S&P Global
Ratings

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Research Update:

Australia 'AAA/A-1+' Ratings Affirmed; Outlook Stable

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Overview

- Australia's improving fiscal balance supports our 'AAA' long-term sovereign credit rating. We forecast the general government deficit will be less than 2% of GDP between 2023 and 2026, and net general government debt will remain modest at about 30% of GDP over this period.
- Australia's economy will likely avoid recession and expand over the next three years. This reflects low unemployment and high commodity prices. Australia benefits from being a net energy exporter.
- Our ratings on Australia benefit from its strong institutional settings, wealthy economy, and monetary policy flexibility. Although external indebtedness is high, external risks are balanced by a current account surplus.
- We affirmed our 'AAA' long-term and 'A-1+' short-term local and foreign currency sovereign credit ratings.
- The stable outlook on the long-term rating reflects our expectation that fiscal and external metrics will remain steady over the next two years.

Rating Action

On Jan. 30, 2023, S&P Global Ratings affirmed its 'AAA' long-term and 'A-1+' short-term unsolicited sovereign credit ratings on Australia. The outlook on the long-term rating is stable.

Outlook

The stable outlook reflects our expectation that the general government fiscal deficit will narrow over the next two years. We expect the budget to improve because of steady revenue growth, high commodity prices, and expenditure restraint. In our view, Australia's external accounts will likely be stronger than in the past.

Downside scenario

We could lower our ratings if we believe the general government deficit is unlikely to narrow over the next two years, causing debt and servicing costs to rise. This could occur if the economy underperforms our expectations, the government increases expenditures, or commodity prices are much weaker than we expect. A sharp fall in commodity prices could also reverse recent gains in Australia's external accounts to put downward pressure on the ratings.

Rationale

Australia's fiscal accounts continue to improve, following COVID-19 shocks in fiscals 2021 and 2022 (year-end June 30). We forecast the general government deficit will be less than 2% of GDP between 2023 and 2026, down from its peak of about 8.6% at the height of COVID-19.

Strong underlying economic activity, with record low unemployment and elevated commodity prices, are providing substantial upside to the fiscal accounts. We expect this trend to continue despite the central bank's tightening of monetary policy which we forecast will slow economic growth to 1.5% in 2024. Reflecting the narrower deficits, the growth in net general government debt is easing compared with recent years. We forecast net general government debt to be about 30% of GDP between 2023 and 2026. During this period, we project that servicing costs will rise with higher interest rates.

Supporting our ratings are Australia's strong institutions, which are conducive to swift and decisive policy making, credible monetary policy, and a floating exchange-rate regime. These strengths ensured Australia's economy, while exposed to commodity demand cycles and vulnerable to international capital flows, remained resilient throughout the COVID-19 pandemic.

Institutional and economic profile: A high-income, diversified and resilient economy, and strong institutions, are key credit strengths

- Economic outlook is sound with forecast growth of 1.5% in fiscal year 2024 ending June 30 as monetary policy tightening kicks in. The outlook is helped by low unemployment, high commodity prices, and Australia's position as a large net energy exporter.
- Smooth transition to a new government in May 2022 demonstrates Australia's strong political and institutional environment.

Australia's economic outlook is sound, despite our expectation it will slow. We expect real GDP growth to slow to 1.5% in fiscal 2024 after recording a robust 3.3% in fiscal 2023. A key contributor to the slowing is high inflation--which has triggered rapidly rising interest rates--and the global economy. These are affecting business and consumer confidence. In December 2022, headline and underlying inflation hit 7.8% and 6.9% respectively with costs rising across all categories. In response, the central bank—the Reserve Bank of Australia (RBA)—increased official interest rates to 3.1% in December 2022 from 0.1% in May 2022. Australian consumers are particularly sensitive to rising interest rate given their high level of household debt. Therefore, we expect consumption to be below trend over our forecast period as mortgage payments rise.

Australia is less affected by the global energy crises than many peers because it is a large net energy exporter. National accounts such as GDP and the terms of trade benefit from rising energy prices. Domestic wholesale electricity prices increased rapidly during 2022 because much of

Australia's coal and gas is exported; adverse weather events; and a large number of unplanned power plant outages. This increase in price negatively affected Australian households. In December 2022, the government intervened with its Energy Price Relief Plan, which, among other things, introduced a temporary price cap on domestic coal and gas prices to ease the pressure on household and business budgets.

Looking ahead, we expect real GDP growth to settle at around mid-2% in fiscal years 2025-2026. Importantly, nominal GDP, which drives taxation revenues, will average about 4.3%. This will help narrow the general government deficit. Australia's historically low unemployment rate of about 3.5% in December 2022 means higher costs and mortgage payments can be absorbed by households, in our view. We expect the slowing economy to add roughly 1 percentage point to unemployment over the next two years, meaning unemployment will still be low in a historical context. The unemployment rate is less than half of its peak during the pandemic, when it hit 7.5% in July 2020.

The return of migration will ease labor shortages and boost demand within the economy. Net migration has returned strongly after turning negative for the first time since 1946. We forecast population growth to be between 1.2% and 1.6% per year from 2023 to 2026 as the government increases its migration intake. Travel restrictions limited migration throughout the pandemic with population growth falling to just 0.1% in 2021. Migration contributed about 60% of Australia's 1.6% annual population growth between 2005 and 2020. Australia's economy remains structurally wealthy and diversified, with a high GDP per capita of about US$63,000 in fiscal 2023.

Australia's economy has recovered since the onset of the COVID-19 pandemic. Like most of its peers, Australia was hit hard by the global pandemic, which forced governments to close large parts of their economies to contain outbreaks. GDP contracted by 0.2% and 6.8% in the March 2020 and June 2020 quarters, resulting in the country's first recession since the early 1990s. Thanks to substantial fiscal stimulus, the economy had fully recovered lost output caused by the pandemic by March 31, 2021. Australia's economy contracted just 0.05% in fiscal year 2020 and has expanded by an average of 3% per fiscal year from 2021 to 2023.

Australia's high level of wealth derives from strong institutional settings and policy making as well as decades of economic reform, which have facilitated the country's flexible labor and product markets. Successive Australian governments have demonstrated a willingness to implement reforms to sustain economic growth and public finances, and have a strong track record of managing past economic and financial crises. We expect the new center-left government elected in May 2022 to continue these themes. There is strong bipartisan agreement in Parliament during economic and financial crises. Institutions are stable and provide checks and balances to power, there is strong respect for the rule of law, and a free flow of information and open public debate of policy issues.

Flexibility and performance profile: Elevated commodity prices are bolstering Australia's public finances and improving its external accounts

- Australia's fiscal accounts continue to improve with the general government deficit falling below 2% of GDP in 2024, and net general government debt of about 30% of GDP.
- Monetary policy and a flexible exchange-rate regime remain key strengths.
- Australia's external assessment is weighed down by volatile terms of trade and significant borrowing from abroad.

Australia's fiscal accounts are improving. We forecast the general government deficit, including the Commonwealth and subnational governments (i.e., the state and local governments), will narrow to less than 2% of GDP in 2024. Reflecting this, we forecast the change in net general government debt will be about 2.4% of GDP between 2023 and 2026 after accounting for below-the-line items such as the establishment of investment funds, infrastructure spending, student loans, and changes in the value of liquid assets. Most of the deficit going forward can be attributed to Australian state governments and their record infrastructure programs. The improvement in fiscal outcomes is a key factor in our 'AAA' ratings because it will reduce the government's annual borrowing needs and provide a buffer to absorb future economic shocks.

The government's strong balance sheet provided it with headroom at the 'AAA' rating level to absorb the cost of the COVID-19 pandemic. We estimate the general government deficit peaked at 8.6% of GDP in 2021 as multiple COVID-19 outbreaks and subsequent government-imposed lockdowns wreaked havoc on Australia's economy and public balance sheets. While lockdowns drastically hit the economy and government budgets, they also allowed state governments to control outbreaks quickly, relative to most other countries. This underpinned a stronger economic and fiscal recovery than otherwise would have been the case.

The pace of the economic recovery, inflation, and exceptionally strong demand for key commodity exports--iron ore, coal, and gas--are boosting company, personal income, and goods and services taxes. We expect key revenue lines will outperform the government's own forecasts. The RBA's commodity price index and terms of trade are at near record highs reflecting strong iron ore and coal prices (see " S&P Global Ratings' Metal Price Assumptions: Lower Prices And Higher Costs Start Squeezing Profits," published Nov. 02, 2022). While gas prices have retreated from their highs, export volumes are much higher than in the past. For the first five months of fiscal 2023 (to November 2022), the Commonwealth's underlying and headline cash deficits were about 40% better than the government's October 2022 budget estimated.

Government outflows are also benefiting from strong employment growth and low unemployment which is easing pressure on social security payments. This is despite rising indexation reflecting high inflation, and accounting for additional spending such as aged care and the national disability insurance scheme. We forecast expenditure to be about 37% of GDP, down from its peak of 44% at the height of the crisis.

Reinforcing our assessment of Australia's fiscal position is our view that it has displayed more willingness than its peers to raise revenues and contain expenditures. For example, revenue as a share of GDP has increased since the 2008-2009 financial crisis and expenditures have broadly returned to the same share of GDP as prior to the pandemic. Further, expenditures were flat as a share of GDP for the decade leading to the pandemic.

Australia's debt levels are modest on a global comparison. The improvement in fiscal deficits will slow the accumulation of net general government debt as a proportion of GDP. We forecast net general government debt will be 30% of GDP in 2024; down from our previous forecasts of 34%. Net general government debt was about 12% of GDP in 2019. We project interest costs at about 4.4% of general government revenues from 2023 to 2026.

In our view, Australia's financial system doesn't pose a threat to the sovereign credit rating. The banking system ranks in the top quartile of systems that we assess globally. Along with the high-income Australian economy, this reflects the low risk appetites of the major banks, which dominate the industry, and is supported by conservative and largely effective regulation. We believe bank credit losses peaked in 2020, reflecting the damage inflicted by COVID-19.

The Australian banking system's funding profile has improved over the past decade. This occurred on the back of growing customer deposits and a decrease in offshore borrowings. The stronger systemwide funding metrics could be sustained, in our view. That said, we expect a modest weakening in funding metrics in the next two years as the term-funding facility from the RBA comes to an end.

We forecast credit losses to remain low at pre-COVID levels. We also consider that only a small proportion of borrowers will face distress due to the reduction in fiscal support from the government and the recent conclusion of loan moratoriums. However, high house prices and private-sector debt continue to pose risks to the banking sector.

Our expectations include house prices retreating in an orderly manner during the next year or two. According to the latest Australian Bureau of Statistics data, national prices are down about 8% from their December 2021 peaks. Prices rose by about 28% between the onset of the pandemic in March 2020 and their peak in December 2021. Prices were driven by pent-up demand, record-low interest rates, government stimulus spending and income support, and supply constraints. The rise in prices followed an orderly unwind between 2017 and 2019. With migration returning, and dwelling commencements falling, we believe prices are likely to remain high relative to incomes over the medium term.

We expect bank credit to nongovernment residents to remain high and be steady at about 160% of GDP, including interbank lending. An abrupt disruption in the property market, which is not our expectation, could lead to vulnerabilities in the financial sector and fiscal and economic stability.

On the external front, Australia remains vulnerable to major shifts in international capital flows. While these vulnerabilities are a structural feature of Australia's economic landscape, they are improving and haven't negatively affected the economy or financial system during past crises. We believe this is because of Australia's flexible economy, sound investment prospects, foreign investors' confidence in Australia's rule of law, the high creditworthiness of its banking system, and strong institutional performance in addressing major economic shocks. Australia's external debt is mostly generated by the private sector and reflects the productive investment opportunities available in Australia.

External flows are much stronger than in the past with a fourth consecutive annual current account surplus set for 2023. We expect the current account to remain in surplus. The surplus will narrow compared with recent years, as commodity prices normalize and the service account weakens as borders reopen. Prior to 2020, Australia had run current account deficits since 1974.

Despite improving flows, the stock of net external debt, at 200%-220% of current account receipts (CARs) from 2023-2026, and short-term external debt, remains very high on a global scale. The stock of short-term external debt, which is mostly bank debt, has fallen to about 136% of CARs from more than 200% in fiscal 2016. Additionally, net external liabilities have declined substantially in 2022 to 135% of CARs from 172% in 2021. Strong commodity prices and export volumes drove CARs more than 20% higher in 2022 compared with record earnings in 2021 aiding these ratios.

We expect Australia's external borrowers to maintain easy access to foreign funding. The RBA has maintained a freely floating exchange-rate regime since 1983. The Australian dollar represents about 1.7% of allocated international reserves as of the September 2021 quarter, and the currency is represented in a comparable percentage of spot foreign-exchange transactions. Australia's domestic bond market is deep and although external borrowing is high, it is mostly denominated in the nation's own currency, or hedged.

Australia has a high degree of monetary credibility via the independent RBA. We expect the cash rate to continue to rise over the next few months to temper inflation and ease demand side pressures within the economy. Underlying inflation in December 2022, at 6.9%, was well above the RBA's target of 2%-3%. The RBA begun increasing the cash rate in May 2022. We believe inflationary pressures will ease over the next year because Australian households are sensitive to rising interest rate given their high level of household debt, elevated house prices, and the predominance of variable rate mortgages in Australia. The ladder ensures a relatively swift pass-through of monetary policy to households.

The RBA has helped temper major economic shocks such as the COVID-19 pandemic and the 2008-2009 global financial crisis. The RBA responded to the COIVD-19 pandemic in March 2020 by cutting the cash rate to 0.25%, and to 0.1% in November 2020. It also started targeting a three-year Australian Government Securities (AGS) yield of 0.1% by purchasing bonds in the secondary market. Its bond purchasing program ceased in February 2022 after it purchased about A$224 billion of AGS and $A57 billion of state securities. This program helped facilitate the smooth functioning of Australia's bond market during the pandemic.

Key statistics

Australia - Selected Indicators

Economic indicators (%)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Nominal GDP (bil. LC)	1,758	1,842	1,945	1,978	2,080	2,309	2,488	2,552	2,694	2,826
Nominal GDP (bil. $)	1,326	1,428	1,391	1,326	1,553	1,623	1,646	1,694	1,838	1,975
GDP per capita (000s $)	53.9	57.2	54.9	51.7	60.4	62.5	62.7	63.7	68.1	72.0
Real GDP growth	2.3	2.9	2.2	(0.1)	2.2	3.7	3.3	1.5	2.4	2.5
Real GDP per capita growth	0.6	1.3	0.7	(1.3)	2.1	2.5	2.1	0.2	0.9	0.9
Real investment growth	(0.1)	4.8	(1.2)	(2.6)	3.8	6.2	1.6	2.1	3.9	3.7
Investment/GDP	24.1	24.6	23.3	22.3	22.8	23.4	22.7	22.9	22.9	23.2
Savings/GDP	21.8	21.7	22.4	23.7	25.8	25.4	24.3	23.3	23.6	23.4
Exports/GDP	21.3	21.9	24.2	23.9	22.1	25.8	26.4	25.5	25.6	25.0
Real exports growth	5.5	4.1	3.9	(1.7)	(8.4)	(0.1)	10.7	5.6	4.0	3.2
Unemployment rate	5.6	5.3	5.2	7.4	4.9	3.5	3.9	4.4	4.4	4.4
External indicators (%)										
Current account balance/GDP	(2.3)	(2.8)	(0.9)	1.5	3.0	2.0	1.6	0.4	0.7	0.3
Current account balance/CARs	(9.1)	(11.0)	(3.3)	5.3	11.9	6.8	5.4	1.5	2.4	0.9
CARs/GDP	24.9	25.7	28.2	27.8	25.5	29.7	29.7	28.7	28.8	28.1
Trade balance/GDP	0.8	0.7	2.7	3.6	3.6	6.3	6.3	5.5	5.6	5.0
Net FDI/GDP	3.6	3.5	3.2	1.4	0.7	(2.5)	(1.0)	(0.5)	(1.0)	(1.0)
Net portfolio equity inflow/GDP	0.9	(3.0)	(3.0)	1.3	(6.3)	(0.3)	(2.5)	(1.8)	(1.6)	(1.4)
Gross external financing needs/CARs plus usable reserves	250.8	232.3	222.1	218.3	217.6	198.6	205.8	206.8	198.9	197.1
Narrow net external debt/CARs	273.6	260.1	248.8	263.7	277.1	200.6	212.9	228.5	219.3	217.5

Australia - Selected Indicators (cont.)

Economic indicators (%)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Narrow net external debt/CAPs	250.7	234.2	240.8	278.5	314.5	215.1	225.1	232.0	224.8	219.5
Net external liabilities/CARs	228.7	206.1	186.3	183.9	172.4	135.4	132.0	130.7	122.1	118.0
Net external liabilities/CAPs	209.6	185.6	180.3	194.3	195.7	145.2	139.6	132.7	125.1	119.1
Short-term external debt by remaining maturity/CARs	180.9	162.3	152.3	156.8	154.2	125.4	136.3	133.7	123.7	119.2
Usable reserves/CAPs (months)	1.7	1.9	1.8	1.9	1.5	1.3	1.5	1.5	1.4	1.3
Usable reserves (mil. $)	64,673	59,189	55,987	44,813	48,716	59,642	59,642	59,642	59,642	59,642
Fiscal indicators (general government; %)										
Balance/GDP	(2.1)	(1.0)	(0.7)	(6.9)	(8.6)	(3.4)	(2.4)	(1.9)	(1.6)	(1.2)
Change in net debt/GDP	0.0	2.7	(0.5)	7.5	8.9	3.1	2.9	2.5	2.2	1.8
Primary balance/GDP	(0.8)	0.3	0.6	(5.6)	(7.3)	(2.2)	(1.1)	(0.4)	0.1	0.6
Revenue/GDP	34.3	35.2	35.6	33.7	35.1	36.6	35.6	35.5	35.0	35.4
Expenditures/GDP	36.4	36.3	36.3	40.6	43.7	40.0	38.0	37.4	36.5	36.6
Interest/revenues	3.7	3.7	3.8	3.6	3.7	3.5	3.7	4.2	4.7	5.0
Debt/GDP	37.1	37.6	36.1	45.4	53.4	53.3	51.0	53.1	53.0	52.8
Debt/revenues	108.1	106.8	101.4	134.8	152.0	145.7	143.5	149.5	151.5	149.0
Net debt/GDP	10.3	12.6	11.4	18.7	26.7	27.2	28.2	30.0	30.6	31.0
Liquid assets/GDP	26.7	25.0	24.7	26.7	26.6	26.1	22.8	23.1	22.3	21.8
Monetary indicators (%)										
CPI growth	1.7	1.9	1.6	1.3	1.6	4.4	7.0	4.8	3.2	2.4
GDP deflator growth	3.7	1.8	3.4	1.7	2.9	7.0	4.4	1.0	3.1	2.4
Exchange rate, year-end (LC/$)	1.30	1.35	1.45	1.46	1.33	1.45	1.52	1.49	1.45	1.43
Banks' claims on resident non-gov't sector growth	5.4	4.1	3.7	16.6	0.7	10.5	5.0	4.0	3.0	3.0
Banks' claims on resident non-gov't sector/GDP	157.4	156.4	153.6	176.0	168.5	167.8	163.5	165.8	161.8	158.9
Foreign currency share of claims by banks on residents	3.7	4.6	4.2	3.7	3.3	3.8	4.3	4.3	4.3	4.3
Foreign currency share of residents' bank deposits	3.8	4.6	4.6	4.5	3.6	4.2	3.5	3.5	3.5	3.5

Australia - Selected Indicators (cont.)

Economic indicators (%)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real effective exchange rate growth	3.6	(1.1)	(5.1)	(4.7)	6.3	4.2	N/A	N/A	N/A	N/A

Sources: Australian Bureau of Statistics (Economic Indicators), Reserve Bank of Australia, International Monetary Fund (Monetary Indicators), Australian Bureau of Statistics, Australian Office of Financial Management, International Monetary Fund (Fiscal Indicators), Australian Bureau of Statistics (External Indicators).

Adjustments: None

Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A--Not applicable. LC--Local currency. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

Ratings Score Snapshot

Australia - Ratings Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	1	Strong track record in managing economic and financial crisis. The government has shown ability and willingness to implement reforms to ensure sustainable finances and economic growth. Cohesive society, low corruption, conducive business environment and extensive checks and balances support institutional setting.
Economic assessment	1	Based on GDP per capita (US$) and growth trends as per Selected Indicators in Table 1.
External assessment	5	The Australian dollar is an actively traded currency, Austrlaia is running a current account surplus, and based on Narrow Net External Debt/CAR as per Selected Indicators in Table 1. External short-term debt by remaining maturity that generally exceeds 100% of CAR, as per Selected Indicators in Table 1, and standard deviation in the terms of trade exceeds 10% over the past 10 years.
Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1. Australia has a greater ability to increase revenues and limit expenditure growth compared to countries with a similar level of development, as demonstrated by increases in revenues-to-GDP, and expenditure beng relatively flat to GDP, for the decade leading into the pandemic. Examples include taxes rising relative to GDP, ensuring new spending is offset by savings measures, privatization of assets, increasing the Medicare Levy surcharge, a temporary budget repair levy in 2014-2015, major bank levy in 2016-2017, foreign buyer property surcharges, changes to stamp duties and land taxes.
Fiscal assessment: debt burden	2	Based on net general government debt (% of GDP) and general government interest expenditures (% of general government revenues) as per Selected Indicators in Table 1.

Australia - Ratings Score Snapshot (cont.)

Key rating factors	Score	Explanation
Monetary assessment	1	Australia has a free-floating exchange-rate regime, and the Australian dollar is classified as an actively traded currency. The central bank has a track record of independence and uses market-based monetary instruments such as cash rate; CPI as per Selected Indicators in Table 1. The central bank has the ability to act as lender of last resort for the financial system. Depository corporation claims on residents in local currency and nonsovereign local currency bond market capitalization combined amount to over 200% of GDP.
Indicative rating	aaa	As per Table 1 of "Sovereign Rating Methodology."
Notches of supplemental adjustments and flexibility	0	
Final rating		
Foreign currency	AAA	
Notches of uplift	0	Default risks do not apply differently to foreign- and local-currency debt.
Local currency	AAA	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- Sovereign Ratings Score Snapshot, Jan. 18, 2023
- Sovereign Ratings List, Jan. 4, 2023
- Sovereign Ratings History, Jan. 4, 2023
- Banking Industry Country Risk Assessment: Australia, June 20, 2022
- Sovereign Risk Indicators, Dec 12, 2022. An interactive version is also available at http://www.spratings.com/sri

- Bulletin: Commodities Boom Bolsters Australia's Budget, Oct. 25, 2022
- Global Sovereign Rating Trends: Third-Quarter 2022, Oct. 20, 2022
- Bulletin: New Government's Fiscal Outcomes Key To Rating On Australia, May 23, 2022
- 2021 Annual Global Sovereign Default And Rating Transition Study, May 5, 2022
- Sovereign Debt 2022: Asia-Pacific Central Governments To Borrow US$3.8 Trillion, April 6, 2022
- Sovereign Debt 2022: Borrowing Will Stay High On Pandemic And Geopolitical Tensions, April 5, 2022
- Bulletin: Economic Revival Accelerates Australia's Fiscal Repair, March 29, 2022

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria and Research').

Ratings List

Ratings Affirmed	
Australia	
Sovereign Credit Rating |U^	AAA/Stable/A-1+
Transfer & Convertibility Assessment	
Local Currency |U^	AAA
Export Finance Australia	
Senior Unsecured	AAA
Commercial Paper	A-1+
National Housing Finance and Investment Corp.	
Senior Unsecured	AAA

|U^ Unsolicited ratings with issuer participation, access to internal documents and access to management.

This unsolicited rating(s) was initiated by a party other than the Issuer (as defined in S&P Global Ratings' policies). It may be based solely on publicly available information and may or may not involve the participation of the Issuer and/or access to the Issuer's internal documents and/or access to management. S&P Global Ratings has used