Table 3.2: Detailed Baseline Forecast Table[a]

Percentage change through the four quarters to quarter shown, unless otherwise specified[b]

	Dec 2025	Jun 2026	Dec 2026	Jun 2027	Dec 2027	Jun 2028
Activity						
Gross domestic product	2.6	1.9	1.3	1.3	1.4	1.4
Household consumption	2.4	1.9	1.9	1.7	1.7	1.6
Dwelling investment	5.5	3.8	2.0	1.0	−0.3	−1.1
Business investment	4.4	3.9	0.8	2.2	1.8	1.3
Public demand	2.4	3.7	3.1	2.8	2.3	2.1
Gross national expenditure	3.0	2.7	2.0	2.0	1.7	1.5
Major trading partner (export-weighted) GDP	3.9	3.4	3.3	3.6	3.3	3.2
Trade						
Imports	6.7	3.8	1.9	3.8	2.9	2.3
Exports	5.2	1.3	−0.9	1.0	1.3	1.8
Terms of trade	−1.1	5.1	3.8	−1.9	−1.7	−0.3
Labour market						
Employment	1.1	1.3	1.4	1.0	1.0	0.9
Unemployment rate (quarterly, %)	4.3	4.2	4.3	4.4	4.6	4.7
Hours-based underutilisation rate (quarterly, %)	5.4	5.4	5.5	5.7	5.8	6.0
Income						
Wage Price Index	3.4	3.2	3.2	3.2	3.2	3.0
Nominal average earnings per hour (non-farm)	4.1	3.4	3.7	3.8	3.6	3.2
Real household disposable income	3.7	1.8	1.1	1.8	1.4	1.2
Inflation						
Consumer Price Index	3.6	4.8	4.0	2.4	2.4	2.5
Trimmed mean inflation	3.4	3.8	3.5	3.1	2.6	2.5
Assumptions						
Cash rate (%)[c]	3.6	4.2	4.7	4.6	4.7	4.7
Trade-weighted index (index)[d]	61.3	66.4	66.6	66.6	66.6	66.6
Brent crude oil price (US$/bbl)[e]	63.1	101.7	82.3	77.7	75.7	74.4
Estimated resident population[f]	1.5	1.3	1.2	1.2	1.2	1.2
Memo items						
Labour productivity[g]	0.8	0.0	0.2	0.6	0.7	0.7
Household savings rate (%)[h]	6.9	5.8	5.8	5.7	5.5	5.4
Real Wage Price Index[i]	−0.2	−1.5	−0.6	0.9	0.7	0.6
Real average earnings per hour (non-farm)[i]	0.4	−1.2	−0.1	1.4	1.1	0.7

(a) Forecasts finalised on 29 April.
(b) Forecasts are rounded to the first decimal point. Shading indicates historical data.
(c) The cash rate is assumed to move in line with expectations derived from financial market pricing. Prior to the May 2024 *Statement*, the cash rate assumption also reflected information derived from surveys of professional economists. For more information, see A Change to the Cash Rate Assumption Method for the Forecasts.
(d) The daily exchange rate (TWI) is assumed to be unchanged at its current level going forward.
(e) Brent crude oil prices are assumed to remain around the current price over the current quarter. For the rest of the forecast period, brent crude oil prices are guided by market pricing.
(f) The population assumption draws on a range of sources, including partial indicators from the Australian Bureau of Statistics, migration policies, and estimates made by the Australian Government.
(g) GDP per hour worked (non-farm).
(h) Household savings ratio refers to the ratio of household saving (disposable income minus consumption) to household disposable income, net of depreciation.
(i) Real Wage Price Index and non-farm average earnings per hour worked are both deflated by Consumer Price Index.

Sources: ABS; Bloomberg; CEIC Data; Consensus Economics; LSEG; RBA.