
Half Year Economic and Fiscal Update 2025

Structural changes to the Risks to the Forecasts chapter

The Treasury has made some changes to how risks are presented in the Half Year Economic and Fiscal Update (HYEFU) this year.

The main HYEFU document includes a Risks chapter, bringing information together on risks and uncertainties to the forecasts that was previously spread across the document. In addition, to make the chapter more accessible and focused on new or changed matters since the previous economic and fiscal update, the descriptions of unchanged specific fiscal risks and contingent liabilities and assets have been moved to a new document titled “Half Year Update 2025 – Supplementary Information”. This document also includes other detailed economic and fiscal information.

All information that has been published in the past, will continue to be published, but this change makes the HYEFU document more concise in communicating the risks to our forecasts.

In addition, where possible, the statement of specific fiscal risks now includes the potential fiscal impacts over the forecast period in the event a specific fiscal risk materialises. These ranges are only intended to provide a sense of the scale of impact of a specific fiscal risk – they do not represent funding commitments or detailed costing of policies. In most cases, the ranges reflect the maximum possible exposure from the risk. In the situation a risk materialises, the Government will have a better estimate of the actual fiscal impact which will help inform decisions on how it responds to that event.

This is the first Economic and Fiscal Update since the Half Year Update 2012 to publish potential fiscal impacts. The Treasury expects the quality and coverage of this disclosure to increase over subsequent economic and fiscal updates.

The Treasury has made these changes to ensure the core document focuses on the most important economic and fiscal updates and their causes, and to provide better clarity and understanding to the public.

Where to find further information on risks:

- Description of unchanged Specific Fiscal Risks can be found in the HYEFU Supplementary Information document from page 6.
- Description of Unchanged Contingent Liabilities and Contingent Assets can be found in the HYEFU Supplementary Information document from page 22.

Other information included in the HYEFU Supplementary Information document:

- Principles applied when assessing Specific Fiscal Risks
- Detailed economic forecasts
- Tax revenue uncertainty and forecast performance
- Cyclically adjusted balance, structural balance and fiscal impulse
- Accounting policies

16 December 2025

The URL for this document on the Treasury's website at December 2025:

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2025>