

# ABS National Accounts: June quarter 2025

Source: ABS *National Accounts*, released 3 September 2025, 11:30 am AEST.

**GDP grew by 0.6% in June quarter 2025, above market expectations of 0.5%, to be 1.8% higher over the year. Household and government consumption expenditure drove growth in the quarter.**

**Change in inventories** detracted 0.1%-point from growth in the quarter. There was a drawdown in *wholesale trade* as previously harvested grains were exported while motor vehicle wholesalers passed on inventory to retailers to service increased demand.

**Net exports** contributed 0.1 percentage point to GDP growth in the quarter, reflecting a 1.7% rise in *exports*, which was largely offset by a 1.4% rise in *imports*. *Goods exports* rose 1.4%, led by mining commodities. *Services exports* rose 3.3%, driven by increased short-term arrivals for other personal travel while education-related travel was flat.

The **terms of trade** fell 1.1%, driven by a 1.7% fall in *export* prices, with falls across major mining commodities. *Import* prices fell 0.6%, with falls recorded for fuel due to an increase in OPEC production and weaker demand.



## Expenditure

**Gross domestic product (GDP)** rose 0.6% (seasonally adjusted) in June quarter 2025 to be 1.8% higher over the year (**Chart 1**). *Household and general government consumption* drove growth in the quarter. GDP per capita rose 0.2% in the quarter but remains 1.3% below its peak in June quarter 2022.

**Household consumption** grew 0.9% in the quarter to be 2.0% higher over the year. *Discretionary* spending grew by 1.4% in the quarter, with a broad-based increase across categories, particularly tourism-related. According to the ABS, '*Households took advantage of the proximity of Easter to ANZAC day to extend their holiday break.*' *Essential* spending rose 0.5%, led by growth in spending on *health* (up 1.9%), with households accessing more medical services amid a strong flu season.

**Business investment** fell marginally (down 0.1%) in the quarter but was 0.1% higher over the year. *Non-dwelling construction* fell 1.2% in the quarter as renewable energy and mining projects approached completion, which was largely offset by *intellectual property products*. *Machinery & equipment* investment rose slightly (up 0.1%).

**Dwelling investment** rose 0.4% in the quarter to be 4.8% higher over the year. Both *new & used dwellings* (up 0.4%) and *alterations & additions* (0.3%) rose modestly in the quarter, in line with recent increases in approvals.

**Public final demand** was flat in the quarter but was 3.0% higher over the year. Public investment fell 3.9% in the quarter with National and State government investment in roads, rail and health leading the fall as projects across several jurisdictions approached completion. Public consumption grew 1.0%, with increased spending relating to conducting the 2025 Federal Election and health benefits schemes following higher instances of bulk-billing and a stronger than usual flu season.

**Table 1: Components of GDP**

(seasonally adjusted, June quarter 2025)

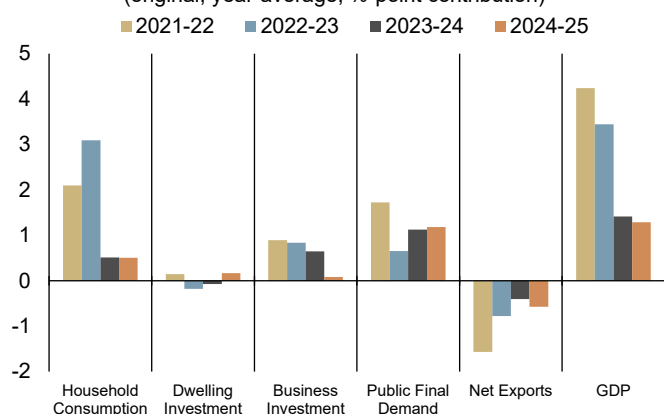
| Chain Volume Measure             | % change   |            | ppt. contribution |            |
|----------------------------------|------------|------------|-------------------|------------|
|                                  | quarterly  | annual     | quarterly         | annual     |
| Household consumption            | 0.9        | 2.0        | 0.4               | 1.0        |
| Private investment               | 0.1        | 1.5        | 0.0               | 0.3        |
| Dwelling investment              | 0.4        | 4.8        | 0.0               | 0.2        |
| Business investment              | -0.1       | 0.1        | 0.0               | 0.0        |
| Machinery and equipment          | 0.1        | -0.7       | 0.0               | 0.0        |
| Non-dwelling construction        | -1.2       | -2.2       | -0.1              | -0.1       |
| Non-residential building         | -0.9       | -4.9       | 0.0               | -0.1       |
| Engineering construction         | -2.4       | 0.6        | -0.1              | 0.0        |
| Private Final Demand             | 0.7        | 1.9        | 0.5               | 1.3        |
| Public Final Demand              | 0.0        | 3.0        | 0.0               | 0.8        |
| General government consumption   | 1.0        | 4.0        | 0.2               | 0.9        |
| Public investment                | -3.9       | -0.8       | -0.2              | 0.0        |
| Changes in inventories           |            |            | -0.1              | -0.1       |
| Gross national expenditure       | 0.4        | 2.1        | 0.3               | 2.0        |
| Net exports                      |            |            | 0.1               | -0.1       |
| Exports of goods & services      | 1.7        | 1.5        | 0.5               | 0.4        |
| less Imports of goods & services | 1.4        | 1.9        | -0.3              | -0.5       |
| Statistical discrepancy          |            |            | 0.1               | -0.1       |
| <b>GDP</b>                       | <b>0.6</b> | <b>1.8</b> | <b>0.6</b>        | <b>1.8</b> |
| <b>GDP per capita</b>            | <b>0.2</b> | <b>0.2</b> |                   |            |
| <b>Current Prices</b>            |            |            |                   |            |
| Compensation of employees        | 1.1        | 6.7        |                   |            |
| Gross operating surplus          | 0.3        | 0.3        |                   |            |
| GDP                              | 0.7        | 4.1        |                   |            |
| <b>Deflators and Prices</b>      |            |            |                   |            |
| Terms of trade                   | -1.1       | -2.4       |                   |            |
| Household consumption deflator   | 0.6        | 2.9        |                   |            |
| GDP deflator                     | 0.1        | 2.2        |                   |            |

## Economic Strategy

In year-average terms, GDP grew 1.3% in 2024-25 (**Chart 2**), slightly below the Commonwealth Budget forecast of 1½% in March but marginally above the RBA's estimate of 1.2% in its August *Statement on Monetary Policy*.

**Chart 2: Contributions to real GDP Growth**

(original, year-average, %-point contribution)



## Income

Real **gross household disposable income** was unchanged in the quarter but was 4.1% higher over the year, reflecting a 7.1% increase in nominal gross disposable income over the year which outpaced a 2.9% increase in the household consumption deflator.

The *household saving ratio* fell to 4.2% in the quarter, down from 5.0% in the March quarter, but still above the recent low of 1.5% in June quarter 2023. The *household saving ratio* remains below its pre-COVID level of 6.8% in December quarter 2019.

*Compensation of employees (COE)* rose 1.1% in the quarter to be 6.7% higher over the year, consistent with tight labour market conditions.

*Gross operating surplus (GOS)*, a measure of profits, rose 0.3% to be 0.3% higher over the year. Private non-financial corporations GOS fell 0.1%, led by *mining*, despite strength in production. *Mining* profits were driven down by price falls across iron ore, coal and LNG off the back of weak export demand and global over supply. Financial corporations GOS rose 1.1% as loan and deposit balances continued to grow throughout the June quarter, though growth was softened by lower margins as banks lowered interest rates more for loans than deposit products.

## Production

By industry, *mining* (up 2.3%) was the largest contributor to national GDP growth in the quarter, followed by *finance & insurance services* (up 1.1%), *transport, postal & warehousing* (up 1.7%), and *education & training* (up 1.4%).

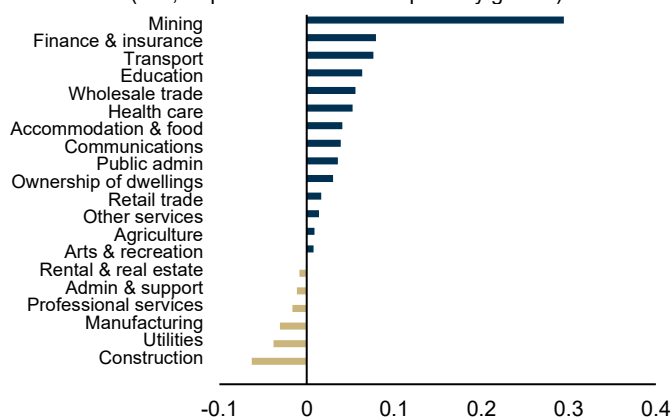
In contrast, *construction* was the primary detractor from GDP growth in the quarter (down 0.9%), followed by *electricity, gas, water & waste services* (down 2.0%), and *manufacturing* (down 0.6, **Chart 3**).

On *mining*, the ABS noted production grew, 'with rises across coal, iron ore, and oil and gas as production rebounded from the significant weather disruptions experienced in the previous quarter.' *Transport, postal & warehousing* and *accommodation & food services* 'contributed to the rise with increased domestic tourism recovering from weather disruptions and boosted by the Easter and ANZAC day holiday period.'

On *construction*, the ABS noted the fall in production was due to 'decreased infrastructure project activity' and 'lower demand for trade services', partly offset by strength in residential construction.

**Chart 3: Contribution to GDP growth by industry**

(s.a., %-point contribution to quarterly growth)



*Mining* remained Australia's largest industry in the June quarter (accounting for 10.1% of nominal gross value added), followed by *ownership of dwellings* (9.9%), *health care* (9.0%), *professional services* (7.8%) and *finance & insurance* (7.7%).