

ESTIMATES BRIEF – Hot Issue

Supplementary Budget Estimates – October 2025

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The 2024-25 Final Budget Outcome (FBO) was released by the Treasurer and Finance Minister on 29 September 2025.

Key facts and figures**Table 1: Key budget aggregate**

	2023-24 Outcome \$b	2024-25 Estimate at 2022 PEFO \$b	2024-25 Estimate at 2024-25 Budget	2024-25 Estimate at 2025 PEFO	2024-25 Outcome \$b	Change on 2023-24 Outcome \$b	Change on 2022 PEFO (a) \$b	Change on 2024-25 Budget (a) \$b	Change on 2025 PEFO (a) \$b
Underlying cash balance	15.8	-47.1	-28.3	-27.9	-10.0	-25.8	37.1	18.3	17.9
Per cent of GDP	0.6	-1.9	-1.0	-1.0	-0.4	-1.0	1.5	0.7	0.6
Payments	672.8	662.3	726.7	731.8	726.9	54.1	64.7	0.2	-4.9
Per cent of GDP	25.2	26.6	26.4	26.3	26.2	1.0	-0.4	-0.1	0.0
Receipts	688.6	615.2	698.4	703.9	717.0	28.4	101.8	18.5	13.0
Per cent of GDP	25.8	24.7	25.3	25.3	25.9	0.1	1.2	0.5	0.6
Taxation Receipts	633.4	566.6	642.5	645.2	657.8	24.4	91.3	15.3	12.6
Per cent of GDP	23.7	22.8	23.3	23.1	23.7	0.0	1.0	0.4	0.6
Non-Taxation Receipts	55.2	48.6	55.9	58.7	59.1	3.9	10.5	3.2	0.4
Per cent of GDP	2.1	2.0	2.0	2.1	2.1	0.1	0.2	0.1	0.0
Headline cash balance	14.0	-57.2	-47.2	-47.0	-21.8	-35.7	35.5	25.4	25.2
Per cent of GDP	0.5	-2.3	-1.7	-1.7	-0.8	-1.3	1.5	0.9	0.9
Net Debt (b)	491.5	823.2	552.5	556.3	532.3	40.9	-290.9	-20.2	-23.9
Per cent of GDP	18.4	33.1	20.0	20.0	19.2	0.8	-13.9	-0.8	-0.8
Gross Debt (c)	906.9	1,117.0	934.0	940.0	928.6	21.7	-188.4	-5.4	-11.4
Per cent of GDP	33.9	44.9	33.9	33.7	33.5	-0.4	-11.4	-0.4	-0.2
Net Interest Payments (d)	12.3	18.0	14.5	14.9	13.7	1.5	-4.2	-0.8	-1.2
Per cent of GDP	0.5	0.7	0.5	0.5	0.5	0.0	-0.2	0.0	0.0

a) Per cent of GDP figures for the change columns are the difference in percentage points, not the percentage change against the comparator.

b) Net debt is the sum of interest-bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets.

c) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

d) Net interest payments are equal to the difference between interest payments and interest receipts.

Table 2: Underlying Cash Balance (\$b)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
2022 PEFO		-77.9	-56.5	-47.1	-42.9	-39.4	-41.6
2025 PEFO				-27.9	-42.2	-35.4	-37.1
Outcomes		22.1	15.8	-10.0			

Table 3: Taxation receipts (% of GDP)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
2022 PEFO		22.1	22.9	22.8	22.9	23.0	23.1
2025 PEFO				23.1	23.5	23.6	23.4
Outcomes		23.4	23.7	23.7			

Table 4: Payments (% of GDP)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
2022 PEFO	31.6	27.8	27.2	27.1	26.6	26.3	26.2	26.4	26.4
2025 PEFO					26.3	27.0	26.8	26.5	26.4
Outcomes	31.4	26.4	24.4	25.2	26.2				

Headlines	
In 2024-25, the Australian Government recorded an underlying cash deficit of \$10.0 billion (-0.4 per cent of GDP).	
<ul style="list-style-type: none"> • \$17.9 billion (0.6 ppt of GDP) improvement against the 2025 PEFO estimate. • \$37.1 billion (1.5 ppt of GDP) improvement compared to 2022 PEFO. <p>Combined with the surpluses in 2022-23 (\$22.1b) and 2023-24 (\$15.8b), the 2024-25 outcome means the UCB has improved by \$209.4 billion in total over these three years since the 2022 PEFO.</p>	
Payments ↓ \$4.9b than expected at 2025 PEFO	Receipts: ↑ \$13.0b than expected at 2025 PEFO
<p>Payments were \$4.9b lower than expected at the 2025 PEFO.</p> <ul style="list-style-type: none"> • Real payments growth was 5.5 per cent in 2024-25, 0.5 ppt lower than the 6.0 per cent expected at 2025 PEFO. • Payments as a share of GDP were 26.2 per cent in 2024-25, 0.1 ppt lower than the 26.3 per cent estimated at 2025 PEFO. <p>Payments underspends for a number of programs are expected to materialise in 2025-26 and beyond. Payments underspends were largely driven by</p> <ul style="list-style-type: none"> • Payments underspends were impacted by lower payments across several National Partnership agreements, partly due to delays in delivery of projects in 2024-25 (↓\$3.1b). 	<p>Tax receipts were \$12.6b higher than estimated at 2025 PEFO, primarily due to:</p> <ul style="list-style-type: none"> • Individuals income tax: (↑\$3.4b) • Company tax: (↑\$5.3b) • Excise and customs duty: (↑\$0.1b) • GST: (↑\$0.9b) • Superannuation fund taxes: (↑\$2.9b) <p>Non-tax receipts were \$0.4b higher-than-estimated at 2025 PEFO, primarily due to higher receipts for Commonwealth Debt Management, Aged Care Services, and Department of Defence programs. This was partially offset by lower-than-estimated receipts, including from the Pharmaceutical Benefits program.</p>
Debt & interest	Returning tax upgrades
<p>Gross debt was \$928.6b (33.5 per cent of GDP) at the end of 2024-25.</p> <ul style="list-style-type: none"> • \$188.4b lower (better) than estimated at 2022 PEFO • \$11.4b lower (better) than estimated at the 2025 PEFO. • 2024-25 net interest payments were \$4.2b lower compared to estimates in the 2022 PEFO, and \$1.2b lower compared to the 2025 PEFO. <p>Net debt was \$532.3b (19.2 per cent of GDP) at the end of 2024-25, \$290.9b lower than estimated at 2022 PEFO.</p> <ul style="list-style-type: none"> • This is driven by lower market value of AGS on issue since the 2022 PEFO. • Net debt in 2024-25 was also \$23.9b lower than estimated at 2025 PEFO. 	<p>Since the 2022 PEFO, 72 per cent of tax receipt upgrades were returned to the budget in 2024-25.</p> <ul style="list-style-type: none"> • Reflecting \$58.4b returned from a possible \$80.8b in tax receipt upgrades in 2024-25 since 2022 PEFO. <p>69 per cent of the cumulative tax upgrades from 2022-23 to 2028-29 have been returned to the budget since 2022 PEFO.</p> <ul style="list-style-type: none"> • Reflecting \$255.0b returned from a possible \$371.5b in tax receipt upgrades over this period since 2022 PEFO.
Fiscal challenges	Fiscal consolidation
<p>The improvements in the budget position since 2022 are significant. However, many of the factors that drove the outcome are not expected to persist.</p> <ul style="list-style-type: none"> • It should not be assumed that revenue upgrades seen in recent updates will continue. • Payment underspends for several affected programs are expected to materialise in 2025-26 and beyond. • Higher yields since 2022 PEFO will have an ongoing impact on the fiscal position, increasing the costs of raising government debt. <p>The bottom line is expected to deteriorate to -\$42.2 billion (-1.5 per cent of GDP) in 2025-26 as estimated in the 2025 PEFO. The budget is not expected to return to balance until the end of the medium term.</p>	<p>The 2024-25 FBO represents a \$37.1b improvement in the 2024-25 UCB from the 2022 PEFO to the actual outcome.</p> <ul style="list-style-type: none"> • This was the third largest turnaround in nominal dollars from a PEFO to outcome in a parliamentary term since the commencement of the Charter of Budget Honesty. This follows a \$100.0b turnaround in 2022-23 and a \$72.3b turnaround in 2023-24. <p>The combined UCB improvement of \$209.4b across these three years represents the largest improvement from a PEFO in a parliamentary term.</p>

*All tax upgrade returned figures in this brief refer to tax receipt upgrades (exc. GST) since the 2022 PEFO.

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Table 5: Major economic parameters^(a)

	2024-25 Estimate at 2022 PEFO (%)	2024-25 Estimate at 2025 PEFO (%)	2024-25 Outcome (%)
Real GDP	2 1/2	1 1/2	1.3
Employment	1	2 3/4	2.2
Unemployment rate	3 3/4	4 1/4	4.2
Consumer price index	2 3/4	2 1/2	2.1
Wage price index	3 1/2	3	3.4
Nominal GDP	5 1/4	4 1/4	3.7

a) Real GDP and Nominal GDP are percentage change on preceding year. Employment, the consumer price index and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; and Treasury.

Table 6: Historical comparisons of cash payment underspends since 2017-18 FBO

FBO Round	Cash payments in FBO (\$b)	Cash payments in comparator economic round (\$b)	Variance (\$b)	Variance (% of GDP)	Comparator Economic Round for Payments
2017-18 FBO	452.7	459.7	-6.9	-0.6	2017-18 budget
2018-19 FBO	478.1	484.6	-6.6	-0.8	2018-19 budget
2019-20 FBO	549.6	550.0	-0.3	0.0	July 2020 Economic and Fiscal Update
2020-21 FBO	654.1	660.8	-6.7	-0.5	2021-22 Budget (revised budget 2020-21)
2021-22 FBO	616.3	636.4	-20.1	-1.0	2022-23 March Budget (revised budget 2021-22)
2022-23 FBO	627.4	631.4	-4.0	0.0	2023-24 Budget (revised budget 2022-23)
2023-24 FBO	672.8	683.0	-10.2	-0.2	2024-25 Budget (revised budget 2023-24)
2024-25 FBO	726.9	731.8	-4.9	0.0	2025 PEFO (revised budget 2024-25)

*Variance as a proportion of GDP is calculated as the difference in percentage points between Payments as a percentage of GDP in the FBO and budget comparator round.

**I previous FBO information are sourced from publications available on website <https://archive.budget.gov.au>. 2017-18 and 2018-19 FBO are compared to the original budget, in line with the publications.

Supporting information

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- No FOIs asked.

Recent Ministerial Comments

- [The Biggest Budget Improvement in a Single Parliamentary Term](#)
Dr Jim Chalmers and Katy Gallagher, 29 September 2025
“The Final Budget Outcome for 2024–25 shows the Albanese Labor Government has delivered the largest nominal improvement in the Budget in a single Parliamentary term.” ... “Responsible economic management is the hallmark of the Albanese Labor Government and today’s result reinforces that.” ... “The 2024–25 FBO shows an underlying cash deficit of just under \$10.0 billion (0.4 per cent of GDP), which is substantially lower than the forecast deficit of \$27.9 billion in the 2025 PEFO and \$47.1 billion in the 2022 PEFO.”

Relevant Media Reporting

- [Chalmers' cheques and imbalances put us back in the red](#) Matt Cranston, The Australian, 30 September 2025
- [Voters are switching on to the perils of debt and deficits](#) Tom Dusevic, The Australian, 29 September 2025
- [Labor's lack of spending discipline cost Chalmers a third surplus](#) John Kehoe, Australian Financial Review, 29 September 2025
[Jim Chalmers' budget victory lap outpaces reality as Australia's debt continues to climb](#) Patrick Commins, The Guardian, 30 September 2025
- [Jim Chalmers: Budget shows near \\$12 billion increase in tax collected from working people](#) Shane Wright, The Sydney Morning Herald, 29 September 2025

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