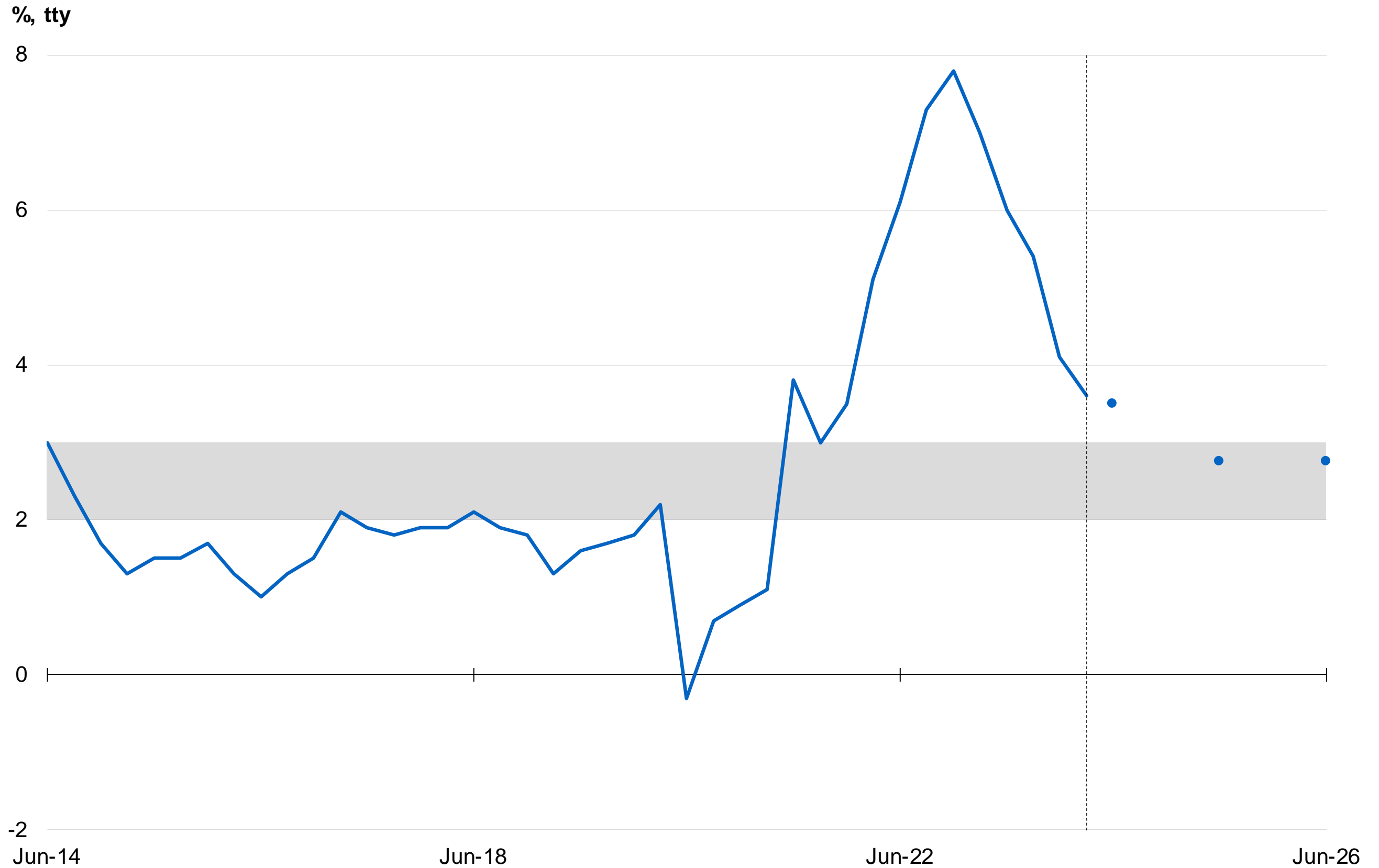


Source: Australian Bureau of Statistics, National Income, Expenditure and Product and Treasury.



# Headline inflation

Budget 2024–25

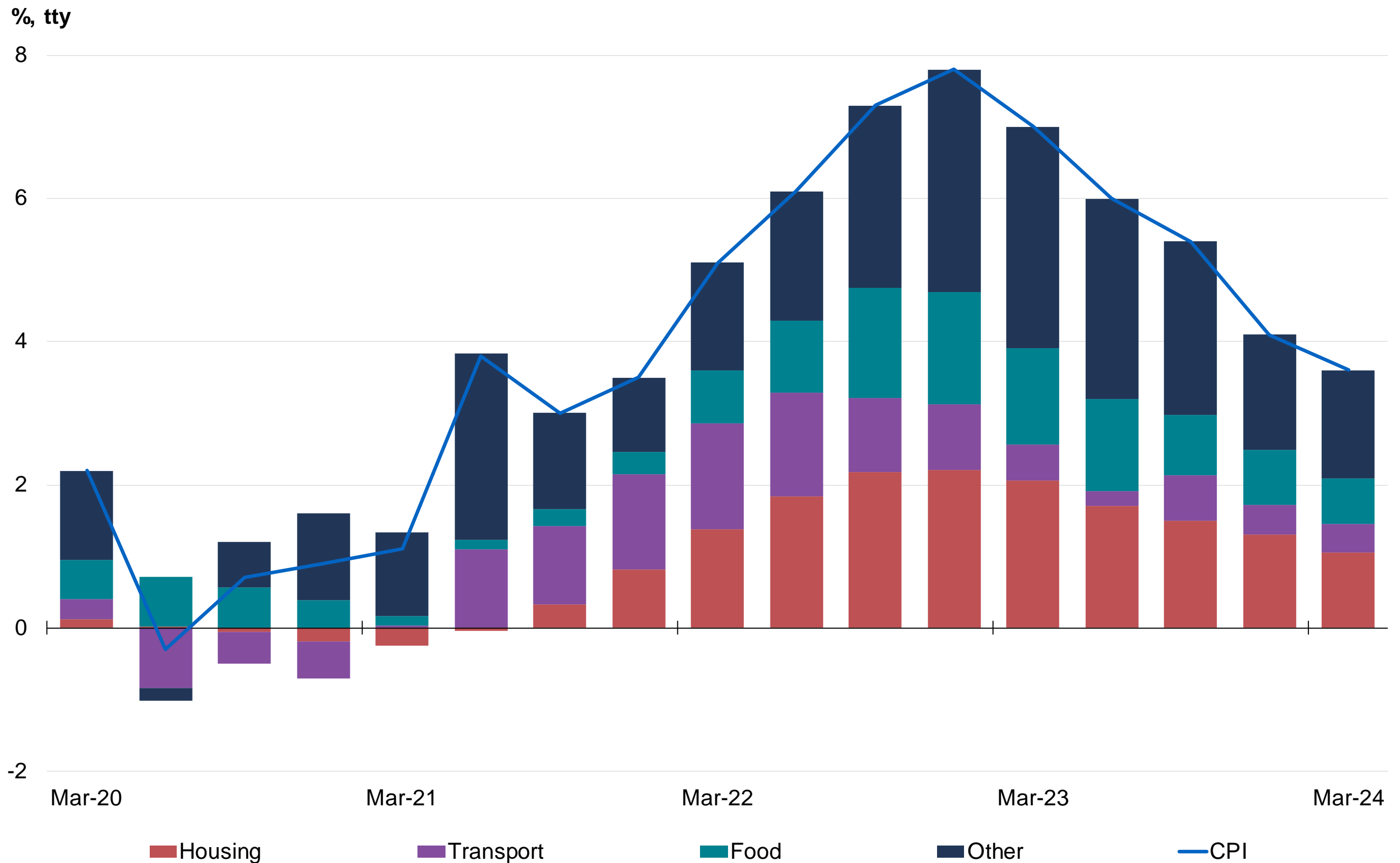


Source: Australian Bureau of Statistics, Consumer Price Index and Treasury.

Note: Grey shaded denotes the RBA target band. Forecasts are June quarter through-the-year inflation rates.

# Drivers of inflation

Budget 2024–25



Source: Australian Bureau of Statistics, Consumer Price Index and Treasury (Budget Paper 1, Budget Statement 2).

Note: Contributions are approximations as they are back-cast prior to the December quarter 2023 using the 2023 CPI expenditure weights and use rounded analytical series contributions.

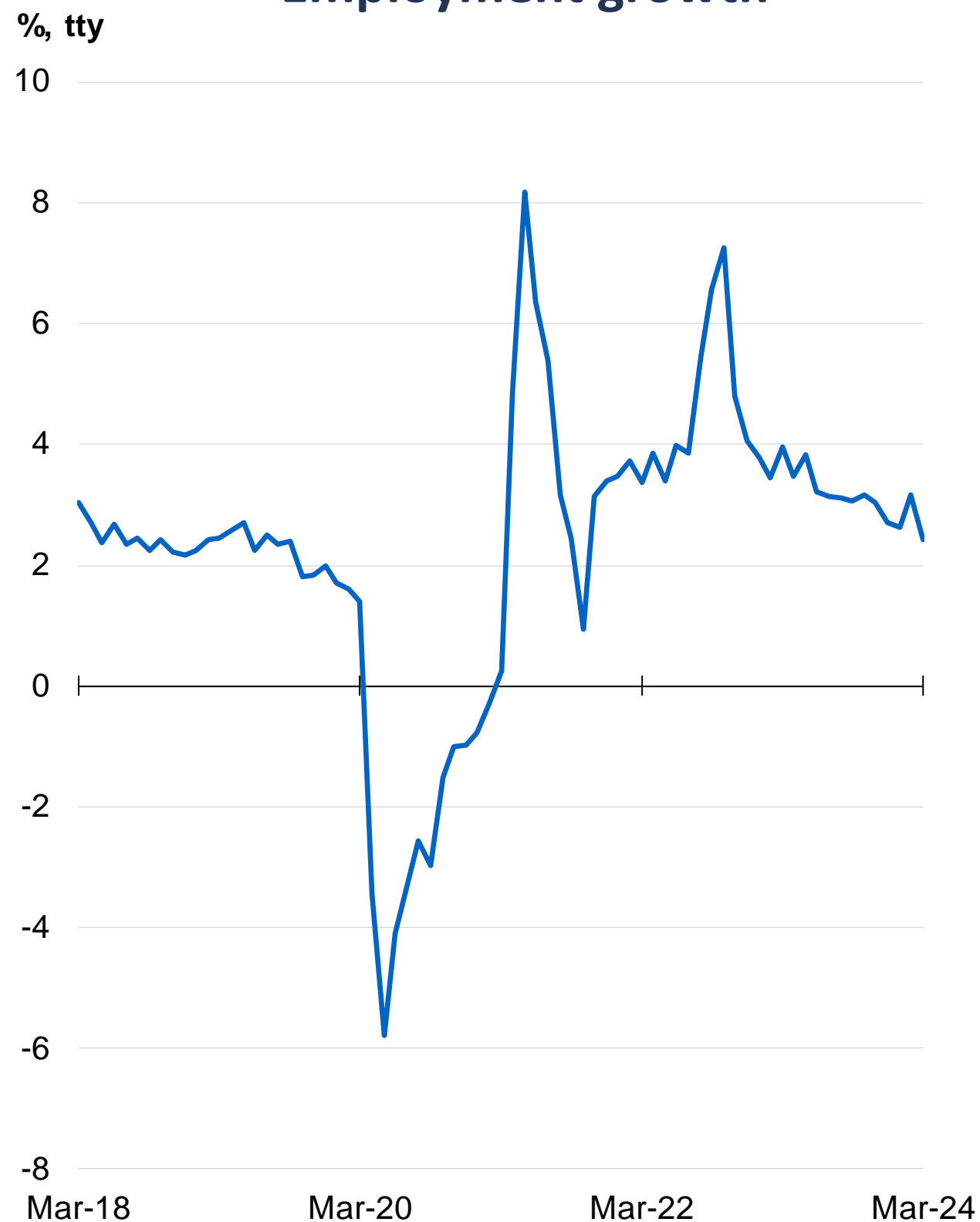
# Unemployment rate

**Budget** 2024–25



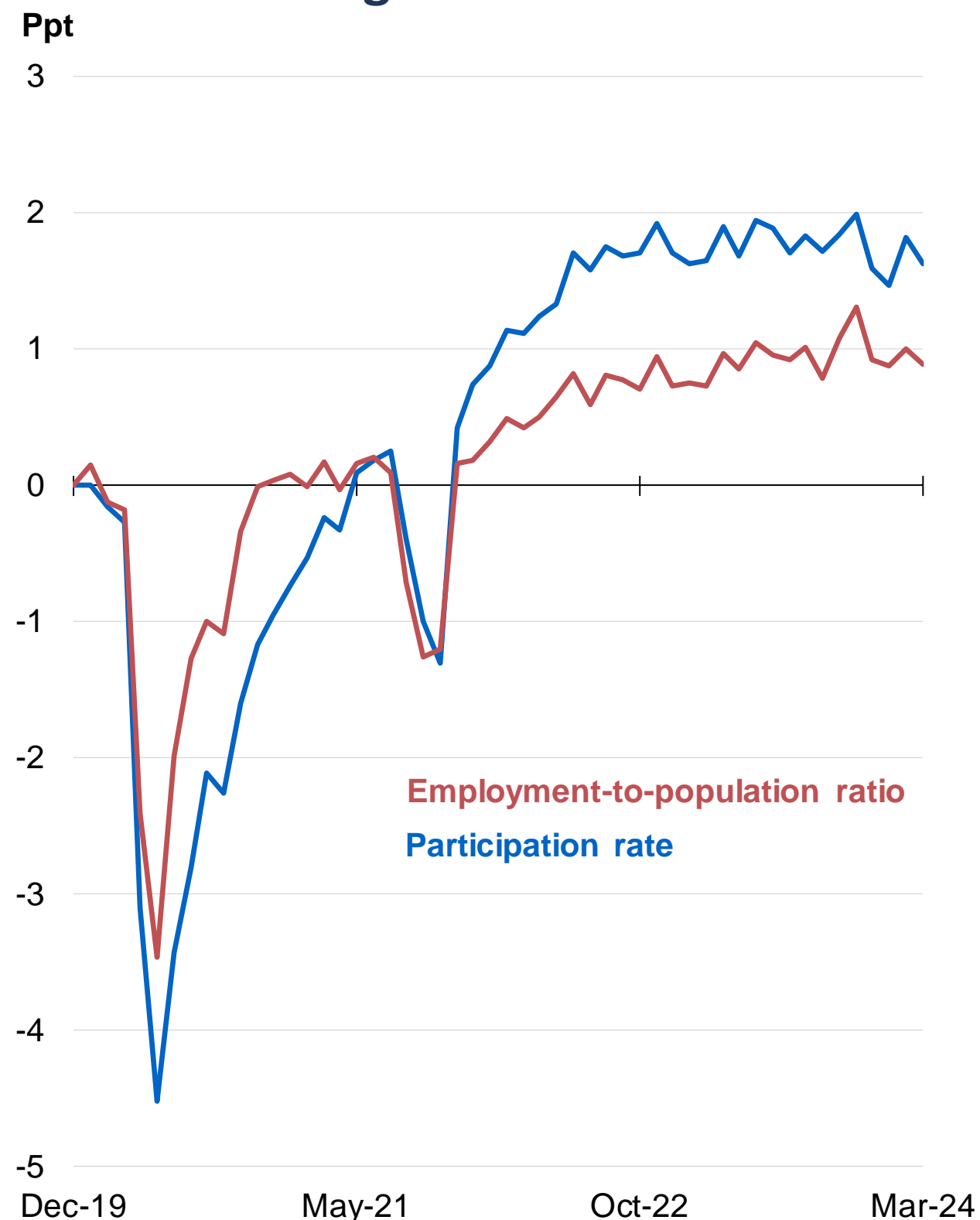
Source: Australian Bureau of Statistics, Labour Force Survey and Treasury.  
Note: Forecasts are for June quarter only.

### Employment growth



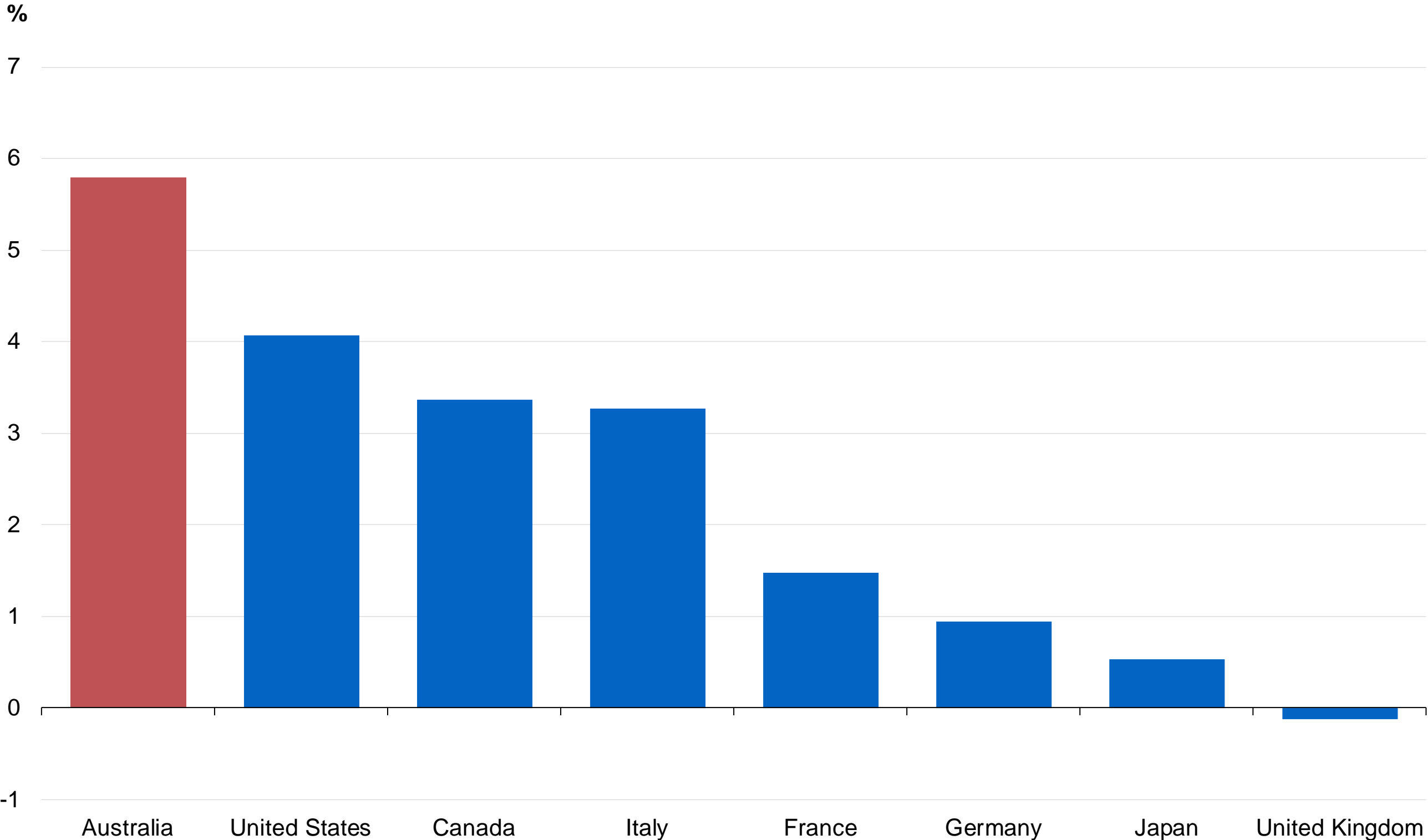
Source: Australian Bureau of Statistics, Labour Force Survey and Treasury (Budget Paper 1, Budget Statement 2)

### Change since Dec-19



Source: Australian Bureau of Statistics, Labour Force Survey and Treasury.

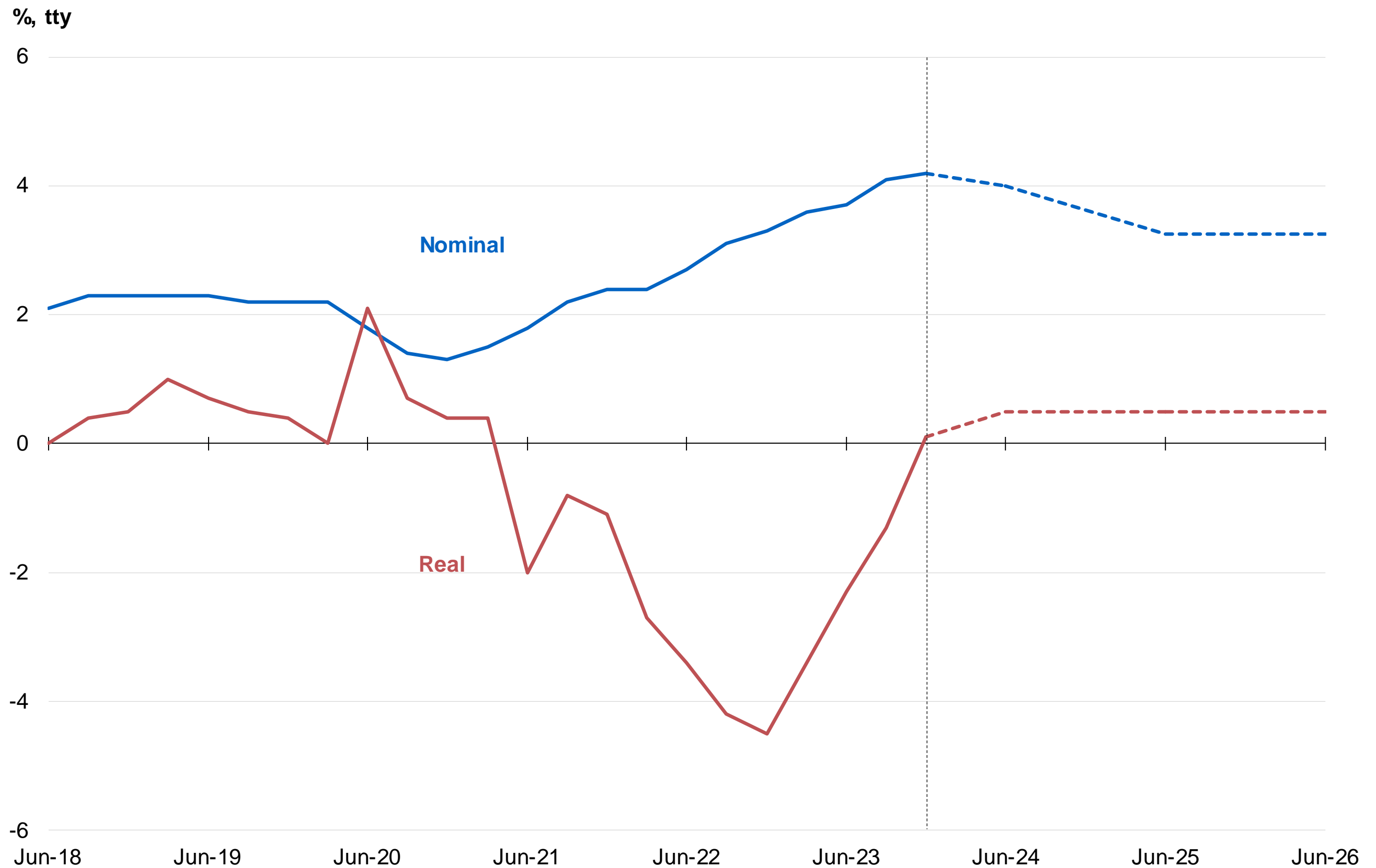
# Employment growth in G7 and Australia since May 2022



Source: National Statistical agencies, Refinitiv.  
Note: France data is quarterly and is to December quarter 2023. UK data is a three-month average to February 2024. Other countries are to March 2024. US employment growth is non-farm payrolls.

# Nominal and real wage growth

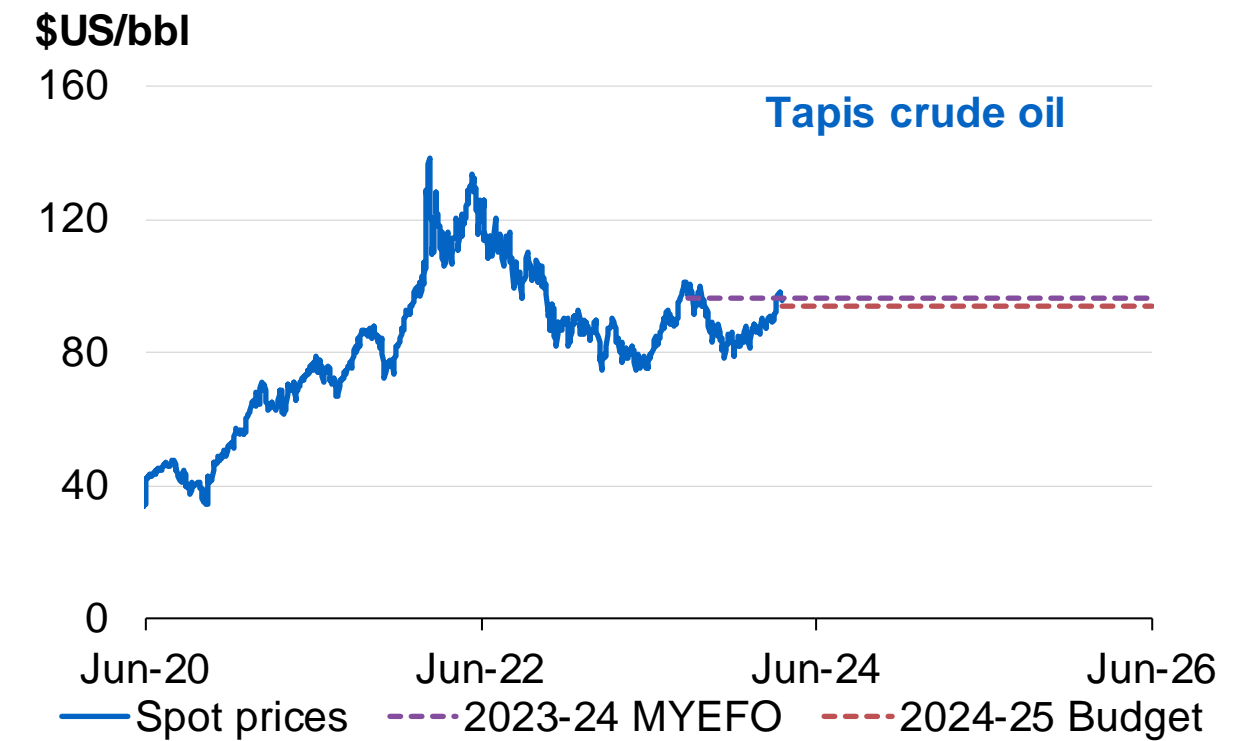
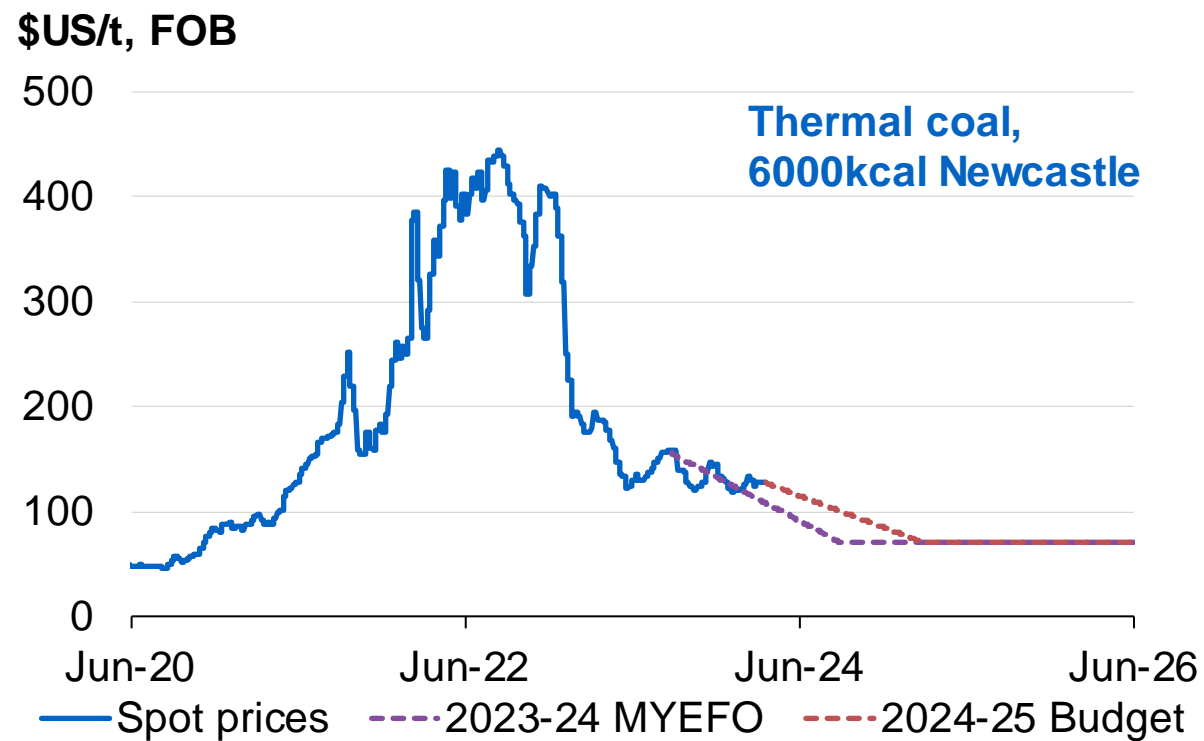
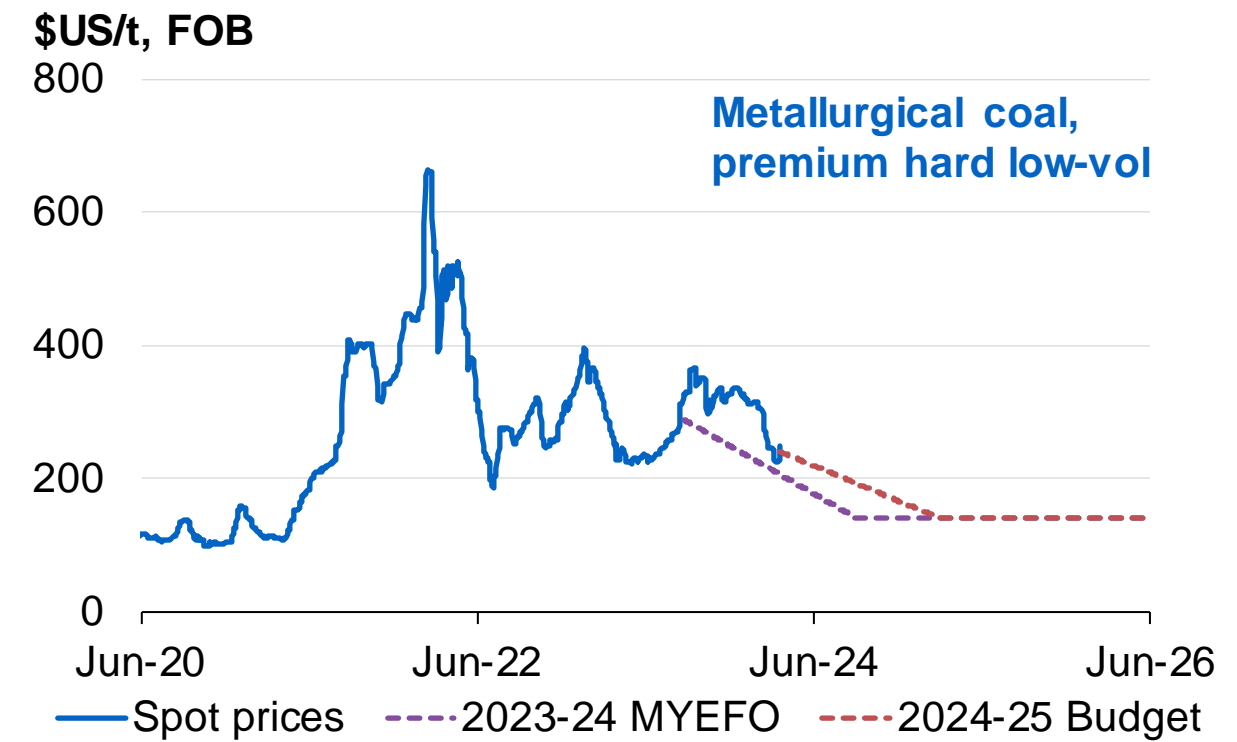
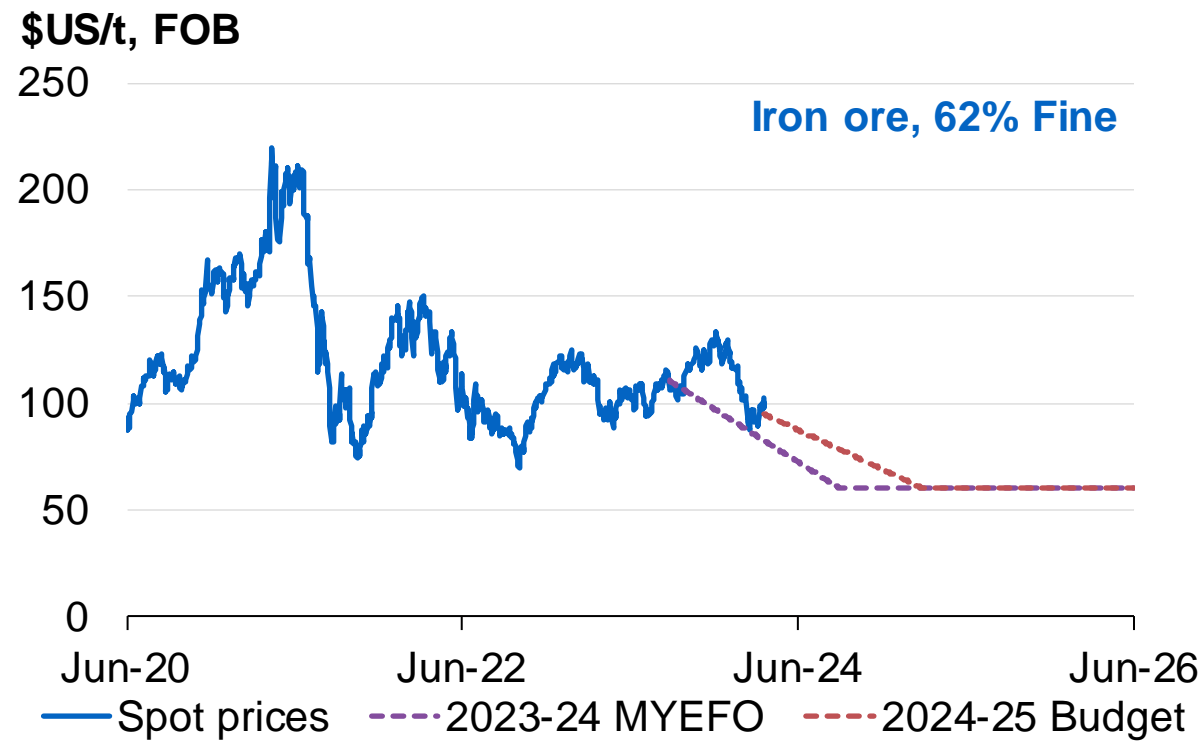
Budget 2024–25



Source: Australian Bureau of Statistics, Wage Price Index, Australian Bureau of Statistics, Consumer Price Index and Treasury.  
Note: Real wages calculated as the difference of the through-the-year growth rate between WPI and CPI.

# Bulk commodity price assumptions

Budget 2024–25



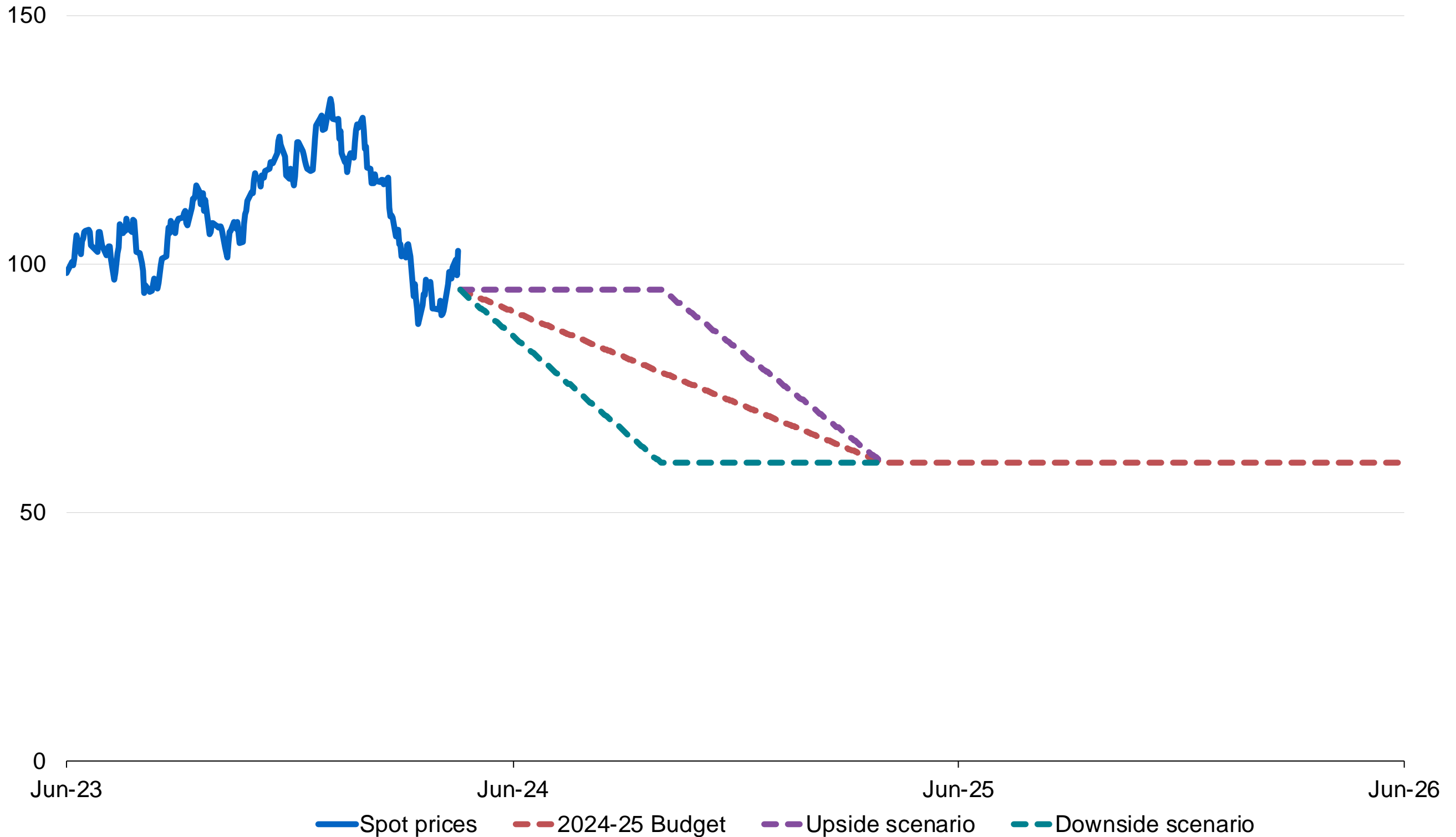
Source: Argus Media, Treasury.

Note: Calculations made by Treasury are based on confidential proprietary data from Argus Media under licence. Argus Media shall not be liable for any loss or damage arising from any party's reliance on, or use of, the data provided or the Treasury's calculations.

# Commodity price scenario: iron ore

Budget 2024–25

\$US/t, FOB



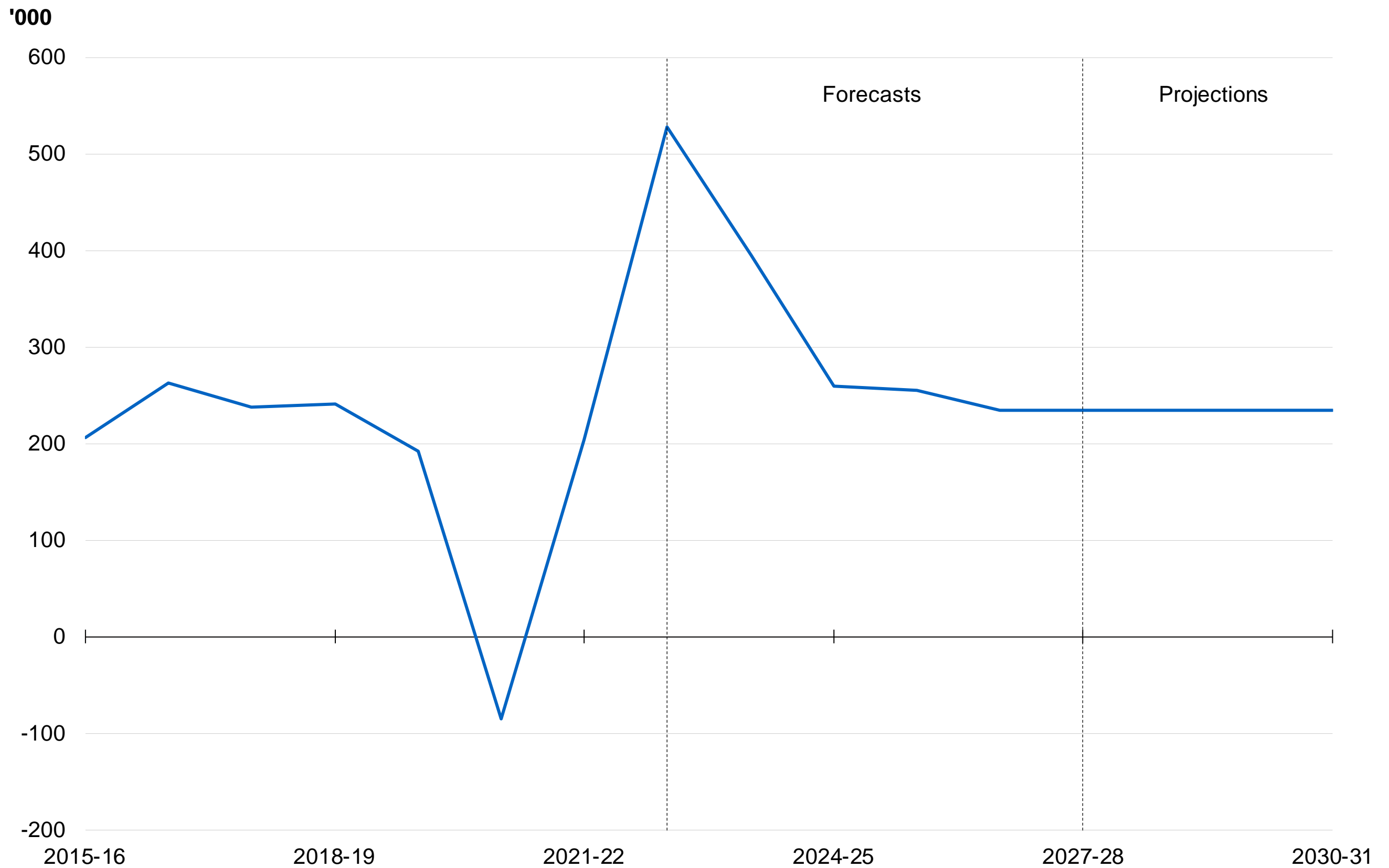
Source: Argus Media and Treasury (Budget Paper 1, Budget Statement 2).

Note: Iron ore – 62% Fe, FOB. Calculations made by Treasury are based on confidential proprietary data from Argus Media under licence. Argus Media shall not be liable for any loss or damage arising from any party's reliance on, or use of, the data provided or the Treasury's calculations.



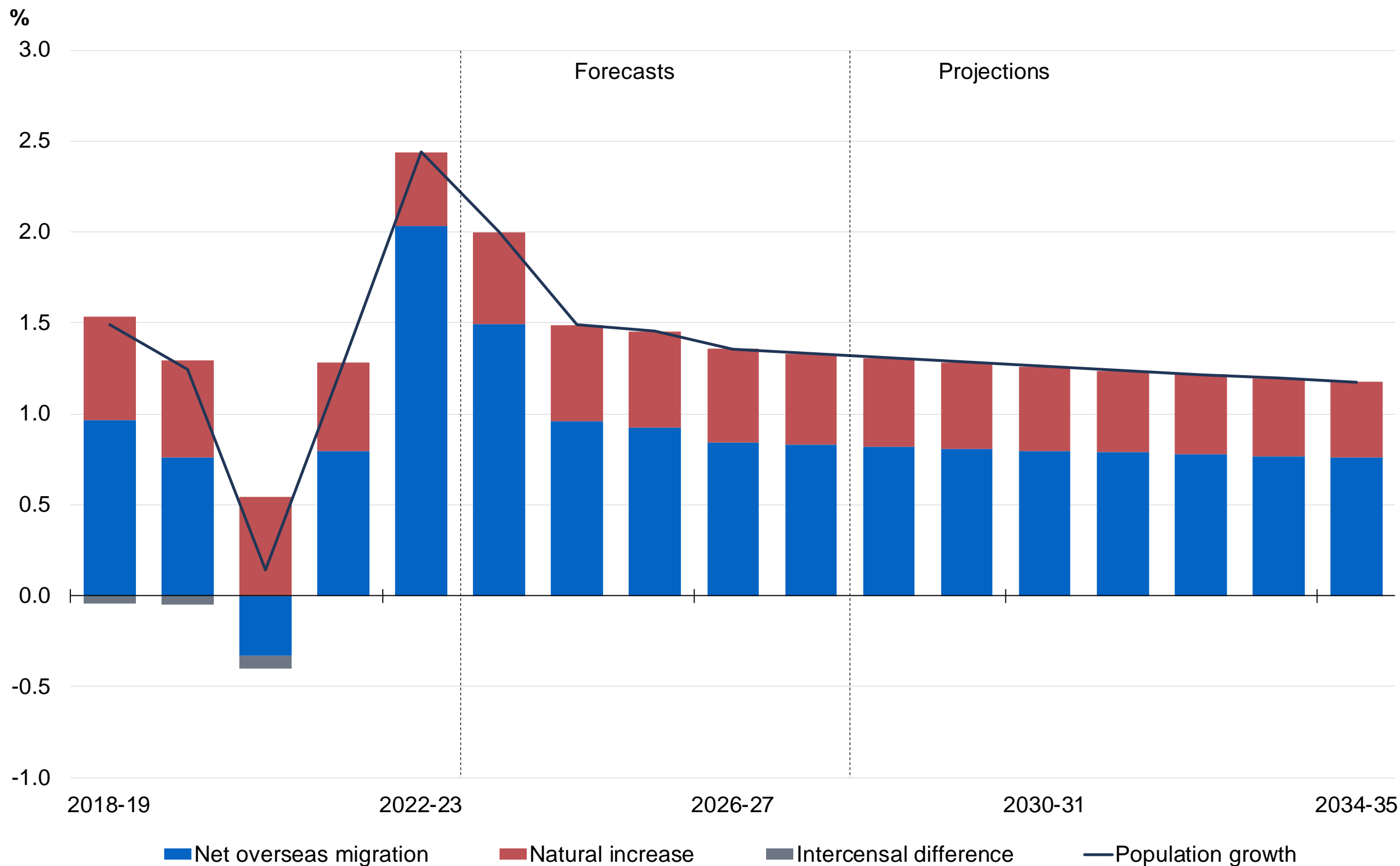
# Net overseas migration

**Budget** 2024–25



Source: Australian Bureau of Statistics, National, state and territory population, September 2023 and Treasury.

# Population growth

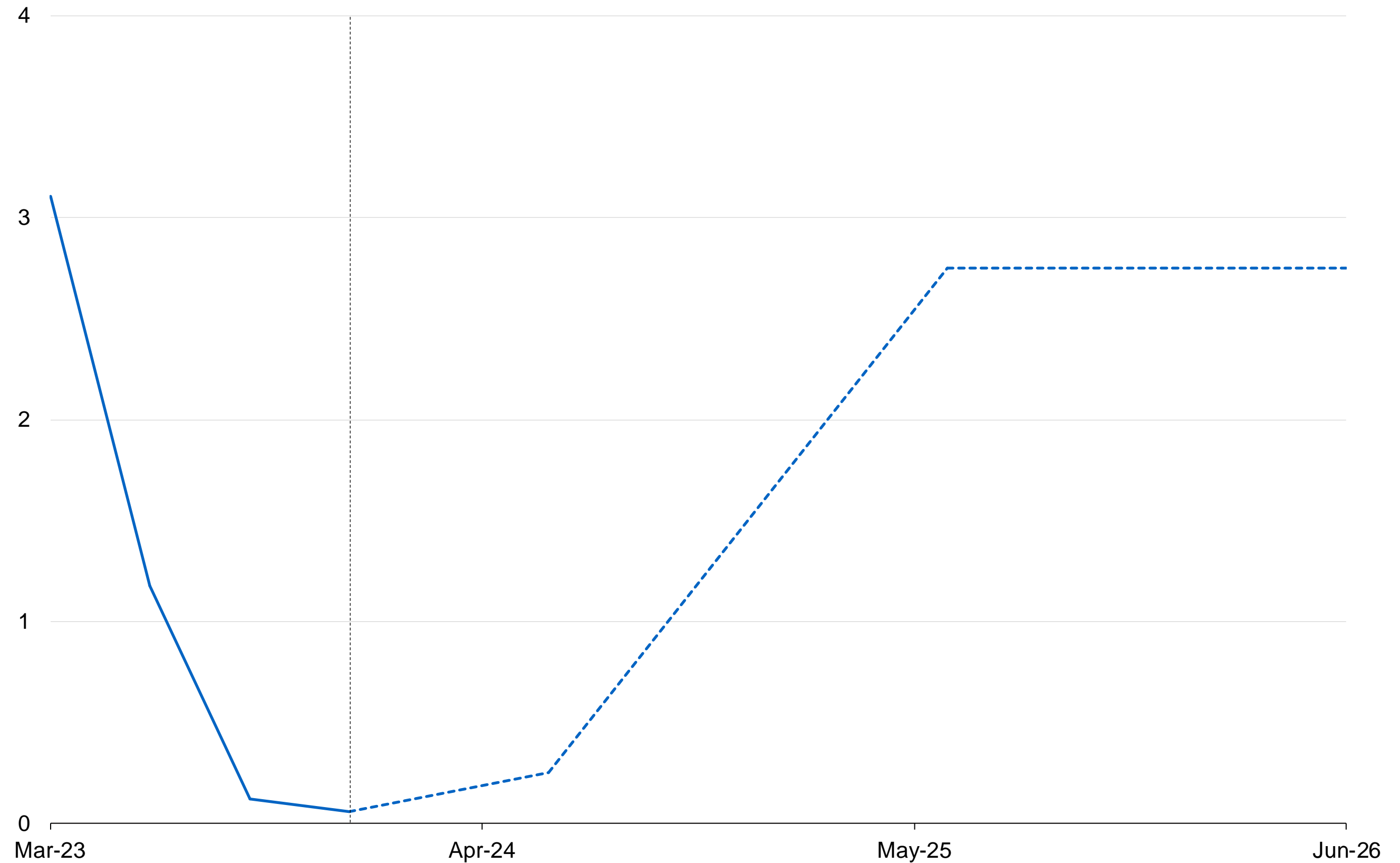


Source: Australian Bureau of Statistics, National, state and territory population, September 2023 and Treasury.

# Growth in real household consumption

Budget 2024–25

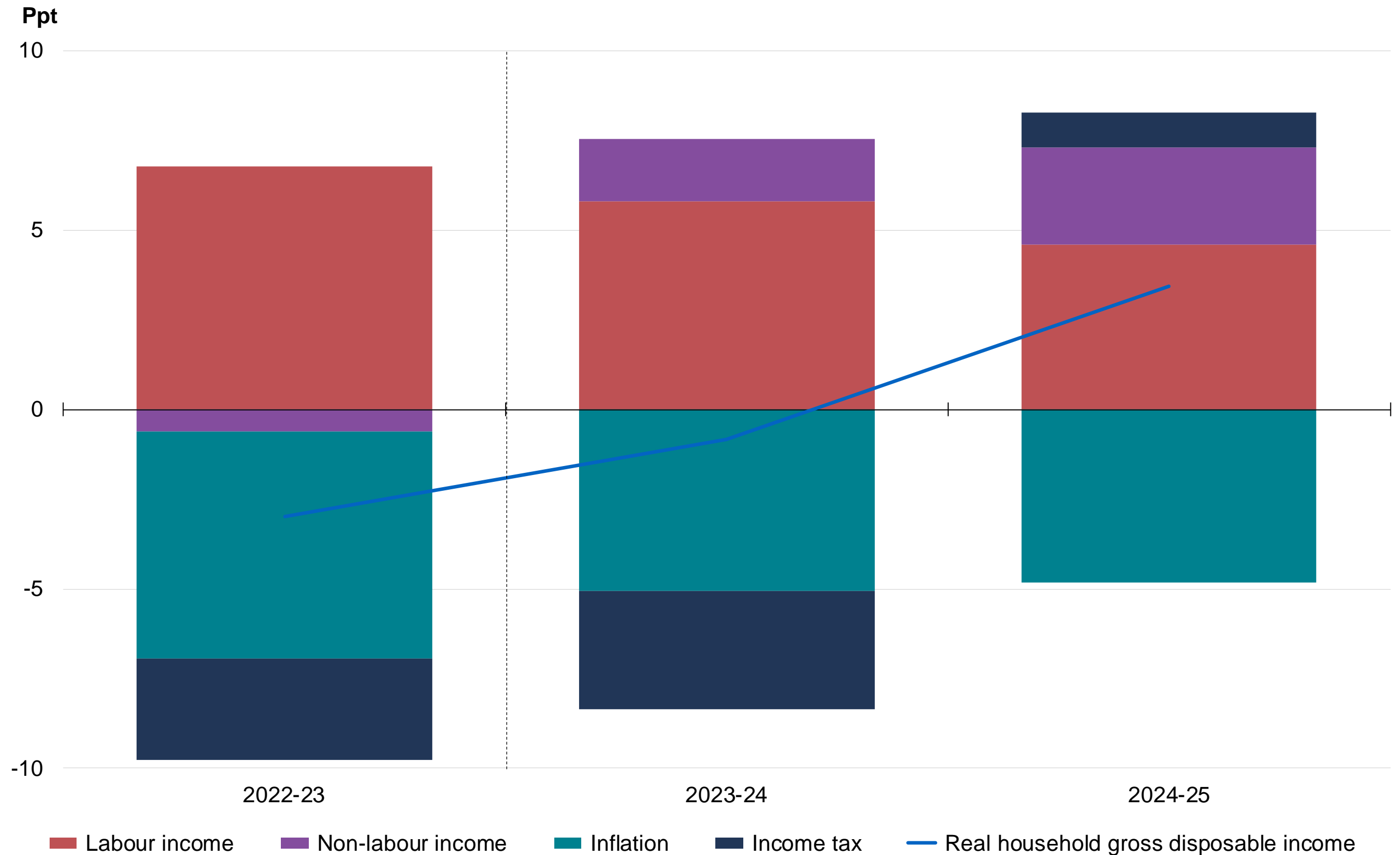
%, tty



Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product and Treasury (Budget Paper 1, Budget Statement 2).

# Contribution to gross real household disposable income growth

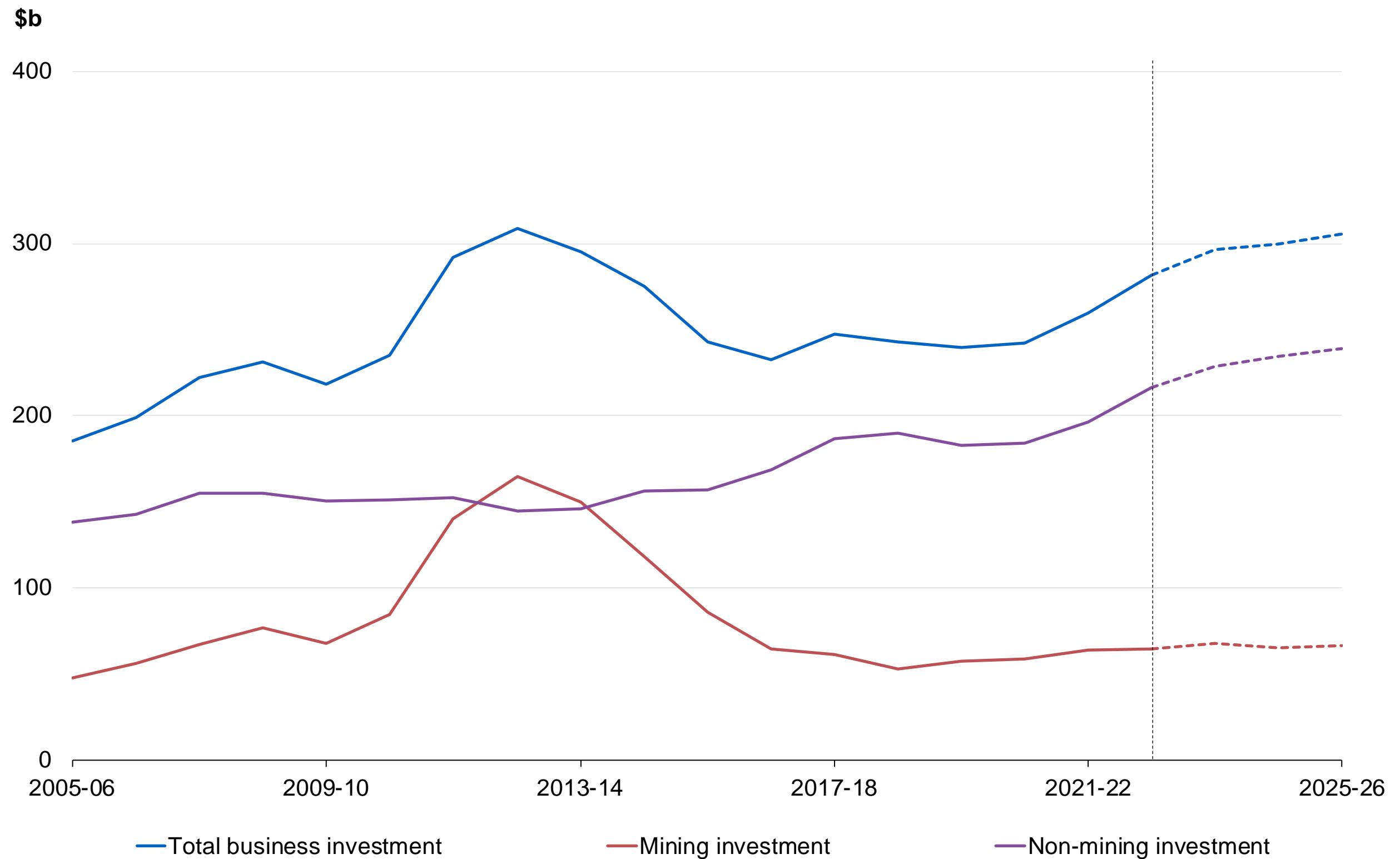
Budget 2024–25



Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product and Treasury (Budget Paper 1, Budget Statement 2).

# Business investment by component

**Budget** 2024–25

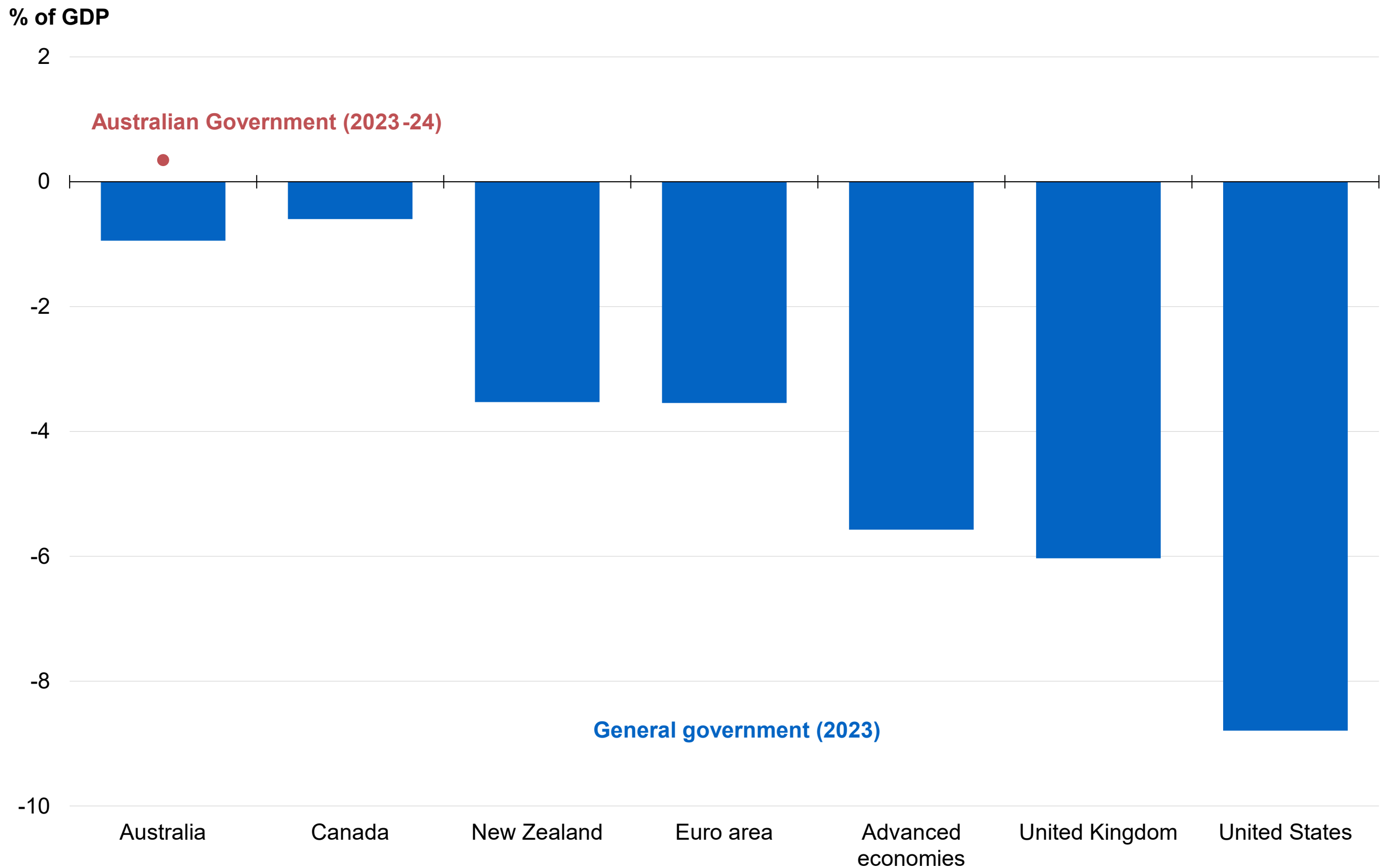


Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product and Treasury (Budget Paper 1, Budget Statement 2).

# FISCAL OUTLOOK

# International comparison of budget balances

Budget 2024–25



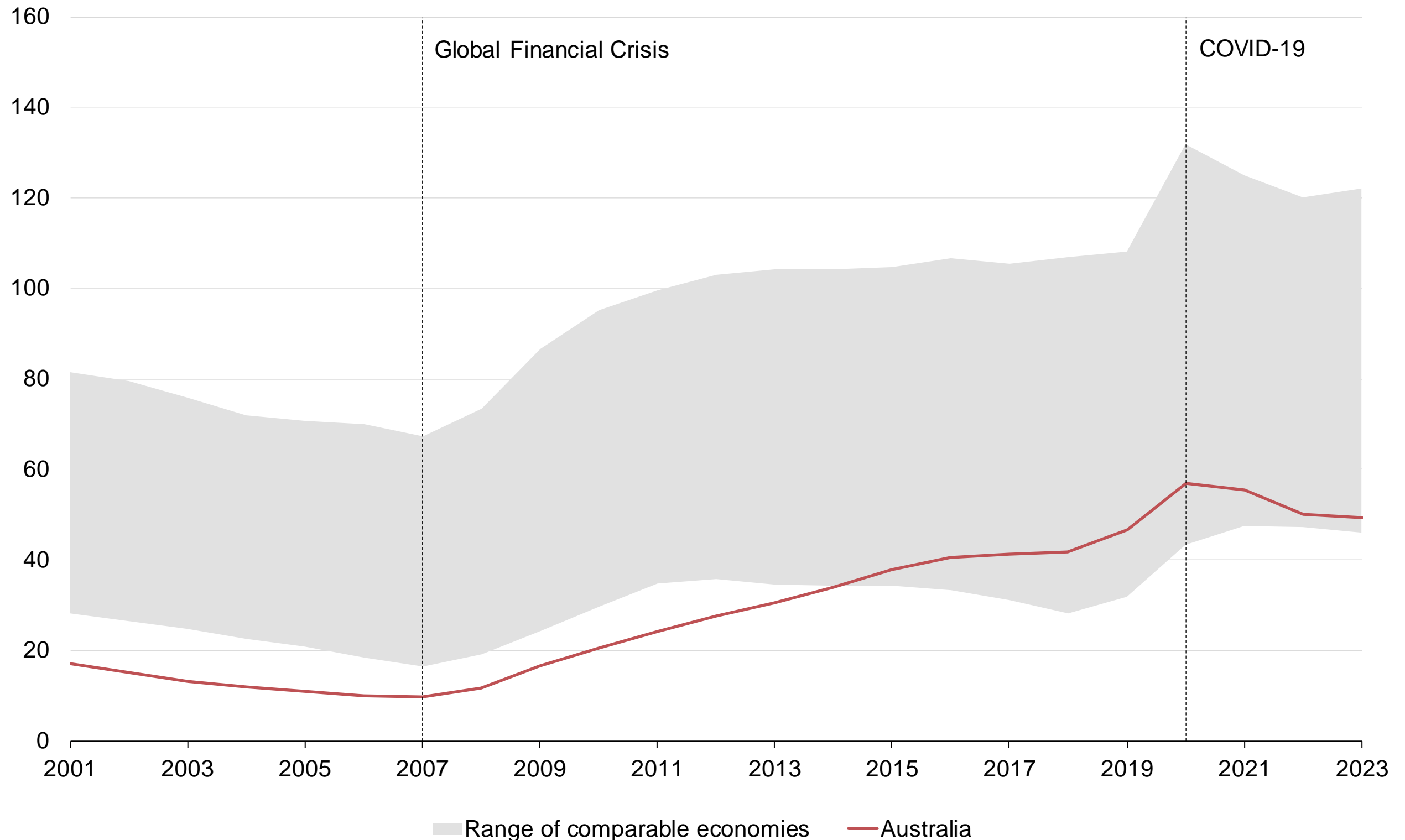
Source: International Monetary Fund and Treasury.

Note: Data for the general government, from the IMF, are produced on a consistent basis across countries. They are produced for calendar years and on a general government basis (which includes central, state and local governments). They are not directly comparable with fiscal aggregates reported elsewhere in the Budget.

# International comparison of gross debt

Budget 2024–25

% of GDP



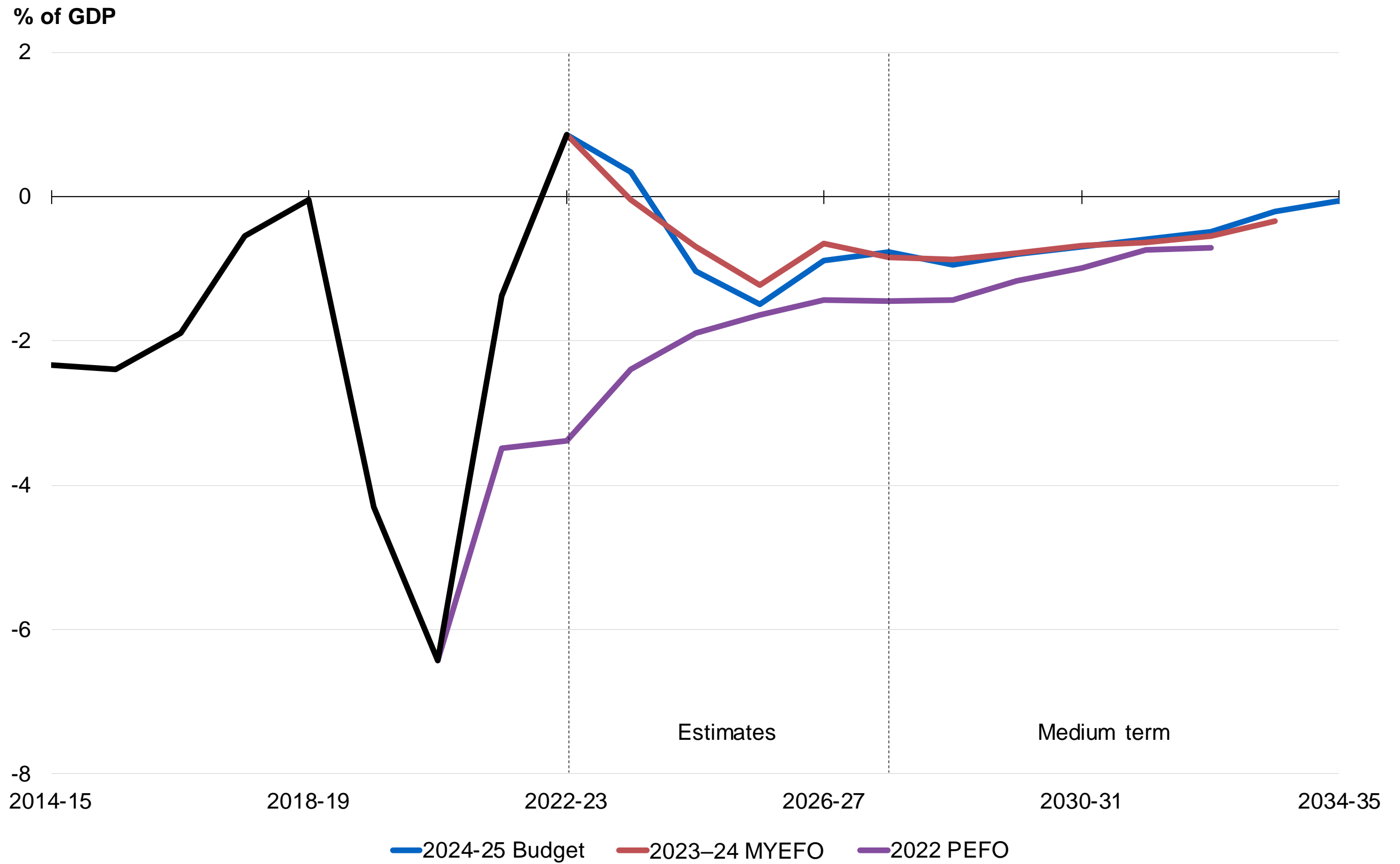
Source: International Monetary Fund and Treasury (Budget Paper 1, Budget Statement 3).

Note: IMF fiscal data are produced on a consistent basis across countries. They are produced for calendar years and on a general government basis. They are not directly comparable with fiscal aggregates reported elsewhere in the Budget. The range has been calculated using a subset of comparable advanced economies: Canada, the Euro Area, New Zealand, United Kingdom and United States.



# Underlying cash balance

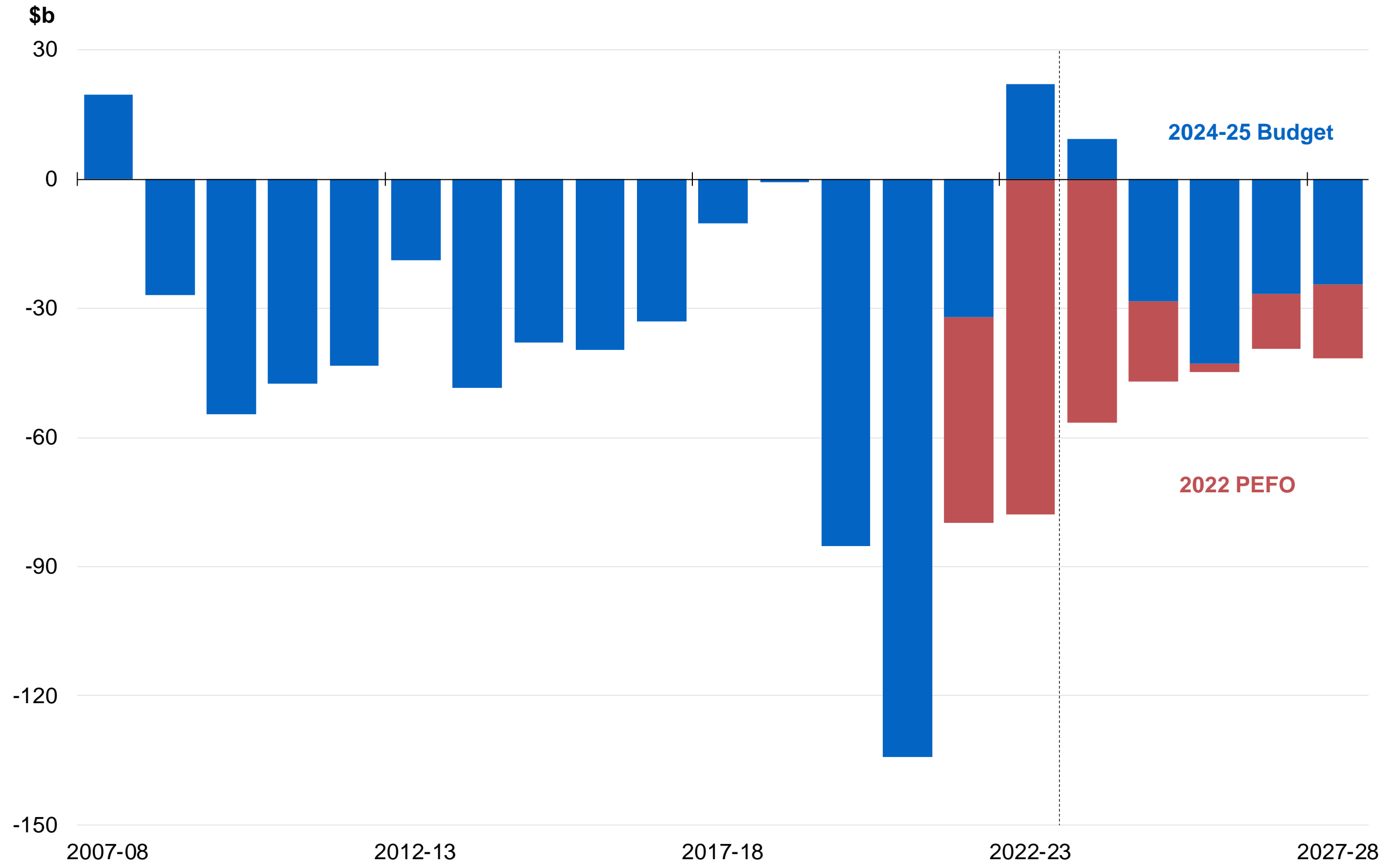
Budget 2024–25



Source: Treasury.

# Underlying cash balance

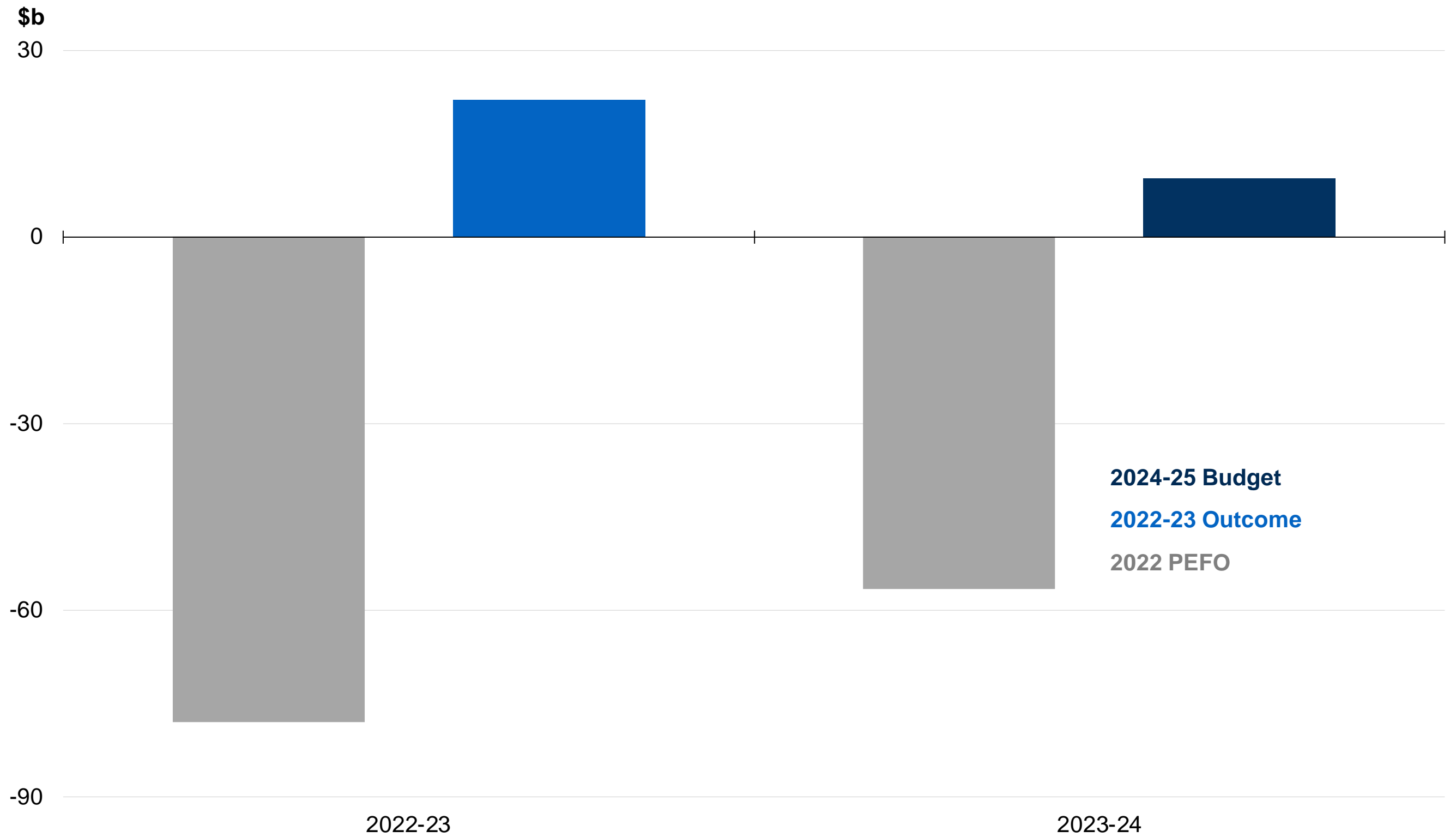
**Budget** 2024–25



Source: Treasury.

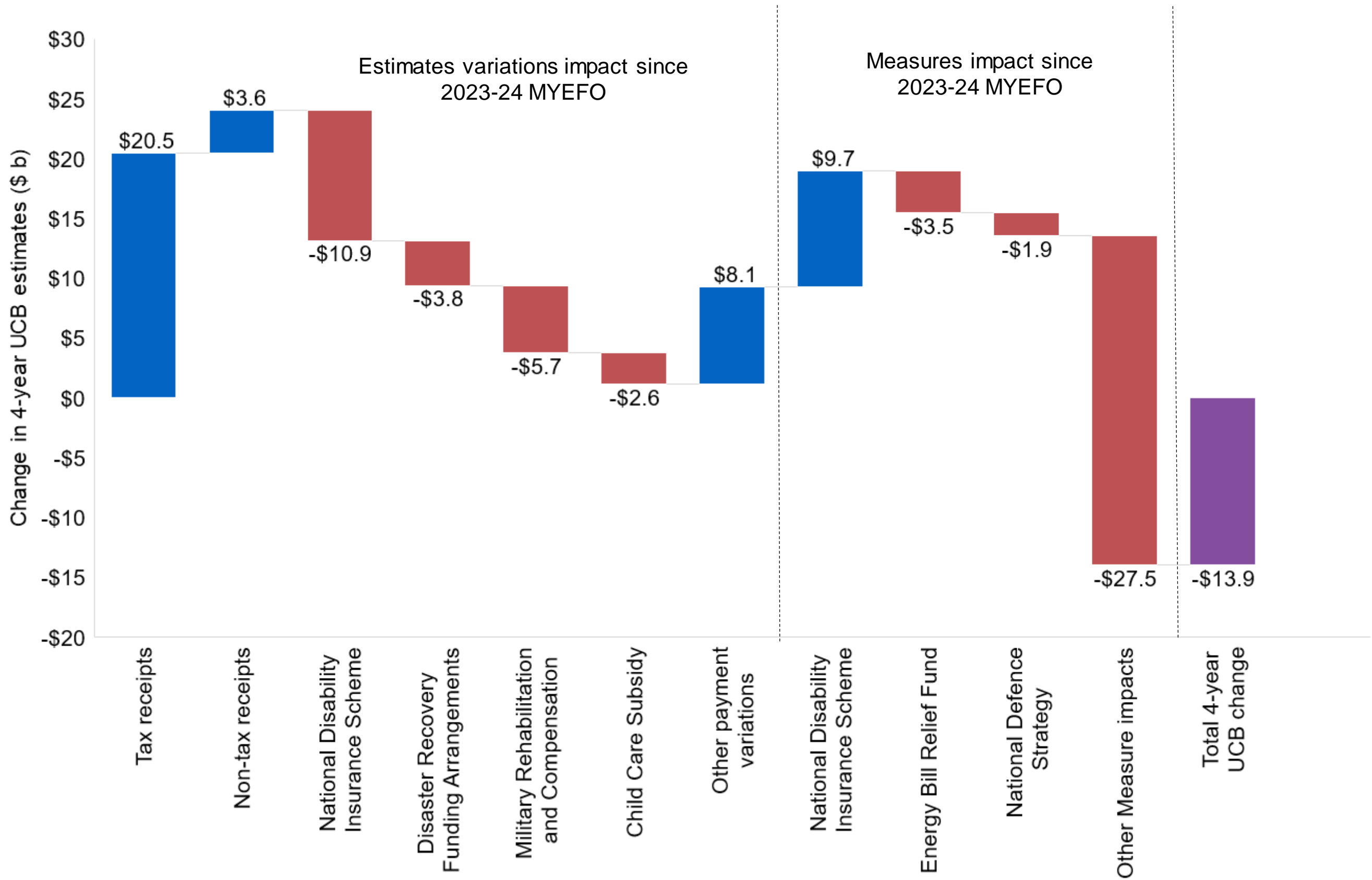
# Underlying cash balance

**Budget** 2024–25



Source: Treasury.

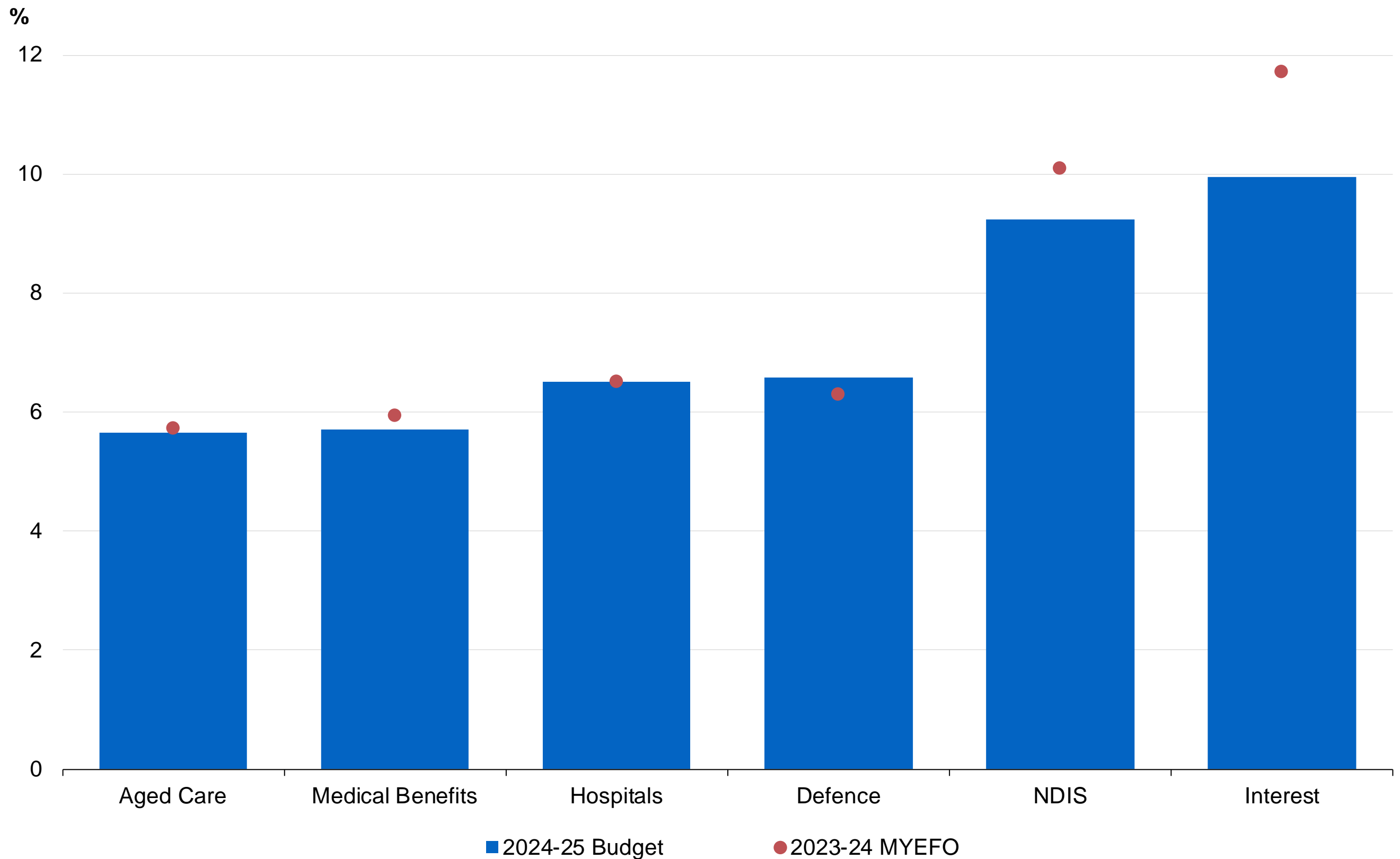
# UCB drivers



Source: Treasury.

Note: Chart compares the impact over the four years from 2023-24 to 2026-27.

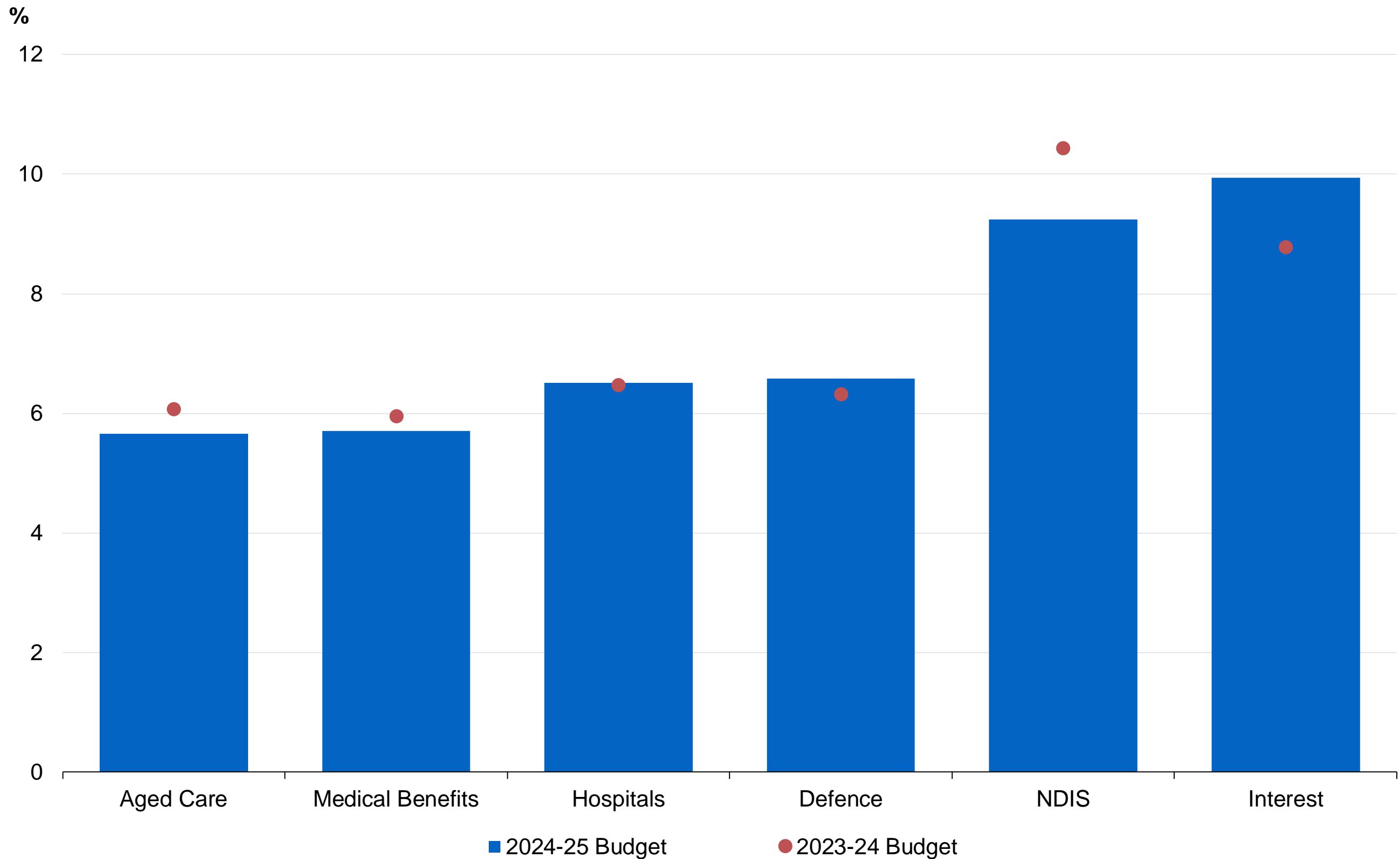
# Major payments growth (compared to 2023-24 MYEFO) Budget 2024–25



Source: Treasury (Budget Paper 1, Budget Statement 3).

Note: Shows major payments with average annual growth faster than nominal GDP over the projection period. Interest refers to interest payments on Australian Government Securities. NDIS refers to the Australian Government's contribution to payments for NDIS participant supports. Growth rate for the 2023–24 MYEFO is from 2023–24 to 2033–34. Growth rate for the 2024–25 Budget is from 2024–25 to 2034–35. Growth rates are consistent with parameters in current intergovernmental agreements.

# Major payments growth (compared to 2023-24 Budget) **Budget** 2024–25



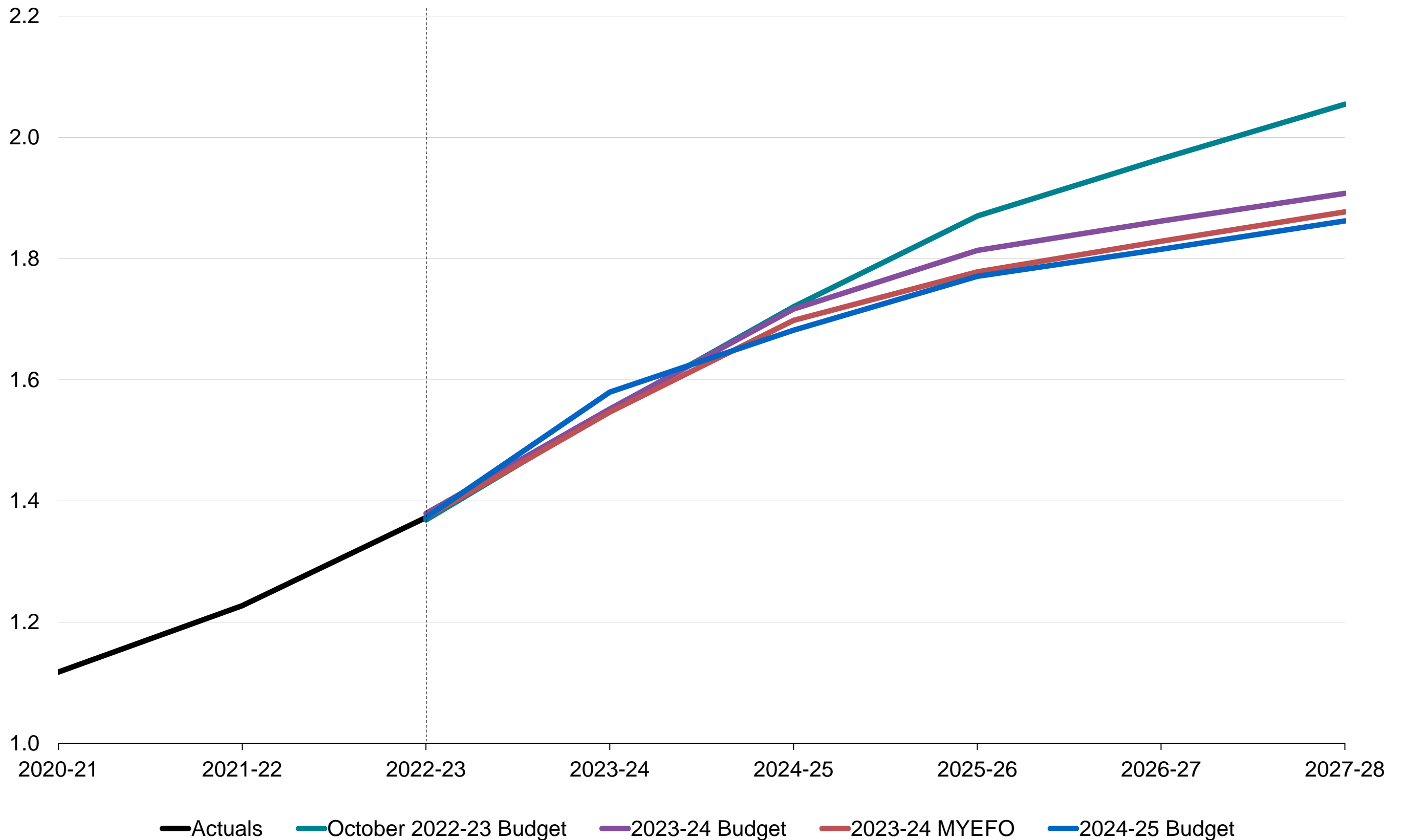
Source: Treasury.

Note: Shows major payments with average annual growth faster than nominal GDP over the projection period. Interest refers to interest payments on Australian Government Securities. NDIS refers to the Australian Government's contribution to payments for NDIS participant supports. Growth rate for the 2023–24 Budget is from 2023–24 to 2033–34. Growth rate for the 2024–25 Budget is from 2024–25 to 2034–35. Growth rates are consistent with parameters in current intergovernmental agreements.

# NDIS total participant expenditure

Budget 2024–25

% of GDP



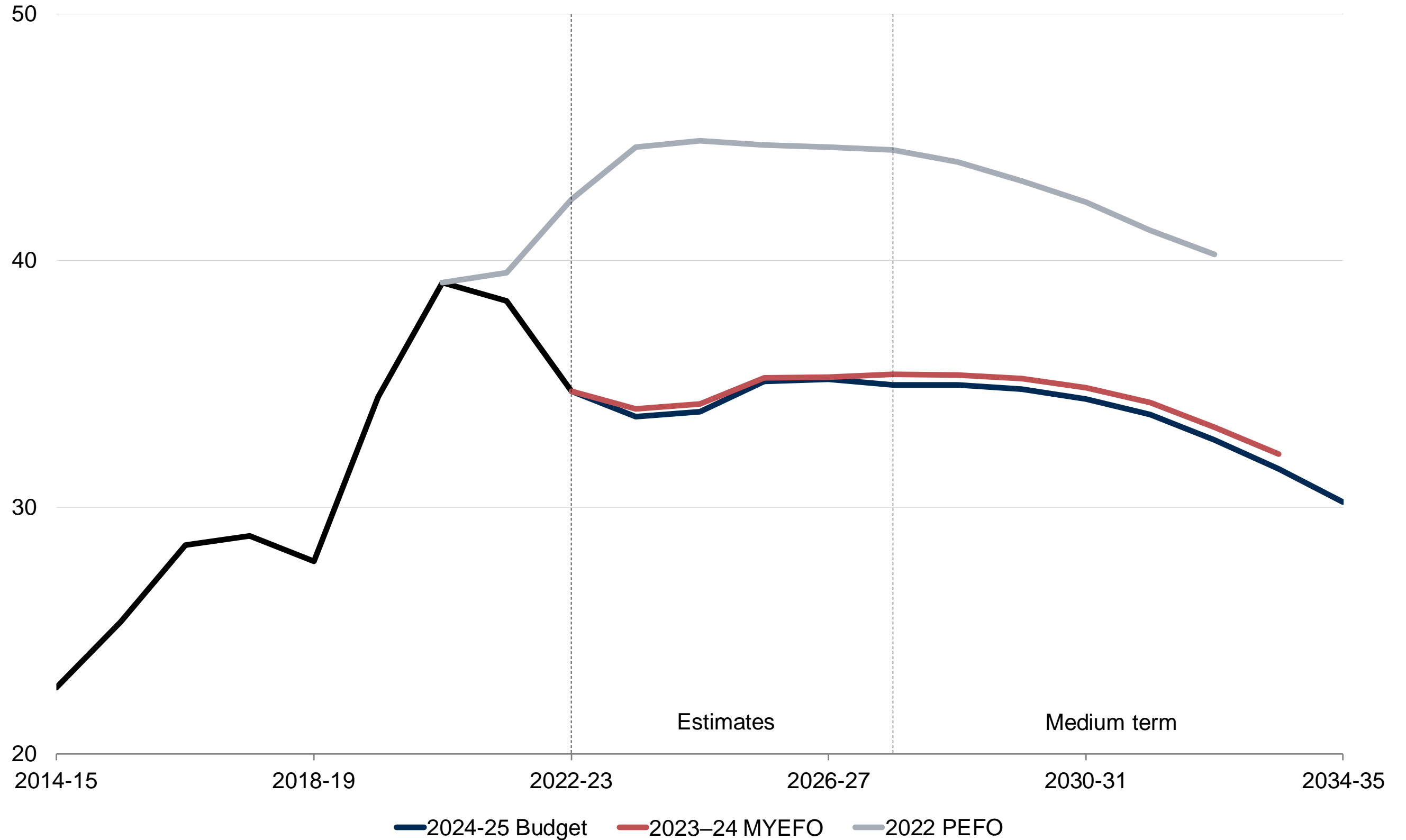
Source: Treasury, NDIA Annual Reports.

Note: Expenses are presented for the total costs of the NDIS reasonable and necessary support program.

# Gross debt

Budget 2024–25

% of GDP

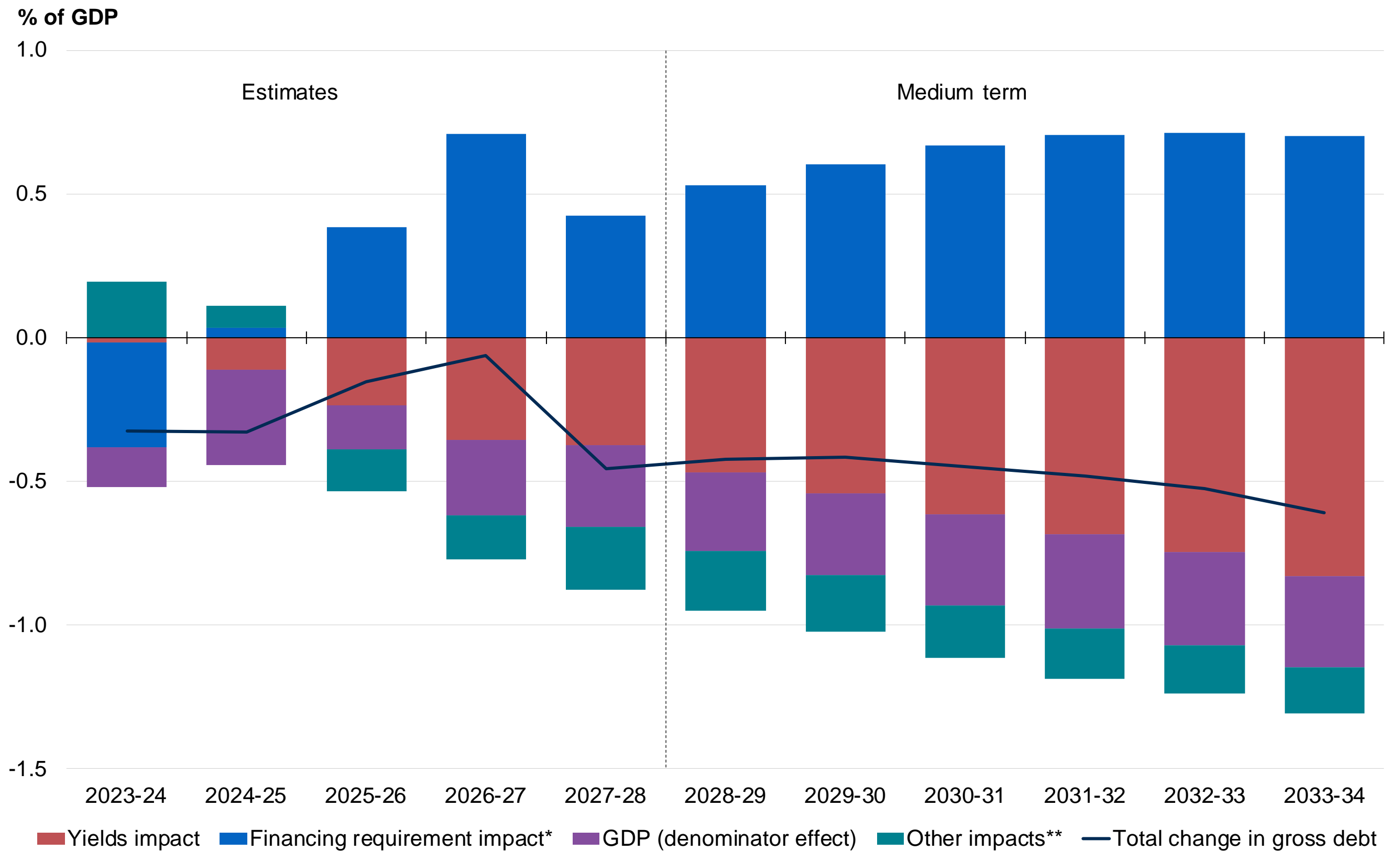


Source: Treasury.



# Gross debt, change since MYEFO

Budget 2024–25



Source: Treasury.

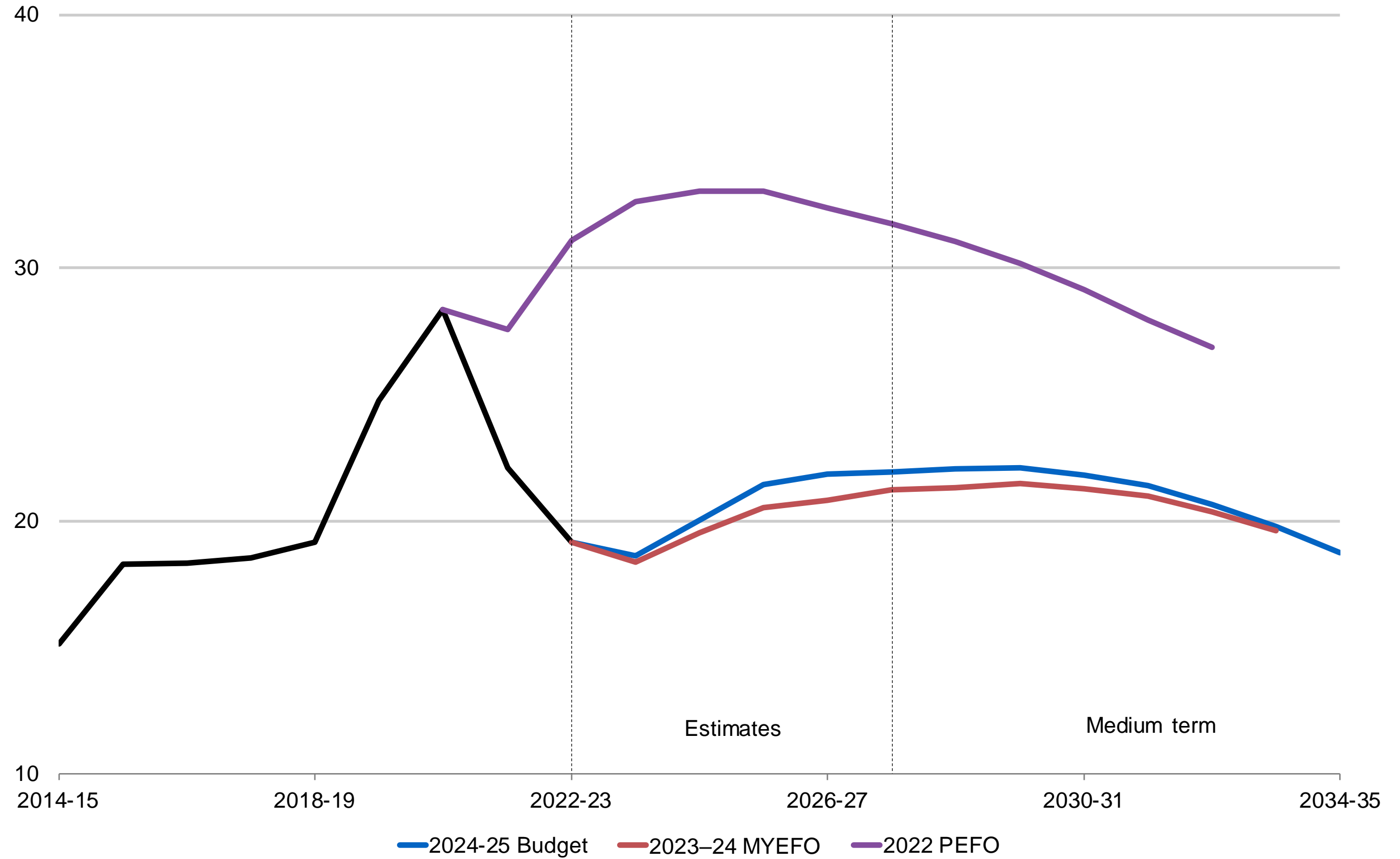
\*Impact of change in the borrowing amount assuming no change in yields since MYEFO.

\*\*The largest change to "other impacts" are movements in RBA cash deposits managed by the AOFM.

# Net debt

Budget 2024–25

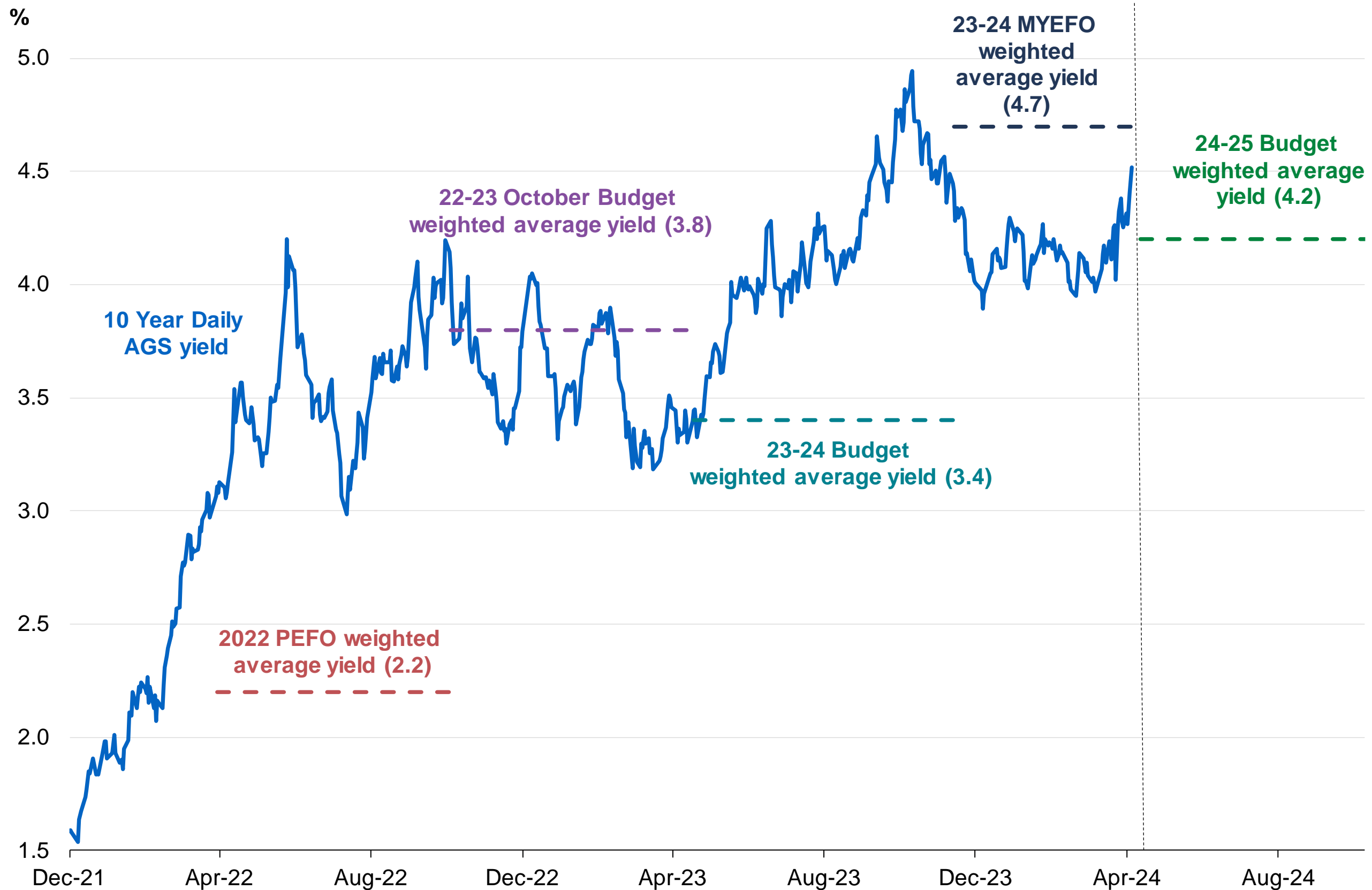
% of GDP



Source: Treasury.

# Change in AGS yields over budget updates

Budget 2024–25



Source: Treasury.

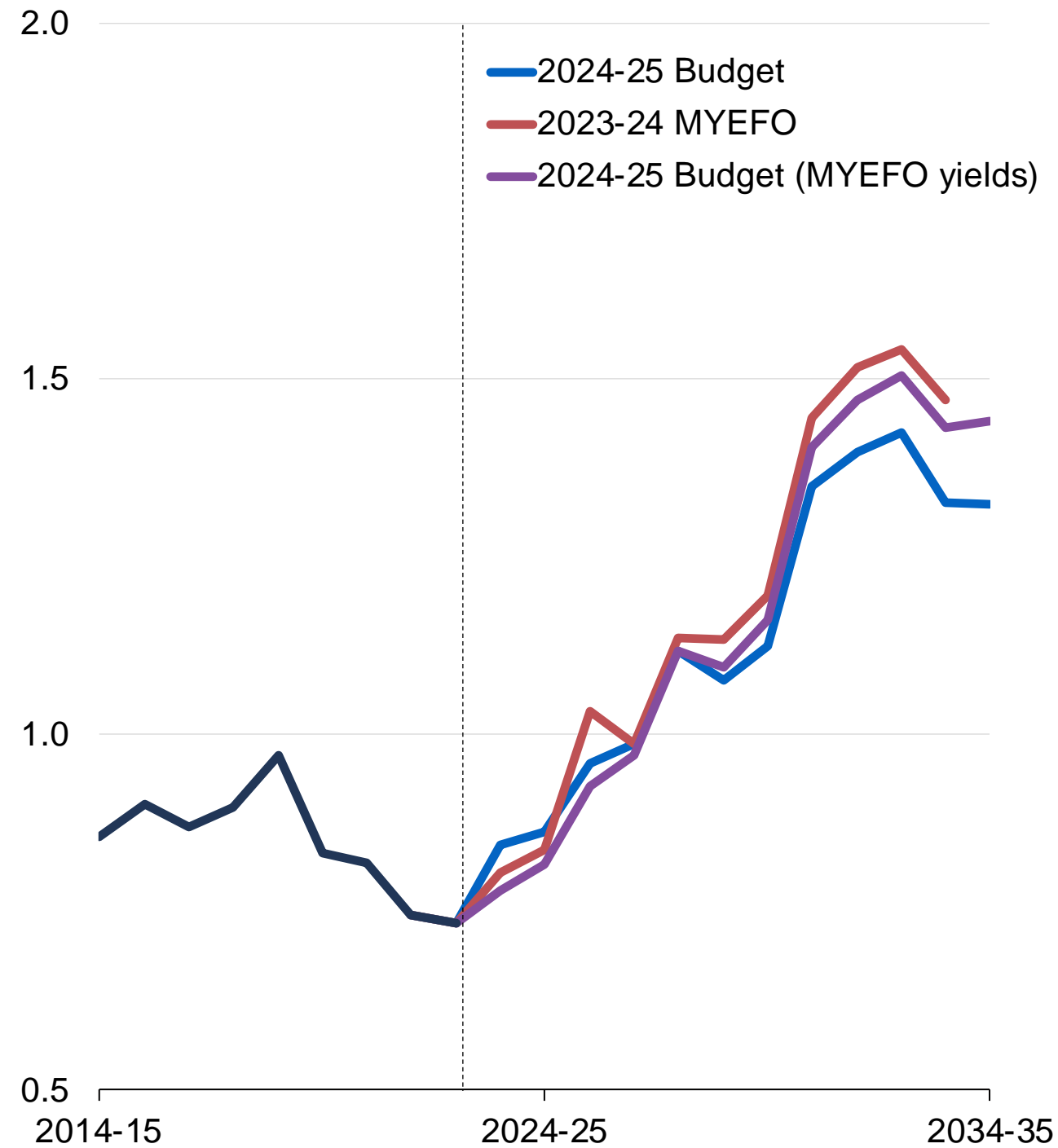
Note: Over the forward estimates, bond yields are assumed to remain fixed at a recent average of daily spot rates at the time of the budget update. Dotted lines reflect this assumption at each budget update.

# Fiscal projections with MYEFO yields

Budget 2024–25

## Total interest payments

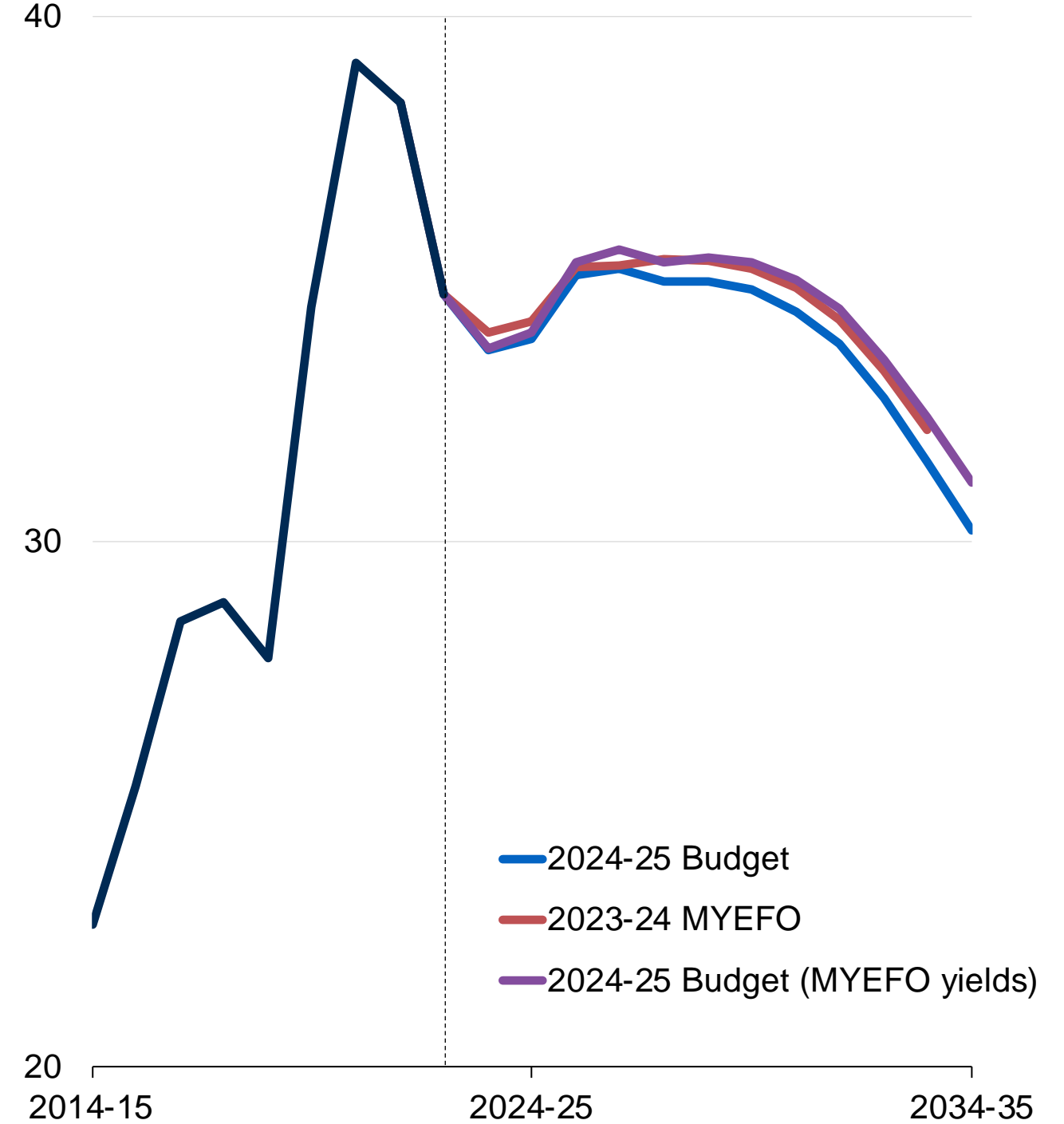
% of GDP



Source: Treasury.

## Gross debt

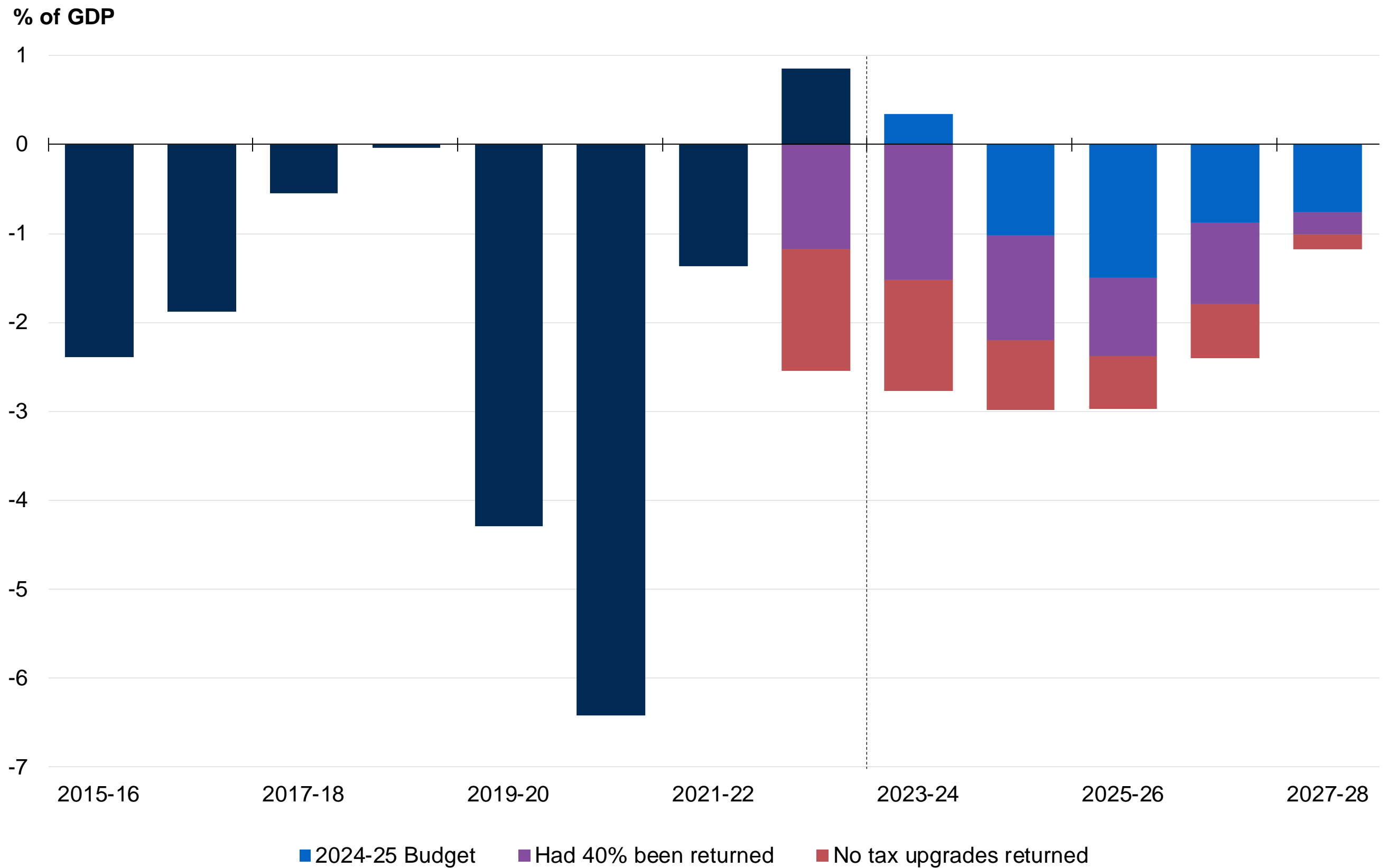
% of GDP



Source: Treasury.

# UCB impact of returning tax upgrades

Budget 2024–25

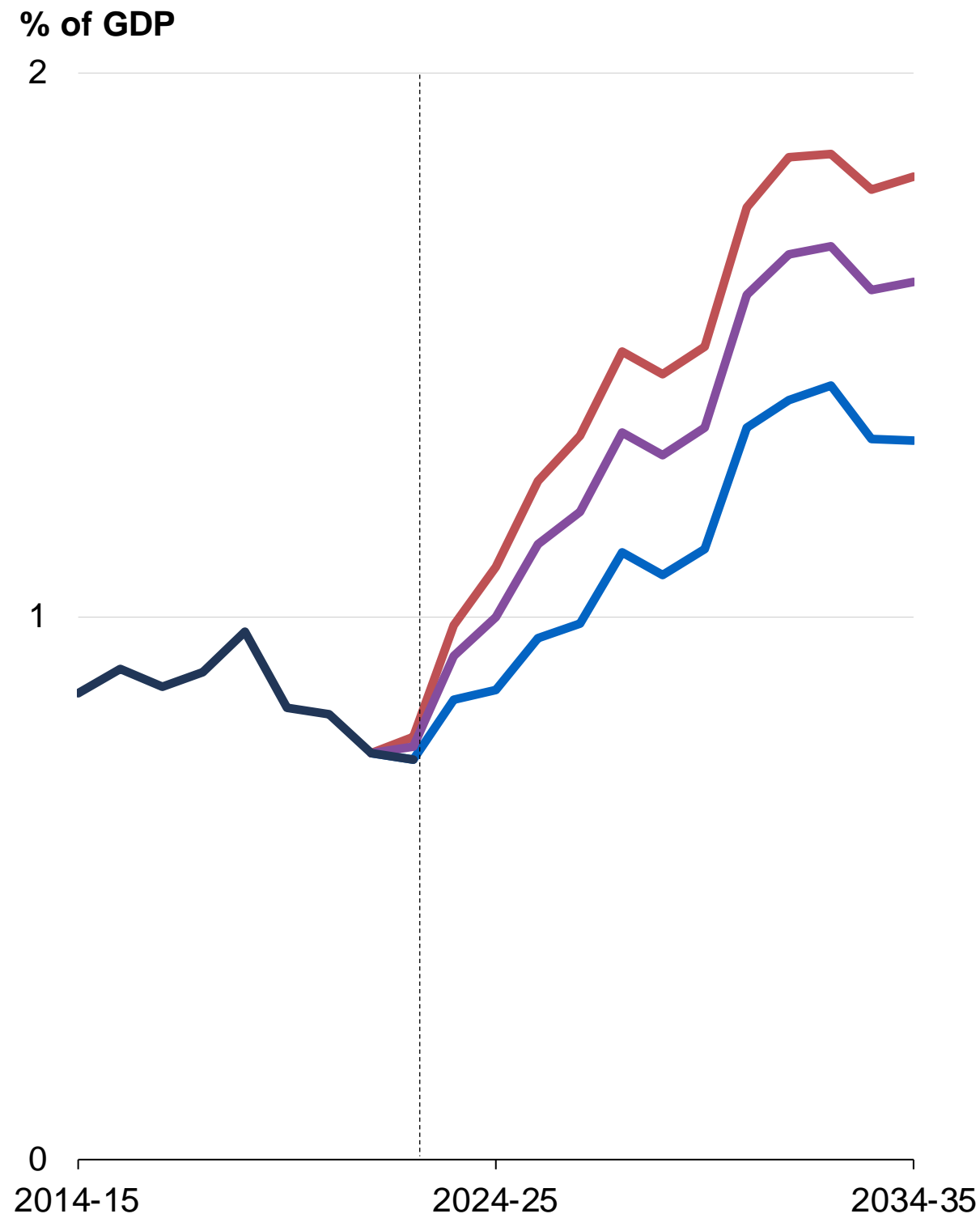


Source: Treasury.

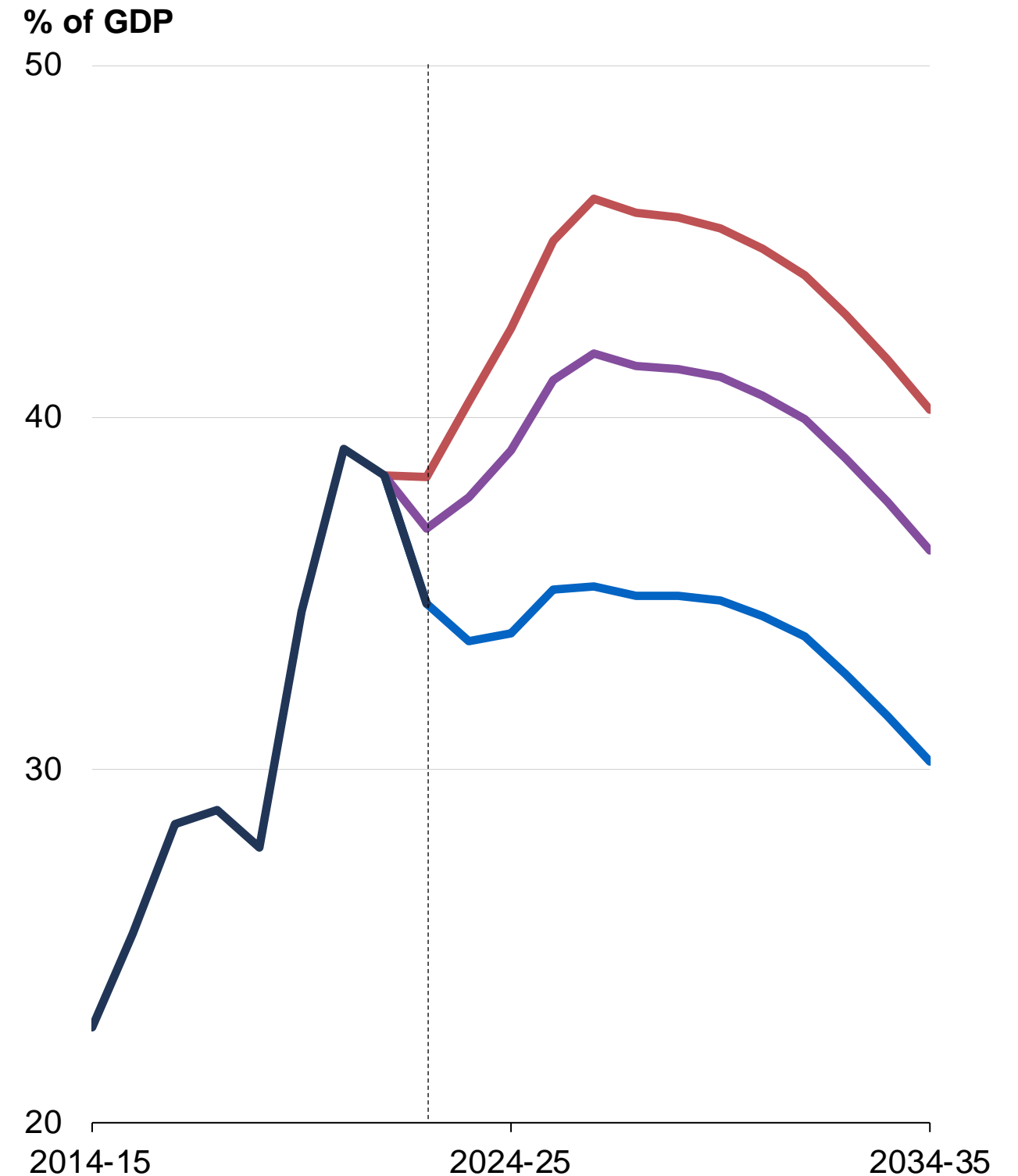
# Fiscal impact of returning tax upgrades

Budget 2024–25

## Total interest payments



## Gross debt



— 2024-25 Budget — No tax upgrades returned — 40% returned

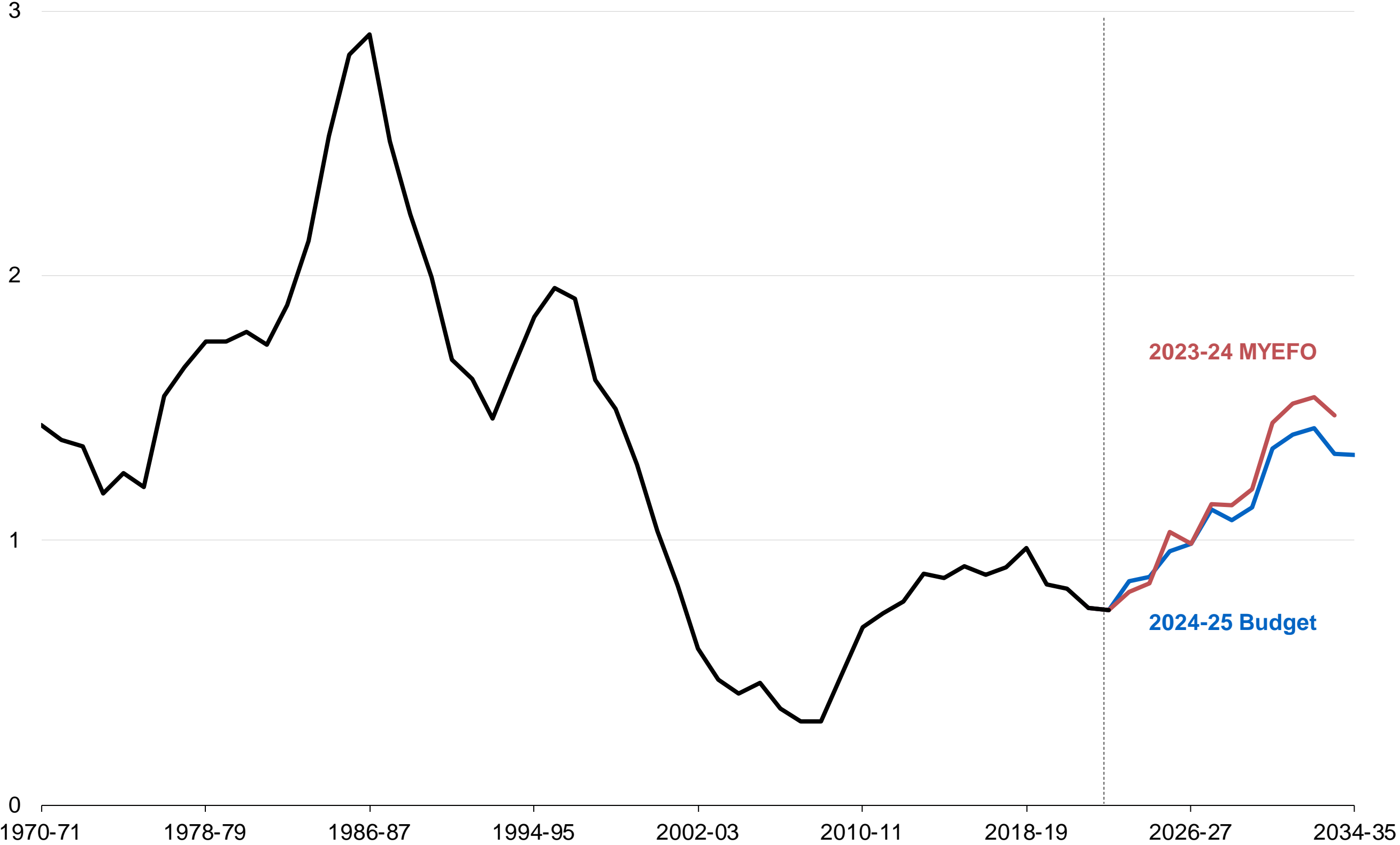
— 2024-25 Budget — No tax upgrades returned — 40% returned

Source: Treasury.

# Total interest payments

Budget 2024-25

% of GDP

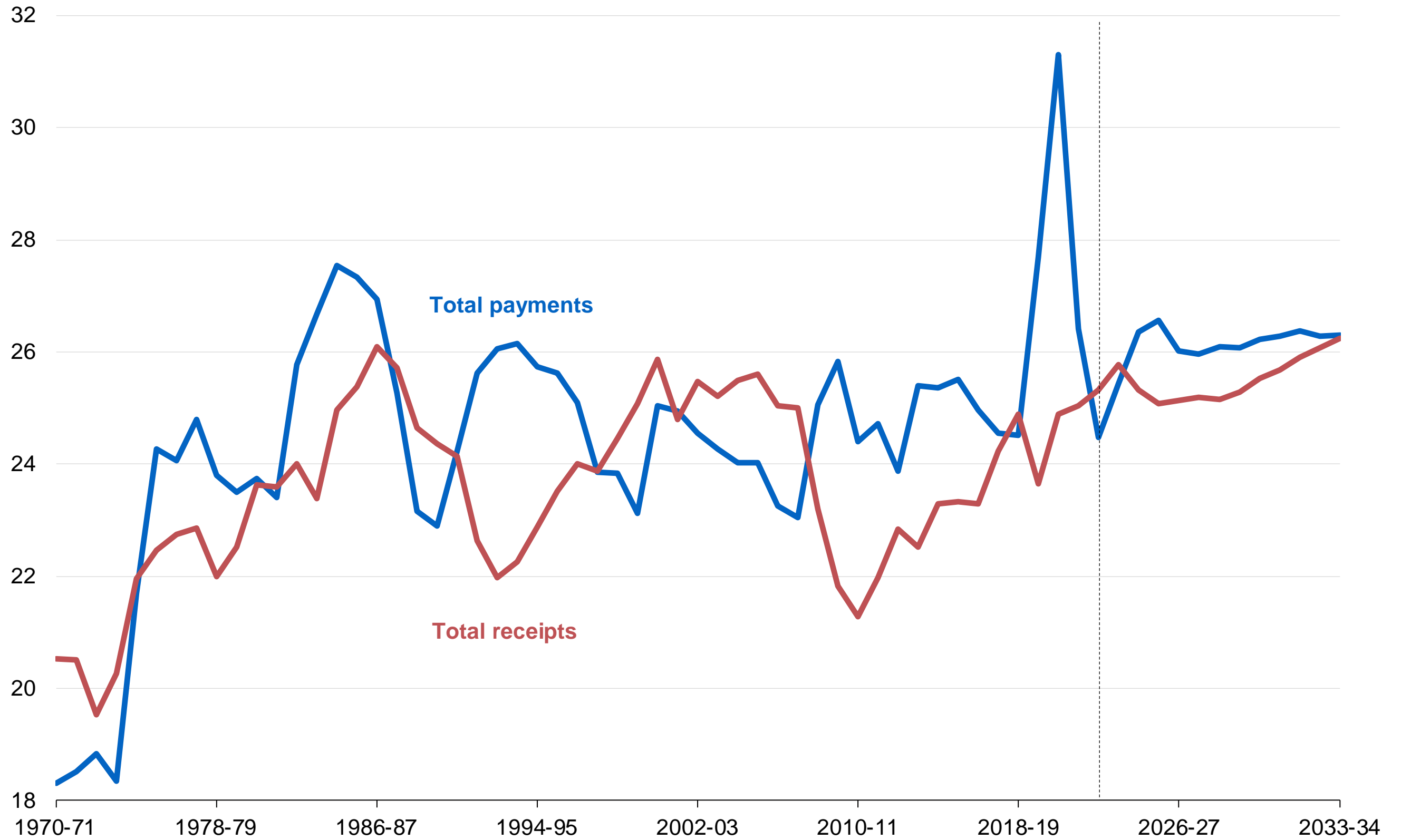


Source: Treasury.

# Payments and receipts

Budget 2024–25

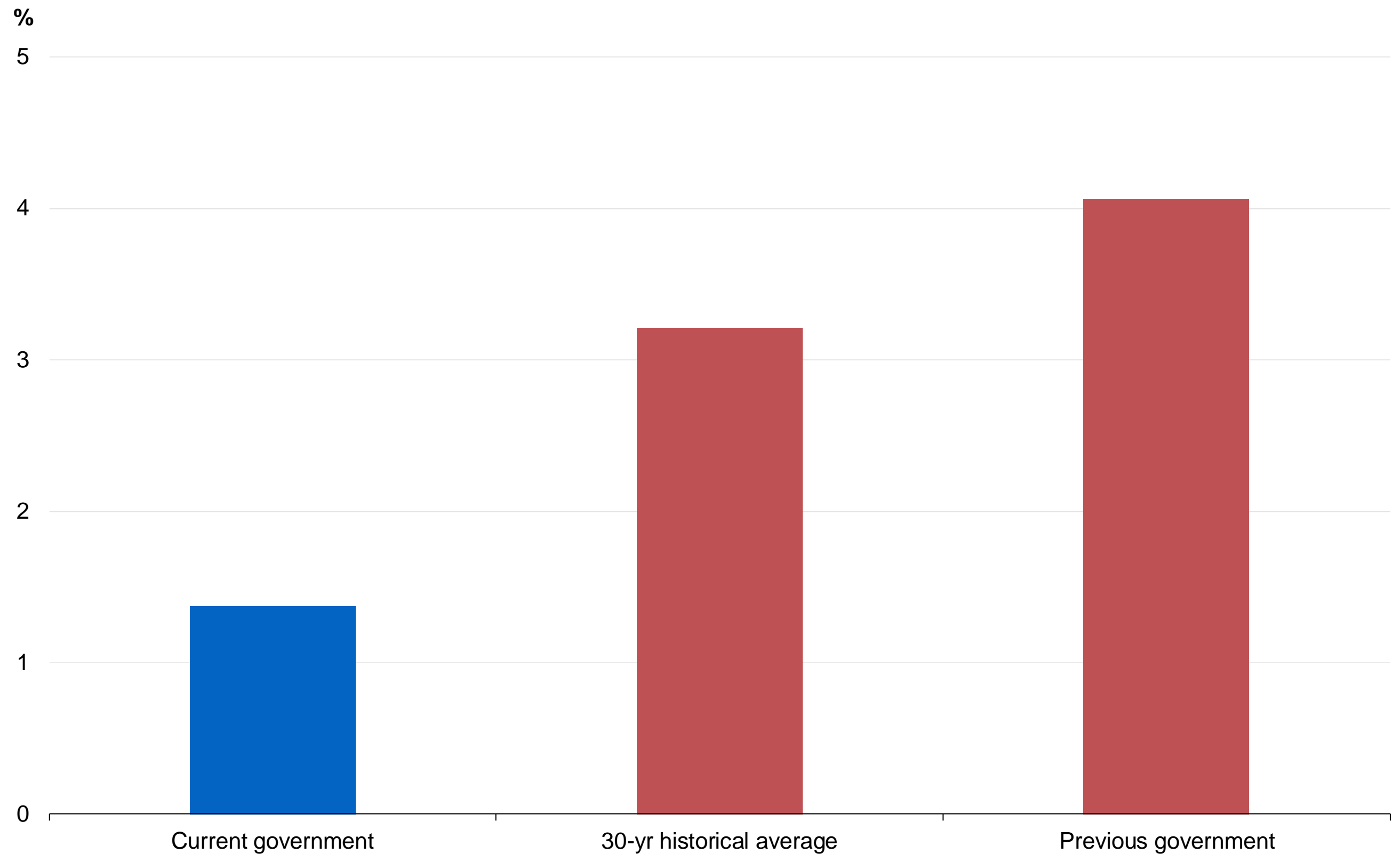
% of GDP



Source: Treasury (Budget Paper 1, Budget Statement 3).



# Real payments growth



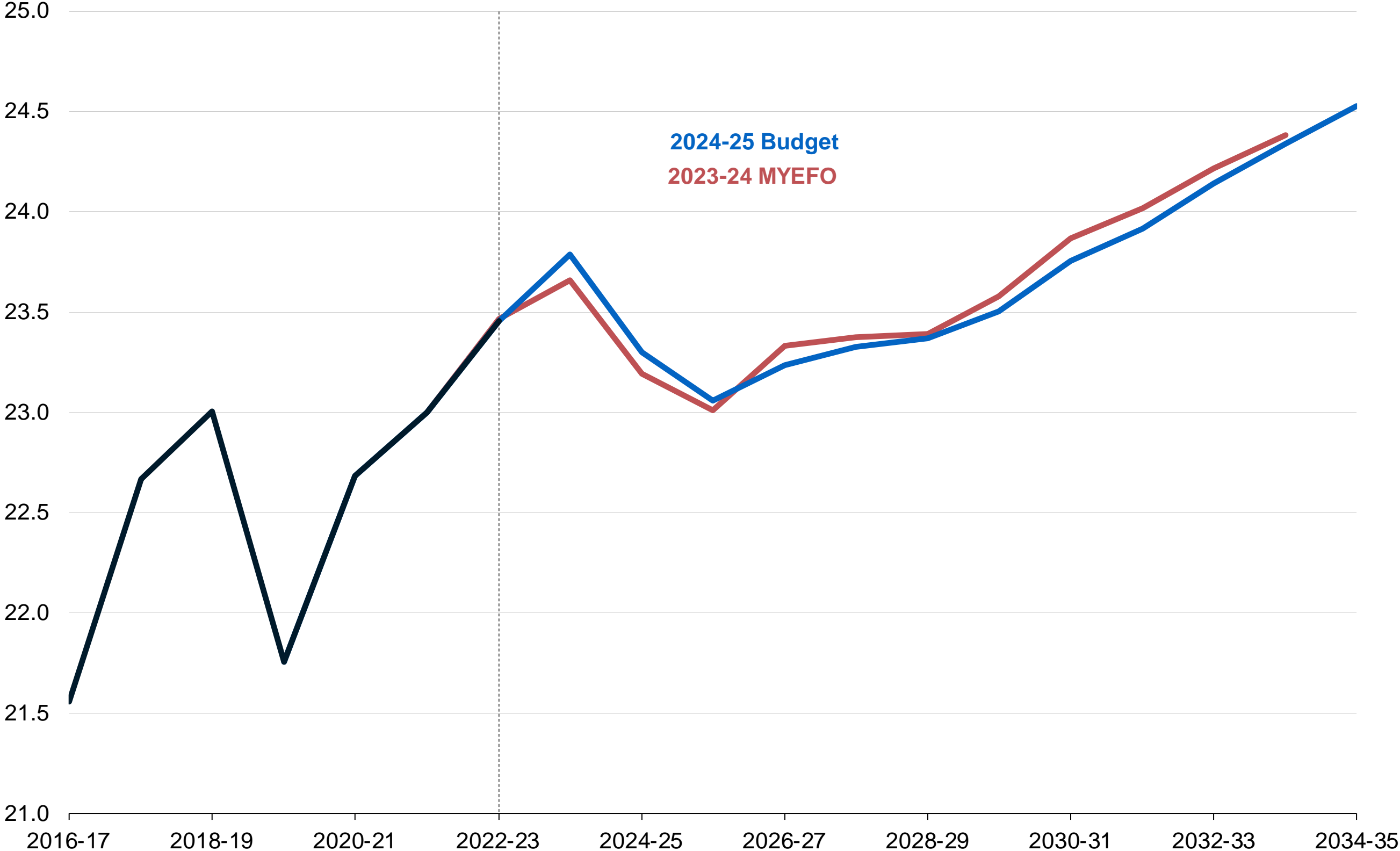
Source: Treasury (Budget Paper 1, Budget Statement 3).

Note: The current government average refers to average annual real payments growth from 2022-23 to 2027-28. Historical average is 30 years to 2022-23. Previous government average refers to the period from 2013-14 to 2021-22.

# Tax receipts

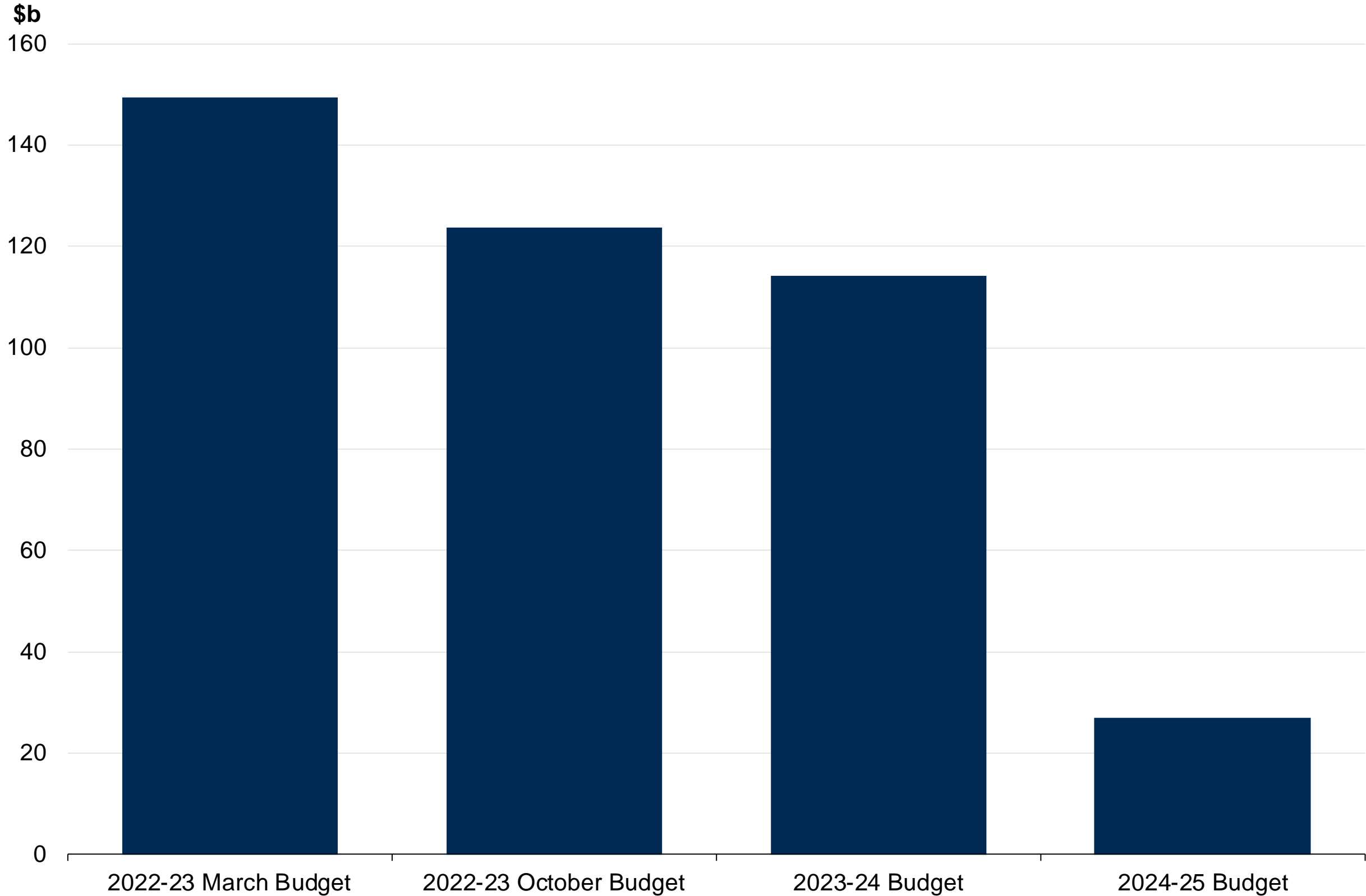
Budget 2024-25

% of GDP



Source: Treasury.

# Tax receipts upgrades over forward estimates **Budget** 2024–25



Source: Treasury.

Note: Tax totals are calculated using estimates as reported at that round. 2022-23 October Budget has four years of forward estimates and the 2022-23 March Budget, 2023-24 Budget and 2024-25 Budget have five years of forward estimates. Totals exclude GST and policy decisions.