ABS National Accounts: June quarter 2026

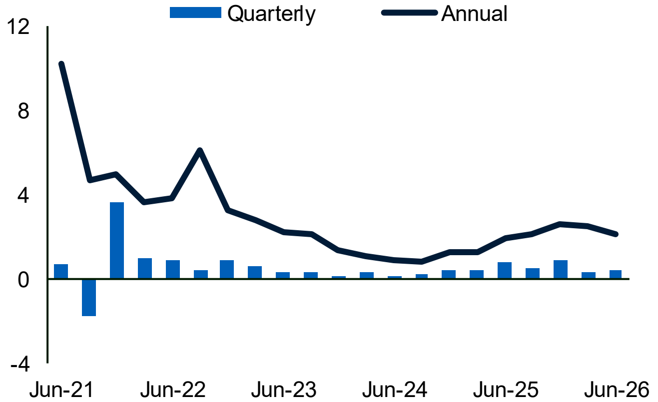
Source: ABS *Australian National Accounts* released 2 September 2026, 11:30 am AEST.

GDP grew by 0.4% in June quarter 2026, above market expectations of 0.3%, to be 2.1% higher over the year.

Growth was broad-based, with household consumption, private construction, public final demand and net exports all contributing to growth in the quarter.

Machinery and equipment investment detracted from growth in the quarter, following record imports of automatic data processing equipment in the March quarter.

Chart 1: Real GDP growth
(seasonally adjusted, % change)



Expenditure

Gross domestic product (GDP) rose 0.4% (seasonally adjusted) in June quarter 2026 to be 2.1% higher over the year (**Chart 1**). Growth was broad-based in the quarter, with household consumption, dwelling investment, public final demand and net exports all contributing to growth, while a normalisation in machinery & equipment spending meant overall business investment detracted from growth.

Household consumption grew 0.4% in the quarter to be up 1.8% over the year. *Discretionary* spending grew 1.4%, with nearly half of this increase driven by the purchase of vehicles. Other discretionary categories saw subdued growth, where rising cost of living pressures aligned with restrained spending. *Essential* spending fell 0.3% reflecting a reduction in electricity, gas and other fuels (due to milder winter conditions) and operation of vehicles (due to elevated fuel prices and various state governments' free public transport initiatives).

Business investment fell 0.5% in the quarter but was 10.4% higher over the year. *Machinery & equipment* investment fell 6.6% in the quarter following record imports of automatic data processing equipment in the March quarter (up 17.3%). *Non-residential building construction* rose 3.1% in the quarter, driven by data centres. *Engineering construction* rose 3.9%, driven by various renewable and mining projects.

Dwelling investment rose 1.6% in the quarter to be 5.8% higher over the year. *New & used dwellings* (up 1.7%) and *alterations & additions* (up 1.4%) both grew in the quarter, supported by the ongoing pipeline of work and new project commencements.

Table 1: Expenditure components of GDP
(seasonally adjusted, June quarter 2026)

Chain Volume Measure	% change		ppt. contribution	
	quarterly	annual	quarterly	annual
Household consumption	**0.4**	**1.8**	**0.2**	**0.9**
Private investment	**0.0**	**8.4**	**0.0**	**1.6**
Dwelling investment	**1.6**	**5.8**	**0.1**	**0.3**
Business investment	**-0.5**	**10.4**	**-0.1**	**1.2**
Machinery and equipment	-6.6	15.9	-0.3	0.6
Non-dwelling construction	4.1	7.6	0.2	0.4
Non-residential building	3.1	14.2	0.1	0.3
Engineering construction	3.9	1.5	0.1	0.0
Private Final Demand	**0.3**	**3.5**	**0.2**	**2.5**
Public Final Demand	**0.2**	**2.1**	**0.1**	**0.6**
General government consumption	0.6	2.0	0.1	0.5
Public investment	-1.3	2.4	-0.1	0.1
Changes in inventories			**-0.1**	**-0.2**
Gross national expenditure	**0.2**	**2.9**	**0.2**	**2.9**
Net exports			**0.1**	**-0.8**
Exports of goods & services	0.8	2.9	0.2	0.7
less Imports of goods & services	0.5	6.7	-0.1	-1.6
Statistical discrepancy			**0.2**	**0.1**
GDP	**0.4**	**2.1**	**0.4**	**2.1**
GDP per capita	**0.0**	**0.7**		
Current Prices				
Compensation of employees	1.5	6.0		
Gross operating surplus	1.9	5.7		
GDP	0.8	5.3		
Deflators and Prices				
Terms of trade	-1.6	-0.5		
Household consumption deflator	0.6	3.0		
GDP deflator	0.4	3.0		

Public final demand rose 0.2% in the June quarter, to be 2.1% higher over the year. *Public consumption* drove growth in the quarter (up 0.6%), which more than offset a decline in *public investment* (down 1.3%).

Change in inventories detracted 0.1%-pt from growth in the quarter. *Mining* inventories were drawn down as strong export demand exceeded production (particularly for coal), exacerbated by delayed coal exports from the cyclone impacted March quarter. Non-mining inventories were built up by motor vehicle wholesalers and retailers in anticipation of ongoing demand for electric and hybrid vehicles.

Net exports contributed 0.1%-pt to GDP growth in the quarter, the first positive contribution to growth since December quarter 2023, driven by a 0.8% rise in *exports*, which more than offset a 0.5% rise in *imports*.

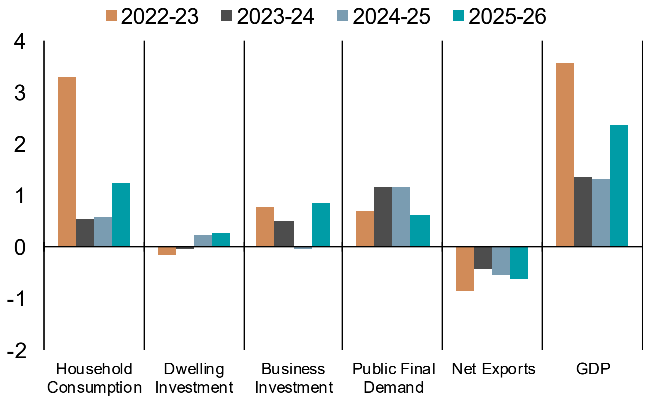
Growth in *exports* was driven by increased coal exports, reflecting strong demand and a bounce back from weather disruptions in the March quarter. The rise was partly offset by lower *services exports*, due to reduced business, personal and education related travel to Australia.

Growth in *imports* was driven by motor vehicles, supported by the current and expected surge in household demand for electric vehicles. Services imports fell with a significant decline in Australians traveling overseas, particularly to Europe. Imports of travels services fell to their lowest level since recovering from the COVID-19 pandemic border closures.

The **terms of trade** fell 1.6%, driven by higher *import* prices of intermediate goods (such as fuels, fertilisers and plastics) due to the Middle East conflict. Export prices rose, driven by mining commodities, led by coal.

In year-average terms, GDP grew 2.4% in 2025-26, up from 1.3% in 2024-25 (**Chart 2**). The annual result was above both the Commonwealth Budget forecast of 2¼% in May and the RBA's estimate of 2.2% in its August *Statement on Monetary Policy*.

Chart 2: Contributions to real GDP growth
(original, year-average, %-point contribution)



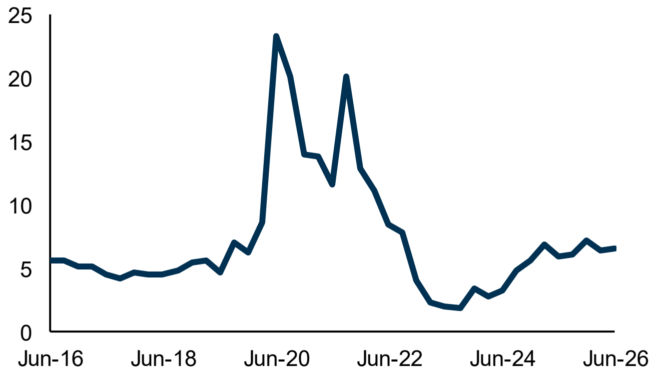
GDP per capita rose by 0.8% in 2025-26, following two years of decline.

Income

Real **gross household disposable income** rose 0.6% in the quarter and 2.3% over the year, reflecting a 5.5% increase in *nominal gross disposable income* over the year, which outpaced a 3.0% increase in the *household consumption deflator*.

The *household saving ratio* edged higher to 6.5% in June quarter 2026, from 6.4% last quarter. Households built up substantial savings buffers during the COVID-19 pandemic, which they started to draw down in 2023 as the cost of living rose sharply. However, the household saving ratio has now recovered to be largely in line with pre-COVID rates (**Chart 3**).

Chart 3: Household savings ratio
(seasonally adjusted, quarterly, net savings as % of income)



Compensation of employees (COE) rose 1.5% in the quarter to be 6.0% higher over the year, consistent with continued competition for skilled labour, increased wages, as well as bonuses and redundancies paid in the quarter. The quarterly result was driven by both private (up 1.4%) and public (up 1.8%) sector COE.

Gross operating surplus (GOS, a measure of profits) rose 1.9% in the June quarter to be 5.7% higher over the year. *Mining* GOS rose with increased sales and higher prices (particularly for coal, crude oil and lithium). Non-mining GOS also rose, driven by *Professional, Scientific and Technical Services,* reflecting ongoing demand for computer and engineering design services. *Construction* GOS was also higher on increased work done on high value projects in heavy and civil engineering.

Production

Gross Value added (GVA) rose 0.5% in June quarter 2026, driven by business services with ongoing demand for engineering design, management consultancy and digital AI services.

The *Professional, scientific & technical services* industry (up 2.3%) was the largest contributor to national GDP growth in the quarter (**Chart 4**), followed by *mining* (up 1.3%, with a recovery in production after severe weather impacts last quarter), and *finance & insurance* (up 1.3%, with increased demand for banking, mortgage and stock brokerage services).

Meanwhile, *manufacturing* (down 1.9%) was the largest detractor, followed by *admin & support services* (down 1.4%) and *rental, hiring & real estate services* (down 0.5%).

Chart 4: Contributions to real GDP growth, by industry
(seasonally adjusted, quarterly, %-point contribution)