



# Budget

## 2025–26

### MID-YEAR ECONOMIC AND FISCAL OUTLOOK 2025–26

Statement by

**The Honourable Jim Chalmers MP**

Treasurer of the Commonwealth of Australia

and

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Minister for Finance, Minister for Women, Minister for the Public Service,  
Minister for Government Services of the Commonwealth of Australia

For the information of honourable members

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# Foreword

The *Mid-Year Economic and Fiscal Outlook 2025–26* (MYEFO) has been prepared in accordance with the *Charter of Budget Honesty Act 1998*. The Charter requires that the Government provide a mid-year budget report which provides updated information on the Government’s fiscal position.

Consistent with these requirements:

- **Part 1: Overview** – contains summary information on the key fiscal and economic indicators and outlook and an outline of the key policy decisions taken since the 2025–26 Budget
- **Part 2: Economic Outlook** – discusses the domestic and international economic forecasts and projections that underpin the budget estimates
- **Part 3: Fiscal Strategy and Outlook** – provides a discussion of the fiscal strategy and outlook, in addition to a summary of the factors explaining variations in the cash flow statement, the operating statement and the balance sheet since the 2025–26 Budget
- **Part 4: Debt Statement** – provides information on current and estimated Government debt
- **Part 5: Sensitivity Analysis** – presents analysis which illustrates the sensitivity of the forecasts to changes in key variables
- **Part 6: Statement of Risks** – provides details of general developments or specific events that may have an impact on the fiscal position, and contingent liabilities which are costs the government may possibly face, some of which are quantified
- **Part 7: Australian Government Budget Financial Statements** – provides financial statements for the general government sector, the public non-financial corporations sector, the total non-financial public sector, the public financial corporations sector and notes to the general government sector financial statements
- **Appendix A: Policy Decisions taken since the 2025–26 Budget** – provides details of decisions taken since the 2025–26 Budget that affect payment and receipt estimates
- **Appendix B: Supplementary Expense Tables and the Contingency Reserve** – provides estimates of general government expenses by function and sub-function and outlines the role of the Contingency Reserve
- **Appendix C: Australia’s Federal Financial Relations** – provides information on payments for specific purposes and general revenue assistance provided to the states and territories

- **Appendix D: Tax Expenditures** – provides information on the largest measured Australian Government tax expenditures
- **Appendix E: Historical Australian Government Data** – provides historical data for the Australian Government’s key fiscal aggregates

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