

# Key Economic Indicators

	Latest data		Value	10-yr average annual growth (%)	Change from previous period (%)	Change from previous year (%)	General Trend
<b>Real GDP</b>	Jun-qtr	n	445.8 \$b	1.7	-7.0	-6.3	Contracting
<b>Nominal GDP</b>	Jun-qtr	n	468.4 \$b	3.3	-7.6	-5.9	Contracting
<b>Household Consumption</b>							
Real household consumption	Jun-qtr	n	233.5 \$b	0.9	-12.1	-12.7	Weak
Real retail sales	Jun-qtr		78 \$b	1.9	-3.4	-2.4	Weak
Nominal retail sales	Jun-mth		29.8 \$b	3.9	2.7	8.5	Increasing
Motor vehicle sales (VFACTS, original)	Jul-mth		72,505	-1.3	-34.2	-12.8	Declining
ANZ-Roy Morgan Weekly Consumer Confidence	30-Aug	n	90.2	113.6*#	-2.5^^	-24.2^^	Weak
Westpac-MI Consumer Sentiment (index)	Aug-mth		79.5	99.5*	-8.4^^	-20.4^^	Weak
Household saving ratio (per cent)	Jun-qtr	n	19.8	6.7*	13.8^	17.3^	Increasing
<b>Dwelling investment</b>							
Real dwelling investment	Jun-qtr	n	23.2 \$b	0.8	-6.8	-11.2	Declining
Dwelling finance (number owner occupier loans ex. refinancing)	Jun-mth		25,105	0.4	7.1	-2.3	Weak
Building approvals (number)	Jul-mth	n	13,840	-1.1	12.0	6.3	Subdued
CoreLogic RP Data Daily Hedonic Home Value Index	Aug-mth	n	n/a	3.0	-0.5	6.3	Declining
<b>Business investment</b>							
Real new business investment	Jun-qtr	n	53.8 \$b	0.6	-3.5	-5.5	Declining
Capital Expenditure Survey	Jun-qtr	n	26.1 \$b	-0.8	-5.9	-11.5	Declining
Nominal corporate GOS (profits)	Jun-qtr	n	147 \$b	5.1	11.1	12.7	Increasing
Construction Work Done	Jun-qtr	n	50.1 \$b	-0.0	-0.7	-2.2	Declining
NAB Business Survey - Conditions (net balance)	Jul-mth		+0	+4*	+8^^	-4^^	Weak
NAB Business Survey - Confidence (net balance)	Jul-mth		-14	+3*	-14	-18^^	Weak
AIG Performance of Business Index	Jul-mth		44.7	n/a	11.1^^	n/a	Contracting
<b>Public final demand (new)</b>	Jun-qtr	n	123.2 \$b	3.1	2.0	6.1	Increasing
<b>Balance of Payments and External Sector</b>							
Exports volumes	Jun-qtr	n	95.7 \$b	3.1	-6.7	-10.6	Decreasing
Import volumes	Jun-qtr	n	80.0 \$b	0.4	-12.9	-19.1	Decreasing
Trade balance	Jun-mth		8202 \$m	549.1*	861.0^^	360.0^^	Surplus
Current account balance (% of GDP)	Jun-qtr	n	3.8	-2.6*	2.0^	2.9^	Surplus
Terms of trade (index)	Jun-qtr	n	107.1	105.3*	0.2	-1.8	Increasing
<b>Prices</b>							
Headline Consumer Price Index	Jun-qtr		114.4	1.8	-1.9	-0.3	Weak
Trimmed mean - Consumer Price Index	Jun-qtr		117.1	2.0	-0.1	1.2	Weak
GDP deflator (index)	Jun-qtr	n	105.1	1.5	-0.6	0.3	Weak
<b>Wages</b>							
Wage Price Index (index)	Jun-qtr		134.4	2.6	0.2	1.8	Weak
Average Weekly Earnings (AWE series, bi-annual)	May-20		\$1,304.7	2.9	3.8	5.4	Increasing
<b>Labour Market</b>							
Employment (LFS, number)	Jul-mth		12.5m	1.2	0.9	-3.2	Weak
Unemployment rate (%)	Jul-mth		7.5	5.6*	0.0^	2.2^	Increasing
Participation rate (%)	Jul-mth		64.7	65.2*	0.6^	-1.4^	Weak
Productivity: GVA per hour worked, mkt sector (index)	Jun-qtr	n	107.3	2.2	5.9	7.3	Increasing
ANZ Job Ads (number)	Jul-mth		104,916	-4.4	16.7	-34.0	Weak
<b>Interest rates</b>							
Cash Rate Target (%)	Sep-mth	n	0.25	2.30*	0.00^	-0.75^	Historic low
Standard Variable Housing Rate - Owner occupied (%)	Jul-mth		4.52	5.92*	0.00^	-0.42^	Low
Standard Variable Housing Rate - Investor (%)	Jul-mth		5.10	n/a†	0.00^	-0.42	Low
Small Business Variable Rate, residential-secured, term (%)	Jul-mth		5.03	7.07*	0.00^	-1.17^	Low
* 10-yr average value	**	10-yr average share of growth		n New release (past week)			
~ Preliminary ratio based on previous quarter's GDP	^	Percentage point difference		† Data only goes back to August 2015			
# Monthly average due to frequency of historical series	^^	Level difference		ABS reference year is 2017-18.			

Public final demand - June 2020 quarter						
cvm, sa	QoQ	TTY	2019-20 *	Contribution to new public final demand growth (quarterly)	Contribution to new public final demand growth (TTY)	Contribution to new public final demand growth *
<b>Final consumption expenditure</b>	<b>2.9</b>	<b>7.5</b>	<b>6.6</b>	<b>2.3</b>	<b>6.0</b>	<b>5.3</b>
National	1.3	8.6	9.8	0.5	2.9	3.3
State and Local	4.2	6.8	4.3	1.9	3.1	2.0
<b>New public gross fixed capital formation</b>	<b>-1.8</b>	<b>0.4</b>	<b>1.8</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.4</b>
National	-7.7	-13.3	-2.1	-0.4	-0.8	-0.1
State and Local	0.4	6.4	3.4	0.1	0.9	0.5
<b>New public final demand</b>	<b>2.0</b>	<b>6.1</b>	<b>5.6</b>	<b>2.0</b>	<b>6.1</b>	<b>5.6</b>
National	0.1	5.2	7.9	0.0	2.1	3.1
State and Local	3.3	6.7	4.1	1.9	4.0	2.5

\* Year-average growth calculated using original data

Growth in components of state final demand (per cent, qoq) - June 2020 quarter					
	Public Consumption	Household Consumption	Private Investment	Public Investment	State Final Demand
New South Wales	2.9	-13.3	-7.8	0.0	-8.6
Victoria	1.6	-13.7	-7.3	9.9	-8.5
Queensland	4.6	-9.6	-7.6	-4.0	-5.9
South Australia	0.9	-9.9	-3.1	3.0	-5.8
Western Australia	3.5	-10.6	-4.2	-1.7	-6.0
Tasmania	3.1	-12.5	-3.3	-8.4	-7.4
Northern Territory	-0.3	-7.5	-6.2	-9.3	-4.9
Australian Capital Territory	4.4	-11.6	2.7	-5.0	-2.2

Growth in components of state final demand (per cent, tty) - June 2020 quarter					
	Public Consumption	Household Consumption	Private Investment	Public Investment	State Final Demand
New South Wales	10.0	-14.3	-13.0	1.5	-9.1
Victoria	5.5	-14.4	-5.9	3.8	-8.3
Queensland	7.2	-9.3	-8.3	0.4	-5.2
South Australia	3.0	-11.3	-6.9	7.7	-6.7
Western Australia	7.8	-11.0	0.8	4.7	-4.0
Tasmania	7.4	-12.2	-6.4	-9.4	-6.8
Northern Territory	2.5	-7.7	-14.7	-23.3	-6.3
Australian Capital Territory	10.9	-10.9	10.4	1.7	2.0

Growth in components of state final demand (per cent, year average) - 2019-20 *					
	Public Consumption	Household Consumption	Private Investment	Public Investment	State Final Demand
New South Wales	8.6	-3.4	-7.5	3.2	-1.8
Victoria	6.8	-2.9	-2.8	1.8	-1.0
Queensland	6.2	-1.2	-5.7	6.9	-0.1
South Australia	2.6	-2.8	-3.0	-1.8	-1.6
Western Australia	5.2	-2.0	4.8	3.2	1.1
Tasmania	7.1	-2.0	-1.9	-4.0	-0.1
Northern Territory	3.9	-3.3	-20.4	-14.7	-4.5
Australian Capital Territory	6.4	-2.0	8.6	-0.9	3.0

\* Year-average growth calculated using original data

Acronyms	Term	Simple definition	Jun-20 Qtr on Qtr	Through the year to Jun-20
AENA	Average earnings on a national accounts basis	A measure of wage growth. Total compensation of employees divided by wage and salary earners. Does not include self-employed.	3.1	4.6
AWE	Average weekly earnings	Regular wages and salaries for employee jobs	-	5.4 (May-20)
AWOTE	Average weekly ordinary time earnings	Earnings of full-time workers in standard hours of work. Excludes overtime.	-	4.8 (May-20)
CAD/CAS	Current account deficit/surplus	Records trade flows, transfer payments and income flows between Australia and the rest of the world	+ 3.8 per cent of GDP (Jun-20)	
COE	Compensation of employees	Sum of total remuneration paid to employees. Accounts for both employment and wage changes.	-2.5	0.4
CPI	Consumer Price Index	Measures price level based on a basket of goods and services	-1.9	-0.3
DFD	Domestic final demand	Sum of household consumption, investment and government spending	-7.4	-7.0
GDI	Gross disposable income	All after-tax income available to households to spend or save	2.2	6.4
GDP	Gross domestic product	See <i>nominal GDP and real GDP</i>	-	
GFCF	Gross fixed capital formation	Another term for investment - includes dwelling, business and public investment	-4.9	-5.5
GMI	Gross mixed income	Profits of small unincorporated businesses	21.9	19.6
GNE	Gross national expenditure	Total expenditure by Australian residents on final goods and services. Includes imports but excludes exports.	-8.0	-7.7
GNI	Gross national income	Total income earned by Australian factors of production (labour and capital)	-7.0	-4.3
GOS	Gross operating surplus	All sectors profits before depreciation, interest and tax	8.2	9.9
GVA	Gross value added	Value of goods and services sales by industry less cost of non-wage inputs used to produce them	-6.5	-5.7
HFCE	Household final consumption expenditure	Everyday spending by households on goods and services	-12.1	-12.7
MTAWE	Male total average weekly earnings	Regular wages and salaries for male employee jobs	-	4.2 (May-20)
Nominal GDP	Nominal gross domestic product	Total dollar value of goods and services produced, equal to real GDP times prices	-7.6	-5.9
NID	Net income deficit	Net income flows between Australia and the rest of the world	-1.2 per cent of GDP (Jun-20)	
Real GDP	Real gross domestic product	Total volume of output in an economy, adjusts GDP for prices	-7.0	-6.3
Real GDI	Real gross domestic income	Adjusts real GDP for the terms of trade	-7.0	-6.7
Real GNI	Real gross national income	Adjusts real GDI for net income payable overseas	-6.2	-5.1
Real NNDI	Real net national disposable income	Adjusts real GNI for depreciation	-7.8	-6.9
SFD	State Final Demand	Total value of goods and services sold in a state. It includes consumption, investment and government expenditure. It does not include exports.	-	-
Technical recession		Two or more consecutive quarters of negative economic growth		-
TFI	Total factor income	Gross payments to factors of production (labour and capital)	3.8	5.8
ToT	Terms of trade	Ratio of export prices to import prices	0.2	-1.8
Underlying inflation		Measures increases in general price level, removing effect of one-off or volatile price movements	-0.1 (trimmed mean) (Jun-20)	1.2 (Jun-20)
WPI	Wage Price Index	Measures wage inflation. Measures wage growth for a fixed basket of jobs.	0.2 (Jun-20)	1.8 (Jun-20)



## National Accounts – Key concepts, definitions and acronyms

### Concepts

#### Gross domestic product (GDP)

**Gross domestic product (GDP)** measures the goods and services produced in Australia.

There are three ways of measuring GDP: an **expenditure** approach, an **income** approach and a **production** approach. If measured accurately, each method should produce the same value of GDP. In practice, differences show up as statistical discrepancies in the National Accounts.

The headline GDP measure, **GDP(A)**, is the average of the three approaches.

#### Real versus Nominal

**Real (chain volume) GDP** is the volume of goods and services produced in Australia. Movements in real GDP reflect changes in the quantity of Australia’s output, not price changes.

**Nominal (current price) GDP** is the dollar value of goods and services produced in Australia. Movements in nominal GDP reflect changes in both the volume and price of Australia’s output.

**GDP deflator** is a measure of the price of Australia’s output where the relationship is:

$$\underbrace{\text{Nominal GDP}}_{\text{value}} = \underbrace{\text{GDP deflator}}_{\text{price}} \times \underbrace{\text{Real GDP}}_{\text{volume}}$$

#### Growth rates

**Through-the-year growth** is how much the GDP level in one quarter has grown compared to the level in the same quarter in the previous year. For example, through-the-year growth to the June quarter 2020 refers to how much higher this quarter’s GDP level is compared to the June quarter 2019.

**Year-average growth** is the sum of the quarterly GDP levels across one year (e.g. 2019-20), relative to the sum of the quarterly GDP levels across the previous year (e.g. 2018-19).

**Contributions to growth** show how a component has contributed to growth in an aggregate. The contribution to growth depends on both the component’s relative size and growth in the period. For example, the percentage point contribution of household consumption to aggregate GDP growth.

#### Seasonal adjustment

**Seasonal adjustment** is where raw or original data is adjusted to remove seasonal patterns in variables. This makes it easier to identify underlying changes that can be obscured by regular seasonal movements in the data. Treasury usually reports the main outcomes from the National Accounts as seasonally-adjusted data.

## Definitions

### Gross Domestic Product (GDP)

<b>Gross domestic product (GDP)</b>	Gross domestic product (GDP) measures the goods and services produced in Australia. There are three ways of measuring GDP: an expenditure approach, an income approach and a production approach. If measured accurately, each method should produce the same value of GDP. In practice, differences show up as statistical discrepancies in the National Accounts.
<b>GDP Average GDP(A)</b>	The headline GDP measure, GDP(A), is the average of the three approaches.
<b>Statistical discrepancy</b>	The statistical discrepancy is the difference between GDP(A) and each measurement approach.

### Gross Domestic Product – Expenditure measure

<b>Expenditure measure of GDP GDP(E)</b>	Expenditure measure of GDP (GDP(E)) is the expenditure on all goods and services produced. GDP(E) = Household consumption + Investment + Government expenditure + Exports – Imports + changes in inventories
<b>Household consumption</b>	Household consumption, officially called Household Final Consumption Expenditure (HFCE), is the everyday spending by households on goods and services. Household consumption is separated into 17 main categories such as food, clothing, rent, electricity and gas, motor vehicles, health, education and recreation. These main categories can then also be grouped under essential and discretionary spending.
<b>Investment or Gross fixed capital formation</b>	Investment, officially called gross fixed capital formation, includes dwelling investment and business investment.
<b>Dwelling investment</b>	Dwelling investment measures private residential building activity. Around two thirds of total dwelling investment is comprised of the construction of new dwellings. Alterations and additions account for the remaining one third of investment activity.
<b>New business investment</b>	New business investment is the acquisition of new assets to aid in the production of goods and services in future periods. It includes investment in commercial buildings, engineering construction, machinery and equipment, intellectual property, and cultivated biological resources. New business investment includes only new activity, so it excludes businesses' exchanges of existing assets with other sectors, such as the public sector.
<b>Ownership transfer costs</b>	Ownership transfer costs is a component of investment that isn't referred to often. It consists of stamp duty, conveyancing costs and other costs associated with transferring ownership of an asset such as a house.
<b>Government expenditure or Public final demand</b>	Government expenditure, officially called new public final demand, measures government consumption and investment for all levels of government. This includes expenditure on wages, office supplies, health and social services assistance, defence and IT. It also includes spending by public corporations. New public final demand includes only new activity, so it excludes government's exchanges of existing assets with the private sector.
<b>Net exports</b>	Net exports is the value of exports to other countries minus the value of imports into Australia from other countries.
<b>Changes in inventories</b>	Changes in inventories captures the change in the stock of goods produced or purchased for re-sale, but which have not yet been sold.

<b>Domestic final demand</b>	The sum of household consumption, investment and government expenditure.
<b>Gross national expenditure</b>	The total expenditure within a given period by Australian residents on final goods and services. It is equal to domestic final demand plus changes in inventories. It includes expenditure on imports but excludes exports.

### Gross Domestic Product – Income measure

<b>Income measure of GDP</b> GDP(I)	Income measure of GDP (GDP(I)) is the value of income generated from Australia's production. The income measure of GDP is usually presented in nominal terms, as opposed to real. GDP(I) = Compensation of employees (COE) + Gross operating surplus (GOS) + Gross mixed income (GMI) + (Taxes – Subsidies on production and imports)
<b>Compensation of employees</b> (COE)	Compensation of employees (COE) is the wages, salaries, bonuses and other remuneration paid to employees. This differs to wage measures, such as the Wage Price Index, as it accounts for changes in employment and wages.
<b>Gross operating surplus</b> (GOS)	Gross operating surplus (GOS) is corporate profits before depreciation, interest and income tax.
<b>Gross mixed income</b> (GMI)	Gross mixed income (GMI) is the profits of small unincorporated businesses - it is a mix of profits and wages given the owners of the firm are also its employees.
<b>Taxes less subsidies on production and imports</b>	Taxes less subsidies on production and imports is government revenue from indirect taxes (such as GST) minus expenditure on industry assistance measures (such as for manufacturing).

### Gross Domestic Product – Production measure

<b>Production measure of GDP</b> GDP(P)	Production measure of GDP (GDP(P)) is the production of all goods and services in Australia. GDP(P) = Gross value added for all industries + (Taxes – Subsidies on products)
<b>Gross value added</b> (GVA)	Gross value added (GVA) is the value of goods and services sales by an industry less the cost of any non-wage inputs (materials and supplies) used to produce those goods and services (these are known as intermediate inputs).
<b>Taxes less subsidies on products</b>	Taxes on products include taxes on goods and services (e.g. sales tax), excises, taxes on international trade, taxes on gambling, etc. Subsidies on products are payments by government to producers.
<b>Market sector GVA</b>	Market sector GVA is a subset of aggregate GVA that aims to identify primarily private sector goods and services for which there is a market. It is calculated as total GVA less certain public sector industries such as public administration, education and health as well as ownership of dwellings which is largely modelled.
<b>Labour Productivity</b>	Labour productivity is the ratio of economic output per unit of labour. The unit of labour can be hours worked or number of employed persons.

### Alternative measures of income

<b>Average compensation of employees (AENA)</b>	Average compensation of employees (AENA) is the national accounts measure of wages. It is calculated as compensation of employees divided by wage and salary earning employees. This is different to Labour Force employees which also includes self-employed persons.
<b>Household gross disposable income</b>	Household gross disposable income is all after-tax income available to households to spend or save. It includes income earned from production as well as income earned from interest, dividends and social assistances benefits (such as pensions and unemployment benefits).
<b>Household saving ratio</b>	The household saving ratio is the ratio of household net saving to household net disposable income. Household net saving is gross disposable income less household consumption and depreciation. Household net disposable income is household gross disposable income less the depreciation of assets.
<b>Gross national income (GNI)</b>	Gross national income (GNI) measures the amount of nominal income that Australian residents get from production. It also includes net incomes payable overseas (e.g. dividends paid to foreign companies).
<b>Real gross domestic income (Real GDI)</b>	Real gross domestic income (Real GDI) measures the purchasing power of the total incomes generated by domestic production. It is a measure of real GDP adjusted for the effect on real incomes of changes in Australia's terms of trade.
<b>Real gross national income (Real GNI)</b>	Real gross national income (Real GNI) is like real GDI but also accounts for net incomes payable overseas (e.g. dividends paid to foreign companies). It measures the amount of real income that Australian residents get from production.
<b>Real net national disposable income (Real NNDI)</b>	Real net national disposable income (Real NNDI) is like real GNI but also accounts for income lost to capital depreciation and net transfers of income overseas (e.g. foreign aid). It measures the amount of real income in Australia that is available to spend or save.

### Measures of living standards

<b>Real GDP per capita</b>	Real GDP per capita is the ratio of real GDP to the Australian population. It adjusts growth in real GDP for growth in the population and is considered to be a measure of living standards.
<b>Real gross domestic income per capita</b>	Real gross domestic income (Real GDI) per capita measures the purchasing power of the total incomes generated by domestic production per person. It is a measure of real GDP per capita adjusted for the effect on real incomes of changes in Australia's terms of trade.
<b>Real gross national income per capita</b>	Real gross national income (Real GNI) per capita is like real GDI per capita but also accounts for net incomes payable overseas (e.g. dividends paid to foreign companies). It measures the amount of real income that Australian residents get from production per person.
<b>Real net national disposable income per capita</b>	Real net national disposable income (Real NNDI) per capita is like real GNI per capita but also accounts for income lost to capital depreciation and net transfers of income overseas (e.g. foreign aid). It measures the amount of real income per person in Australia that is available to spend or save.

## Prices

<b>Consumer Price Index (CPI)</b>	The Consumer Price Index (CPI) is a measure of inflation. It measures the change in the price of a fixed basket of goods and services, consumed by households in capital cities.
<b>Inflation</b>	Inflation is an increase in prices. Typically, prices rise over time, but prices can also fall (deflation).
<b>Underlying inflation</b>	Measures of underlying inflation exclude items that have particularly large price changes. This is because large price changes can sometimes be due to one-off factors which are unrelated to broader economic conditions. Common measures of underlying inflation are: <b>Trimmed mean:</b> The average rate of inflation after ‘trimming’ away the items with the largest price changes (positive or negative). It is the weighted average of the middle 70 per cent of items. <b>Weighted median:</b> Calculated by ordering the basket of goods from slowest to fastest growing, and taking the price growth of the item in the middle.

## Wages

<b>Wage Price Index (WPI)</b>	The Wage Price Index (WPI) is a measure of wage inflation. It measures changes in the price employers pay for labour due to market forces. It is not affected by changes in the quality or quantity of work performed. It is measured through a fixed basket of jobs to which employers pay wages and salaries each quarter. The WPI is only published as an index and not as a dollar level.
<b>Average Earnings on a National Accounts basis (AENA)</b>	Average Earnings on a National Accounts basis (AENA) is a measure of wages. It is calculated as compensation of employees divided by wage and salary earning employees. This is different to Labour Force employees which also includes self-employed persons. Unlike the WPI, it is affected by the composition of employment (e.g. AENA will increase if a higher-wage industry attracts workers from a lower-wage industry, even if the wage rates within the industries do not change). It is also affected by changes in average hours worked.
<b>Average Weekly Ordinary Time Earnings (AWOTE)</b>	Average Weekly Ordinary Time Earnings (AWOTE) captures earnings of full-time workers attributable to award, standard or agreed hours of work. It excludes overtime earnings.
<b>Average Weekly Earnings (AWE)</b>	Average Weekly Earnings (AWE) measures the level of average gross weekly earnings of employees. Earnings in AWE are broadly defined as current and regular payments in cash to employees for work done. Similar to AENA, it will be affected by the composition of employment and changes in average hours worked.
<b>Male Total Average Weekly Earnings (MTAWE)</b>	Male Total Average Weekly Earnings (MTAWE) measures the level of average earnings for Males. This is higher than the average for both Males and Females.

## Labour Market

<b>Labour Force Survey</b>	The Labour Force Survey is a monthly survey that provides data on the labour market characteristics of Australians aged 15 and above, except members of the defence force. Sampling around 25,000 dwellings (approximately 50,000 persons), the survey gathers data on persons who are employed, underemployed, unemployed and not in the labour force. It also collects information on the age, sex, hours worked and the State or Territory these persons live in.
<b>Participation</b>	Those who are employed or looking for employment are participating in the labour force. For a given group, the participation rate is the labour force expressed as a share of the civilian population aged 15 years and over.
<b>Employment</b>	The Labour Force Survey measure of employment counts the number of employed persons. Note that this is not the number of jobs in the economy since people can hold more than one job. Employed persons, according to the Labour Force Survey, are those aged 15 years and over who worked for one hour or more during the survey reference week. Those employed persons who worked 35 hours or more during the week are employed full-time, while those employed part-time worked between one and 34 hours in the week.
<b>Unemployment</b>	Unemployment captures people who are not employed and are available and actively looking for work. The unemployment rate for any group is the number of unemployed persons expressed as a percentage of the labour force for that group.
<b>Underemployment</b>	Employed persons aged 15 years and over who want, and are available for, more hours of work than they currently have.
<b>Labour productivity</b>	Labour productivity is the ratio of economic output per unit of labour. The unit of labour can be hours worked or number of employed persons.
<b>Hours worked</b>	The hours worked by all employed persons.

## External Account

<b>Terms of trade (ToT)</b>	The terms of trade reflects the relative price of exports compared to imports. It is calculated as export prices divided by import prices.
<b>Current account balance</b>	The current account balance equals the sum of the trade balance, the net income balance and net current transfers (such as debt forgiveness and foreign aid).
<b>Trade balance</b>	The trade balance, also known as net exports, is the value of exports to other countries minus the value of imports into Australia from other countries.
<b>Net income balance</b>	The value of payments to non-residents less income from non-residents. It is largely comprised of investment income and also includes compensation of employees paid to foreigners.

## Acronyms

AENA	Average earnings on a national accounts basis
AWOTE	Average weekly ordinary time earnings
AWE	Average weekly earnings
CAD	Current account deficit
COE	Compensation of employees
CPI	Consumer Price Index
DFD	Domestic final demand
GDI	Gross disposable income
GDP	Gross domestic product
GFCF	Gross fixed capital formation
GMI	Gross mixed income
GNE	Gross national expenditure
GNI	Gross national income
GOS	Gross operating surplus
GVA	Gross value added
HFCE	Household final consumption expenditure
MTAWE	Male total average weekly earnings
NID	Net income deficit
Real GDI	Real gross domestic income
Real GNI	Real gross national income
Real NNDI	Real net national disposable income
ToT	Terms of trade
WPI	Wage Price Index

## NATIONAL ACCOUNTS - JUNE QUARTER 2020

## Quarterly fact sheet

REAL AND NOMINAL GDP			
	June quarter 2020	Through the year	2019-20
<b>Real GDP</b>	-7.0	-6.3	-0.2
<b>Nominal GDP</b>	-7.6	-5.9	1.7
EXPENDITURE COMPONENTS			
	June quarter 2020	Through the year	2019-20
Household final consumption (51%)	-12.1	-12.7	-2.6
Dwelling investment (5%)	-6.8	-11.2	-8.8
New business investment (12%)	-3.5	-5.5	-1.8
New public final demand (27%)	2.0	6.1	5.6
<b>Domestic Final Demand</b>	-7.4	-7.0	-0.8
<b>Gross National Expenditure</b>	-8.0	-7.7	-1.2
Net exports			
Exports (23%)	-6.7	-10.6	-1.6
Imports (18%)	-12.9	-19.1	-7.1
<b>Real GDP</b>	-7.0	-6.3	-0.2
PRODUCTIVITY AND THE TERMS OF TRADE			
	June quarter 2020	Through the year	2019-20
<b>Labour productivity (market sector)</b>	5.9	7.3	2.4
<b>Terms of Trade</b>	0.2	-1.8	1.0
TOTAL FACTOR INCOMES AND NOMINAL GDP			
	June quarter 2020	Through the year	2019-20
Compensation of Employees (50%)	-2.5	0.4	3.7
Gross Operating Surplus (41%)	8.2	9.9	6.5
Gross Mixed Income (10%)	21.9	19.6	2.3
<b>Total Factor Income (101%)</b>	3.8	5.8	4.6
Taxes less subsidies (-1%)	-111.9	-112.1	-26.1
<b>Nominal GDP</b>	-7.6	-5.9	1.7
GDP deflator	-0.6	0.3	1.9
INCOME MEASURES			
	June quarter 2020	Through the year	2019-20
<b>Real GDP</b>	-7.0	-6.3	-0.2
The volume of goods and services produced in Australia			
<b>Real GDP per capita</b>	-7.2	-7.4	-1.6
The ratio of real GDP to the Australian population			
<b>Real Gross Domestic Income</b>	-7.0	-6.7	0.0
Real GDP adjusted for the real effect of changes in the terms of trade			
<b>Real Gross National Income</b>	-6.2	-5.1	1.2
Real gross domestic income adjusted for net incomes payable overseas			
<b>Real Net National Disposable Income</b>	-7.8	-6.9	0.8
Real gross national income adjusted for capital depreciation			
<b>Real Net National Disposable Income Per Capita</b>	-8.0	-8.0	-0.5
The ratio of real net national disposable income to the Australian population			
<b>Real Net Household Disposable Income</b>	3.1	6.2	3.5
The real after-tax income available to households to spend or save, net of depreciation			
<b>Real Net Household Disposable Income Per Capita</b>	2.9	4.9	2.2
The ratio of real net household disposable income to the Australian population			
<b>Household saving ratio (level)</b>	19.8	NA	8.8
The ratio of household net saving to household net disposable income			
PRODUCTION GROSS VALUE ADDED			
	June quarter 2020	Through the year	2019-20
Mining (11%)	0.2	1.1	4.6
Agriculture (2%)	-1.9	-6.3	-6.6
Construction (8%)	-8.2	-10.3	-4.7
Services (73%)	-7.0	-6.0	0.1
Manufacturing (6%)	-9.6	-6.1	-1.6
<b>Real GDP</b>	-7.0	-6.3	-0.2
STATE FINAL DEMAND			
	June quarter 2020	Through the year	2019-20
New South Wales (31%)	-8.6	-9.1	-1.8
Victoria (25%)	-8.5	-8.3	-1.0
Queensland (19%)	-5.9	-5.2	-0.1
South Australia (6%)	-5.8	-6.7	-1.6
Western Australia (11%)	-6.0	-4.0	1.1
Tasmania (2%)	-7.4	-6.8	-0.1
Northern Territory (1%)	-4.9	-6.3	-4.5
Australian Capital Territory (3%)	-2.2	2.0	3.0
<b>Domestic Final Demand</b>	-7.4	-7.0	-0.8



	GDP				Employment growth	
	Quarter on Quarter		Through the year		Through the year	
	2020-Q1	2020-Q2*	2020-Q1	2020-Q2*	2020-Q1	2020-Q2*
Australia	-0.3	-7.0	1.4	-6.3	1.7	-4.3
Austria	-2.4	-10.7	-2.8	-13.3	-0.2	NA
Belgium	-3.5	-12.2	-2.4	-14.5	1.2	NA
Canada	-2.1	-11.5	-0.9	-13.0	-0.4	-12.3
Chile	3.0	-13.2	0.4	-13.7	0.7	-19.9
Czech Republic	-3.4	-8.4	-2.0	-10.7	-0.5	NA
Denmark	-2.0	-6.9	-0.1	-8.2	0.9	NA
Estonia	-3.7	NA	-0.8	NA	0.8	NA
Finland	-1.9	-3.2	-1.8	-5.3	0.6	NA
France	-5.9	-13.8	-5.7	-18.9	0.7	NA
Germany	-2.0	-9.7	-2.2	-11.3	-0.3	NA
Greece	-1.6	NA	-0.9	NA	1.0	NA
Hungary	-0.4	-14.5	2.0	-13.5	-0.7	NA
Iceland	-7.0	NA	-0.4	NA	NA	NA
Ireland	1.2	NA	5.3	NA	2.3	NA
Israel	-1.7	-8.1	0.6	-7.8	0.6	-1.4
Italy	-5.5	-12.8	-5.6	-17.7	0.3	NA
Japan	-0.6	-7.8	-2.0	-10.0	0.5	-1.1
Korea	-1.3	-3.2	1.4	-2.8	1.1	-1.5
Latvia	-2.9	-7.5	-1.5	-9.6	-0.2	NA
Lithuania	-0.3	-5.1	2.4	-3.7	0.4	NA
Luxembourg	-2.9	NA	-0.2	NA	0.9	NA
Mexico	-1.2	-17.1	-2.1	-18.7	2.4	NA
Netherlands	-1.5	-8.5	-0.4	-9.2	1.6	NA
New Zealand	-1.6	NA	-0.2	NA	2.2	1.1
Norway	-1.7	-5.1	0.0	-5.3	1.2	NA
Poland	-0.4	-8.9	1.7	-8.0	0.7	NA
Portugal	-3.8	-14.1	-2.3	-16.5	-0.3	NA
Slovak Republic	-5.2	-8.3	-3.8	-12.1	-1.7	NA
Slovenia	-4.5	NA	-3.4	NA	0.4	NA
Spain	-5.2	-18.5	-4.1	-22.1	1.1	NA
Sweden	0.2	-8.3	0.7	-7.7	0.3	NA
Switzerland	-2.5	-8.2	-0.8	-9.4	0.7	NA
Turkey	0.6	NA	4.4	NA	-2.1	NA
United Kingdom	-2.2	-20.4	-1.7	-21.7	1.4	NA
United States	-1.3	-9.1	0.3	-9.1	0.6	-12.3
OECD	-1.8	-9.8	-0.9	-10.9	0.5	NA

\*Some GDP figures based on flash estimates

## JEFU and RBA forecasts

**Table 1. 2020 JEFU and RBA forecast comparison(a)**

	2019-20	2019-20		2020-21	
	Outcome	JEFU	RBA SMP	JEFU	RBA SMP
Real GDP	-0.2	- 1/4	0	-2 1/2	-3
Employment <sup>(b)</sup>	-4.3	-4.4	-4.4	1	0
Unemployment rate <sup>(b)</sup>	7.0	7.0	7.0	8 3/4	9
Consumer price index	-0.3	- 1/4	-0.3	1 1/4	3
Wage price index	1.8	1 3/4	1 3/4	1 1/4	1 1/4

(a) Percentage change on preceding year unless otherwise stated. The consumer price index, employment, and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

(b) 2019-20 is an outcome as at JEFU publication date.

Source: ABS cat. no.5206.0, 6202.0, 6345.0, 6401.0, RBA August 2020 SMP and Treasury.

**Table 2. Major Economic Parameters – 2020 JEFU(a)**

	Outcomes		Forecasts	
	2018-19	2019-20	2019-20	2020-21
Real GDP	2.0	-0.2	- 1/4	-2 1/2
Employment <sup>(b)</sup>	2.5	-4.3	-4.4	1
Unemployment rate <sup>(b)</sup>	5.2	7.0	7.0	8 3/4
Consumer price index	1.6	-0.3	- 1/4	1 1/4
Wage price index	2.3	1.8	1 3/4	1 1/4
Nominal GDP	5.3	1.7	2	-4 3/4

(a) Percentage change on preceding year unless otherwise stated. The consumer price index, employment, and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

(b) 2019-20 is an outcome as at JEFU publication date.

Source: ABS cat. no. 5206.0, 6202.0, 6345.0, 6401.0 and Treasury.

**Table 3. International GDP growth forecasts – 2020 JEFU(a)**

	Outcome	Forecasts	
	2019	2020	2021
China	6.1	1 3/4	8 1/4
India	4.9	-4	4 1/4
Japan	0.7	-6 1/4	2 3/4
United States	2.3	-8	4 3/4
Euro area	1.2	-8 3/4	5
Other East Asia (b)	3.6	-3 1/4	3 1/2
Major trading partners	3.6	-3	5 1/2
World	2.9	-4 3/4	5

(a) World and Other East Asia growth rates are calculated using GDP weights based on purchasing power parity (PPP), while growth rates for major trading partners are calculated using goods and services export trade weights.

(b) Other East Asia comprises the Association of Southeast Asian Nations group of five (ASEAN-5), comprising Indonesia, Malaysia, the Philippines, Thailand and Vietnam, along with Hong Kong, South Korea, Singapore and Taiwan.

Source: National statistical agencies, Refinitiv and Treasury.

**Table 4. Domestic economic forecasts – 2020 JEFU(a)**

	Outcomes <sup>(b)</sup>		Forecasts	
	2018-19	2019-20	2019-20	2020-21
			JEFU	JEFU
<b>Real gross domestic product</b>	<b>2.0</b>	<b>-0.2</b>	<b>- 1/4</b>	<b>-2 1/2</b>
Household consumption	2.0	-2.6	-2 1/2	-1 1/4
Dwelling investment	0.0	-8.8	-10	-16
Total business investment <sup>(c)</sup>	-0.9	-1.8	-6	-12 1/2
<i>By industry</i>				
Mining investment	-9.4	4.8	4	9 1/2
Non-mining investment	1.7	-3.7	-9	-19 1/2
Private final demand <sup>(c)</sup>	1.0	-2.9	-3 1/2	-4
Public final demand <sup>(c)</sup>	4.4	5.6	5	4 1/2
Change in inventories <sup>(d)</sup>	-0.2	-0.4	0	0
Gross national expenditure	1.6	-1.2	-1 1/2	-1 3/4
Exports of goods and services	4.0	-1.6	-1 1/2	-6 1/2
Imports of goods and services	0.3	-7.1	-8	-6
Net exports <sup>(d)</sup>	0.8	1.1	1 1/4	- 1/4
Nominal gross domestic product	5.3	1.7	2	-4 3/4
Prices and wages				
Consumer price index <sup>(e)</sup>	1.6	-0.3	- 1/4	1 1/4
Wage price index <sup>(f)</sup>	2.3	1.8	1 3/4	1 1/4
GDP deflator	3.3	1.9	2 1/4	-2 1/4
Labour market				
Participation rate (per cent) <sup>(g)(i)</sup>	66.0	63.4	63.4	64 3/4
Employment <sup>(f)(i)</sup>	2.5	-4.3	-4.4	1
Unemployment rate (per cent) <sup>(g)(i)</sup>	5.2	7.0	7.0	8 3/4
Balance of payments				
Terms of trade <sup>(h)</sup>	5.6	1.0	1 3/4	-12 1/4
Current account balance (per cent of GDP)	-0.7	1.8	1 3/4	-1 1/4

(a) Percentage change on preceding year unless otherwise indicated.

(b) Calculated using original data unless otherwise indicated.

(c) Excluding second-hand asset sales from the public sector to the private sector.

(d) Percentage point contribution to growth in GDP.

(e) Through-the-year growth rate to the June quarter.

(f) Seasonally adjusted, through-the-year growth rate to the June quarter.

(g) Seasonally adjusted rate for the June quarter.

(h) The forecasts are underpinned by price assumptions for key commodities: iron ore spot price assumed to decline to US\$55 per tonne free-on-board (FOB) by the end of the December quarter 2020; metallurgical coal spot price assumed to remain at US\$110 per tonne FOB; and thermal coal spot price assumed to remain at US\$54 per tonne FOB.

(i) 2019-20 is an outcome as at JEFU publication date.

Note: The forecasts for the domestic economy are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade-weighted index of around 60 and a \$US exchange rate of around 69 US cents. Interest rates are assumed to move broadly in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$34 per barrel. Population growth is assumed to be 1.2 per cent in 2019-20 and 0.6 per cent in 2020-21.

Source: ABS cat. no. 5206.0, 5302.0, 6202.0, 6345.0, 6401.0, unpublished ABS data and Treasury.

**Table 5. RBA forecast table – August SMP ‘Baseline’ Scenario<sup>(a)</sup>**

Percentage change over year to quarter shown<sup>(b)</sup>

	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Dec-22
Gross domestic product	-6	-6	4	5	4	4
Household consumption	-11	-7	8	6	5	4
Dwelling investment	-14	-14	2	8	2	5
Business investment	-12	-17	-5	6	7	9
Public demand	5	3	1	2	3	3
Gross national expenditure	-7	-6	5	5	4	4
Imports	-18	-12	11	9	9	7
Exports	-11	-9	5	8	8	5
Real household disposable income	2	-5	-6	3	6	5
Terms of trade	-1	-1	-6	-2	-2	-2
Major trading partner (export-weighted) GDP	-5	0	9	5	4	4
Unemployment rate (quarterly, %)	7.0	10	9	8½	7½	7
Employment	-4.4	-6	0	3	4	3
Wage price index	1¼	1¼	1¼	1¼	1½	1¼
Nominal (non-farm) average earnings per hour	5	1½	-3	¼	2½	2½
Trimmed mean inflation	1.2	1	1¼	1	1¼	1½
Consumer price index	-0.3	1¼	3	1	1¼	1½

(a) Forecast assumptions: TWI at 61, A\$ at US\$0.72, Brent crude oil price at US\$46/bbl; the cash rate remains at its current level and other elements of the Bank’s monetary stimulus package, including the 0.25 per cent target for the 3-year Australian Government bond yield, are assumed to remain unchanged. Shaded regions are historical data.

(b) Rounding varies: economic activity variables and employment rounded to the nearest whole number; unemployment rate to the nearest half point; wages and prices variables to the nearest quarter point.

Sources: ABS; CEIC Data; Consensus Economics; Refinitiv; RBA

**Table 6. RBA August SMP year average forecasts<sup>(a)(b)</sup>**

	Year-average					
	2019-20	2020	2020-21	2021	2021-22	2022
GDP growth	0	-4	-3	2	5	4
(previous)	(-1)	(-5)	(-3)	4	6	(n/a)

(a) Forecast assumptions (May Statement in parenthesis): TWI at 61 (57), A\$ at US\$0.72 (US\$0.64), Brent crude oil price at US\$46/bbl (US\$35/bbl); the cash rate remains at its current level and other elements of the Bank’s monetary stimulus package, including the 0.25 per cent target for the 3-year Australian Government bond yield, are assumed to remain unchanged.

(b) Rounding varies: GDP growth to the nearest whole number; unemployment rate to the nearest half point; inflation rates to the nearest quarter point. Shaded regions are historical data. Figures in parentheses show the corresponding baseline scenario forecasts in the May 2020 Statement.

Sources: ABS; RBA



ABS Cat. No. 5206.0

2 September 2020

## Australian National Accounts, June Quarter 2020

The Australian economy contracted by 7.0 per cent in the June quarter 2020 to be 6.3 per cent lower through the year. This is the largest quarterly fall in real GDP on record and was below the median market expectation of -6 per cent (range: -3.5 per cent to -13.4 per cent). Net exports and New public final demand contributed positively to growth in the quarter, while Household consumption, New business investment, Dwelling investment and the change in Inventories detracted from growth in the quarter. The outcome reflects the economic impact of the COVID-19 outbreak, policy responses to manage the health impacts of the virus and significant government support for economic activity and incomes.

- 1. Real GDP** contracted by 7.0 per cent in the June quarter 2020 to be 6.3 per cent lower through the year. On a financial-year basis, real GDP fell by 0.2 per cent in 2019-20.
- 2. Household consumption** fell by 12.1 per cent in the quarter to be 12.7 per cent lower through the year, detracting 6.7 percentage points from real GDP growth in the quarter. The largest contributors to the decline in consumption were Hotels, cafes and restaurants (down 56.1 per cent) and Transport services (down 85.9 per cent). These falls were partially offset by increases in Furnishings and household equipment (up 9.5 per cent), and Alcoholic beverages (up 13.0 per cent). The household saving ratio rose to 19.8 per cent, from 6.0 per cent in the March quarter.
- 3. Dwelling investment** fell by 6.8 per cent in the quarter, to be 11.2 per cent lower through the year. There were falls in both New and used dwellings (down 7.3 per cent) and in Alterations and additions (down 6.0 per cent).
- 4. Ownership transfer costs** fell by 18.5 per cent in the quarter and detracted 0.3 percentage points from GDP growth, reflecting the impact of social distancing restrictions on housing market activity.
- 5. New private business investment** fell by 3.5 per cent in the quarter to be 5.5 per cent lower through the year. Falls in New machinery and equipment investment (down 6.8 per cent) and New buildings (down 2.3 per cent) drove the decline, partially offset by an increase in New engineering construction (up 1.9 per cent).
- 6. New public final demand** grew by 2.0 per cent in the quarter to be 6.1 per cent higher through the year, driven by public consumption (up 2.9 per cent). New public investment fell by 1.8 per cent in the quarter.
- 7. Net exports** (exports less imports) contributed 1.0 percentage points to real GDP growth in the quarter, with the record fall in imports (down 12.9 per cent) greater than the fall in exports (down 6.7 per cent). The fall in export volumes was driven by a decrease in services exports (down 18.4 per cent), while the fall in import volumes was driven by a decrease in services imports (down 50.5 per cent), with travel services falling sharply (down 98.7 per cent). The falls in both services exports and imports reflects the impact of travel restrictions in response to COVID-19.
- 8. Inventories** detracted 0.6 percentage points from real GDP growth in the quarter, driven by Retail trade and Wholesale trade inventories.
- 9. Industry gross value added (GVA)** fell in 15 out of 20 industries, with the largest detractions from growth coming from Transport, postal and warehousing (down 21.5 per cent), Accommodation and food services (down 39.0 per cent) and Administrative and support services (down 20.0 per cent). Financial and insurance services (up 0.7 per cent) and Public Administration (up 0.9 per cent) made the largest contributions to growth.
- 10. State final demand** fell in all states and territories in the quarter, with the largest falls in New South Wales (down 8.6 per cent) and Victoria (down 8.5 per cent). The ACT experienced the smallest fall in State final demand, down 2.2 per cent.
- 11. The terms of trade** rose by 0.2 per cent in the June quarter to be 1.8 per cent lower through the year, with the decline in import prices (down 1.4 per cent) larger than the fall in export prices (down 1.2 per cent). The current account surplus increased by \$8.7 billion to \$17.7 billion in the June quarter, reflecting a trade surplus of \$23.9 billion and a narrowing of the net primary income deficit to \$5.6 billion. This is the largest current account surplus on record.
- 12. Nominal GDP** fell by 7.6 per cent in the quarter to be 5.9 per cent lower through the year, reflecting weakness in domestic prices.

13. **Compensation of employees** fell by 2.5 per cent in the quarter to be 0.4 per cent higher through the year, while average compensation per employee rose by 3.1 per cent in the quarter to be 4.6 per cent higher through the year.

14. **Gross operating surplus** increased by 8.2 per cent in the quarter to be 9.9 per cent higher through the year, primarily driven by an increase in private non-financial corporations gross operating surplus (up 14.9 per cent).

15. **Taxes less subsidies on production and imports** fell a record 111.9 per cent, reflecting a large rise in subsidies, up \$49.7 billion or 859.7 per cent. The rise in subsidies was driven by *JobKeeper* and the *Boosting cash flow for employers* policies.

16. **Labour productivity** (GVA per hour worked) in the market sector increased by 5.9 per cent in the quarter, to be 7.3 per cent higher through the year.

# Summary Tables

**Table 1: Alternative measures of GDP (chain volume)**

Per cent change	Quarter (s.a.)		tty		(orig.)
	Mar	Jun	Mar	Jun	2019-20
GDP	-0.3	<b>-7.0</b>	1.6	<b>-6.3</b>	-0.2
Expenditure-based GDP	-0.2	<b>-6.8</b>	1.7	<b>-6.0</b>	0.0
Income-based GDP	-0.4	<b>-7.2</b>	1.5	<b>-6.4</b>	-0.4
Production-based GDP	-0.2	<b>-7.1</b>	1.5	<b>-6.4</b>	-0.3
Consensus expectations*		<b>-6.0</b>		<b>-5.1</b>	

\*Median market expectations for real GDP growth.

Source: ABS Cat No. 5206.0 Tables 1, 24, 34 and Bloomberg.

**Table 2: Expenditure components of GDP (chain volume)**

	(Per cent change)			Cont. to growth (percentage pts)	
	Mar	Jun	tty	Mar	Jun
New private final demand	-1.1	<b>-10.5</b>	-11.3	-0.8	<b>-7.8</b>
Household consumption	-1.2	<b>-12.1</b>	-12.7	-0.7	<b>-6.7</b>
Dwelling investment	-1.0	<b>-6.8</b>	-11.2	-0.1	<b>-0.4</b>
New business investment	-0.7	<b>-3.5</b>	-5.5	-0.1	<b>-0.4</b>
New building	-1.8	<b>-2.3</b>	0.3	0.0	<b>-0.1</b>
New engineering construction	1.5	<b>1.9</b>	-1.0	0.0	<b>0.0</b>
New machinery and equipment	-2.1	<b>-6.8</b>	-13.4	-0.1	<b>-0.3</b>
New public final demand	1.7	<b>2.0</b>	6.1	0.4	<b>0.5</b>
Domestic final demand	-0.4	<b>-7.4</b>	-7.0	-0.4	<b>-7.2</b>
Changes in inventories				-0.2	<b>-0.6</b>
Gross national expenditure	-0.6	<b>-8.0</b>	-7.7	-0.6	<b>-7.8</b>
Exports	-4.4	<b>-6.7</b>	-10.6	-1.0	<b>-1.4</b>
Imports	-6.7	<b>-12.9</b>	-19.1	1.4	<b>2.5</b>
Net exports				0.4	<b>1.0</b>
GDP (E)	-0.2	<b>-6.8</b>	-6.0		
GDP	-0.3	<b>-7.0</b>	-6.3		

Source: ABS Cat No. 5206.0 Tables 2, 24 and Treasury.

**Table 3: Production-based GDP (chain volume)**

	(Per cent change)			Cont. to growth (percentage pts)	
	Mar	Jun	tty	Mar	Jun
Ag, forestry & fishing	-1.9	<b>-1.9</b>	-6.3	0.0	<b>0.0</b>
Mining	-0.6	<b>0.2</b>	1.1	0.0	<b>0.0</b>
Manufacturing	2.3	<b>-9.6</b>	-6.1	0.1	<b>-0.5</b>
Construction	-0.6	<b>-8.2</b>	-10.3	0.0	<b>-0.6</b>
Total services	-0.3	<b>-7.0</b>	-6.0	-0.2	<b>-4.9</b>
Rental, hiring & real estate	-1.9	<b>-15.9</b>	-14.7	-0.1	<b>-0.5</b>
Transport, postal & warehousing	-4.6	<b>-21.5</b>	-23.7	-0.2	<b>-0.9</b>
Retail trade	1.7	<b>-4.5</b>	-2.8	0.1	<b>-0.2</b>
Financial & insurance	1.2	<b>0.7</b>	3.0	0.1	<b>0.1</b>
Health care & social assistance	-0.1	<b>-7.9</b>	-4.1	0.0	<b>-0.6</b>
Prof. scientific & technical	1.3	<b>-6.2</b>	-3.6	0.1	<b>-0.4</b>
GDP (P)	-0.2	<b>-7.1</b>	-6.4		
GDP	-0.3	<b>-7.0</b>	-6.3		

Source: ABS Cat No. 5206.0 Tables 2, 6 and 24.

**Table 4: Income-based GDP (current prices)**

	(Per cent change)		
	Mar	Jun	tty
Compensation of employees	0.7	<b>-2.5</b>	0.4
Gross operating surplus	1.0	<b>8.2</b>	9.9
Private non-financial corporations and Financial corporations	1.1	<b>11.4</b>	13.1
Gross mixed income	-0.5	<b>21.9</b>	19.6
Average compensation per employee	-0.2	<b>3.1</b>	4.6
Household disposable income	1.7	<b>2.2</b>	6.4
Real household gross disposable income	1.2	<b>2.9</b>	5.8
Household saving ratio*	6.0	<b>19.8</b>	
Profits share of total factor income^	29.0	<b>31.1</b>	
Wages share of total factor income^	52.5	<b>49.4</b>	
Gross national income	1.1	<b>-7.0</b>	-4.3
Nominal GDP	0.9	<b>-7.6</b>	-5.9

Source: ABS Cat No. 5206.0, Tables 1, 7, 11, 20 and 24.

\* shown as ratio, not percentage change.

^ shares do not sum to 100 per cent due to the exclusion of government gross operating surplus, dwelling gross operating surplus and gross mixed income.

**Table 5: Price measures (sa unless otherwise stated)**

	(Per cent change)		
	Mar	Jun	tty
Chain price indexes (original)			
GDP	1.1	<b>-0.2</b>	0.3
Domestic final demand	0.3	<b>-0.2</b>	1.3
Household consumption	0.7	<b>-0.4</b>	1.5
Consumer price index	0.3	<b>-1.9</b>	-0.3
Implicit price deflators			
GDP	1.1	<b>-0.6</b>	0.3
Exports	2.6	<b>-1.2</b>	-2.4
Imports	-0.5	<b>-1.4</b>	-0.6
Terms of trade	3.1	<b>0.2</b>	-1.8
Labour productivity (a)	0.9	<b>5.9</b>	7.3
Non-farm nominal unit labour costs	0.1	<b>-10.6</b>	-9.3

(a) For the market sector

Source: ABS Cat No. 5206.0, Tables 1, 4, 5 and 42 and ABS Cat No. 6401 Tables 1 and 2.

**Table 6: State final demand (chain volume)**

	(Per cent change)		
	Mar	Jun	tty
New South Wales	-1.3	<b>-8.6</b>	-9.1
Victoria	-0.2	<b>-8.5</b>	-8.3
Queensland	-0.3	<b>-5.9</b>	-5.2
South Australia	-0.9	<b>-5.8</b>	-6.7
Western Australia	0.9	<b>-6.0</b>	-4.0
Tasmania	0.8	<b>-7.4</b>	-6.8
Northern Territory	-1.5	<b>-4.9</b>	-6.3
Australian Capital Territory	2.6	<b>-2.2</b>	2.0
Australia	-0.4	<b>-7.4</b>	-7.0

Source: ABS Cat No. 5206.0, Tables 2 and 25.



## International real GDP growth comparisons<sup>1</sup>

### Real GDP growth<sup>1</sup>

	Quarter-on-Quarter				Year-on-Year				Year Average	
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-19	Dec-19	Mar-20	Jun-20	2019	2019-20
Australia	0.5	0.6	-0.3	-7.0	1.8	2.3	1.6	-6.3	1.8	-0.2
<b>G7</b>										
United States	0.6	0.6	-1.3	-9.1	2.1	2.3	0.3	-9.1	2.2	-1.0
Japan	0.0	-1.8	-0.6	-7.8	1.7	-0.7	-2.0	-10.0	0.7	-2.6
Germany	0.3	0.0	-2.0	-9.7	0.8	0.4	-2.2	-11.3	0.6	-2.9
France	0.2	-0.2	-5.9	-13.8	1.6	0.8	-5.7	-18.9	**1.5	**5.6
United Kingdom	0.5	0.0	-2.2	-20.4	1.3	1.1	-1.7	-21.7	1.5	**5.3
Italy	0.0	-0.2	-5.5	-12.8	0.5	0.1	-5.6	-17.7	0.3	-5.7
Canada	0.3	0.1	-2.1	-11.5	1.6	1.5	-0.9	-13.0	1.6	-2.4
<b>Euro area</b>	0.3	0.0	-3.6	-12.1	1.4	1.0	-3.1	-15.0	1.3	**3.9
<b>OECD</b>	0.4	0.2	-1.8	-9.8	1.7	1.6	-0.9	-10.9	**1.6	**2.1
Korea	0.4	1.3	-1.3	-3.2	1.9	2.4	1.4	-2.8	2.0	0.7
Taiwan	0.7	1.6	-1.0	-1.4	2.8	3.6	1.7	-0.2	2.7	2.0
Hong Kong	-3.0	-0.5	-5.5	-0.1	-2.8	-3.0	-9.1	-8.9	-1.2	-5.9
Vietnam	na	na	na	na	na	na	*3.7	*0.4	7.0	na
<b>ASEAN-5</b>										
Indonesia	na	na	na	na	*5.0	*5.0	*3.0	*5.3	5.0	1.9
Thailand	0.0	-0.3	-2.5	-9.7	*2.6	*1.5	*2.0	*12.2	2.4	-2.5
Malaysia	0.8	0.6	-2.0	-16.5	*4.4	*3.6	*0.7	*17.1	4.3	-2.1
Philippines	2.5	2.0	-5.7	-15.2	*6.3	*6.7	*0.7	*16.5	6.0	-1.3
Singapore	0.6	0.2	-0.8	-13.1	0.6	1.1	-0.3	-13.1	0.7	-2.9
<b>BRICs</b>										
Brazil <sup>2</sup>	0.5	0.4	-1.5		*1.2	*1.7	*0.3		1.1	
Russia	0.4	0.5	0.3		*1.5	*2.1	*1.6	*8.5	1.3	
India	na	na	na	na	*4.4	*4.1	*3.1	*23.9	4.9	-3.1
China	1.4	1.3	-10.0	11.5	*6.0	*6.0	*6.8	*3.2	6.1	2.3
<b>Ireland</b>	1.3	0.4	1.2		5.9	6.1	5.3		5.6	
<b>New Zealand<sup>2</sup></b>	0.8	0.5	-1.6		2.4	1.8	-0.2		2.3	

Current as at 01 Sep 2020.

<sup>1</sup> Data is sourced from national statistical publications, OECD, CEIC databases, Thomson Reuters and Treasury.

<sup>2</sup> The production measure of GDP (rather than the expenditure measure of GDP) is used, in accordance with the preference of national statistical agencies.

Quarter-on-quarter and through-the-year data calculated using seasonally adjusted data, unless otherwise noted.

Year average growth and financial year averages calculated using original data, unless otherwise noted.

Financial year average data align with Australian financial year (September quarter to June quarter).

na = not available - country does not publish seasonally adjusted data

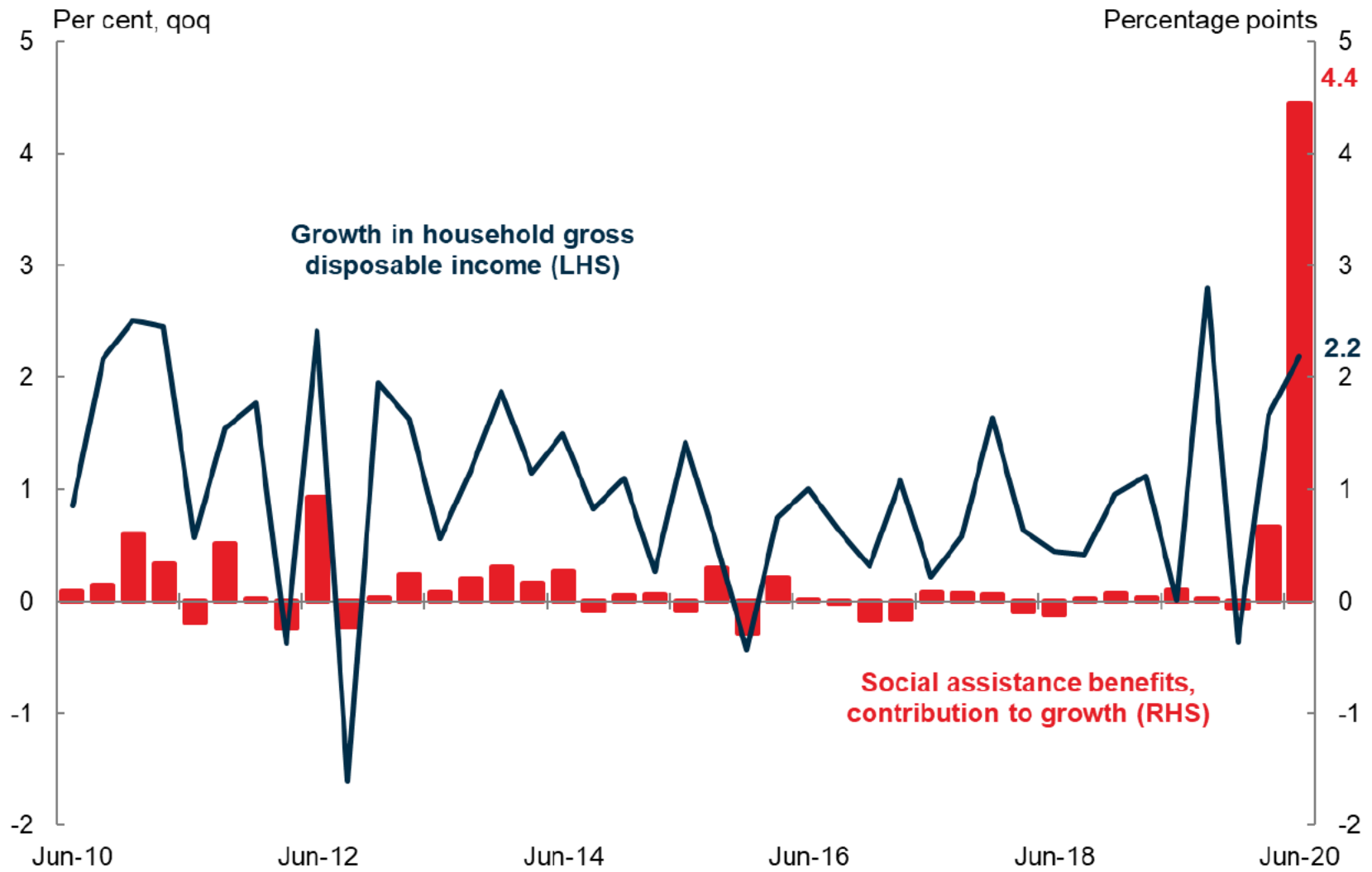
\* Through the year GDP results calculated from non-seasonally adjusted data

\*\* Year average growth and financial year average growth calculated using seasonally adjusted data



# Contribution of social assistance benefits to household income growth

FOI 2779  
Document 10

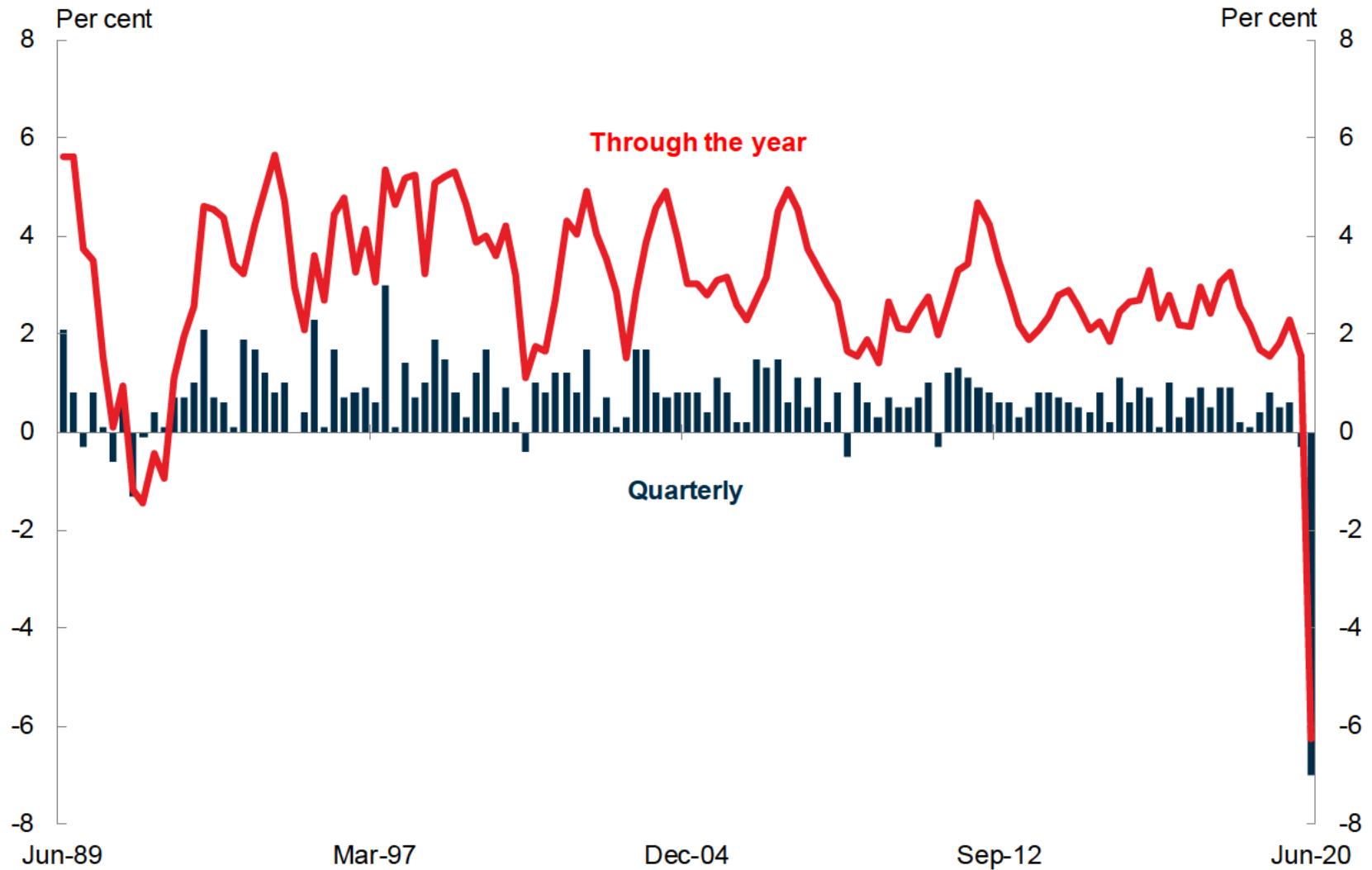




# NATIONAL ACCOUNTS

## June Quarter 2020

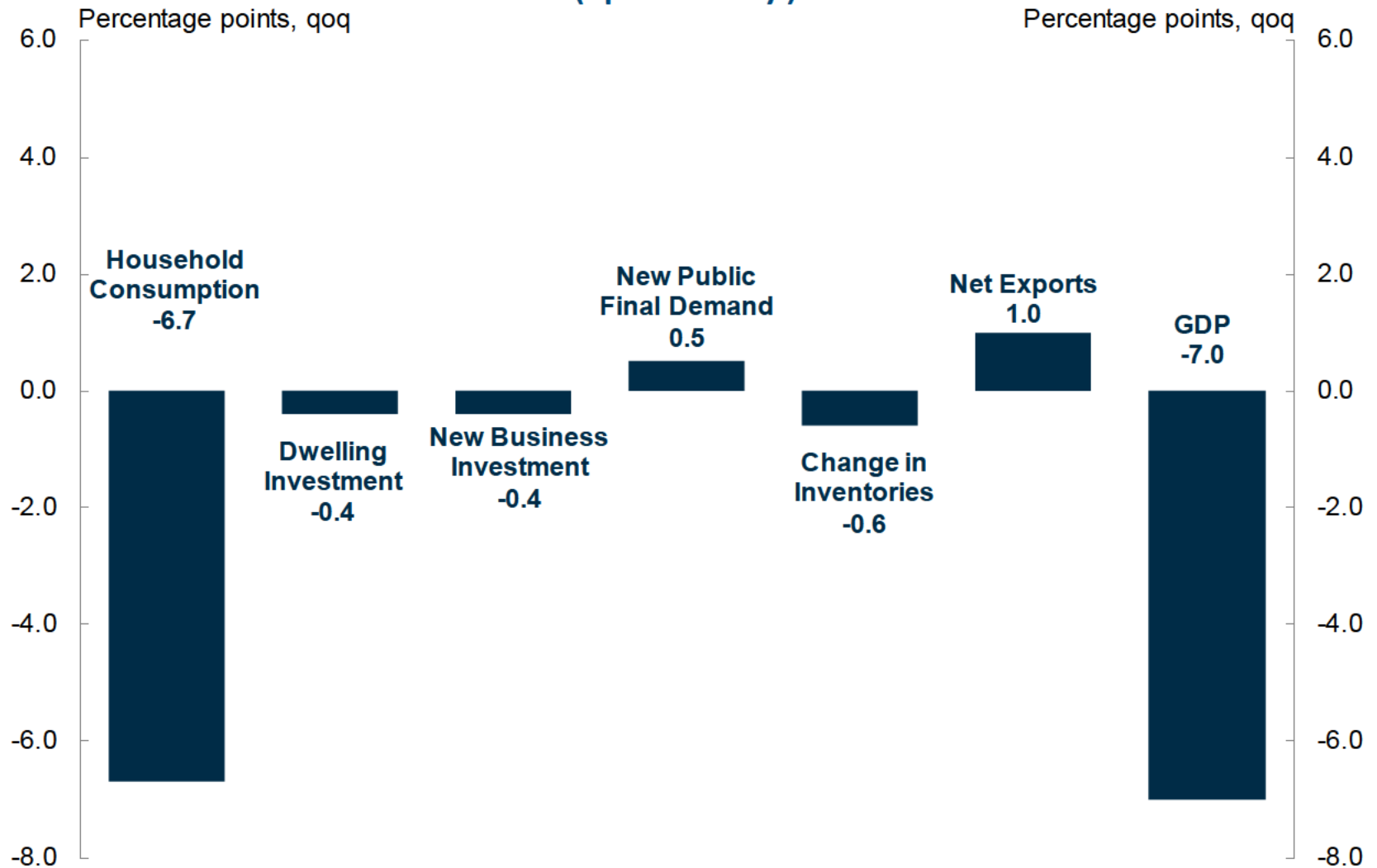
# Real GDP growth



Note: Median market expectation was for quarterly GDP to fall by 6 per cent (range: a fall of 3.5 per cent to a fall of 13.4 per cent)

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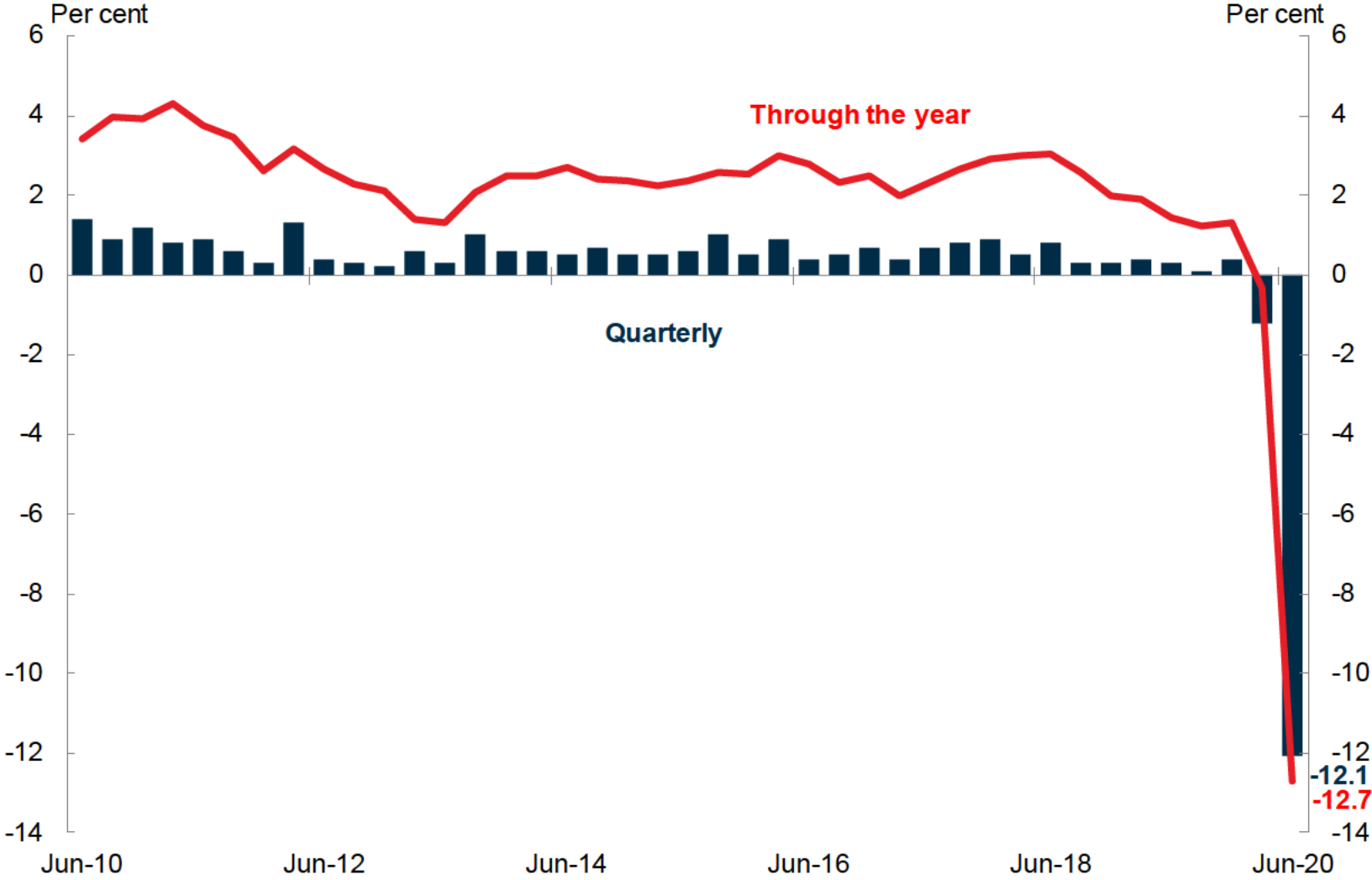
# Contributions to real GDP growth (quarterly)



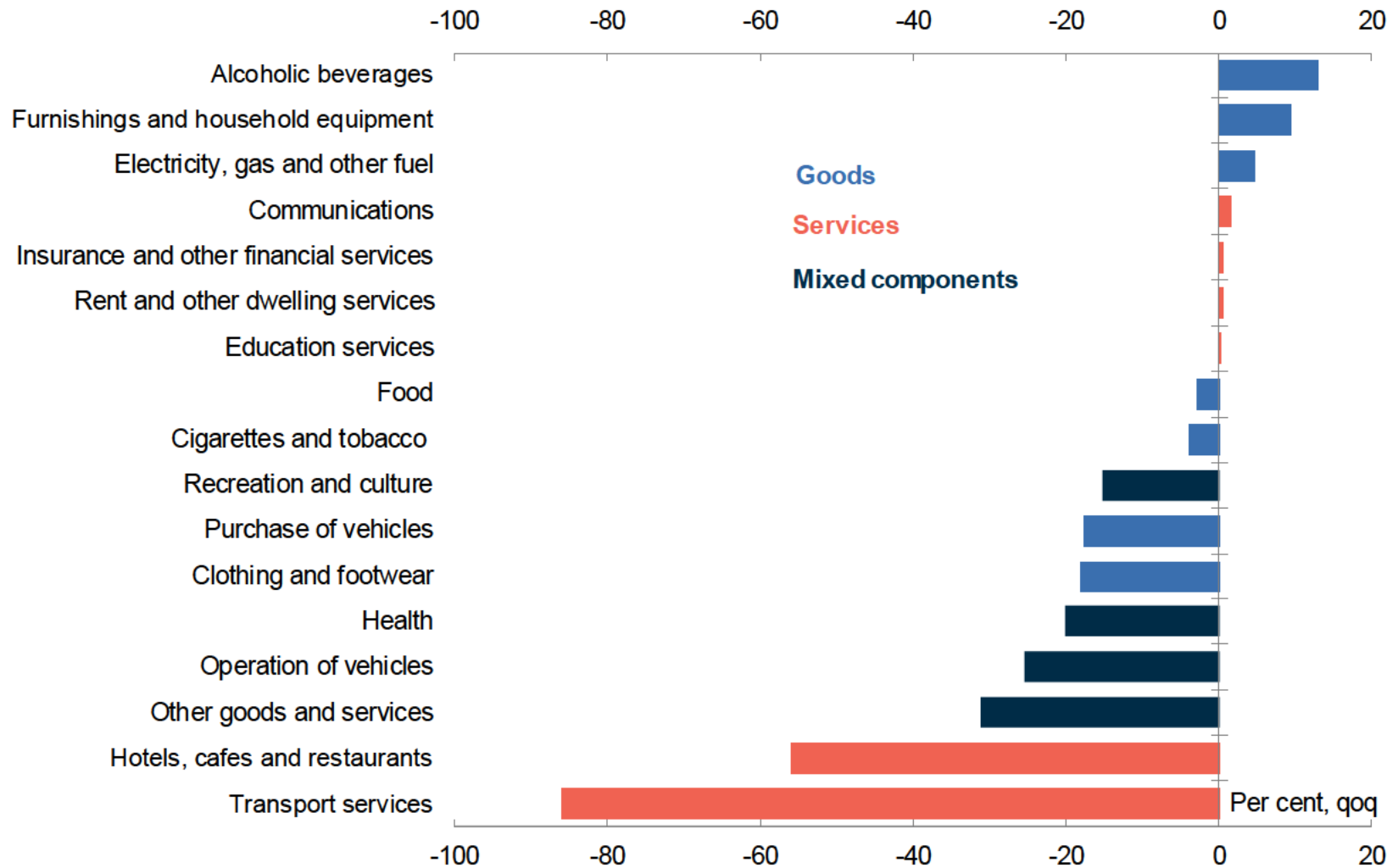
Note: The sum of individual components may not add to the aggregate due to rounding and the omission of the statistical discrepancy

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# Household consumption growth



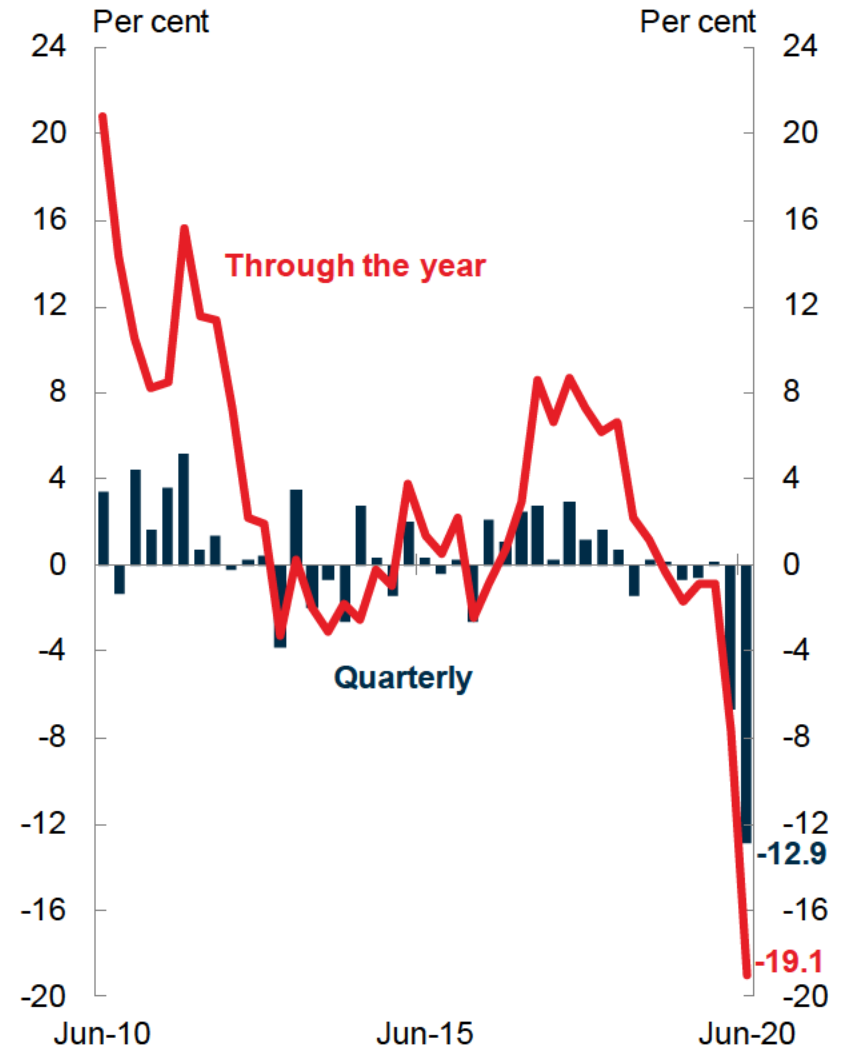
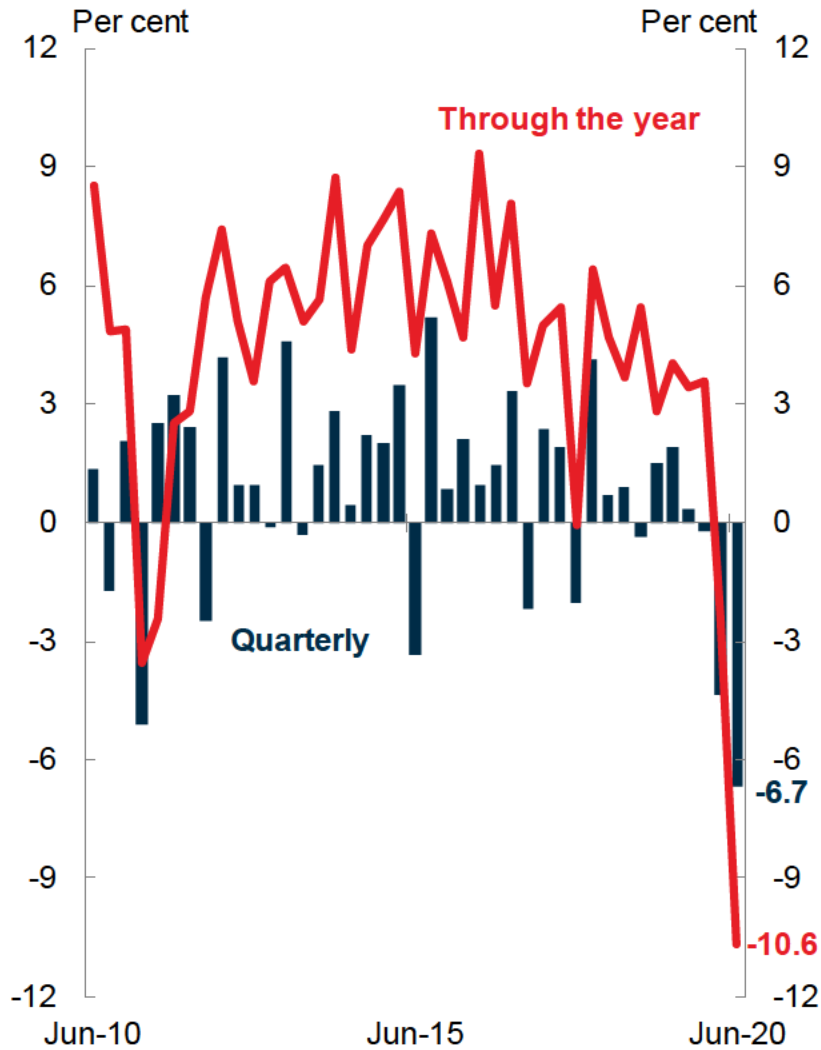
# Consumption by category



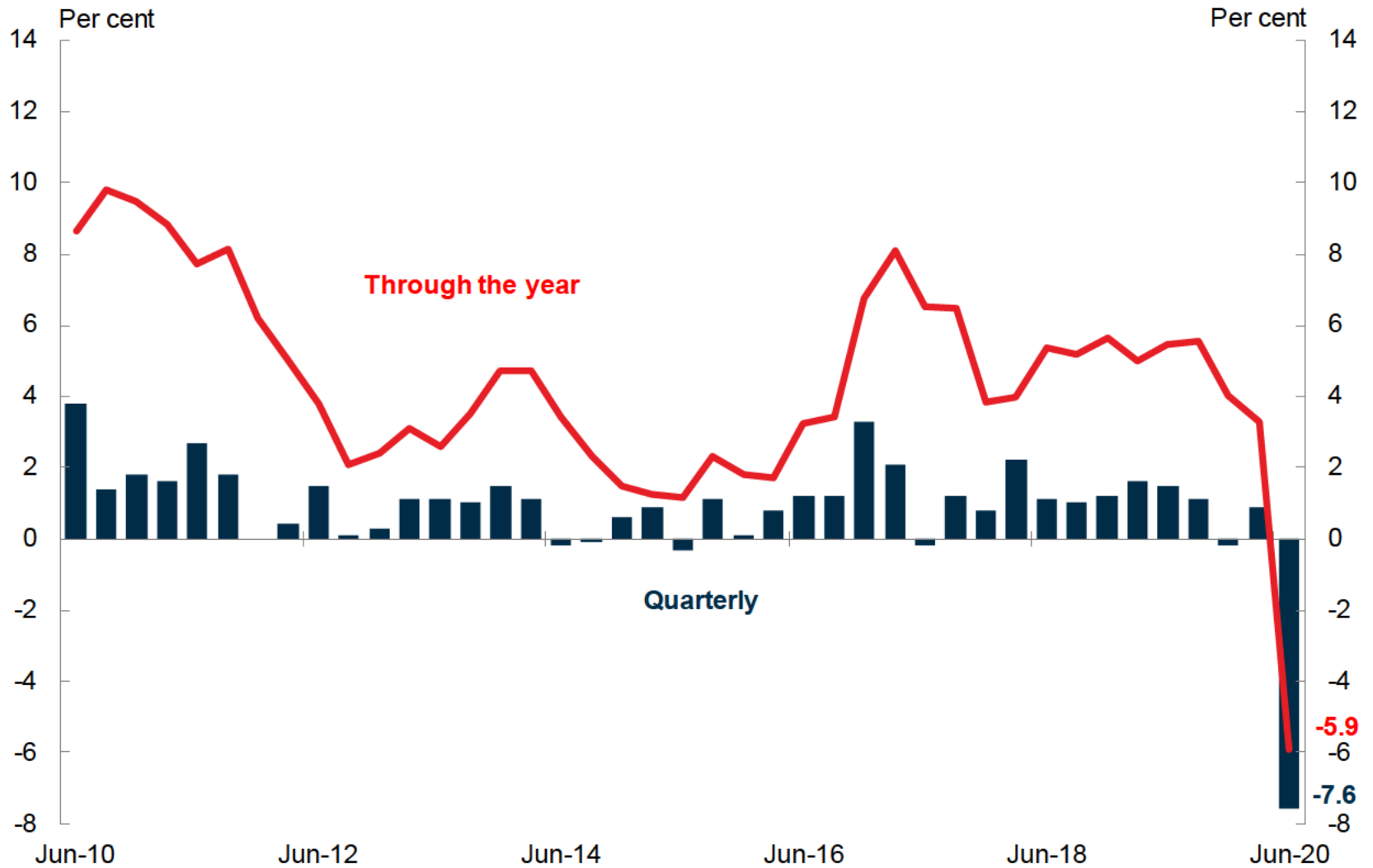
# Export and import volumes growth

## Exports

## Imports

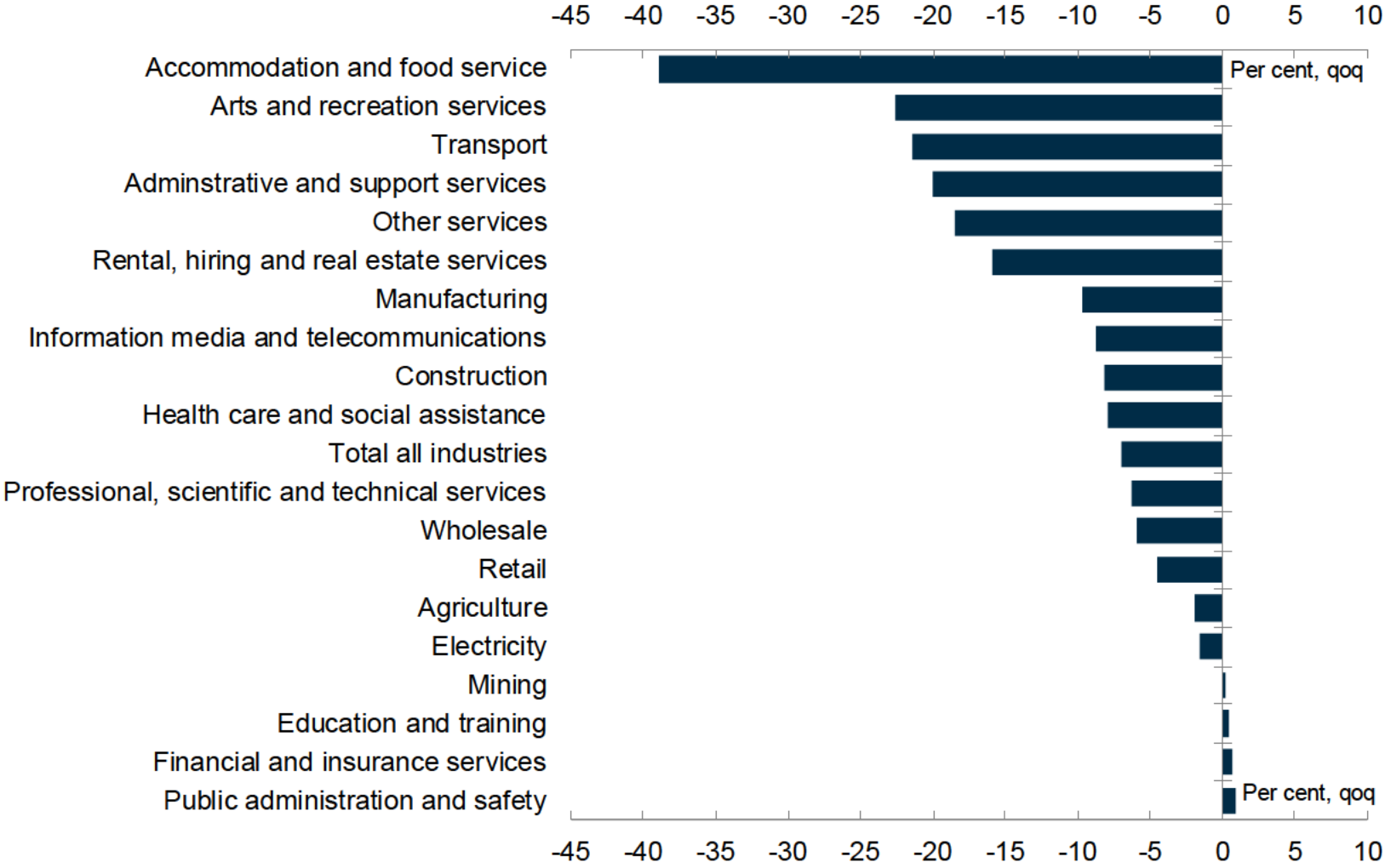


# Nominal GDP growth





# Gross value added by industry



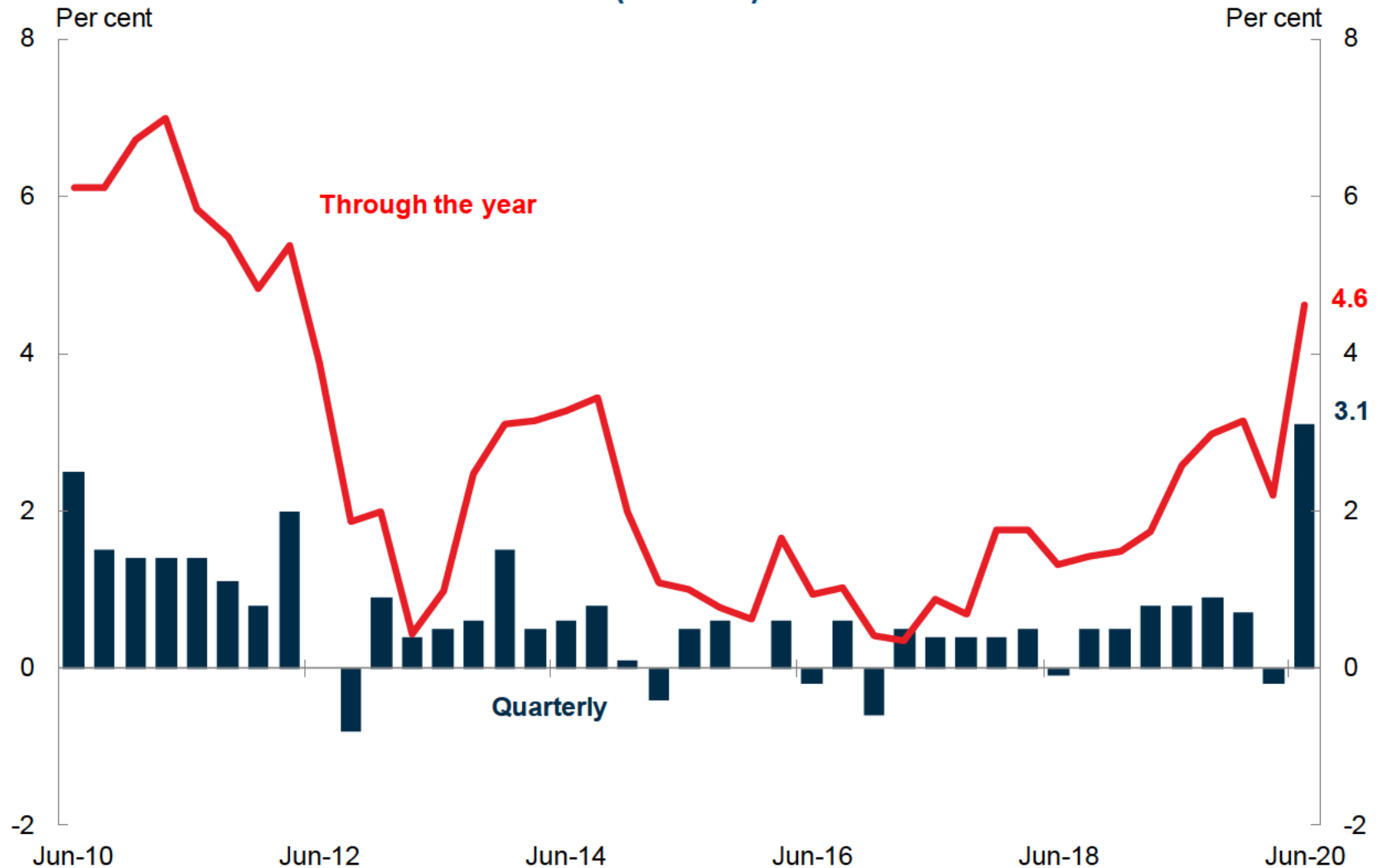
# Earnings and incomes growth

## Compensation of employees



Note: Profit is the gross operating surplus (GOS) for private non-financial and financial corporations. GOS only includes the income derived from the production of goods and services and does not include depreciation, interest and income tax, foreign exchange or other revaluation gains and losses.

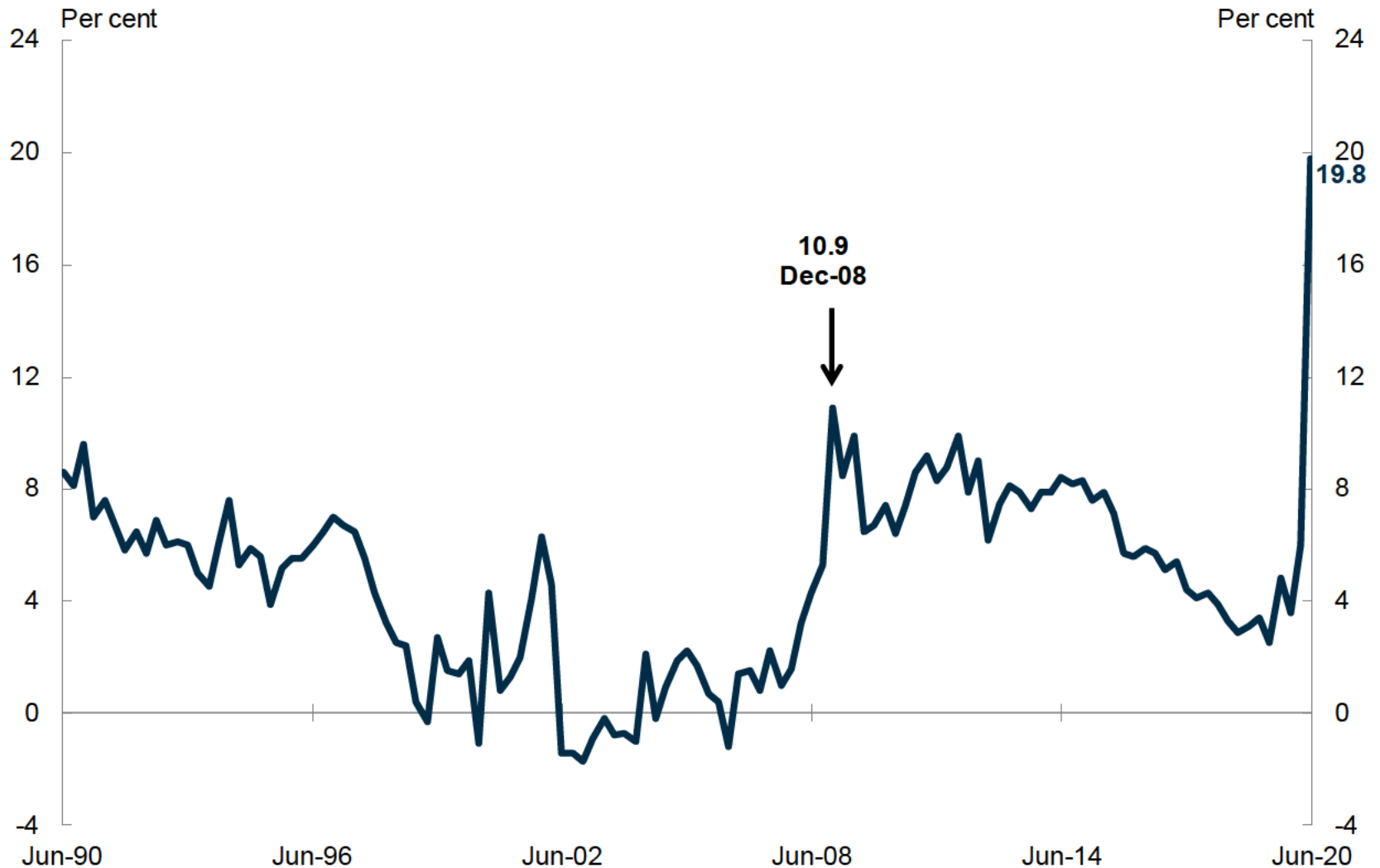
# Average compensation per employee (AENA)



Note: Average earnings on a national accounts basis (AENA) is calculated as total compensation of employees divided by the number of employees

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# Household saving ratio

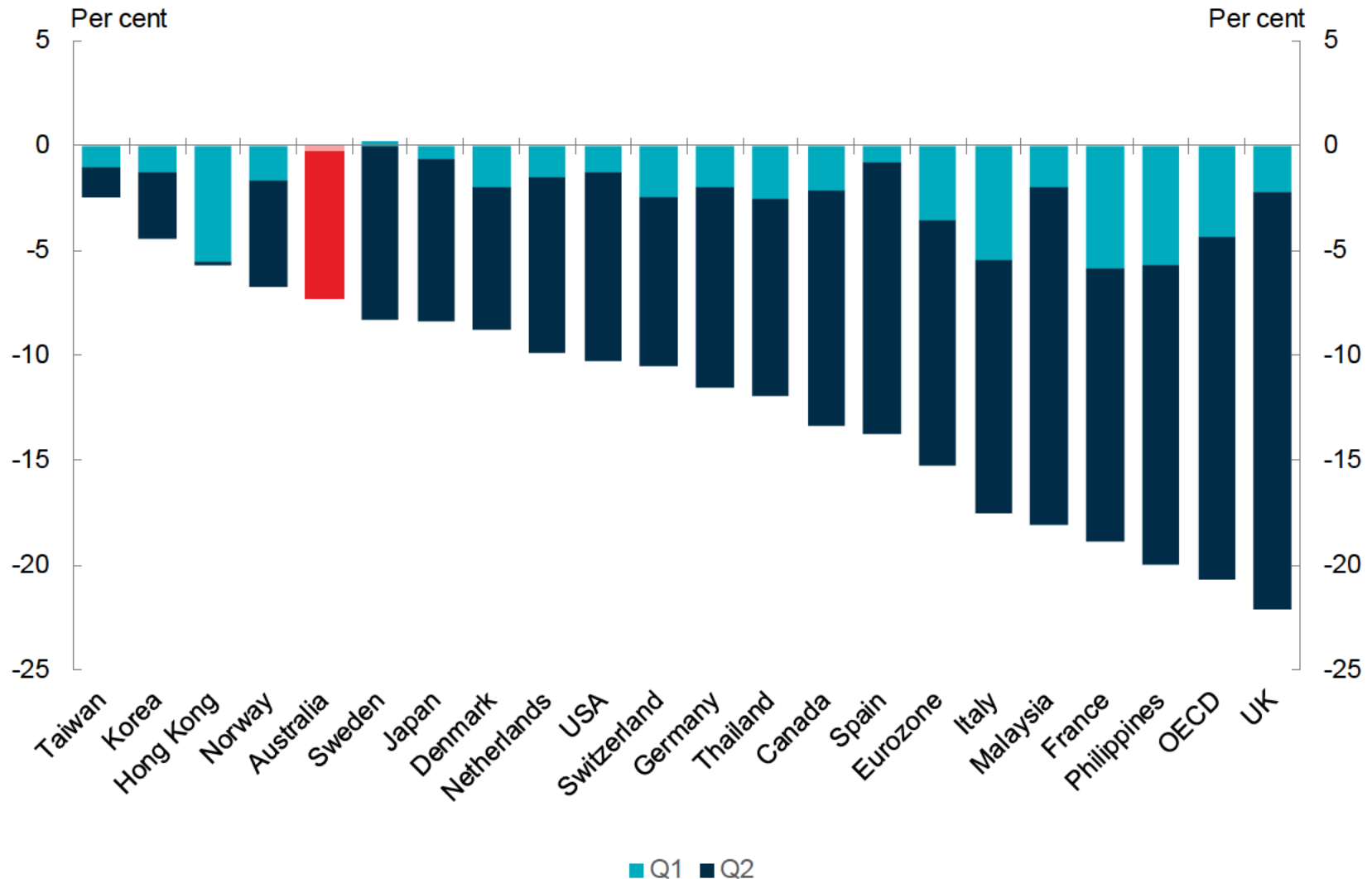


Note: The household saving ratio is the ratio of household net saving to household net disposable income

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# International real GDP growth comparisons

(Six months to June quarter 2020)

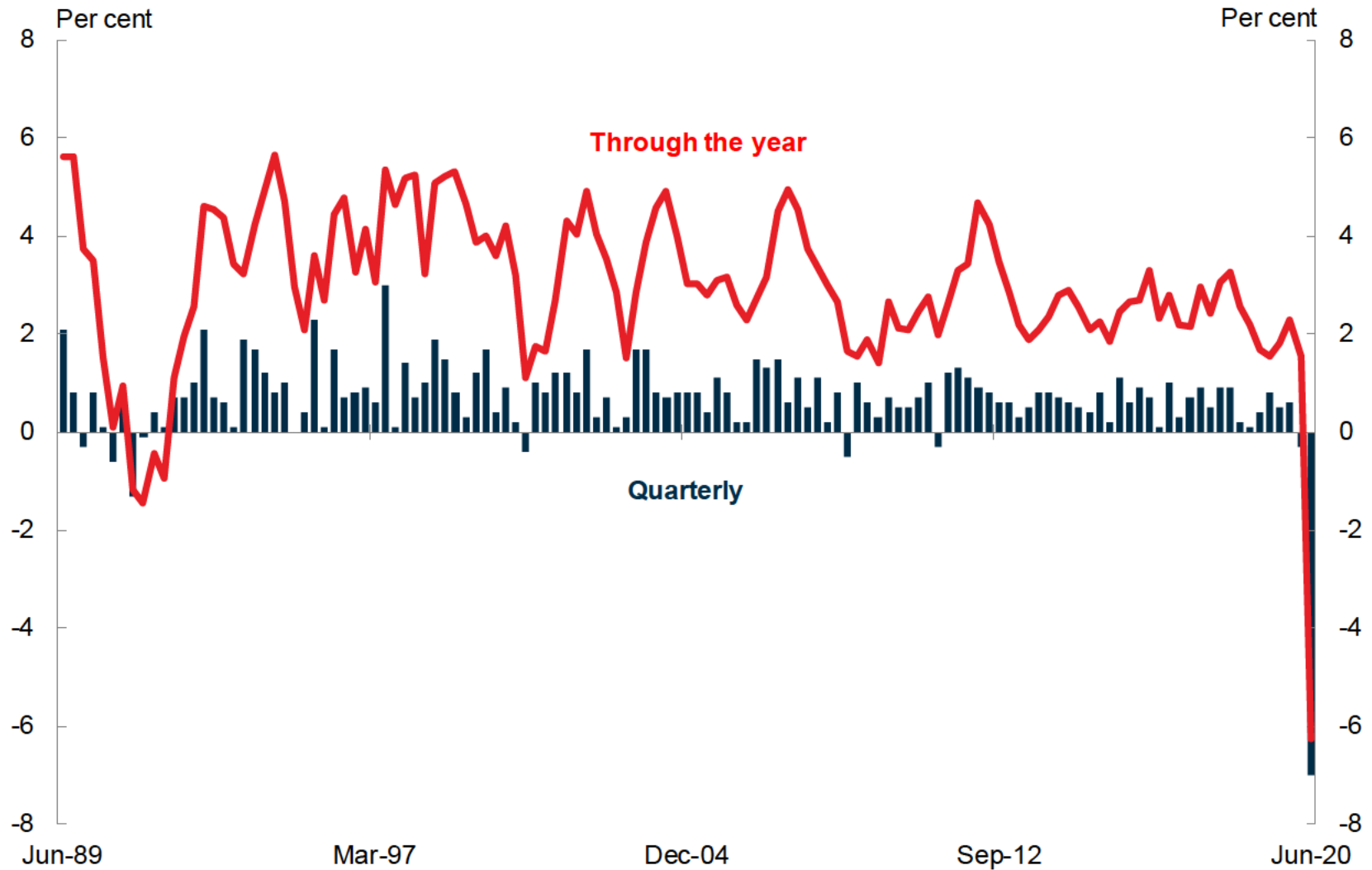




# NATIONAL ACCOUNTS

## June Quarter 2020

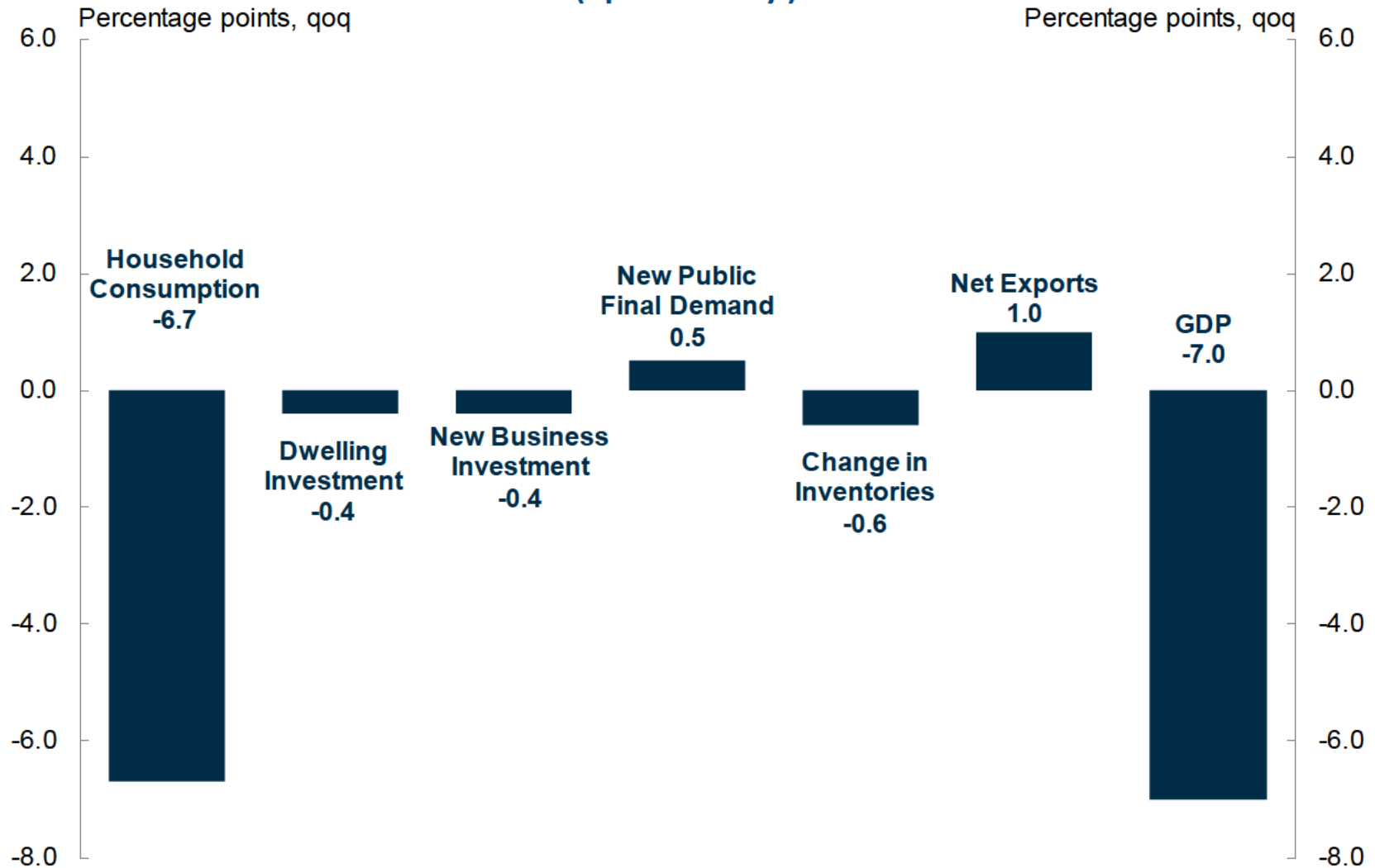
# Real GDP growth



Note: Median market expectation was for quarterly GDP to fall by 6 per cent (range: a fall of 3.5 per cent to a fall of 13.4 per cent)

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# Contributions to real GDP growth (quarterly)

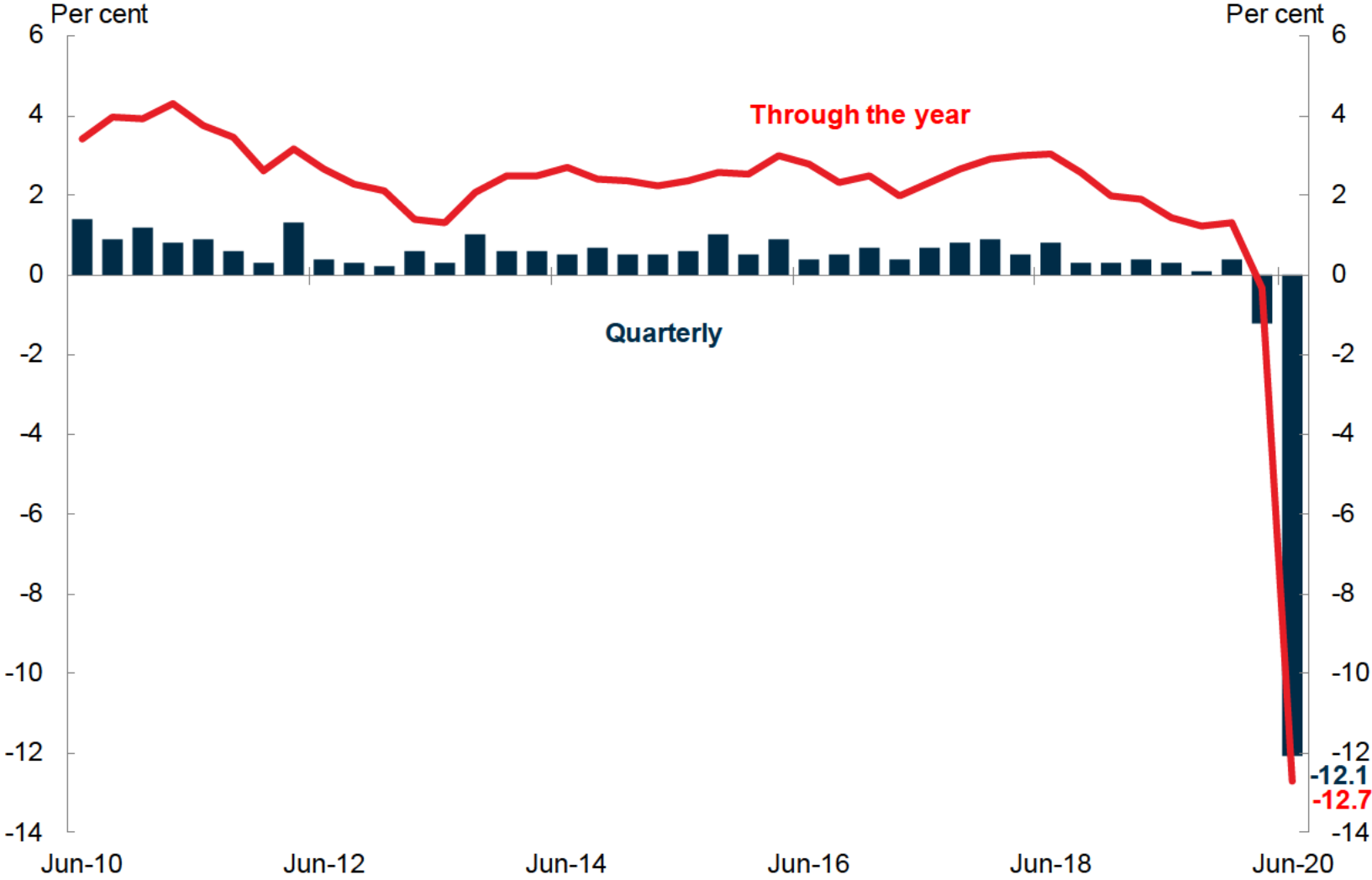


Note: The sum of individual components may not add to the aggregate due to rounding and the omission of the statistical discrepancy

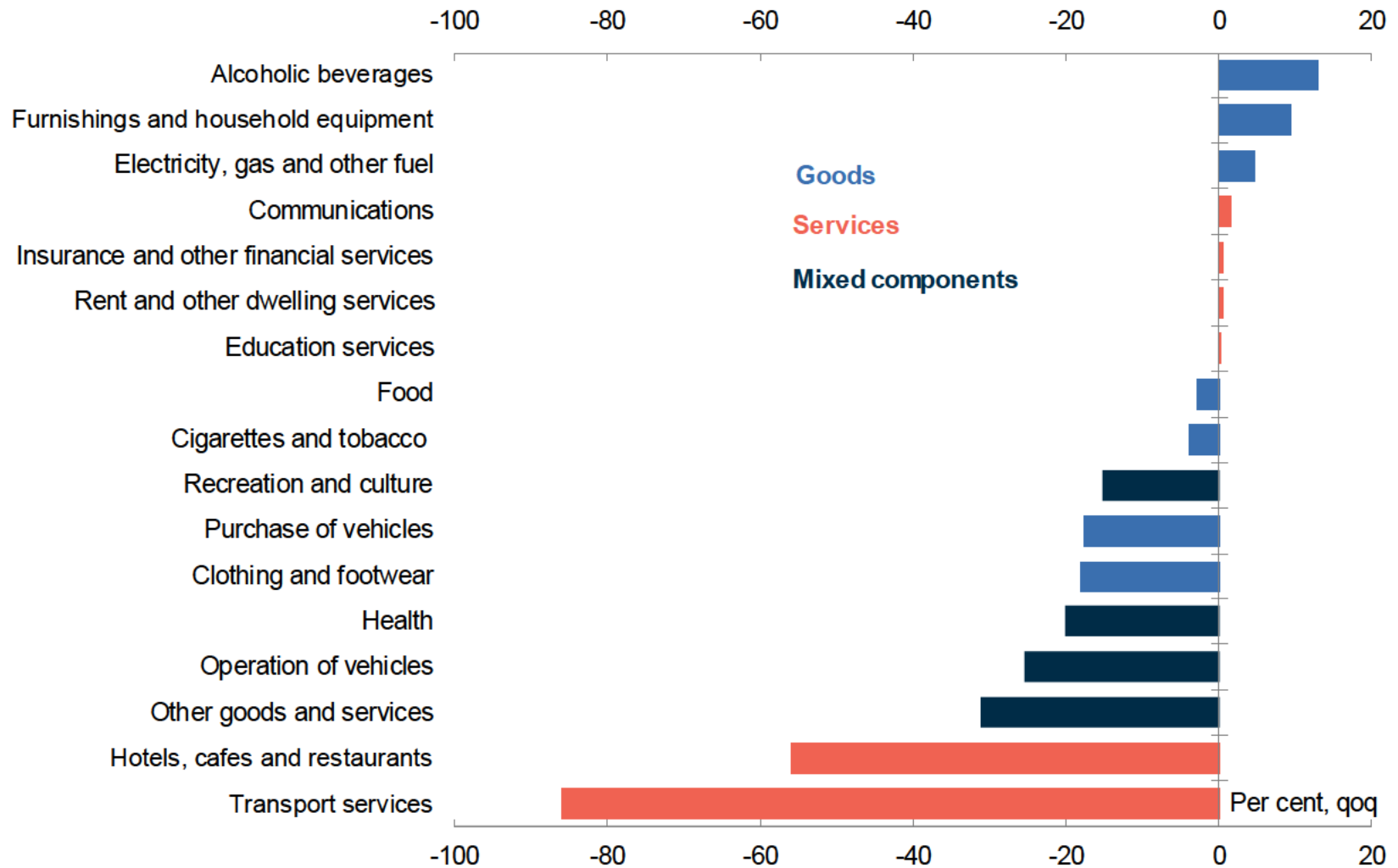
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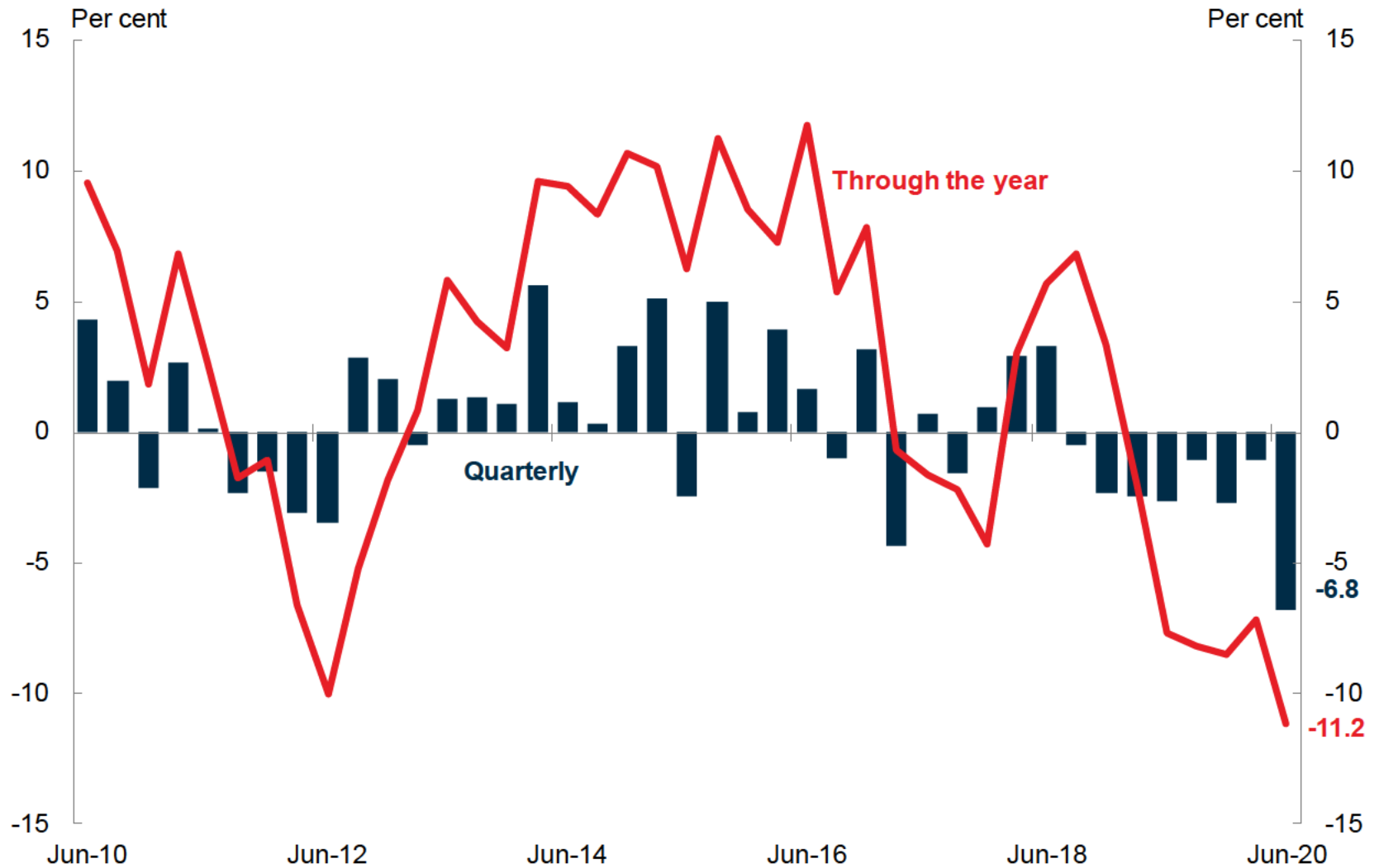
# Household consumption growth



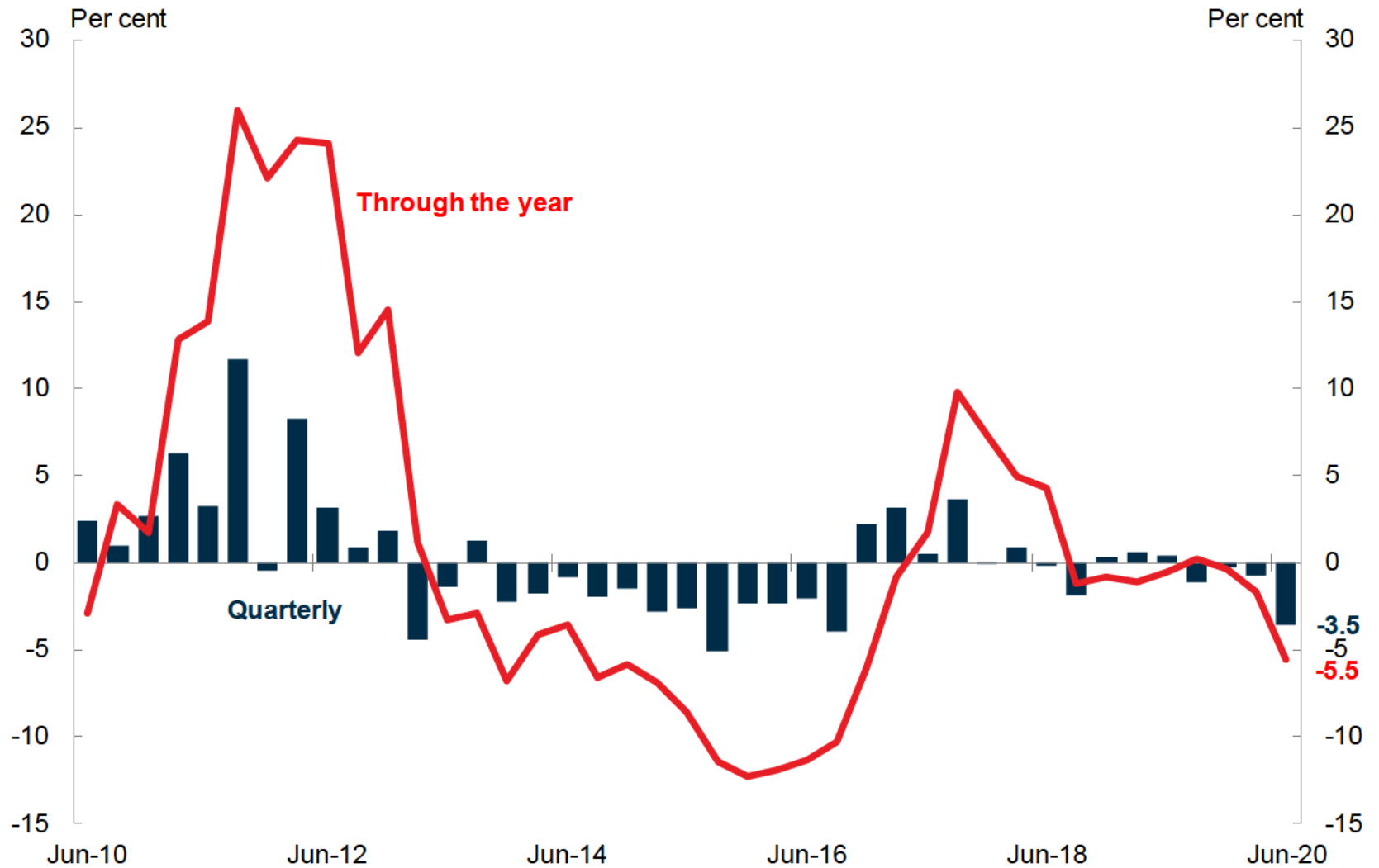
# Consumption by category



# Dwelling investment

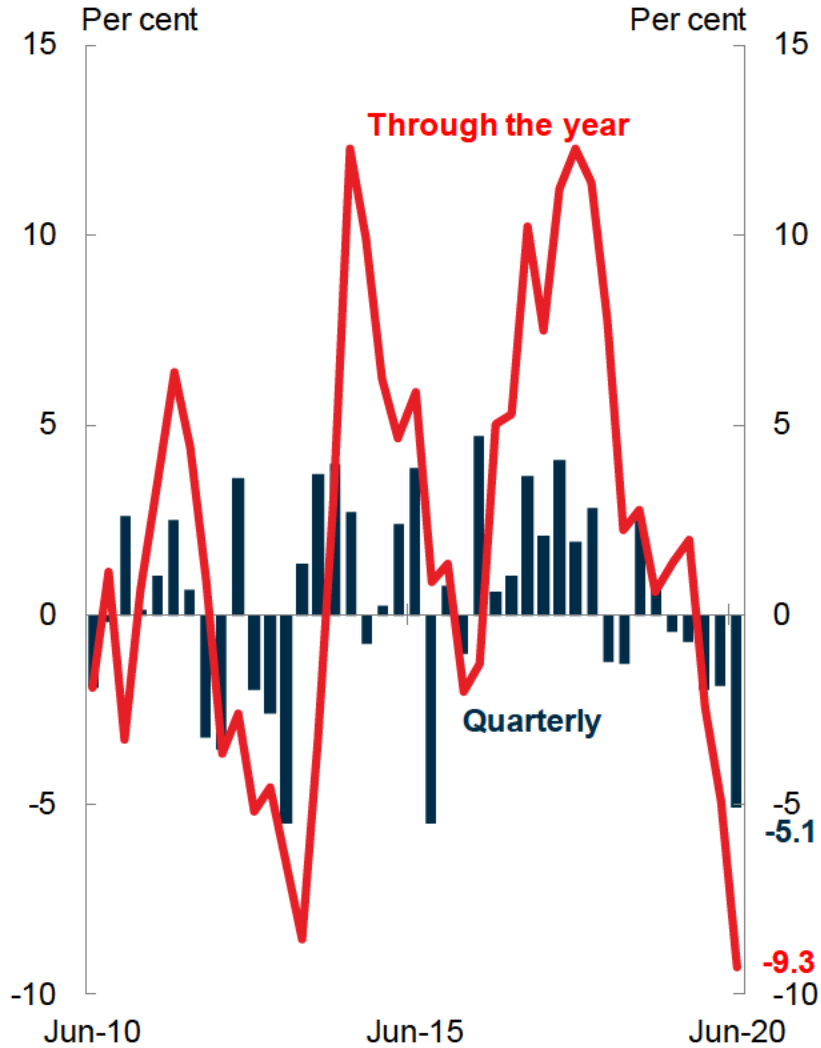


# New business investment

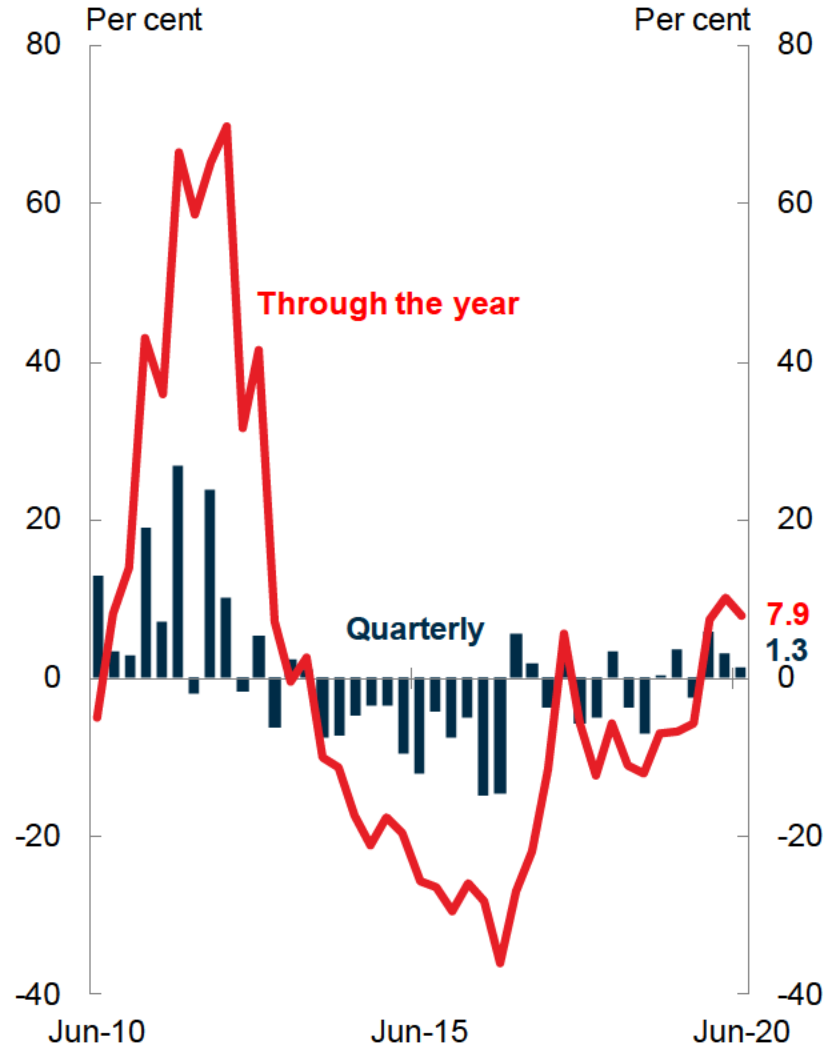


# Business investment

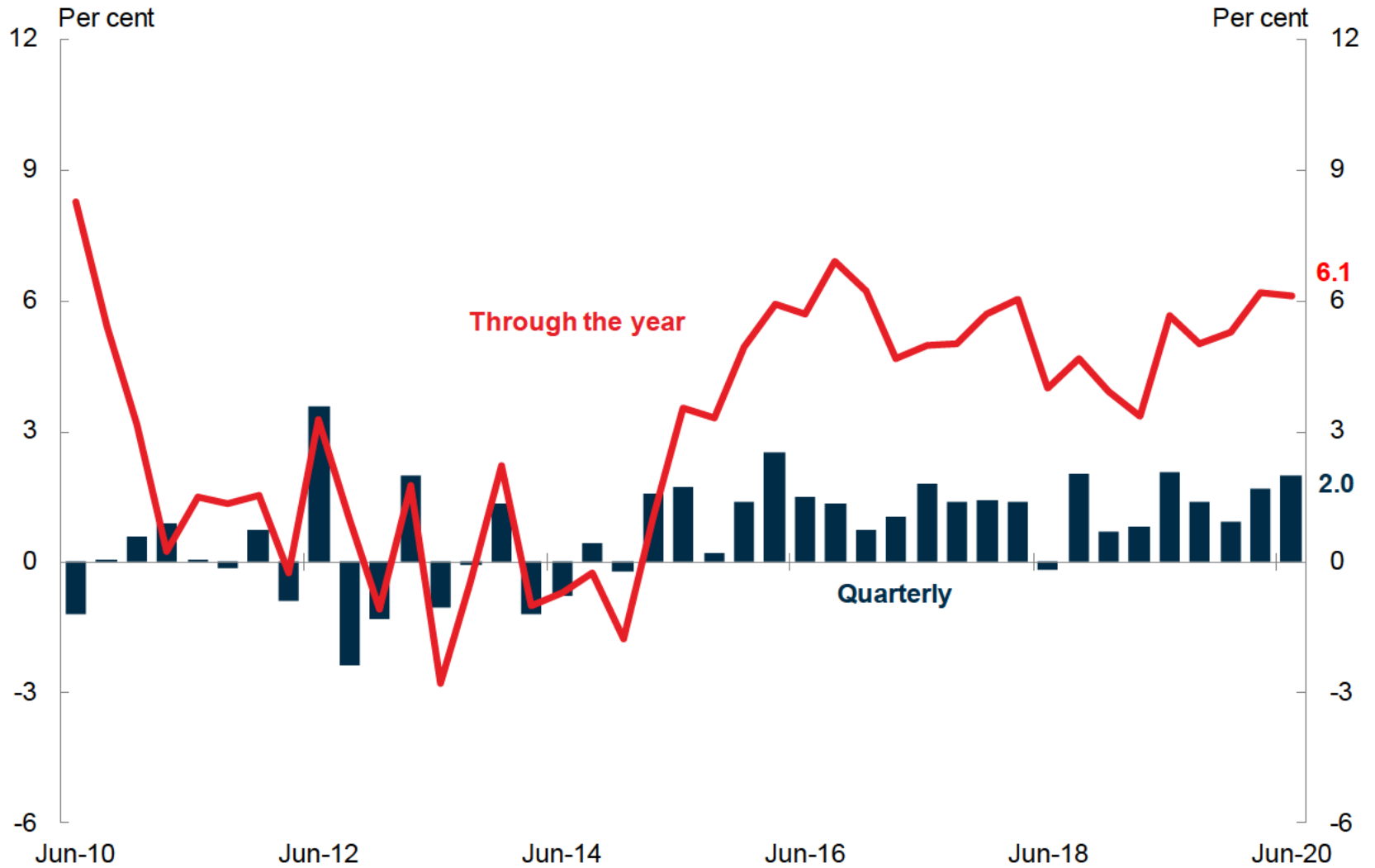
## New non-mining



## Mining



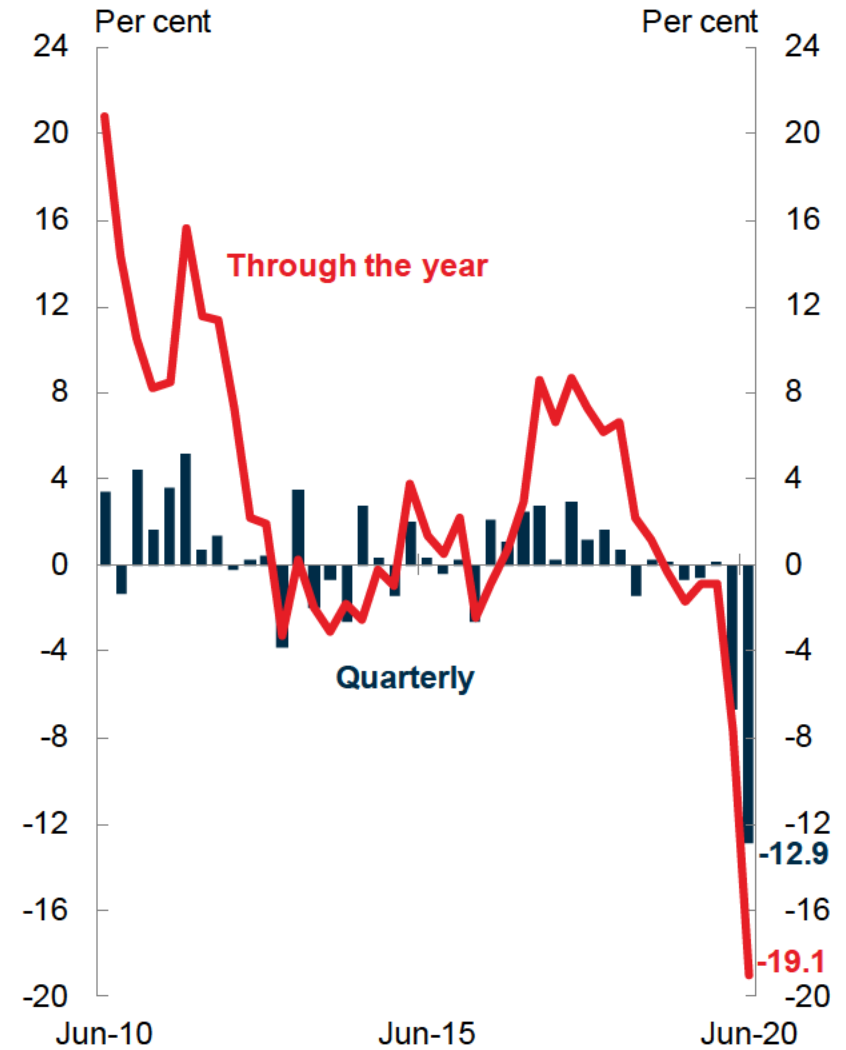
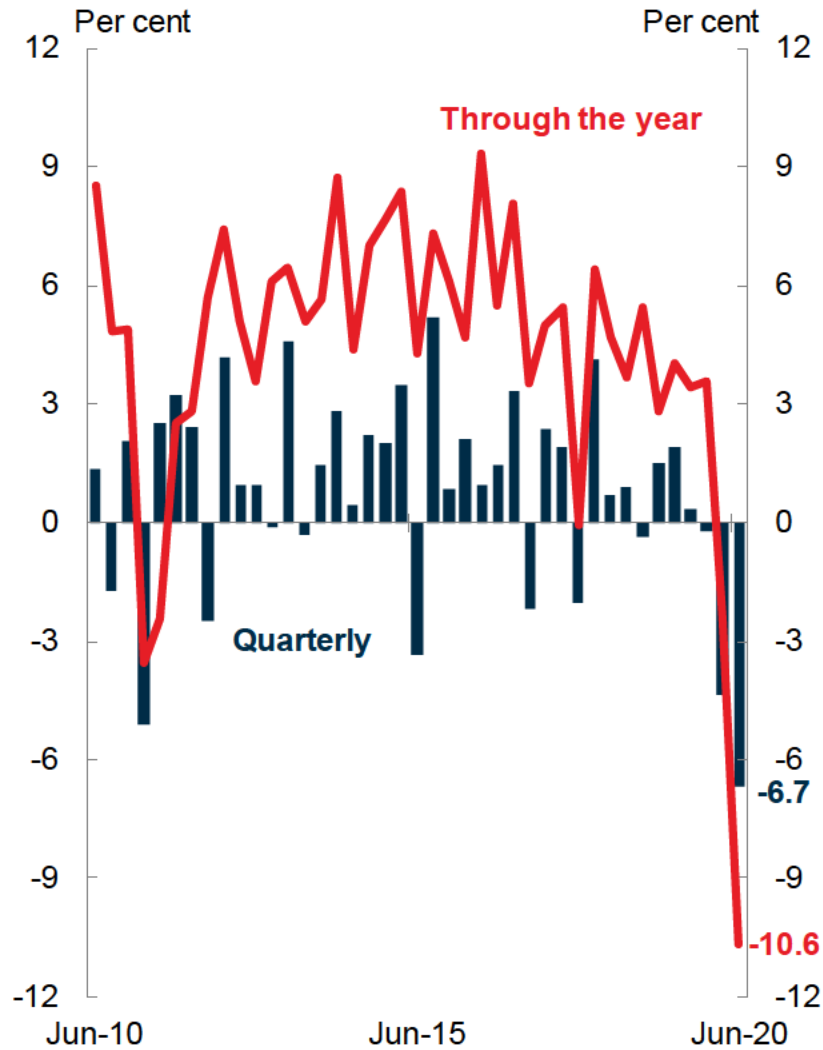
# New public final demand



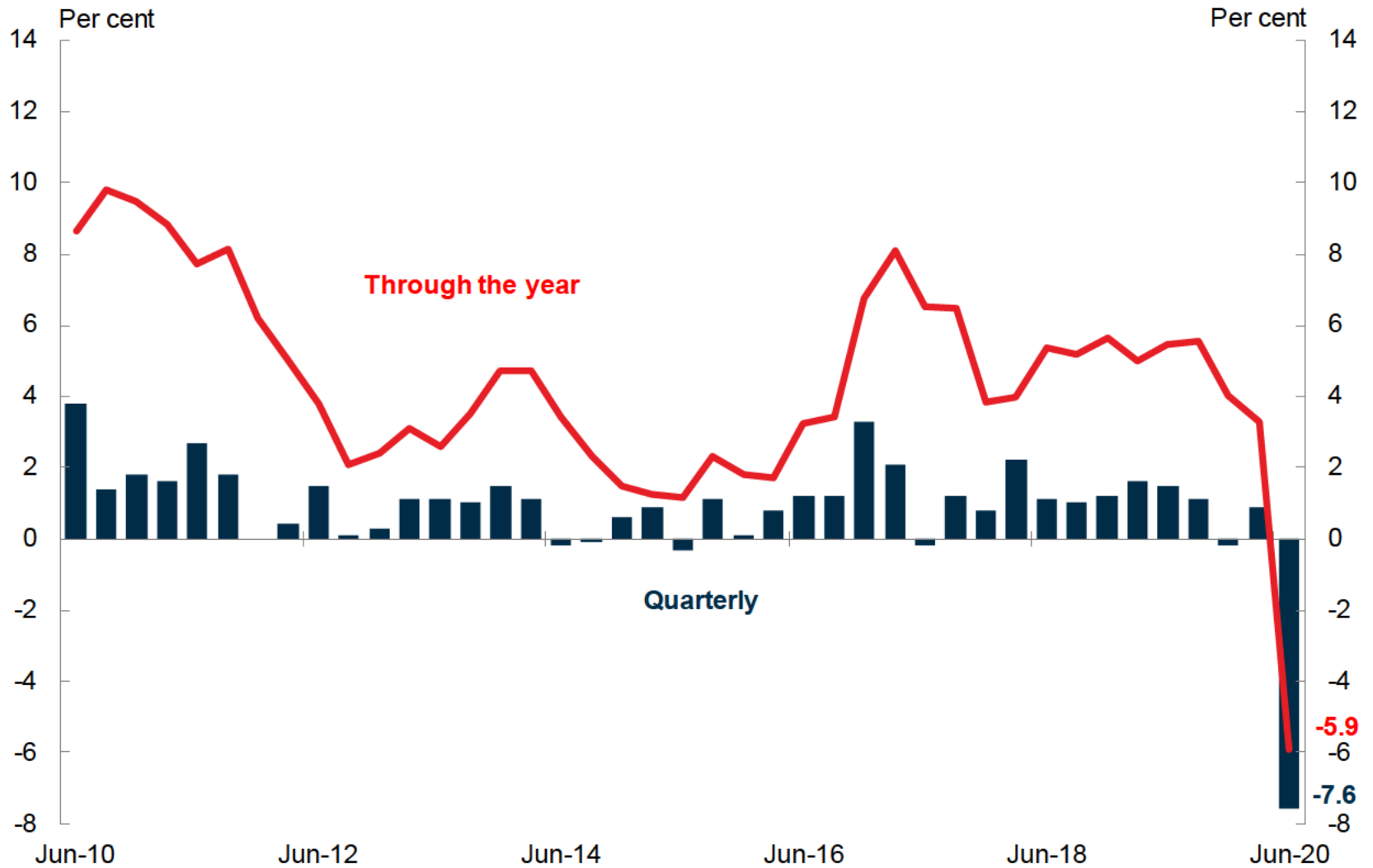
# Export and import volumes growth

## Exports

## Imports

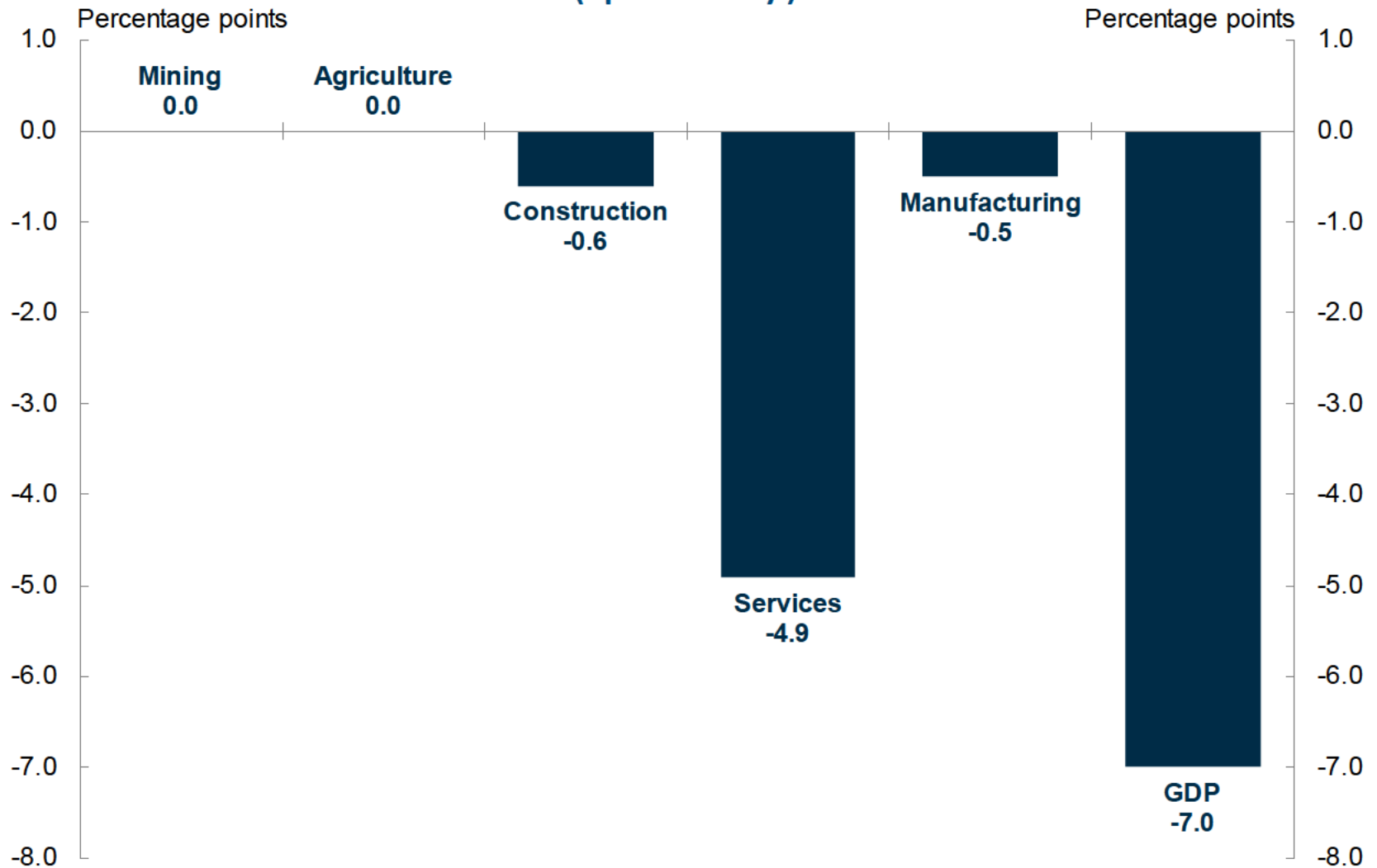


# Nominal GDP growth





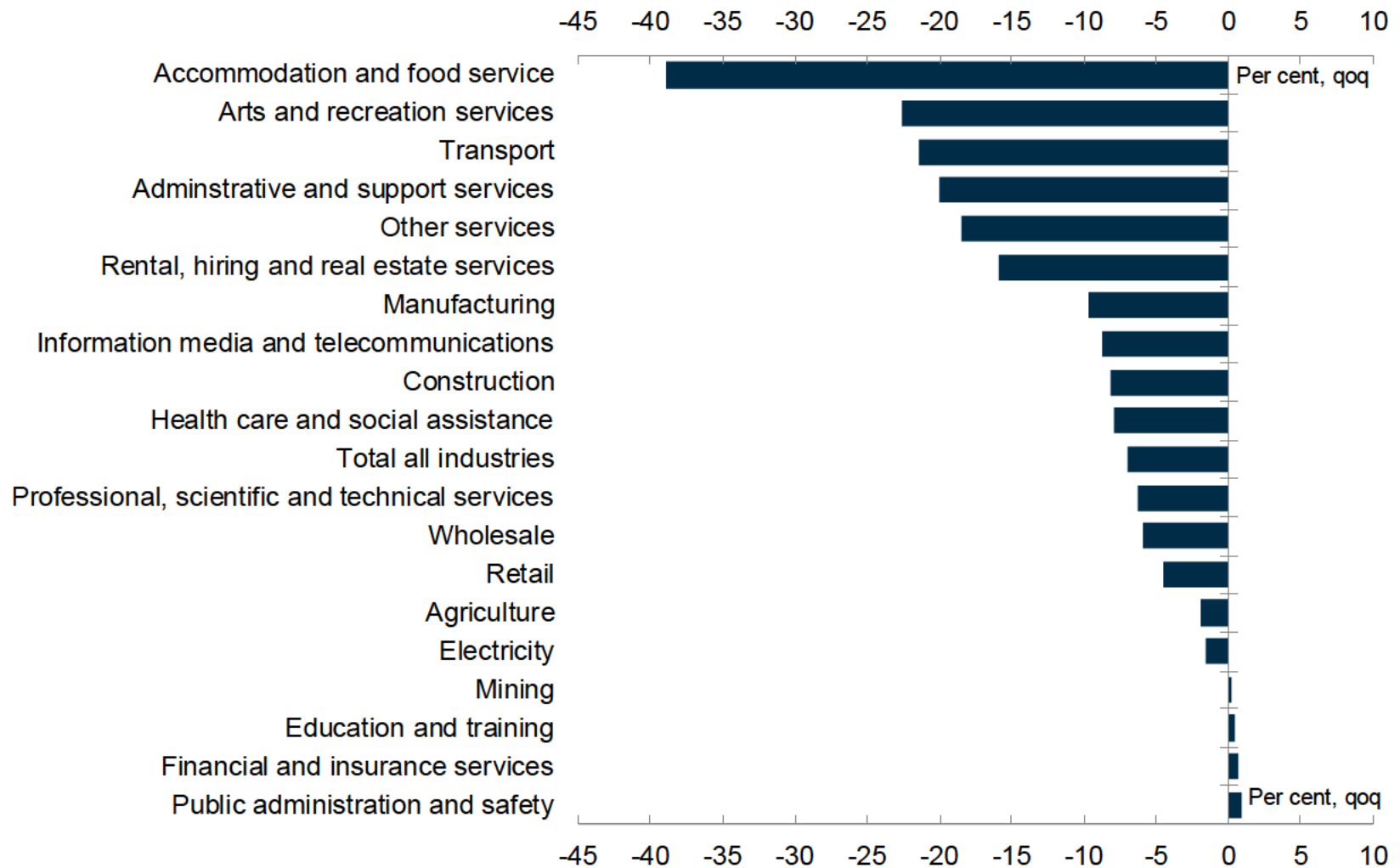
# Industry contributions to growth (quarterly)



Note: The sum of individual components may not add to the aggregate due to rounding and the omissions of the statistical discrepancy and taxes less subsidies on products

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# Gross value added by industry



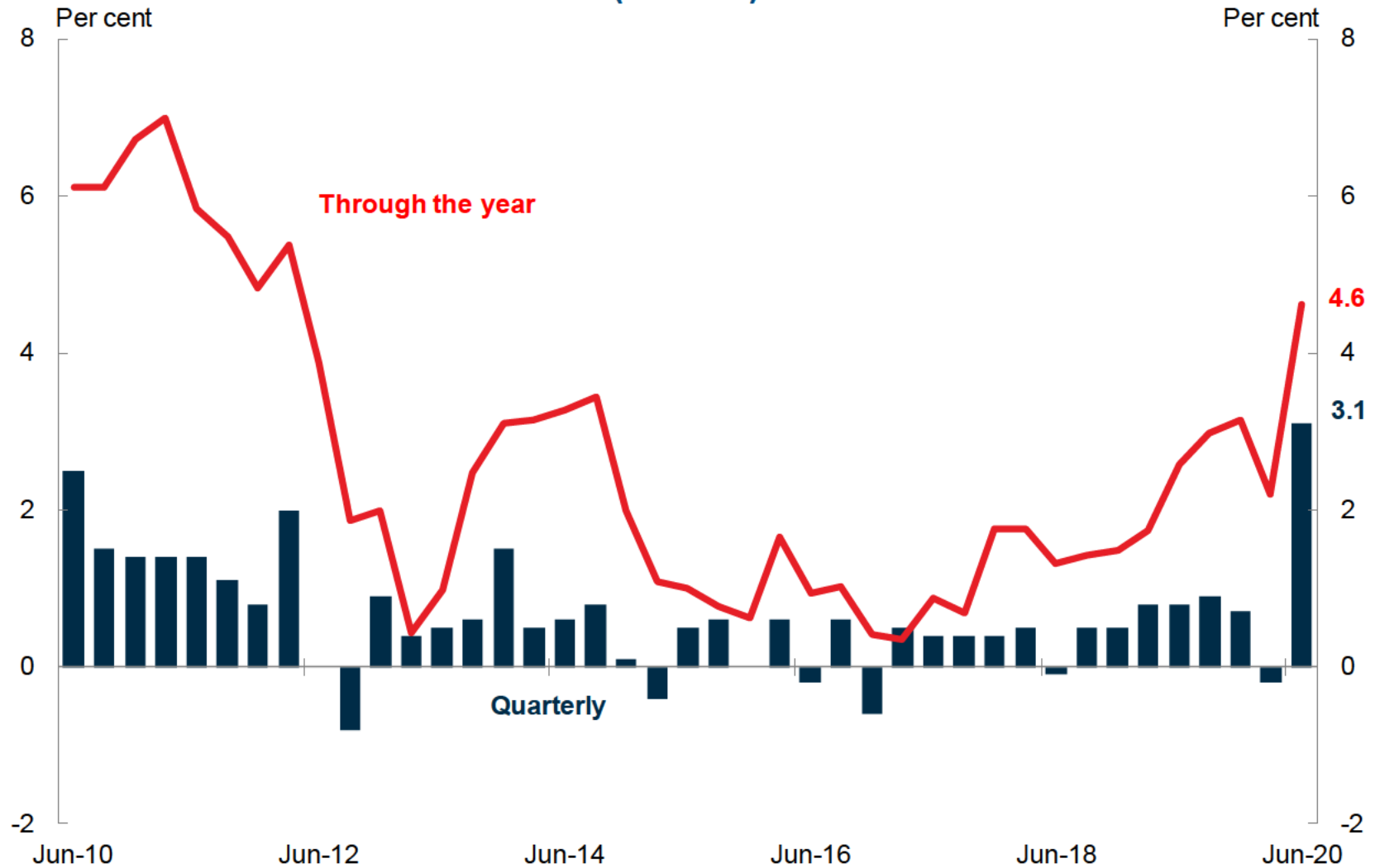
# Earnings and incomes growth

## Compensation of employees



Note: Profit is the gross operating surplus (GOS) for private non-financial and financial corporations. GOS only includes the income derived from the production of goods and services and does not include depreciation, interest and income tax, foreign exchange or other revaluation gains and losses.

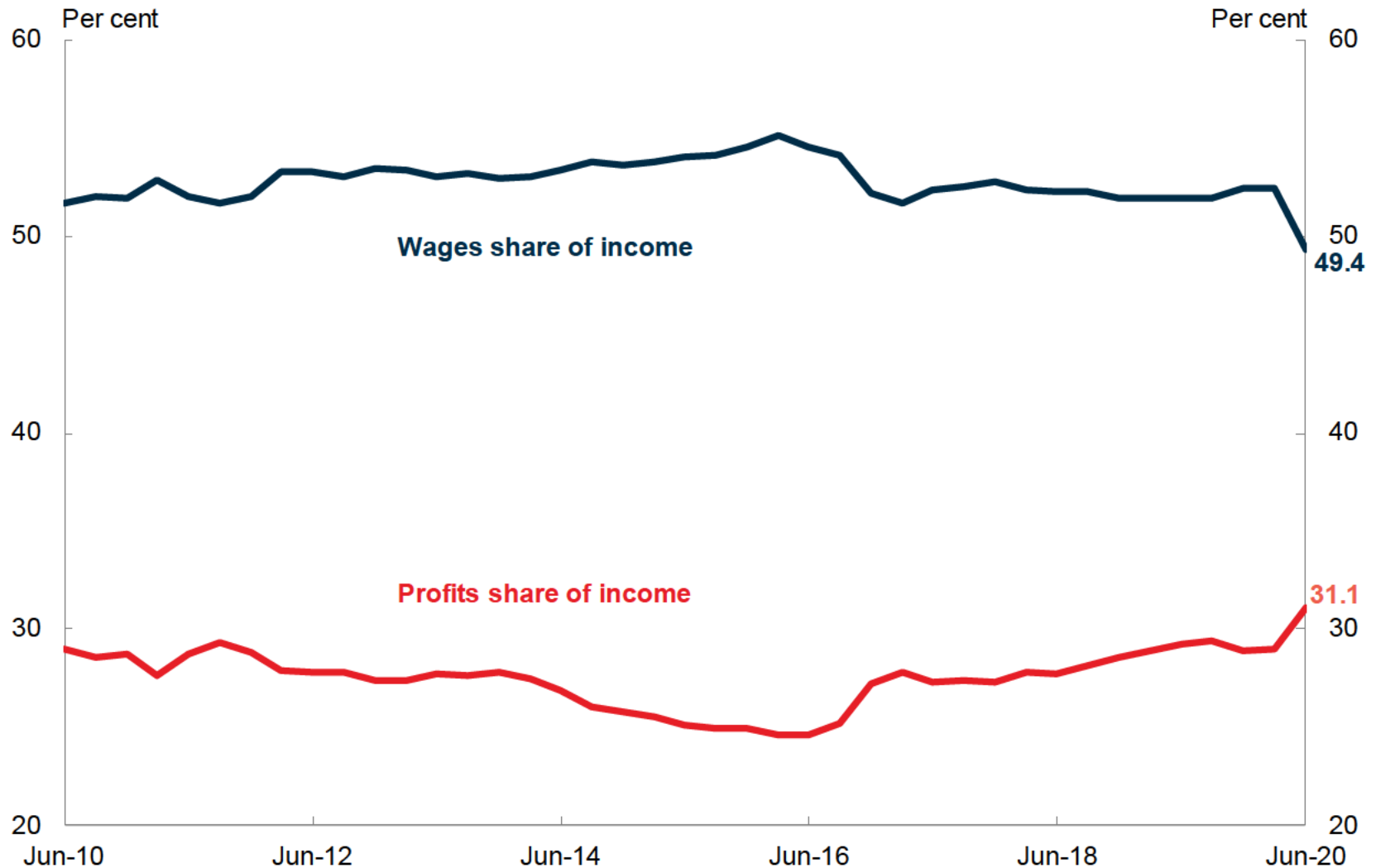
# Average compensation per employee (AENA)



Note: Average earnings on a national accounts basis (AENA) is calculated as total compensation of employees divided by the number of employees

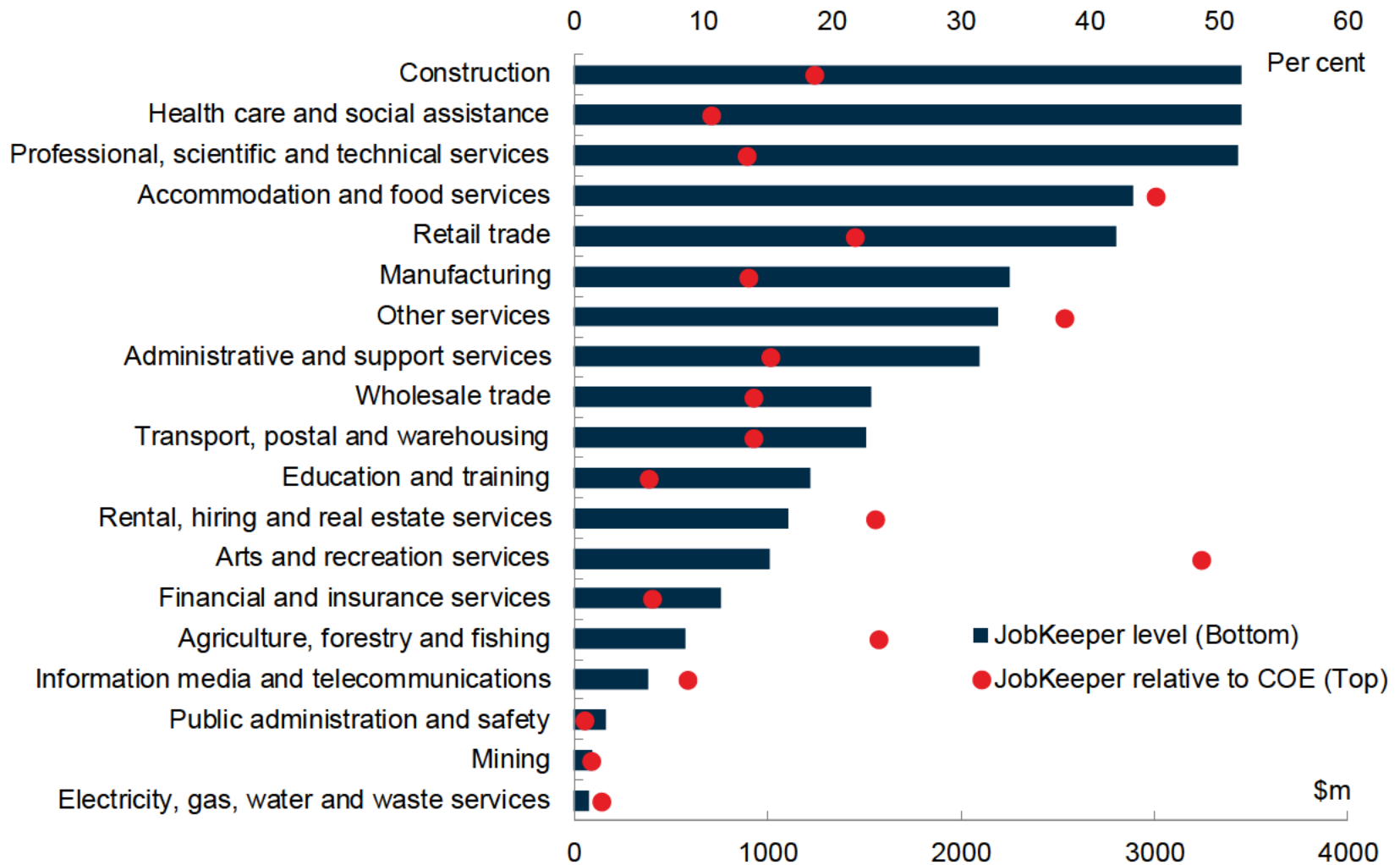
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# Wages and profits as a share of income

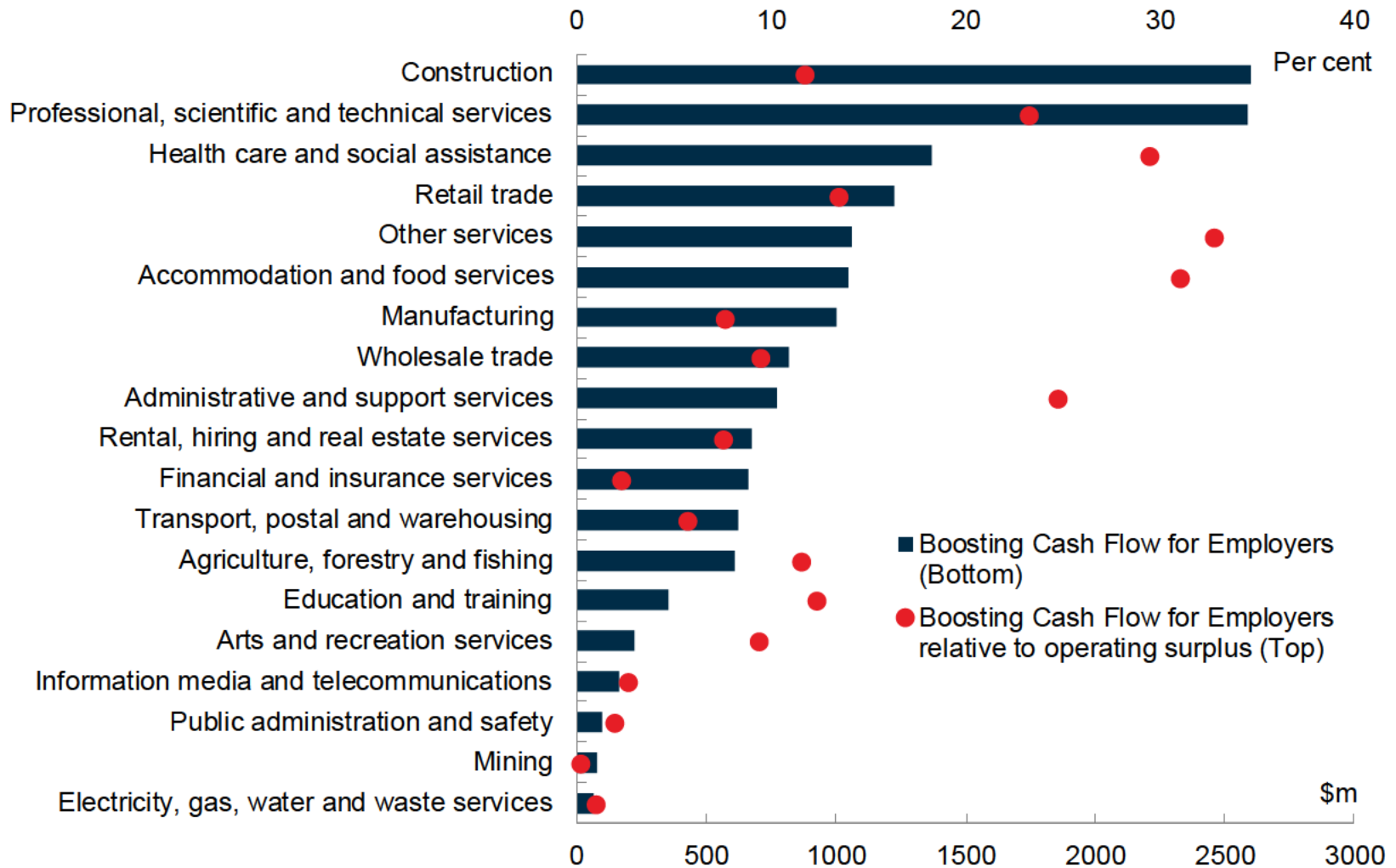


Note: Seasonally adjusted. The wages share of income is compensation of employees divided by total factor income. The profits share of income is private and public corporations gross operating surplus divided by total factor income. The shares do not sum to 100 per cent due to the exclusion of government gross operating surplus, dwelling gross operating surplus and gross mixed income

# JobKeeper by industry

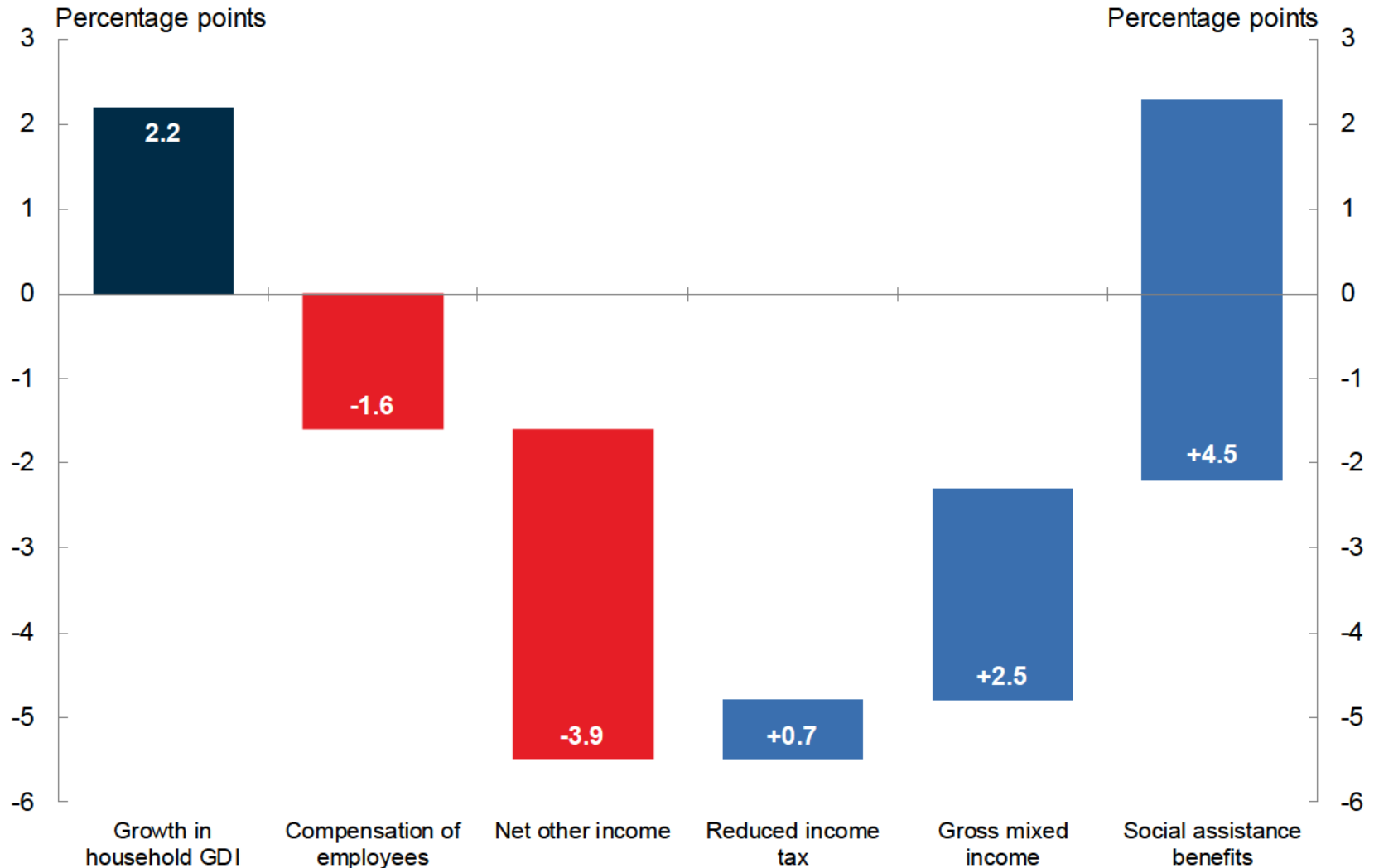


# Boosting cash flow for employers



# Gross household disposable income

(June quarter - contribution to growth)

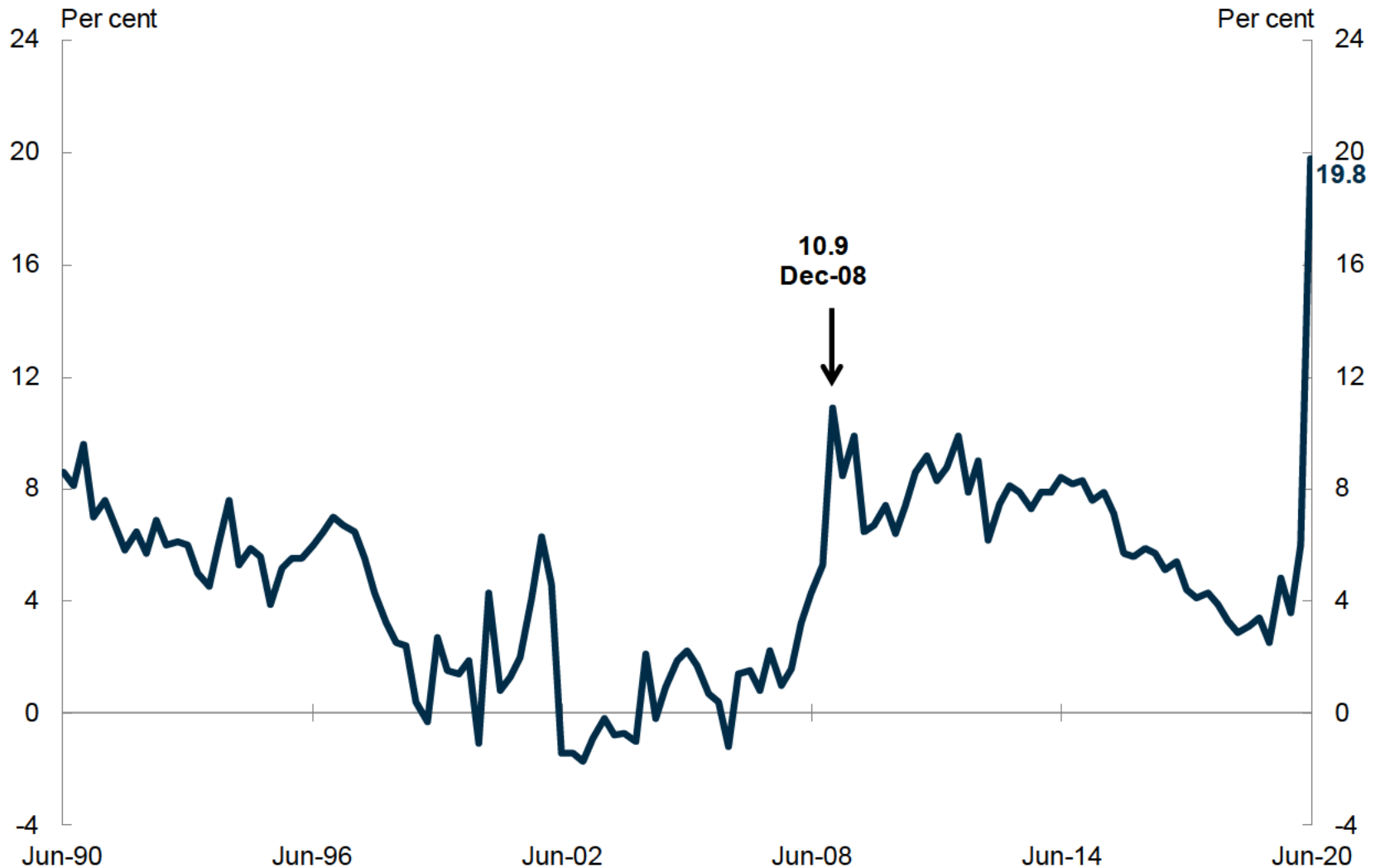


Note: net other income includes net property income and net secondary income receivable (excluding social assistance benefits)

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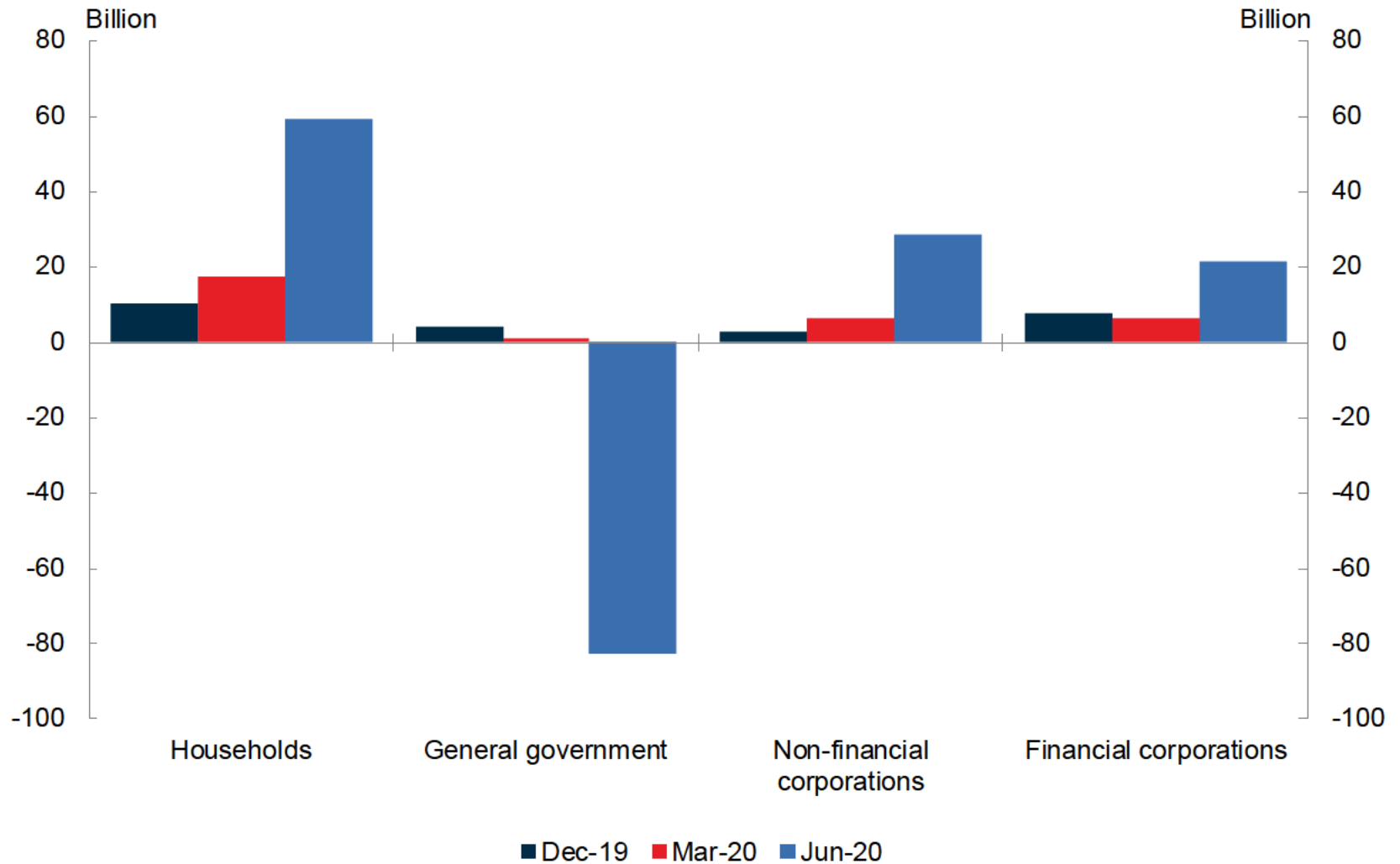
# Household saving ratio



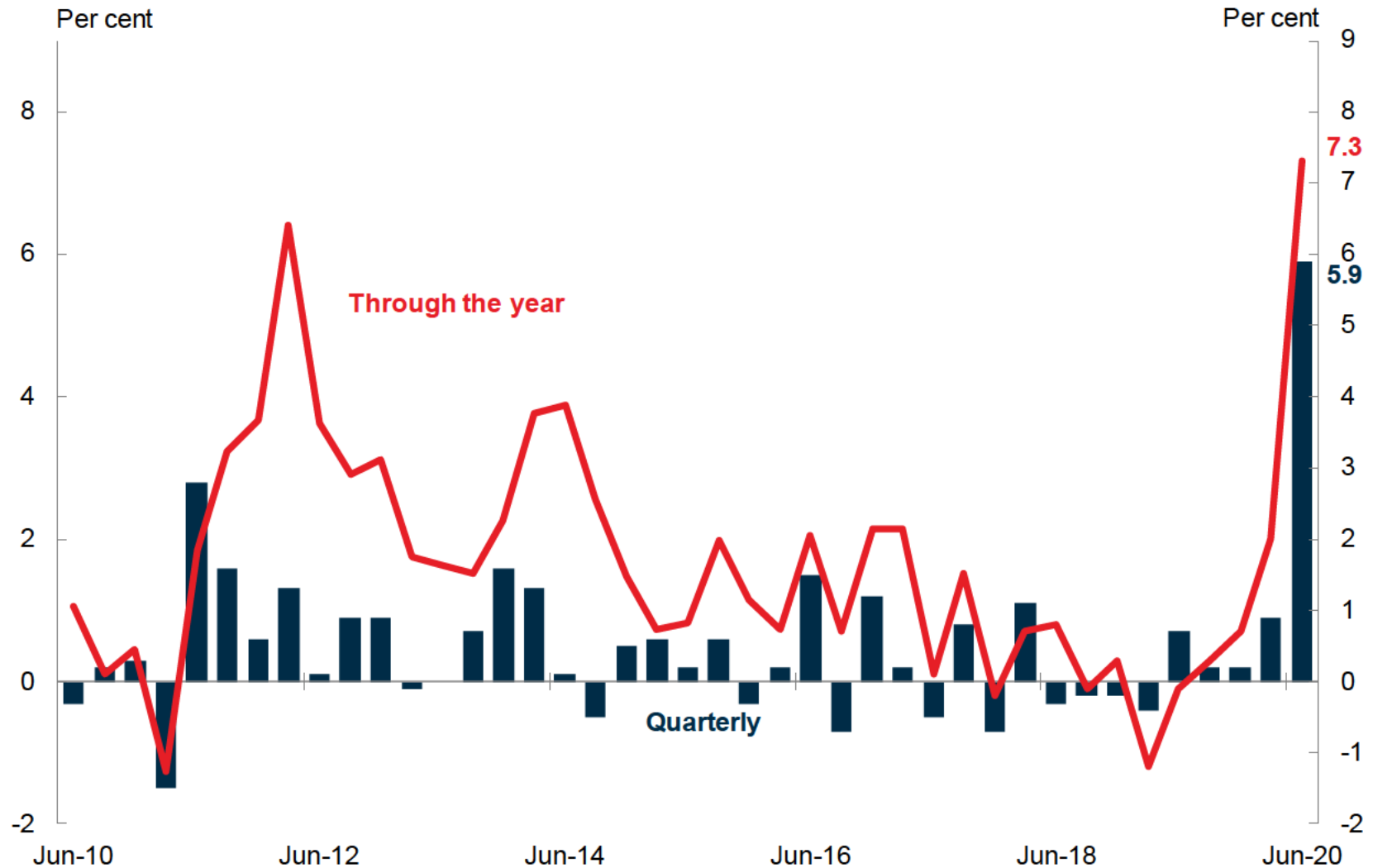
Note: The household saving ratio is the ratio of household net saving to household net disposable income

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# National net saving by sector



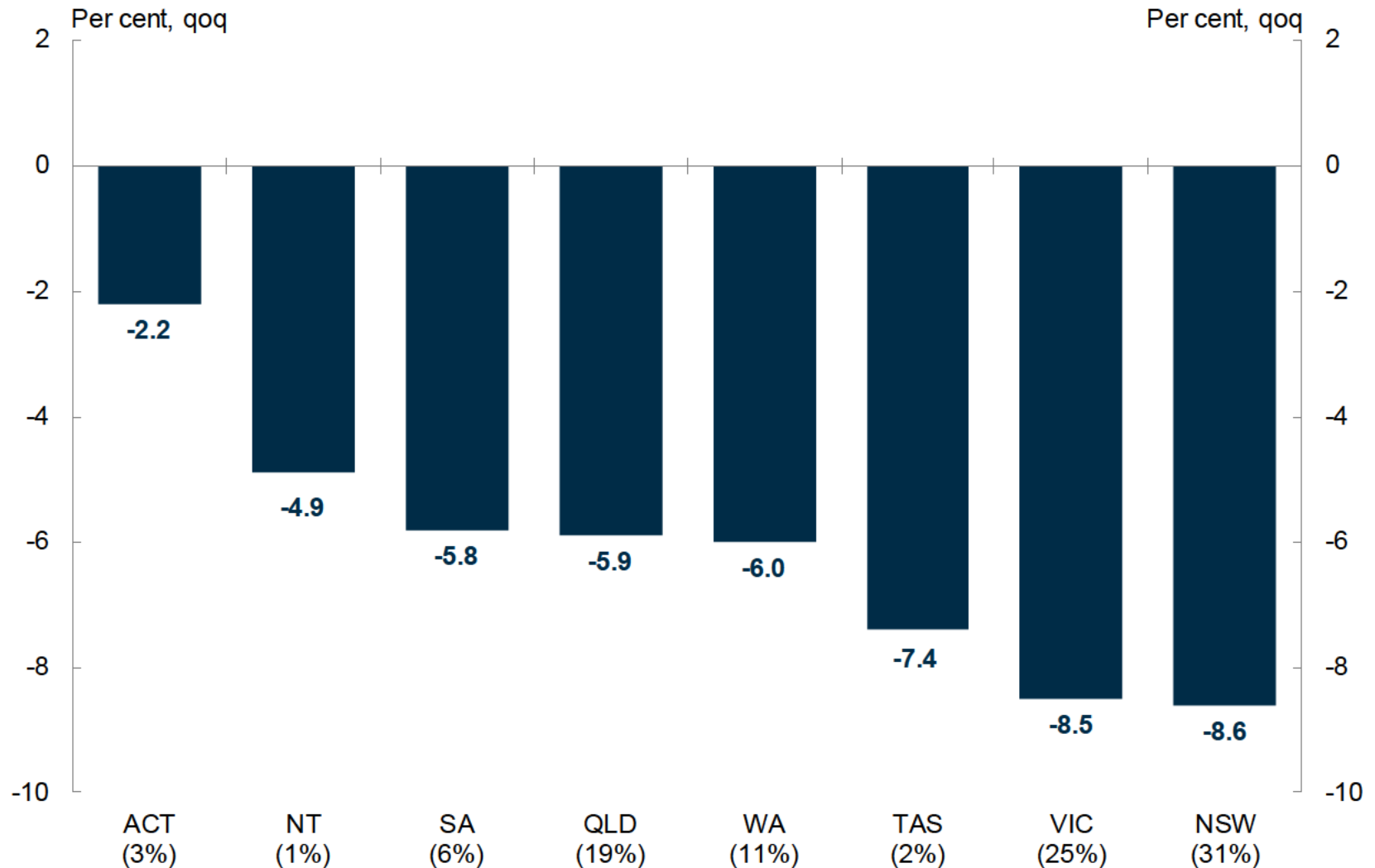
# Productivity growth



Note: Productivity is measured as gross value added per hour worked, market sector, seasonally adjusted

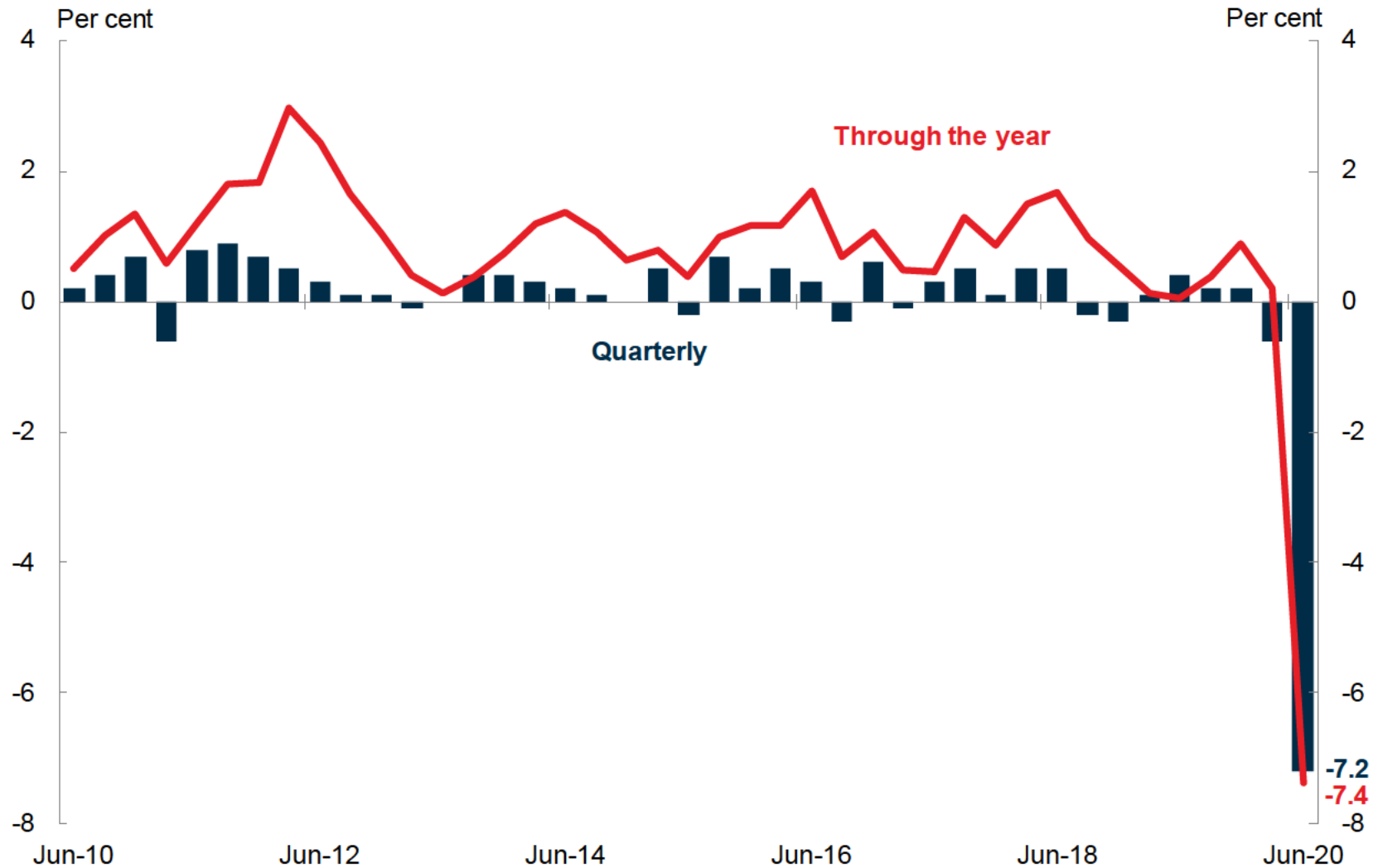
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# State final demand



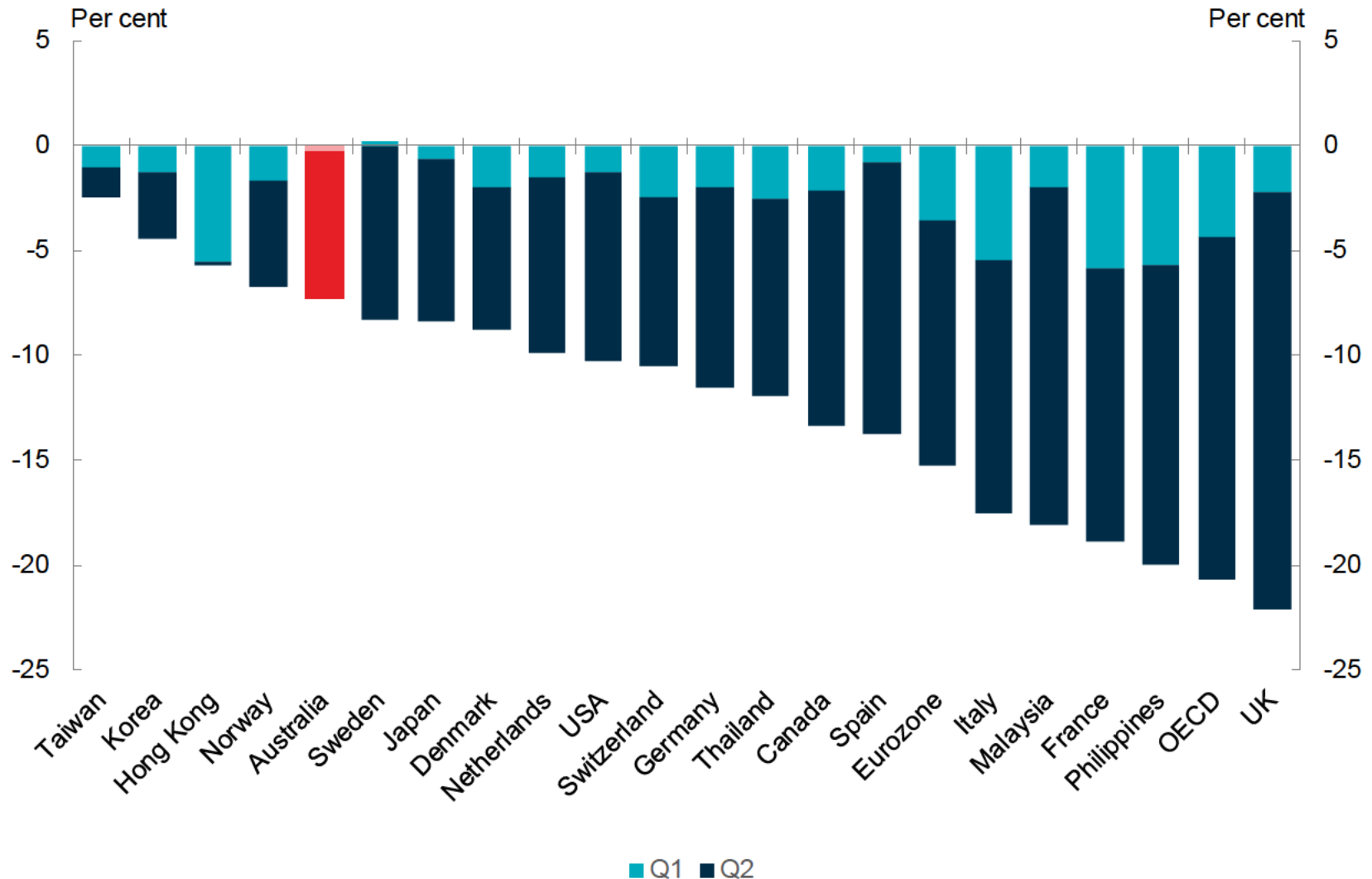
Note: Bracketed numbers represent the state's share of the nominal domestic final demand. Shares may not sum to 100 due to rounding. State final demand (SFD) is a partial measure of gross state product (GSP) as measured by the expenditure approach, in that it excludes both international and interstate trade as well as changes in inventories. GSP is published on an annual basis in the State Accounts (ABS cat. no. 5220.0)

# Real GDP per capita



# International real GDP growth comparisons

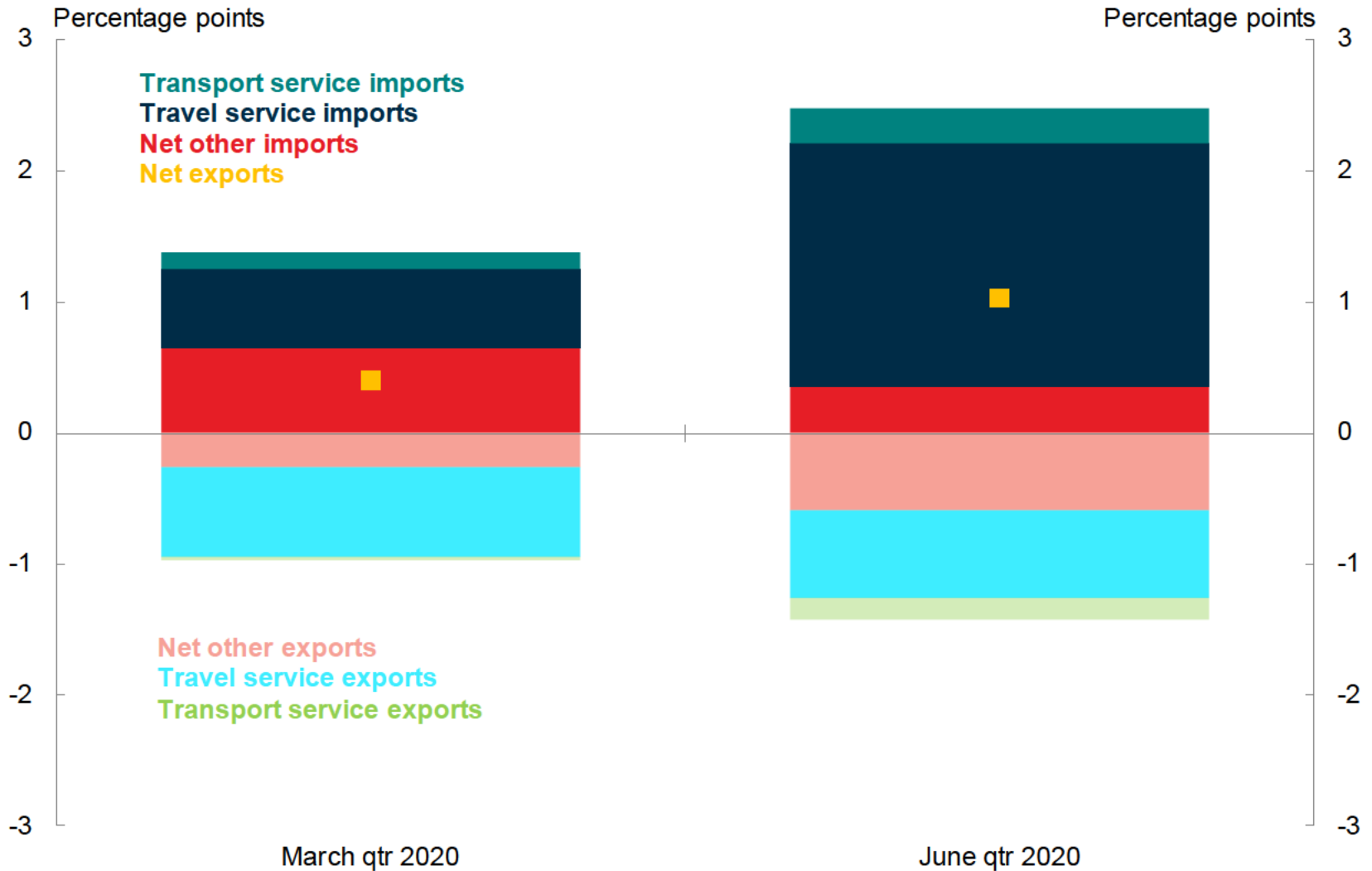
(Six months to June quarter 2020)





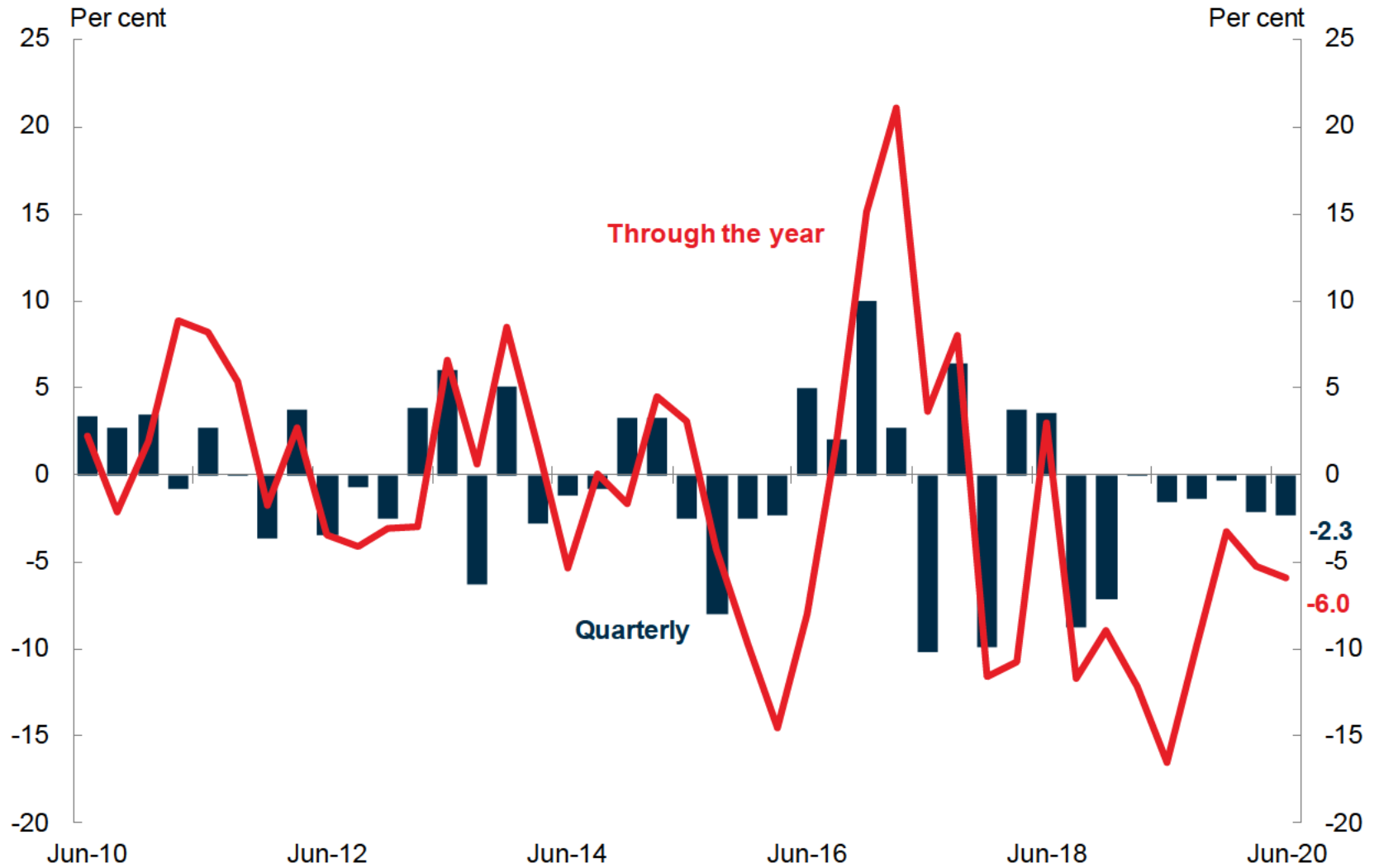
# Back pocket

# Net exports contribution



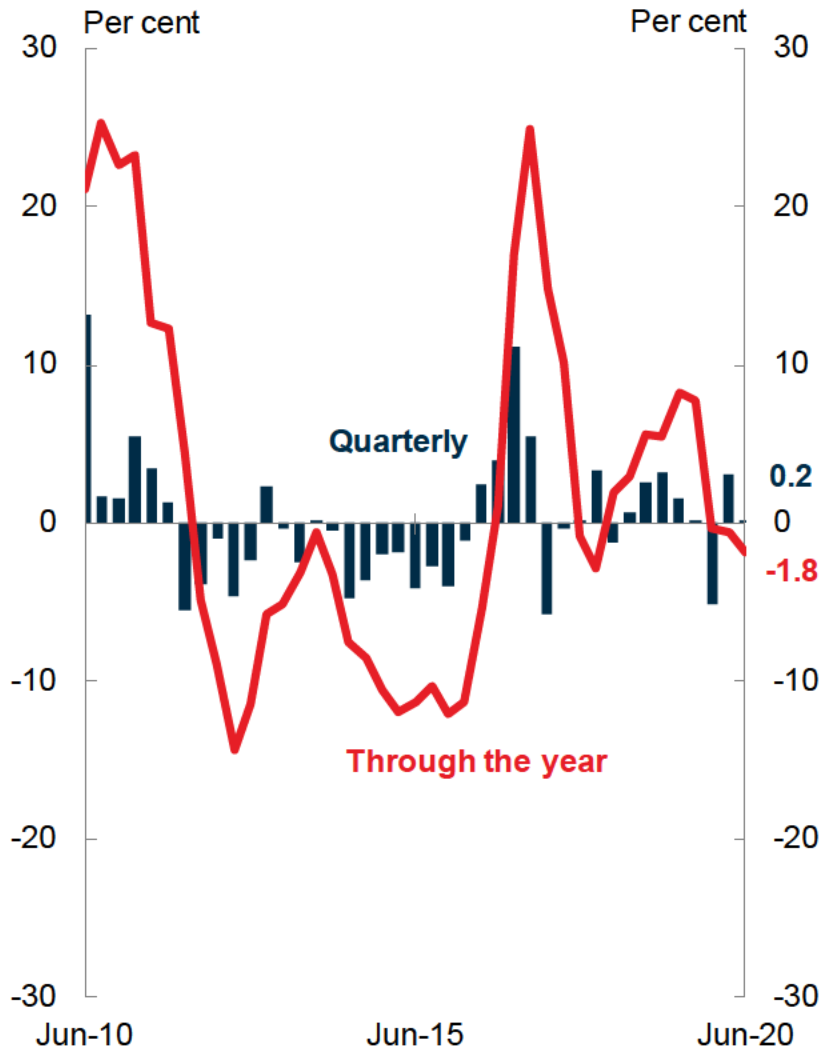


# Farm GDP

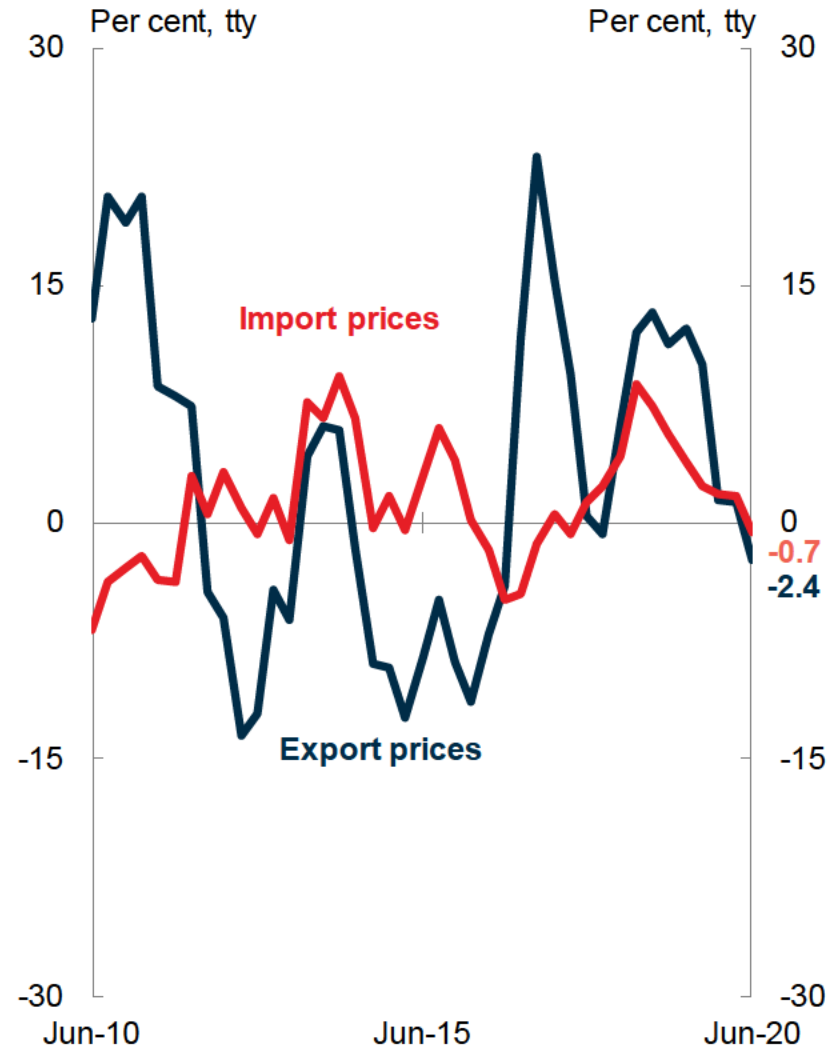


# Terms of trade and trade prices growth

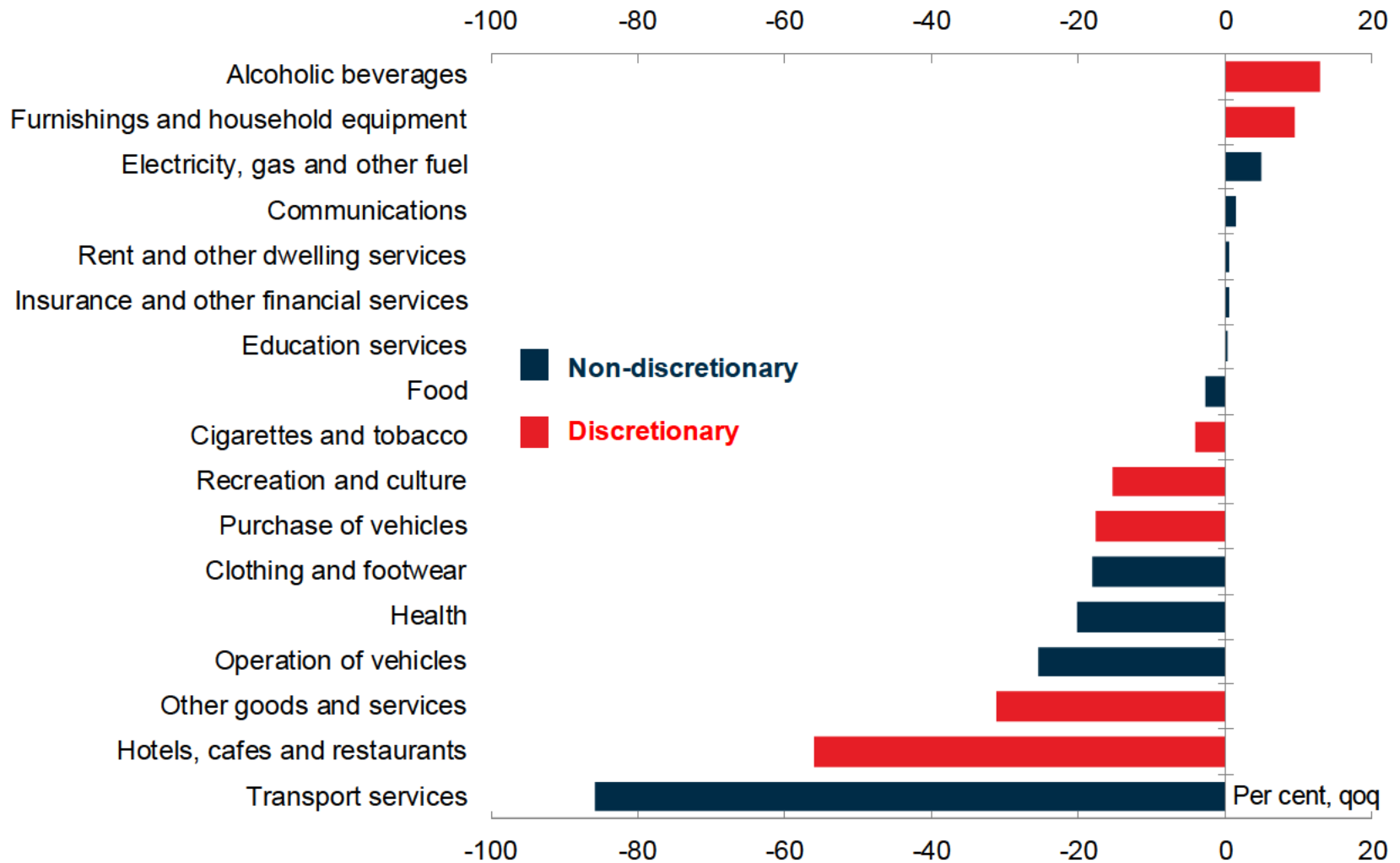
## Terms of trade



## Trade prices



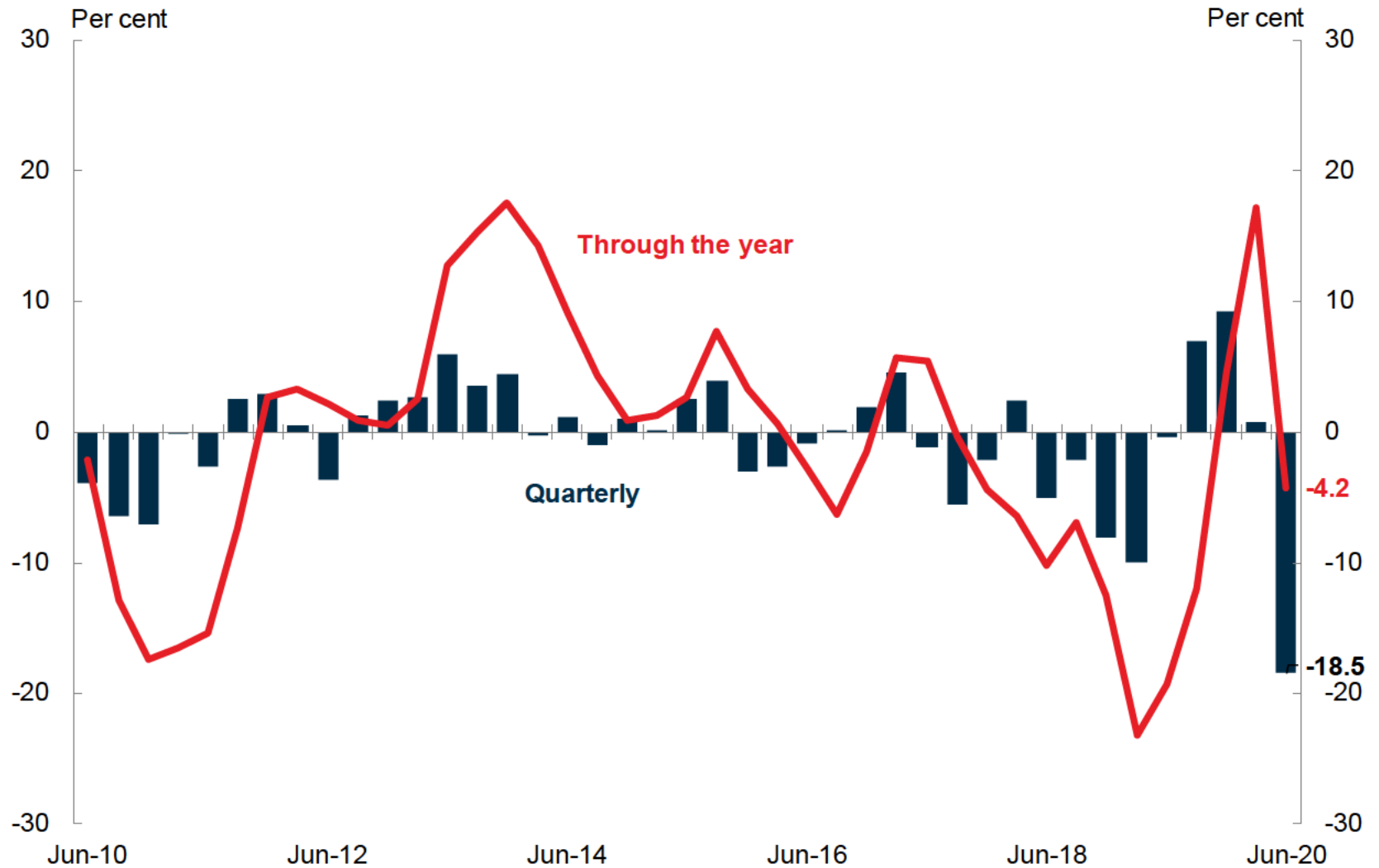
# Consumption by category



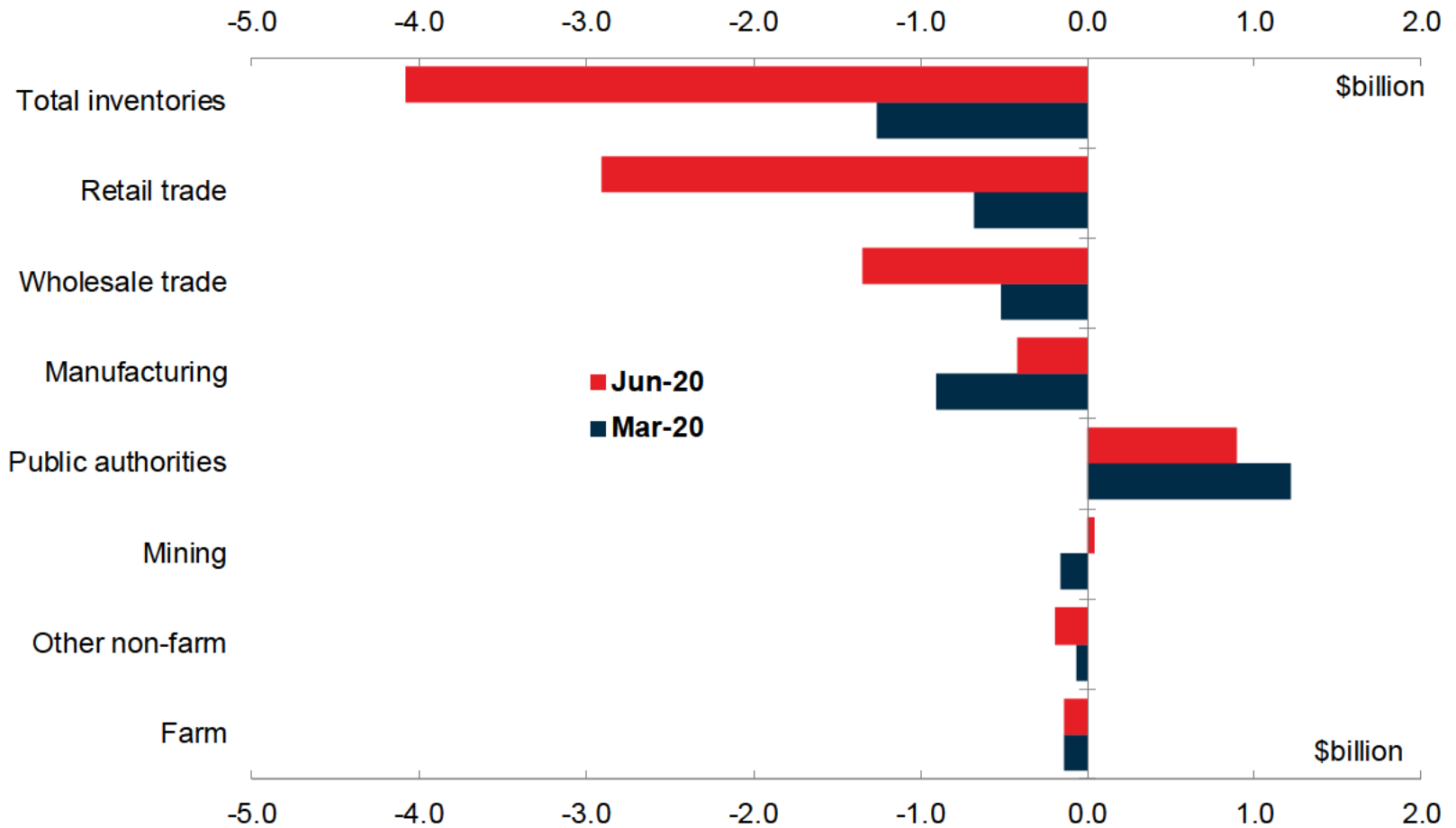
Note: Discretionary consumption is as classified by Treasury

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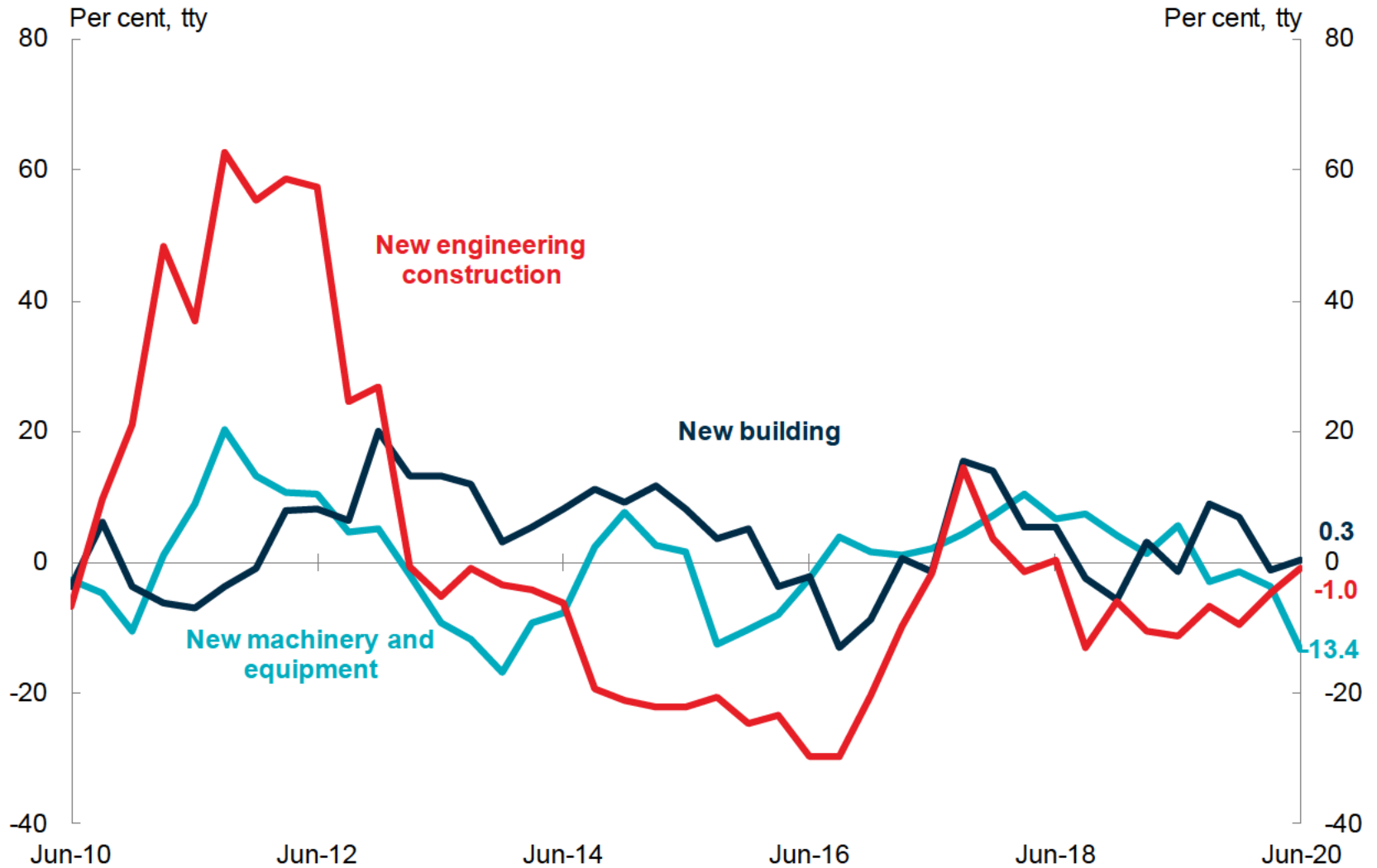
# Ownership transfer costs



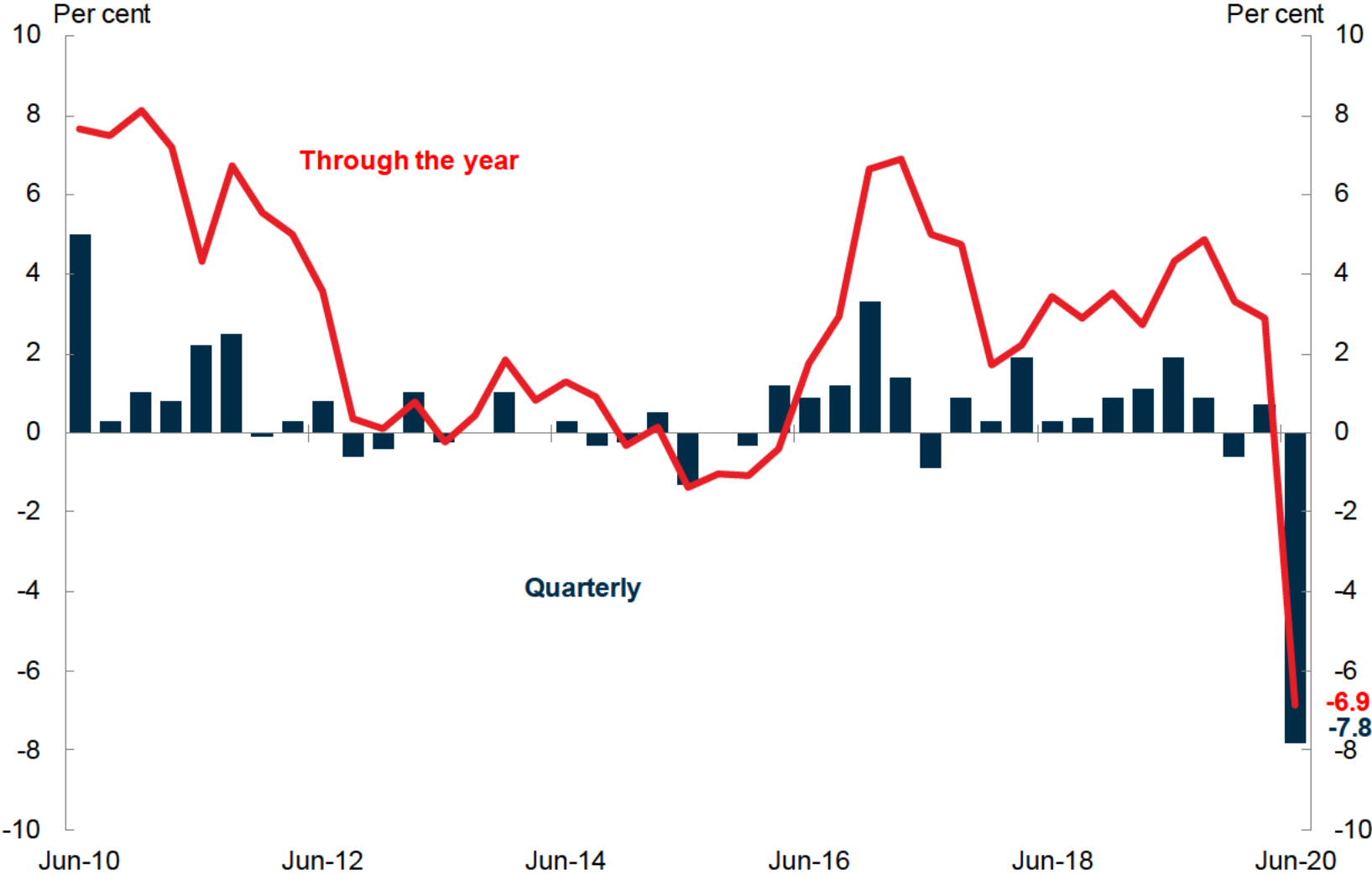
# Change in inventories



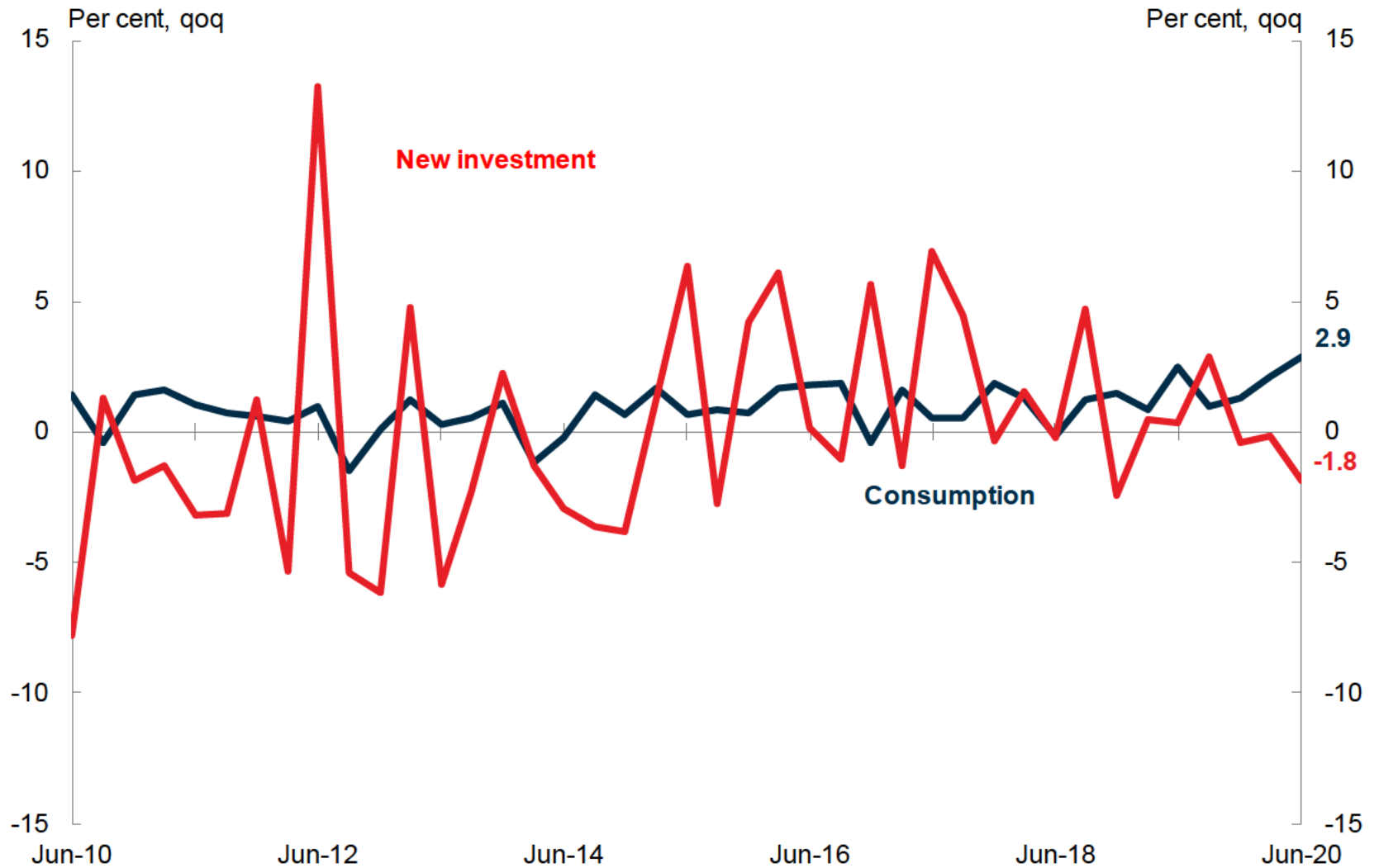
# New private business investment - splits



# Real net national disposable income

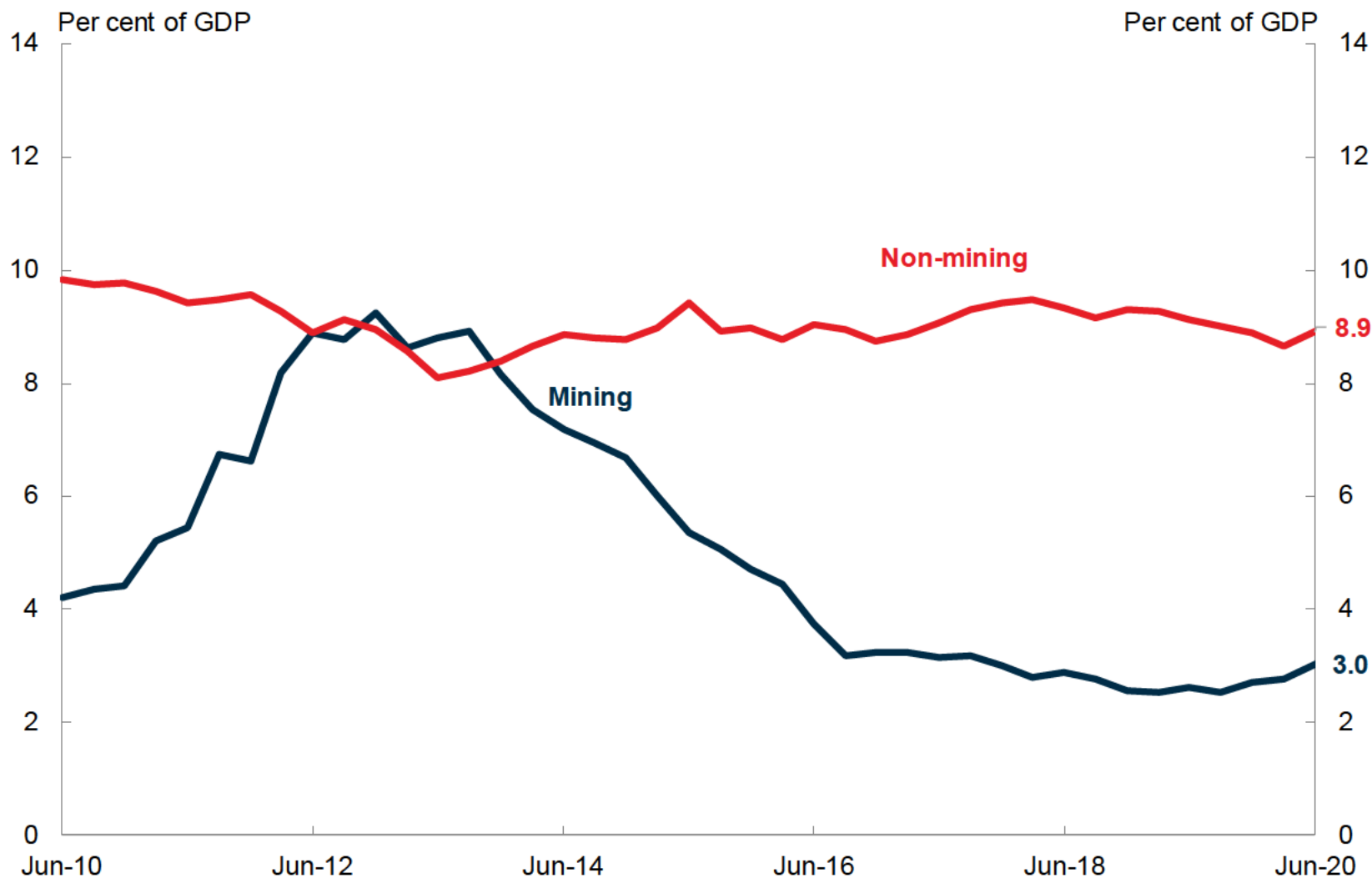


# New public final demand - splits

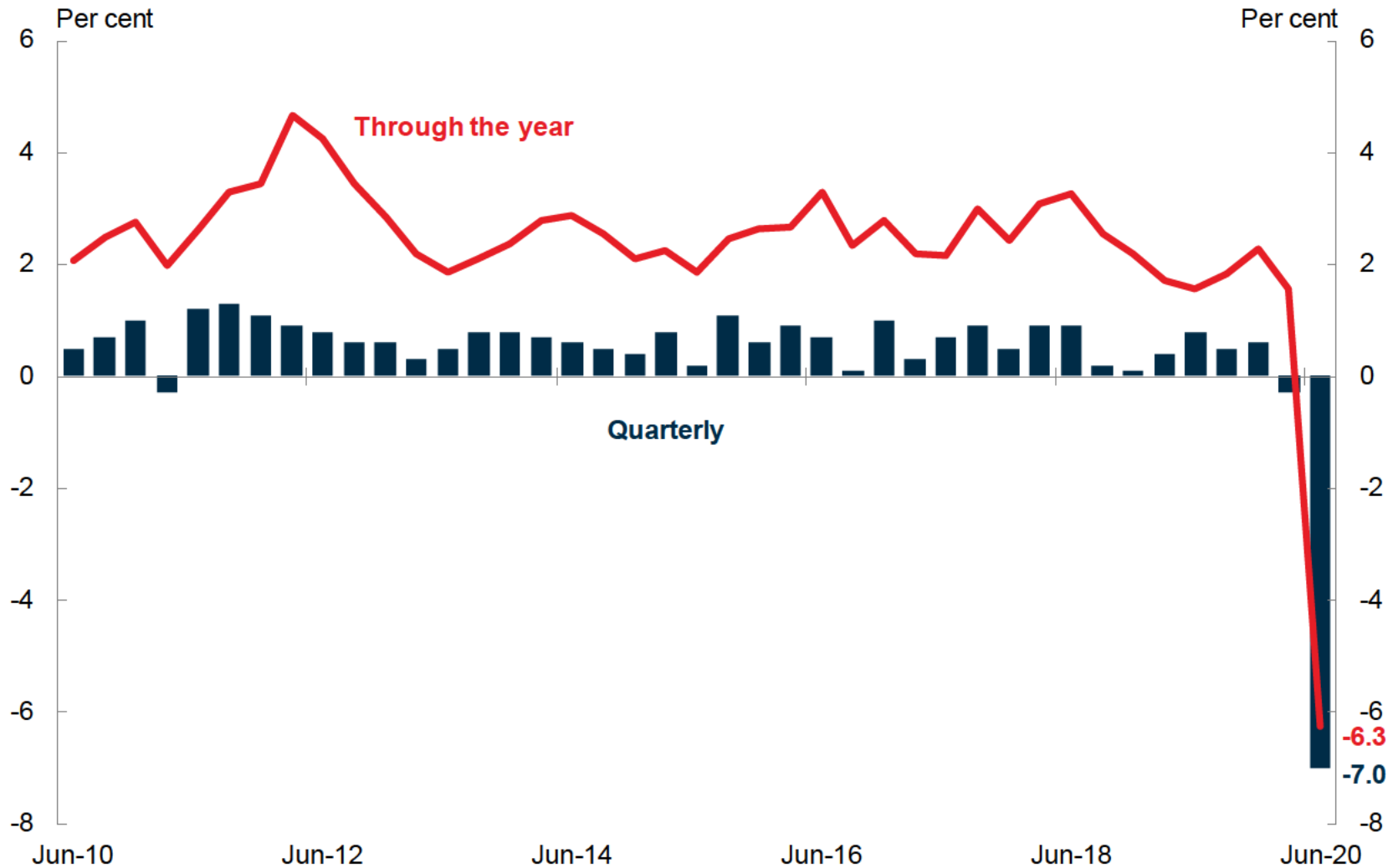




# Mining and non-mining business investment

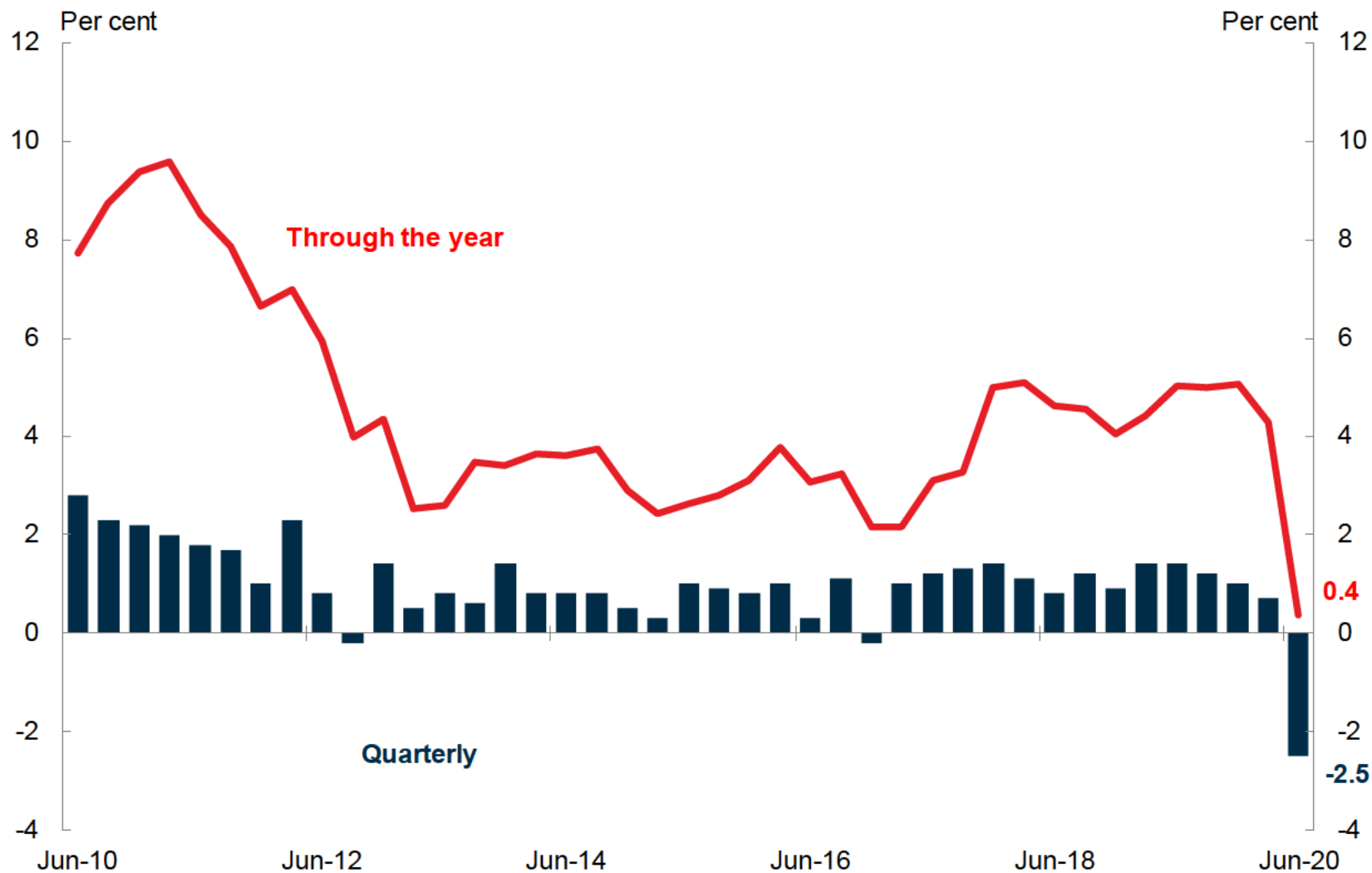


# Real GDP growth

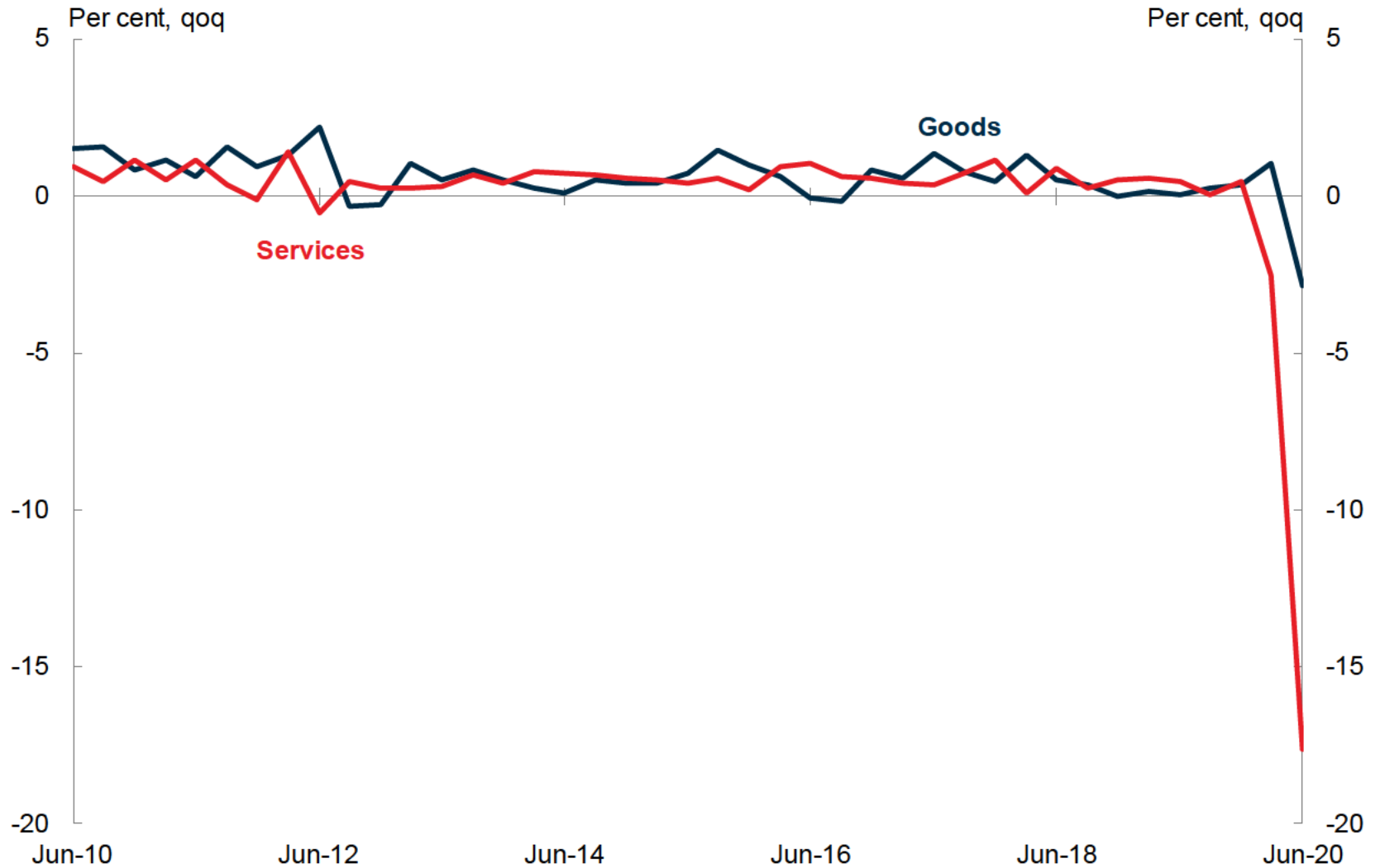


Note: Median market expectation was for quarterly GDP to fall by 6.0 per cent (range: a fall of 3.5 per cent to 13.4 per cent)  
Median market expectation for through-the-year growth was a fall of 5.1 per cent (range: a fall of 2.8 per cent to 12.8 per cent)

# Compensation of employees



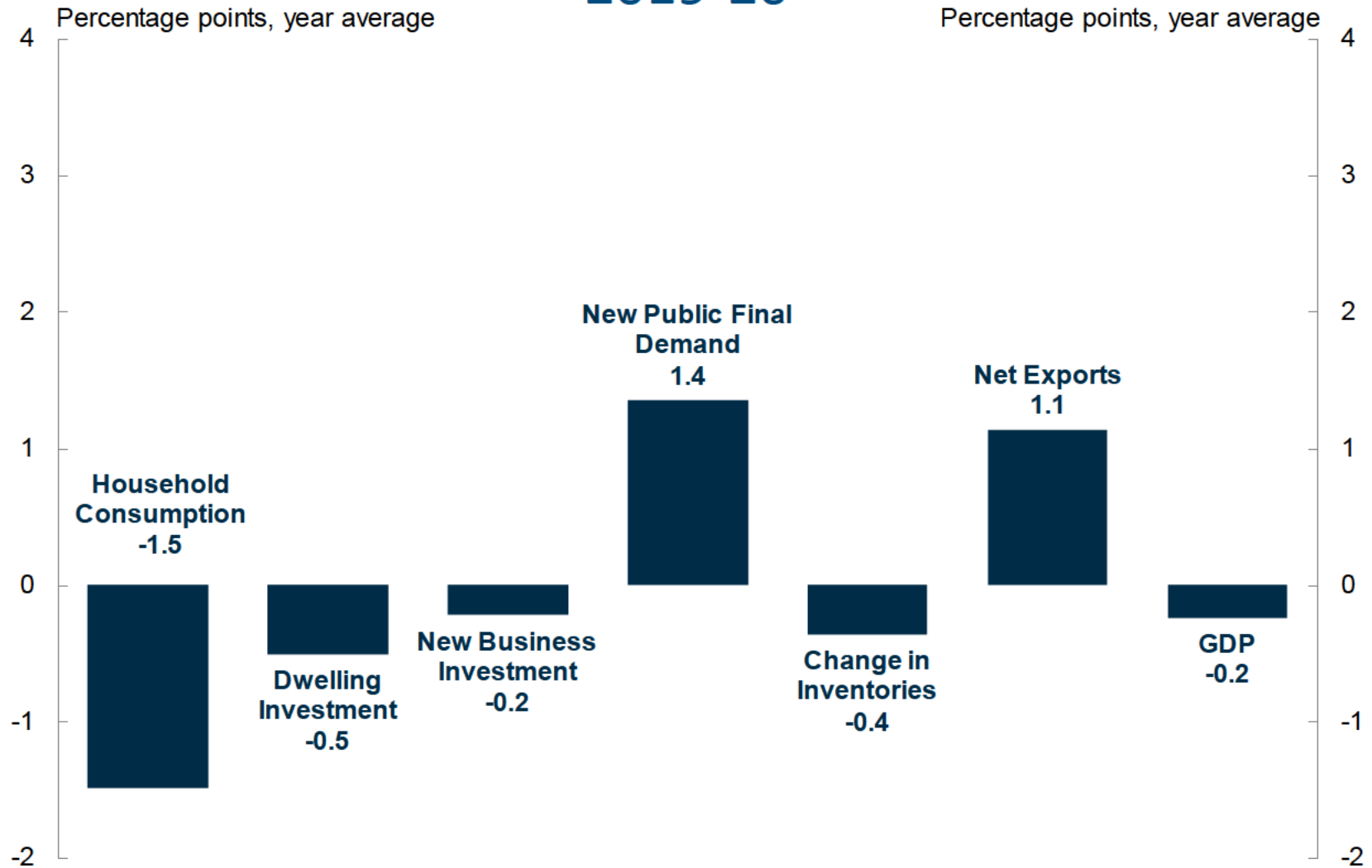
# Household consumption of goods and services



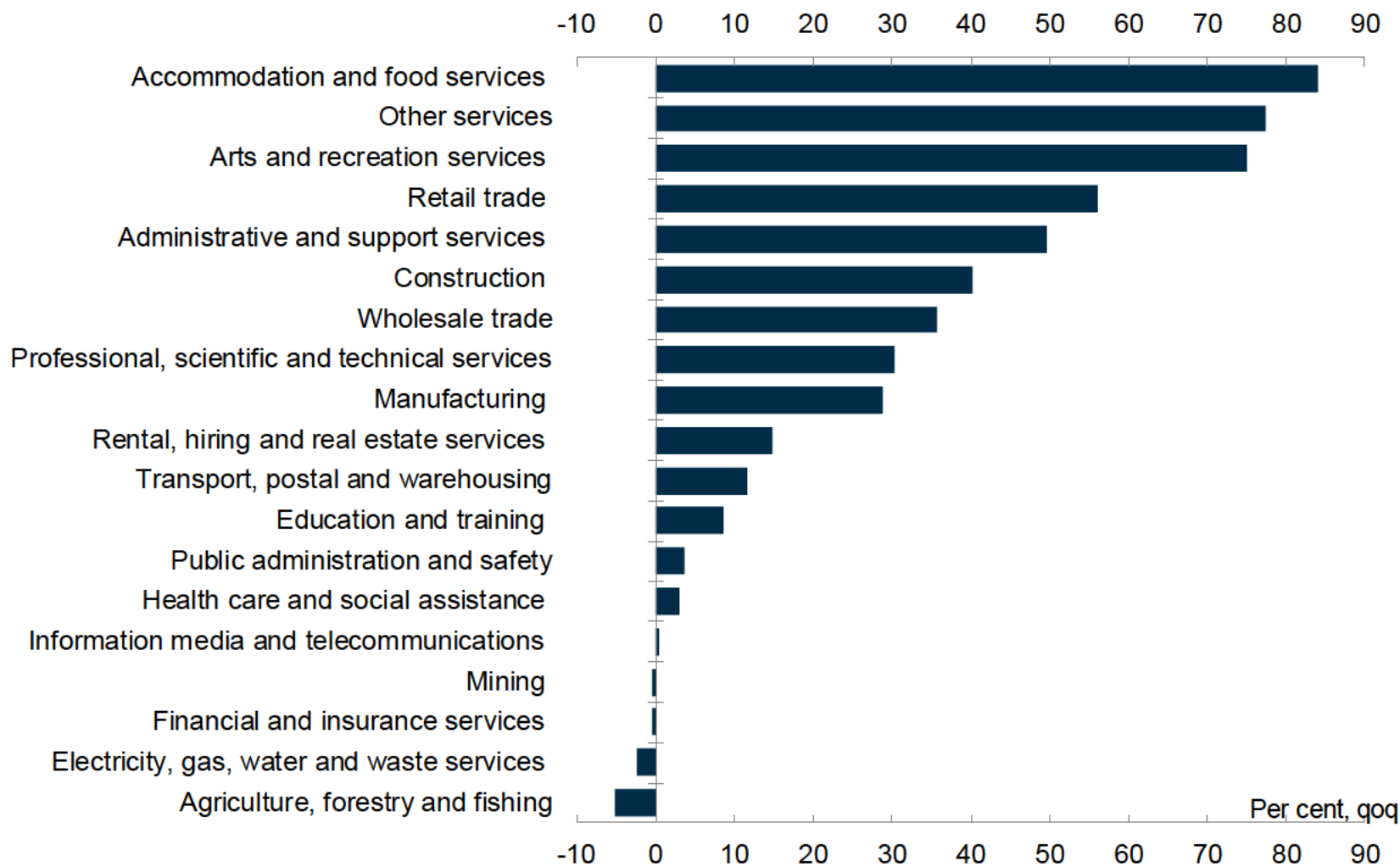
Source: Unpublished ABS data

PROTECTED

# Contribution to real GDP growth 2019-20



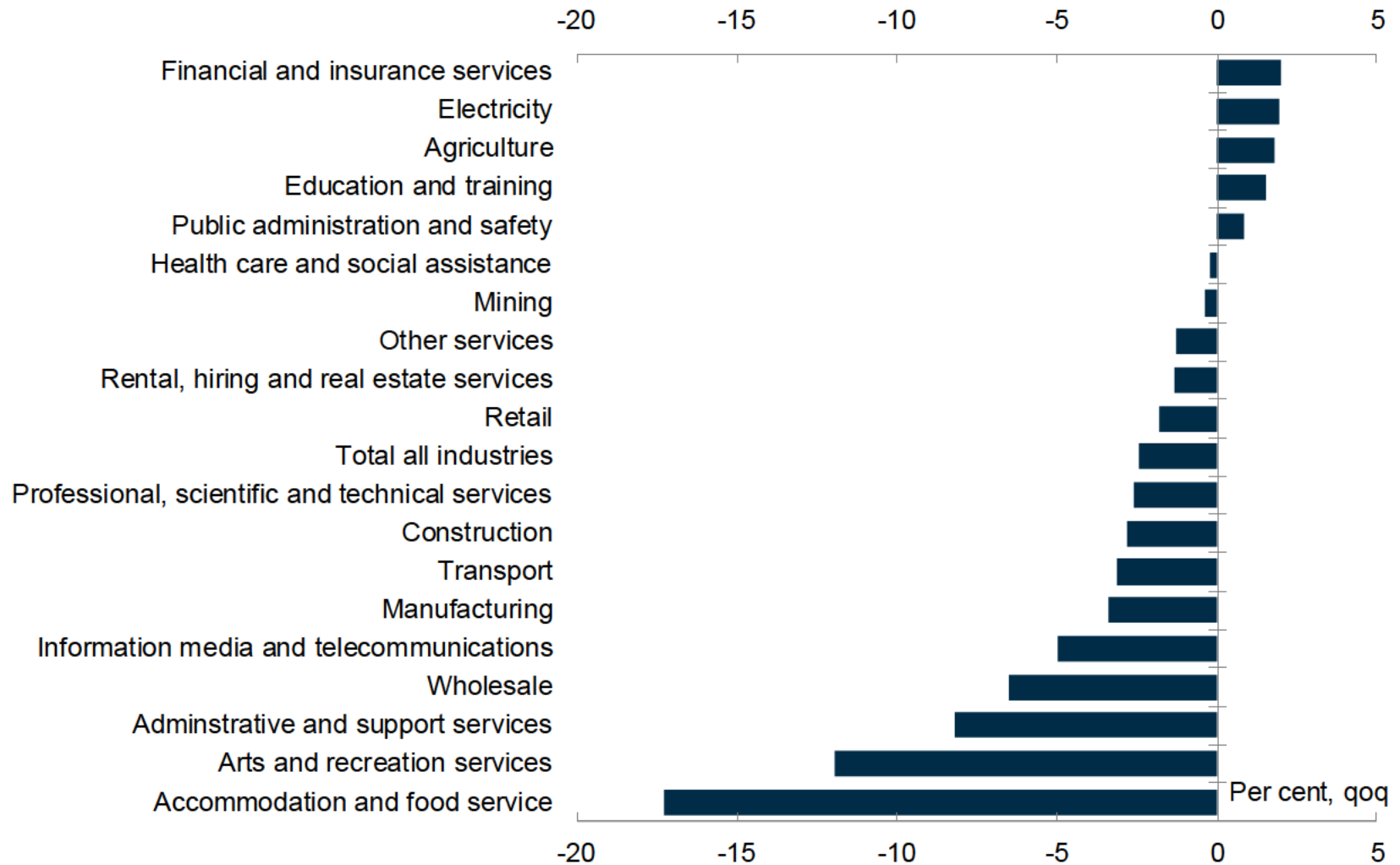
# Profits by industry



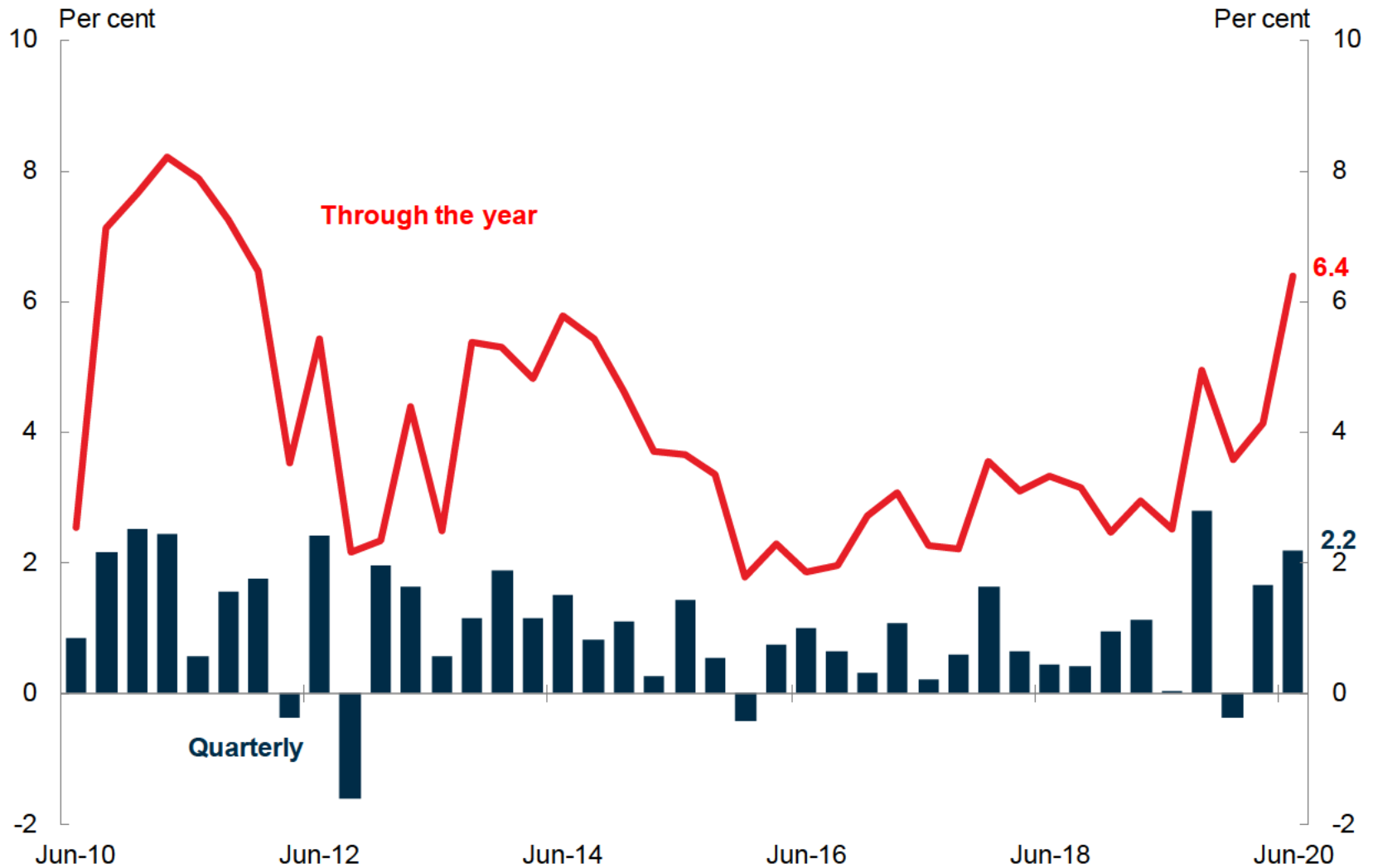
Profits are the sum of corporate profits (before depreciation, interest and income tax) and profits of small unincorporated businesses

PROTECTED

# Compensation of employees by industry

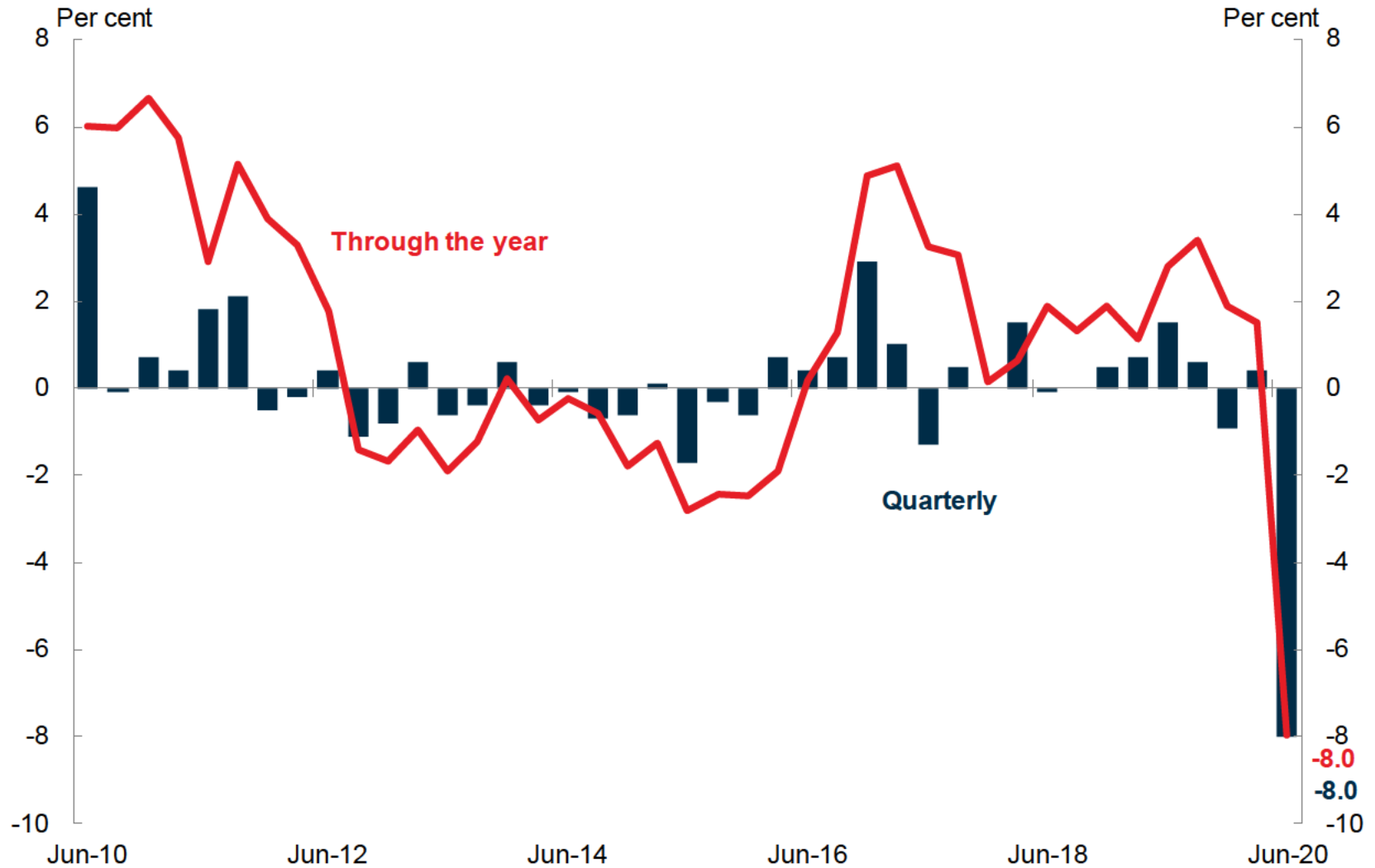


# Household gross disposable income

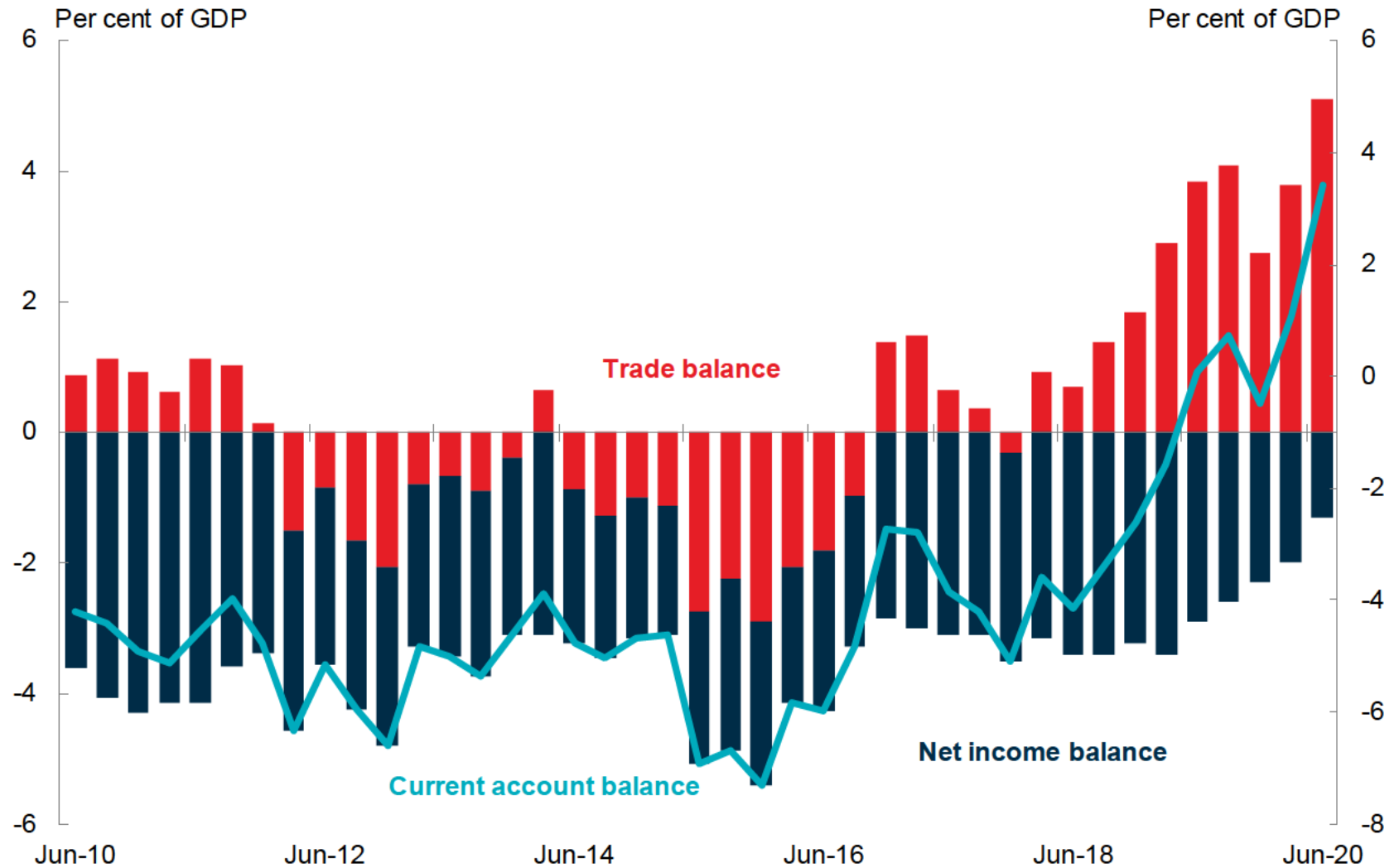




# Real net national disposable income per capita

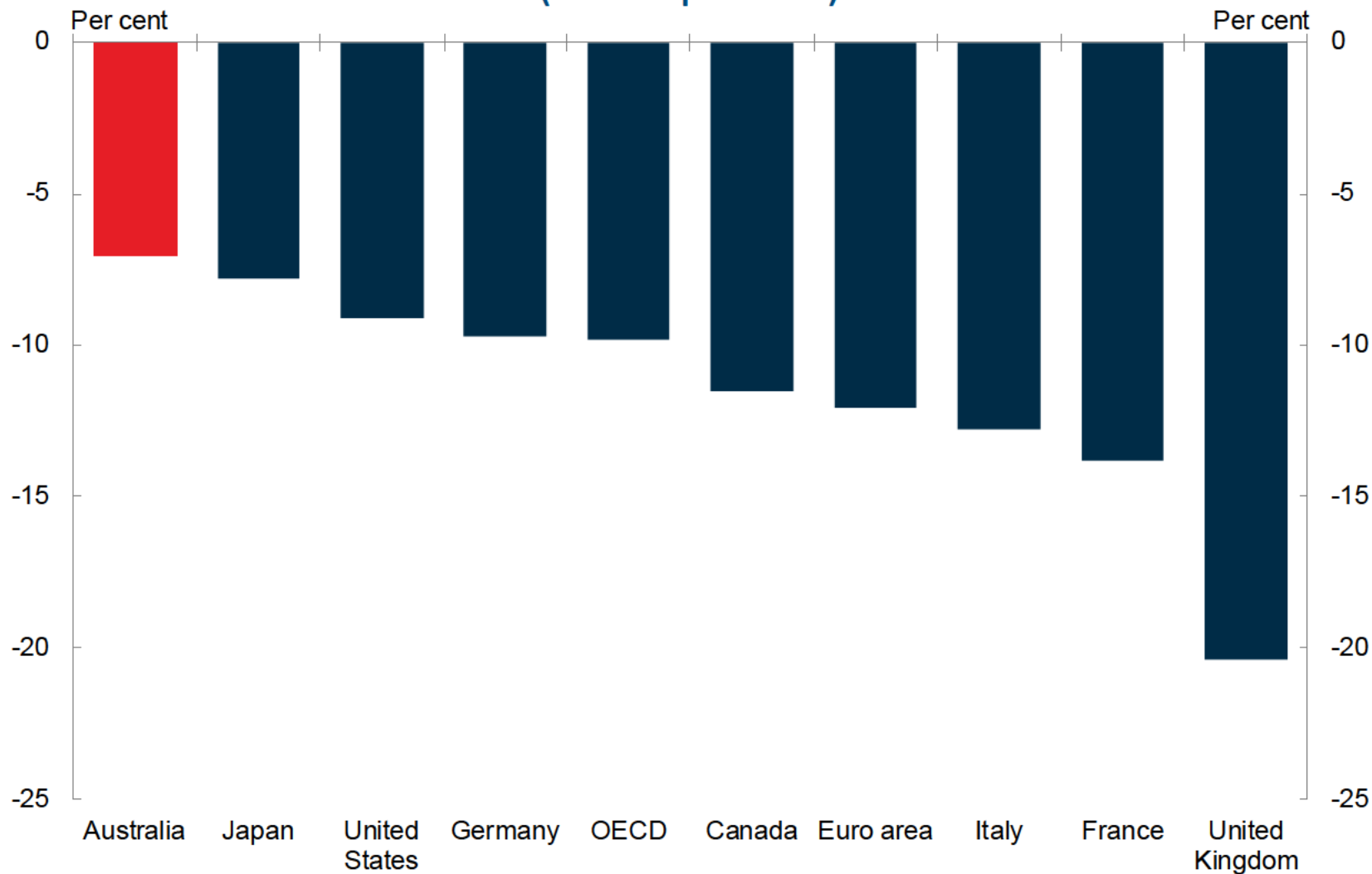


# Current account balance



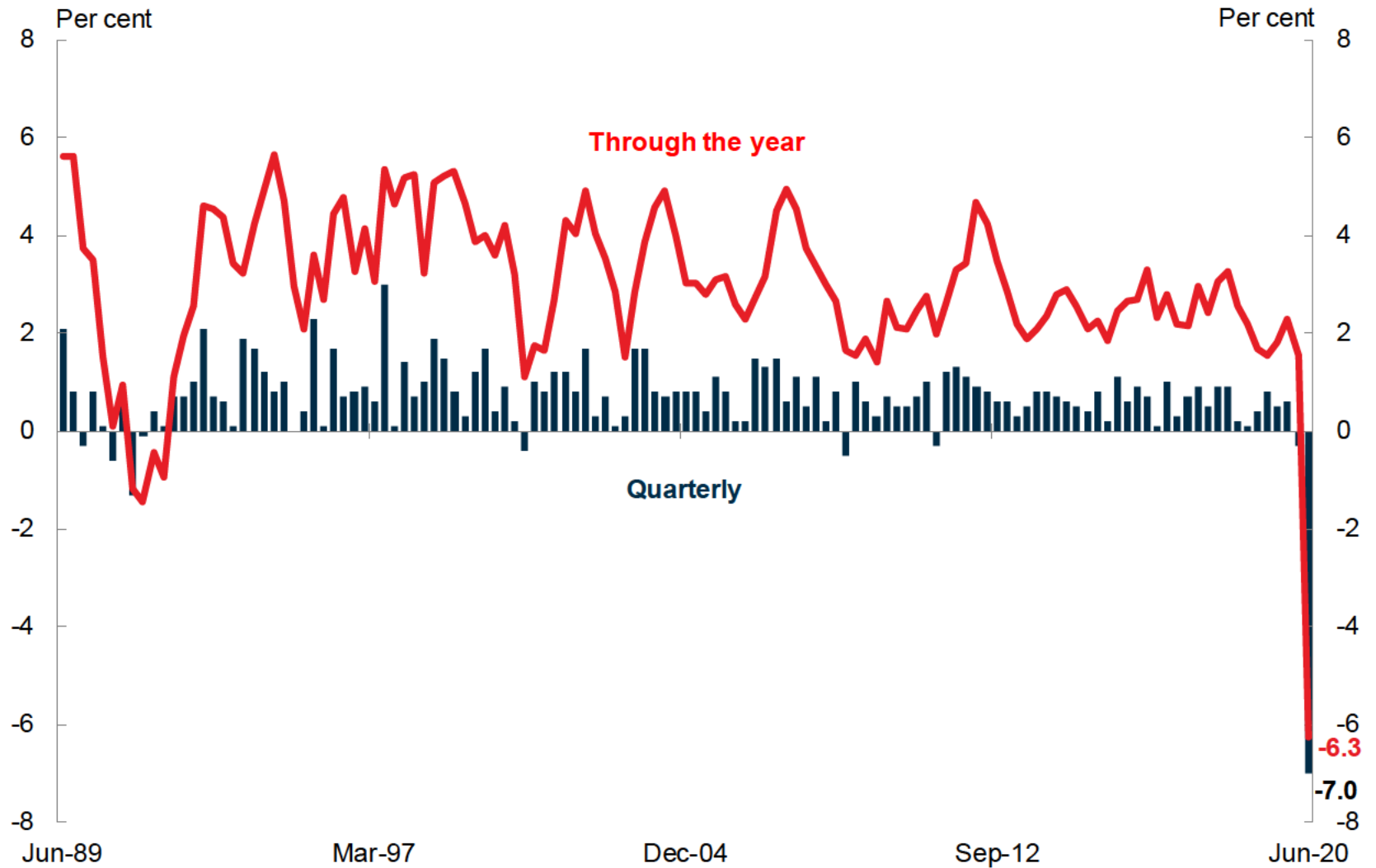
# International real GDP growth comparisons

(June quarter)



# Real GDP growth

FOI 2779  
Document 13



Note: Median market expectation was for quarterly GDP to fall by 6 per cent (range: a fall of 3.5 per cent to a fall of 13.4 per cent)

### June 2020 National Accounts TO questions

1. **What would company profits have been in the absence of Government support?**
  - The ABS is unable to split out the impact of Government support by COE, GOS and GMI.
  - The counterfactual of company profits is difficult to determine based on the data available, as we cannot identify direct and indirect effects of Government support. For example, some companies may not have continued trading in the absence of Government support.
2. **How much of company profits reflects Jobkeeper payments vs Cashflow boost**
  - Please see answer to Question 1
3. **What would COE have been the absence of the JobKeeper payments?**
  - Please see answer to Question 1
4. **What would average earnings growth be in absence of Government support?**
  - Please see answer to Question 1
5. **How much did early release of super contribute to household disposable income?**
  - Early release of superannuation does not form a component of Gross disposable income, as measured in the National Accounts.
  - However, ABS analysis shows that were it to be classified as gross disposable income, early release of superannuation added \$18.1 billion to GDI. For reference, GDI was \$33.2 billion in the June quarter 2020.
6. **Growth in business profits without cash flow boost**
  - Growth in gross operating surplus and mixed income (GOSMI) was 10.6 per cent in the June quarter 2020. Assuming the entirety of \$16 billion that the ABS has incorporated for the cash flow boost flows through to GOSMI, it contributed 7.4 percentage points to growth.
    - Assuming no change in the number of businesses operating, GOSMI would have grown by 3.2 per cent in the June quarter 2020 without the cash flow boost policy.
7. **As discussed with s 22, can you please confirm that corporate GOS and GMI minus subsidies is 17%?**
  - The sum of company profits (which includes private non-financial corporate GOS and financial corporate GOS) and gross mixed income excluding subsidies contracted by 17 per cent in the June quarter 2020.
8. **Social assistance benefits – June quarter 2020 number**
  - Social assistance benefits was \$49.2 billion in the June quarter 2020, this is an increase of \$14.4 billion from the March quarter 2020.



Australian Government  
The Treasury

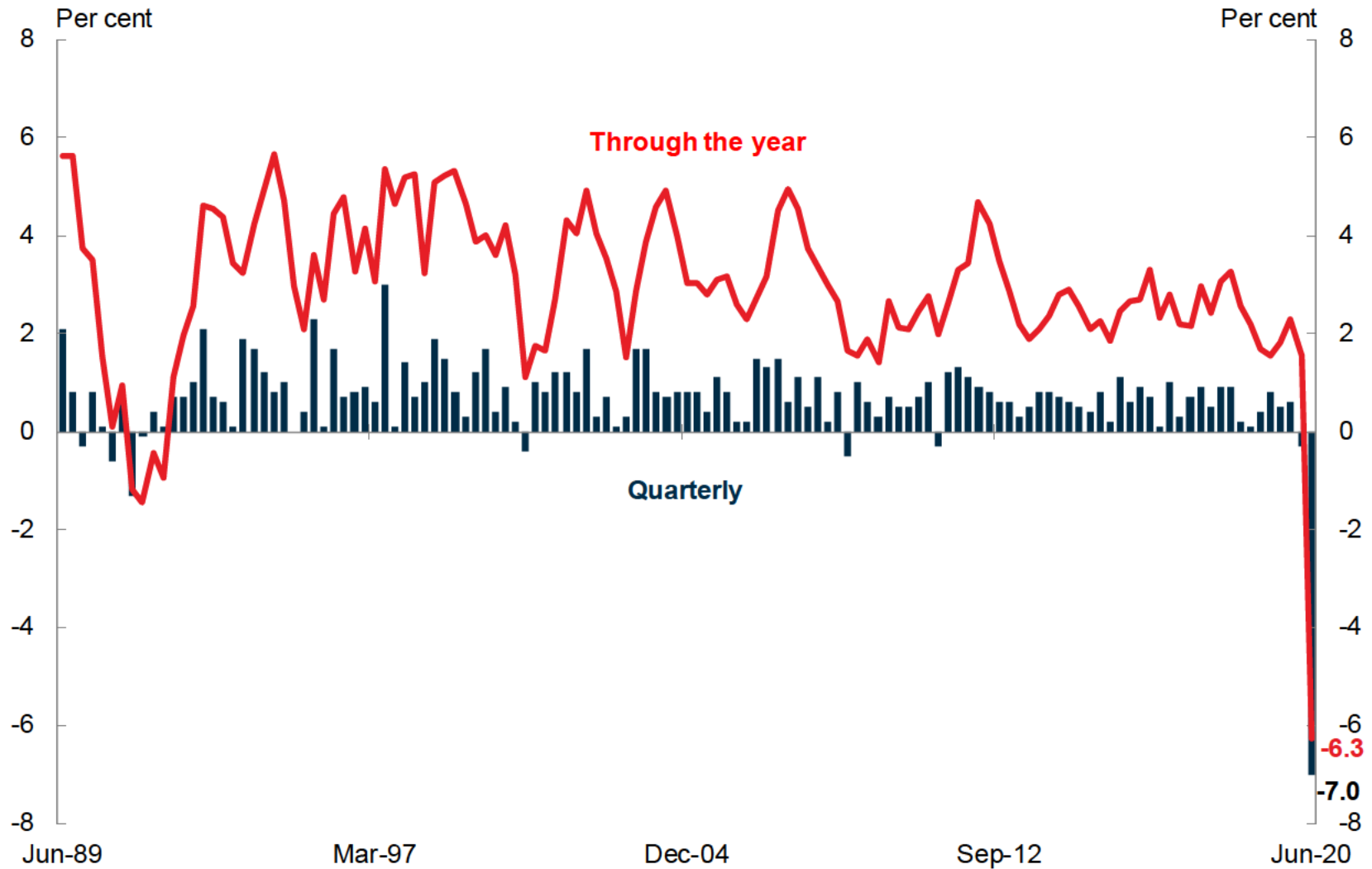
FOI 2779  
Document 15

TSY/AU

# NATIONAL ACCOUNTS

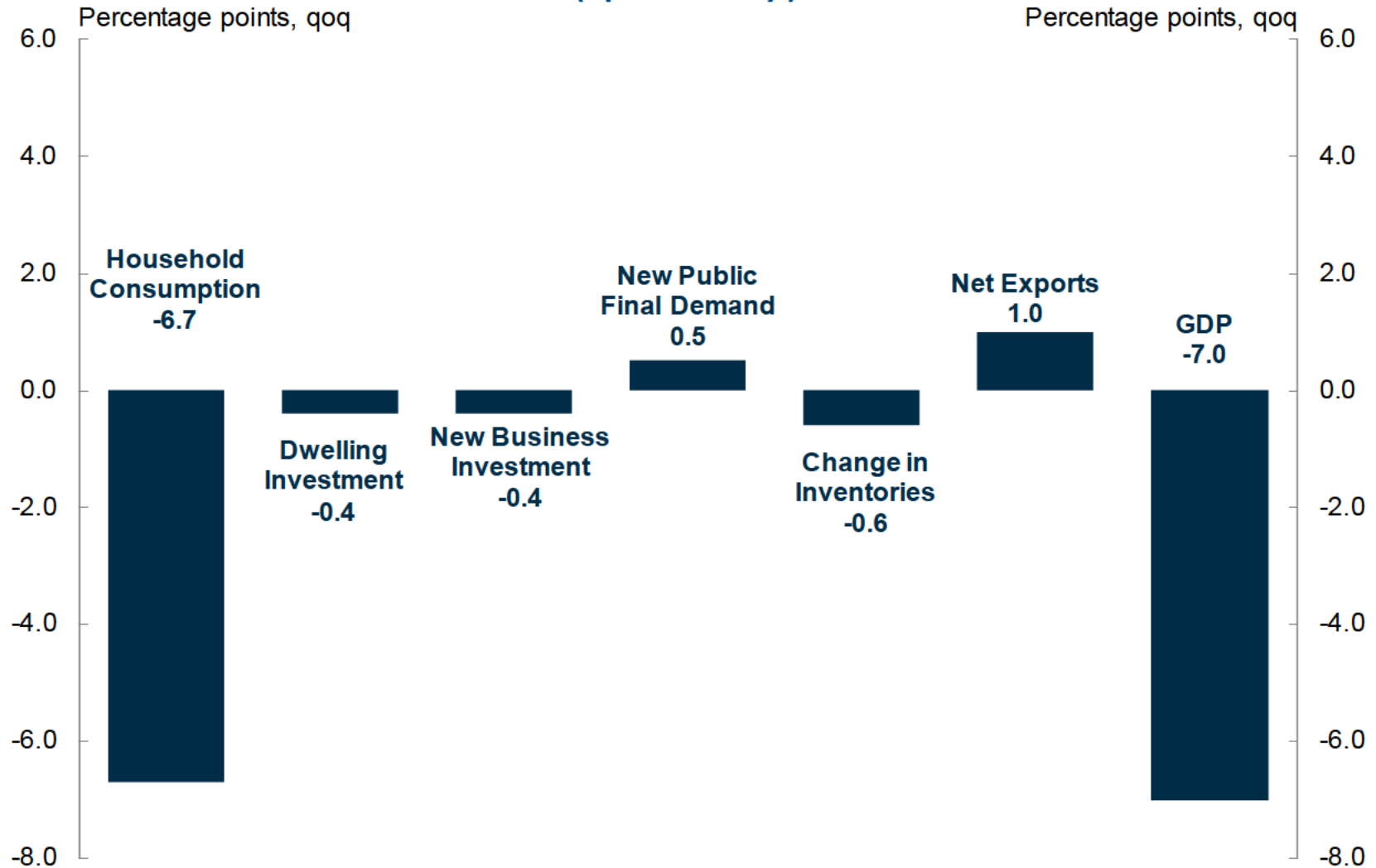
## June Quarter 2020

# Real GDP growth



Note: Median market expectation was for quarterly GDP to fall by 6 per cent (range: a fall of 3.5 per cent to a fall of 13.4 per cent)

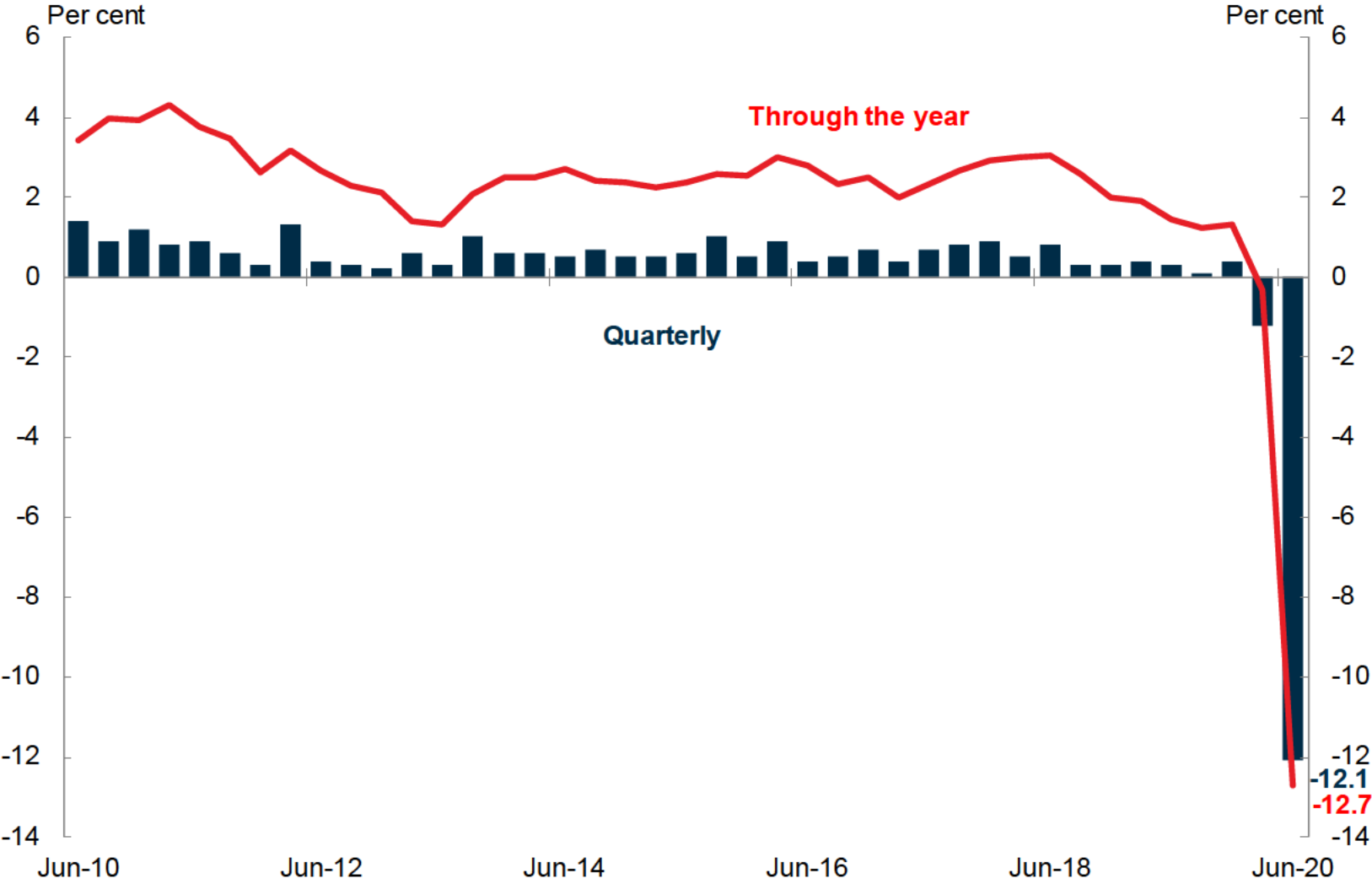
# Contributions to real GDP growth (quarterly)



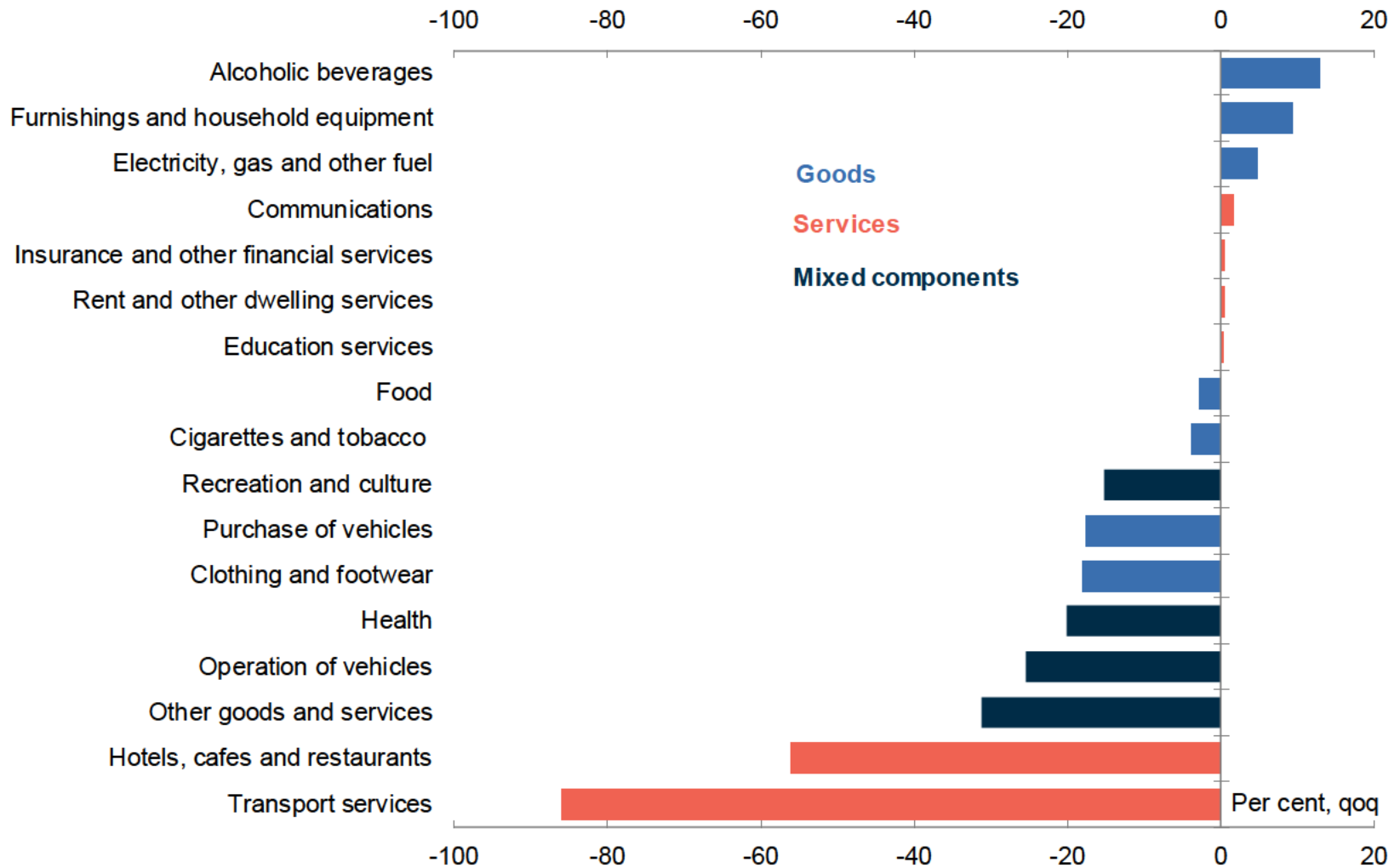
Note: The sum of individual components may not add to the aggregate due to rounding and the omission of the statistical discrepancy



# Household consumption growth

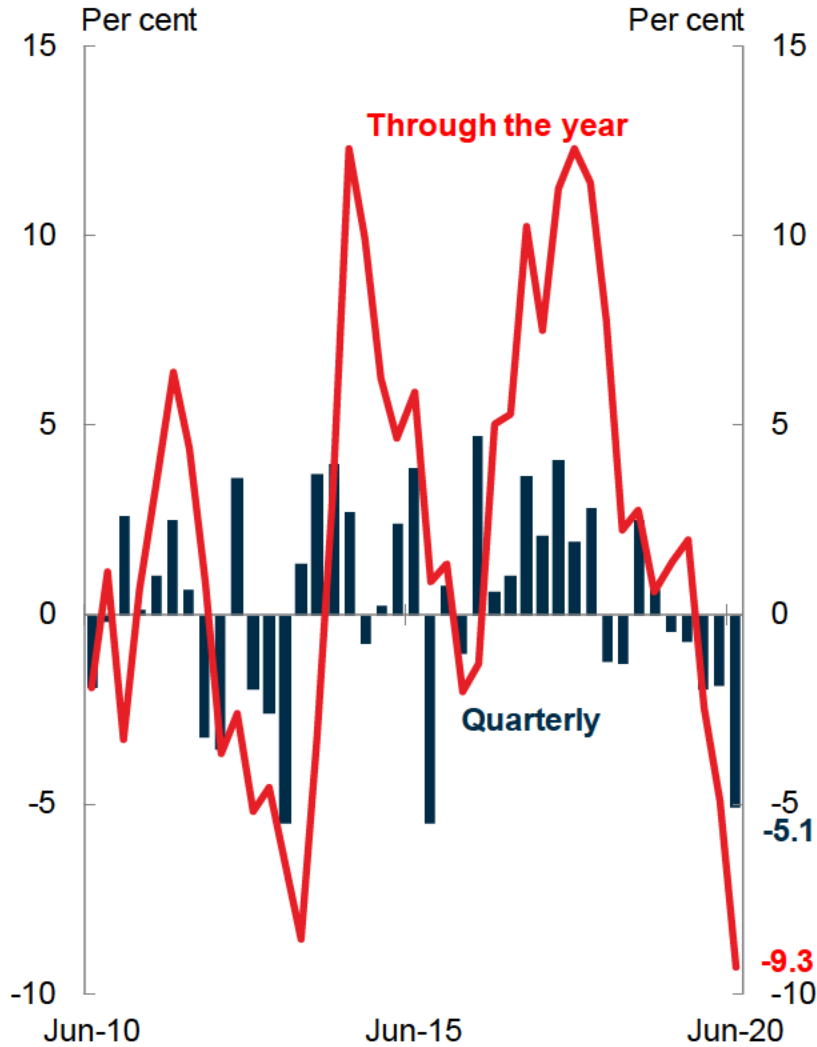


# Consumption by category

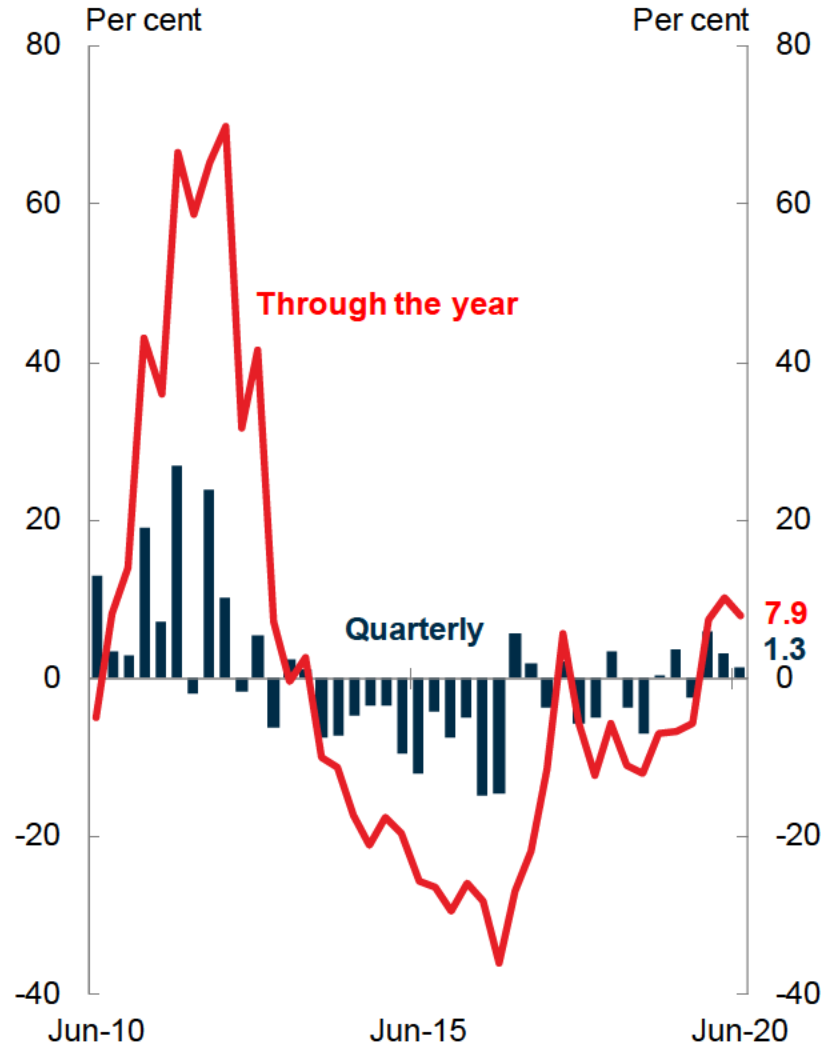


# Business investment

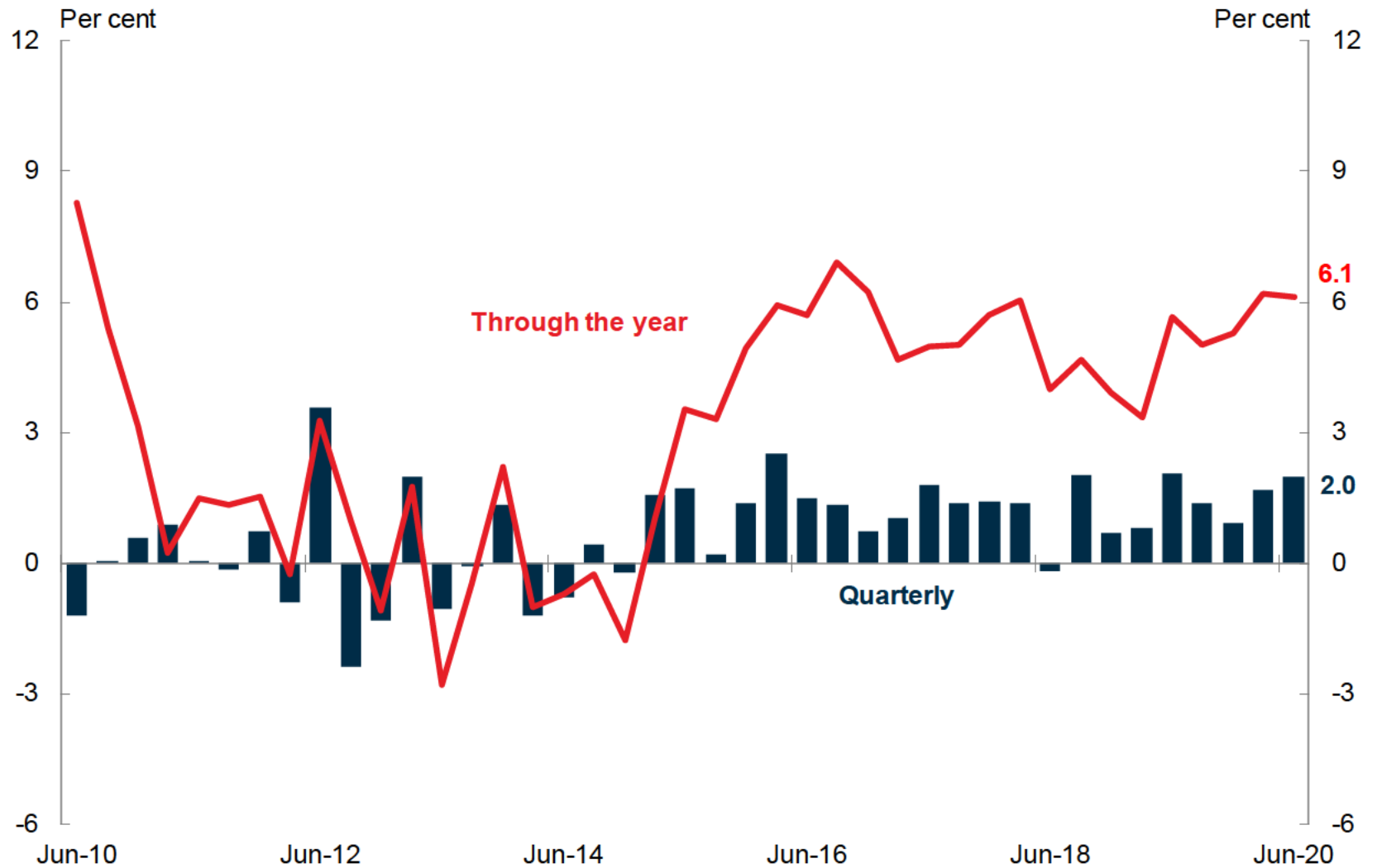
## New non-mining



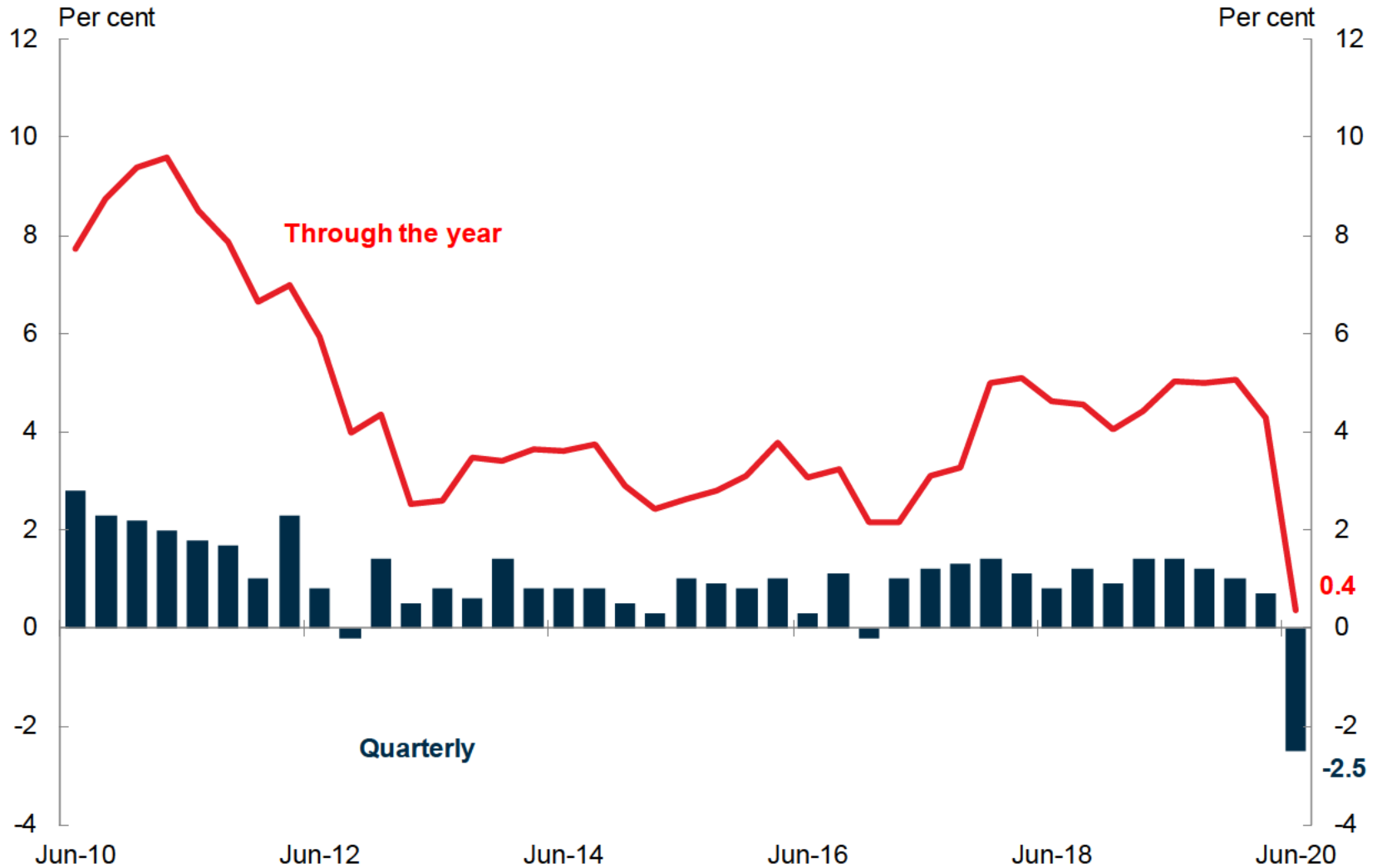
## Mining



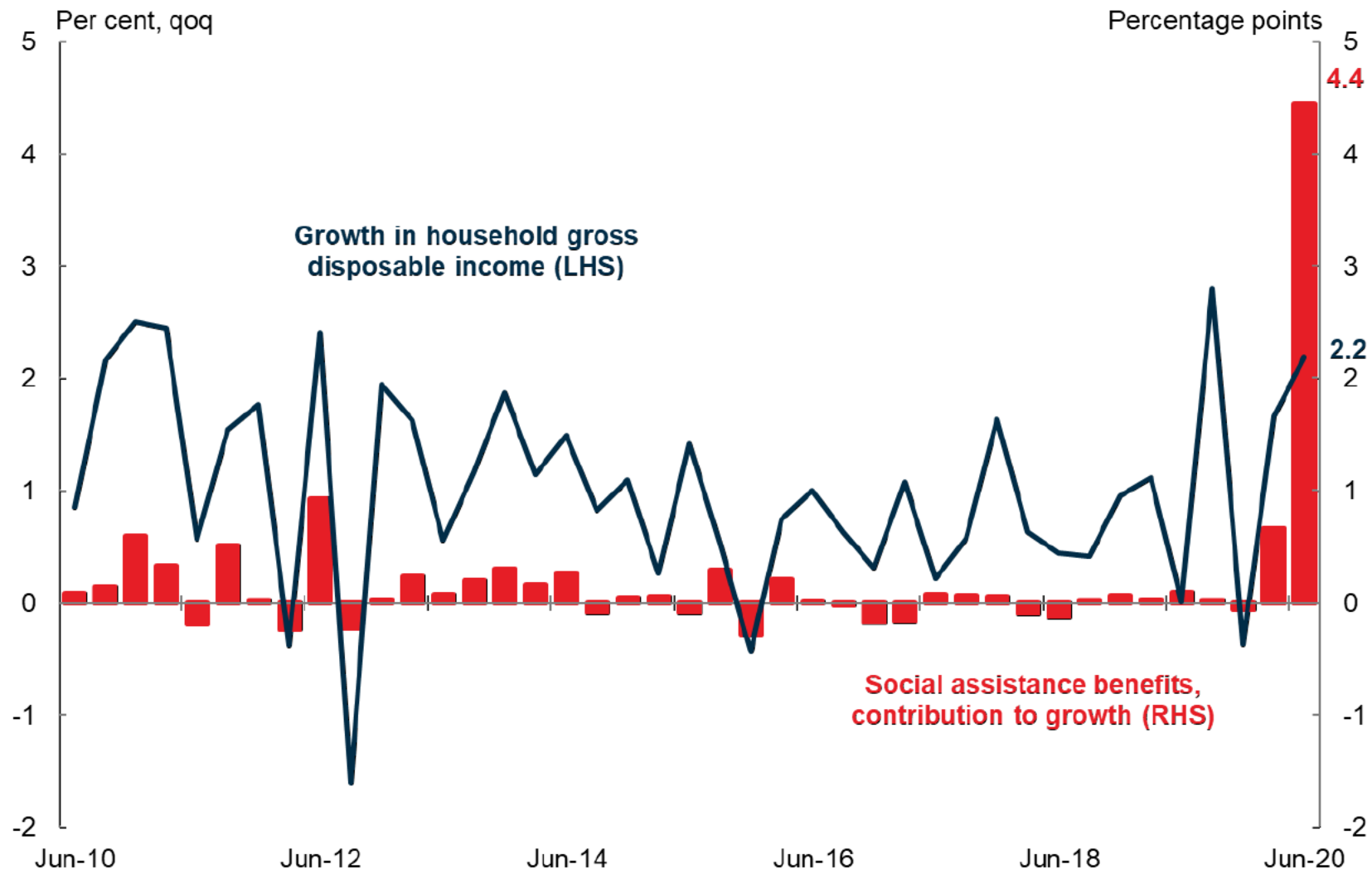
# New public final demand



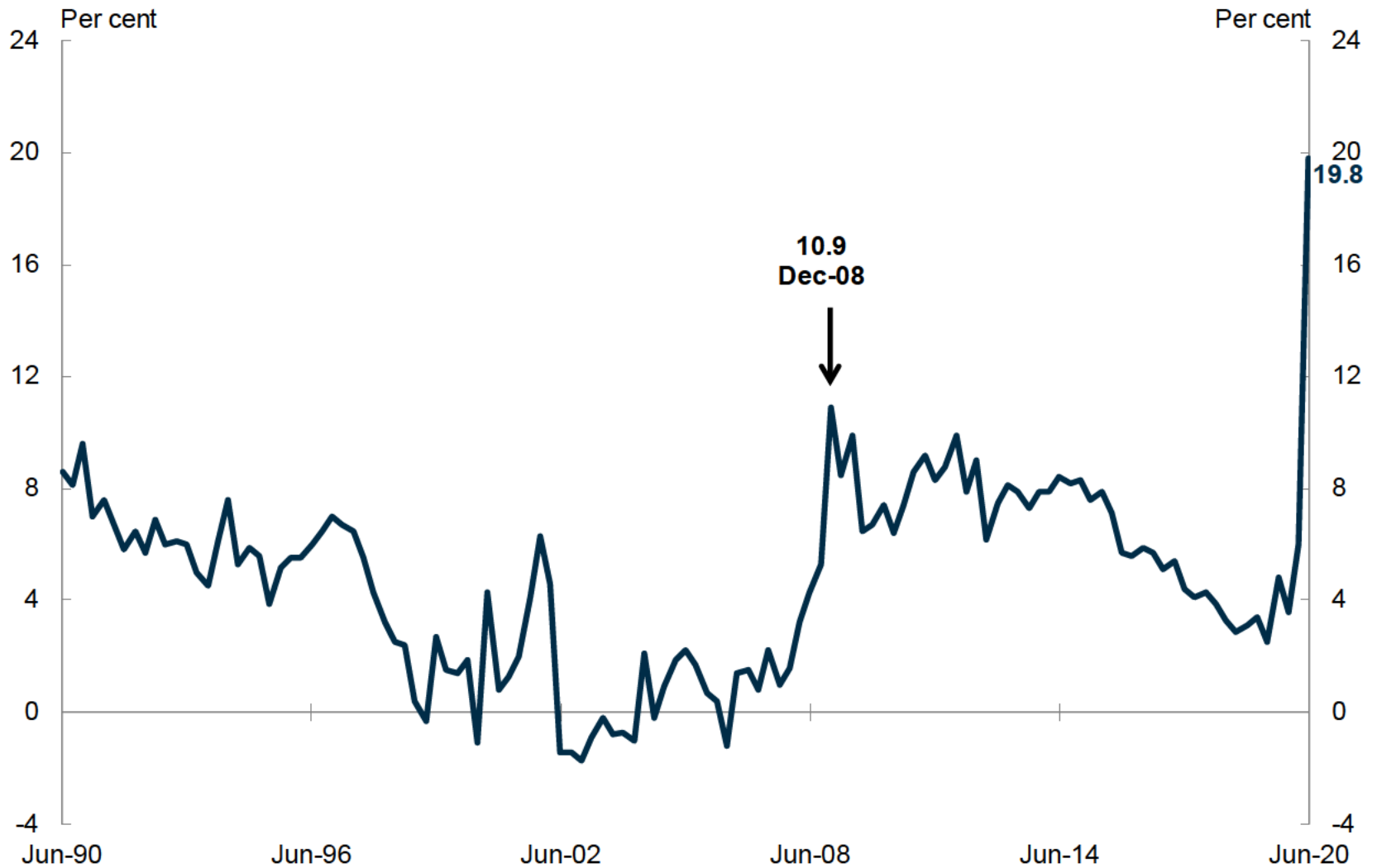
# Compensation of employees



# Contribution of social assistance benefits to household income growth



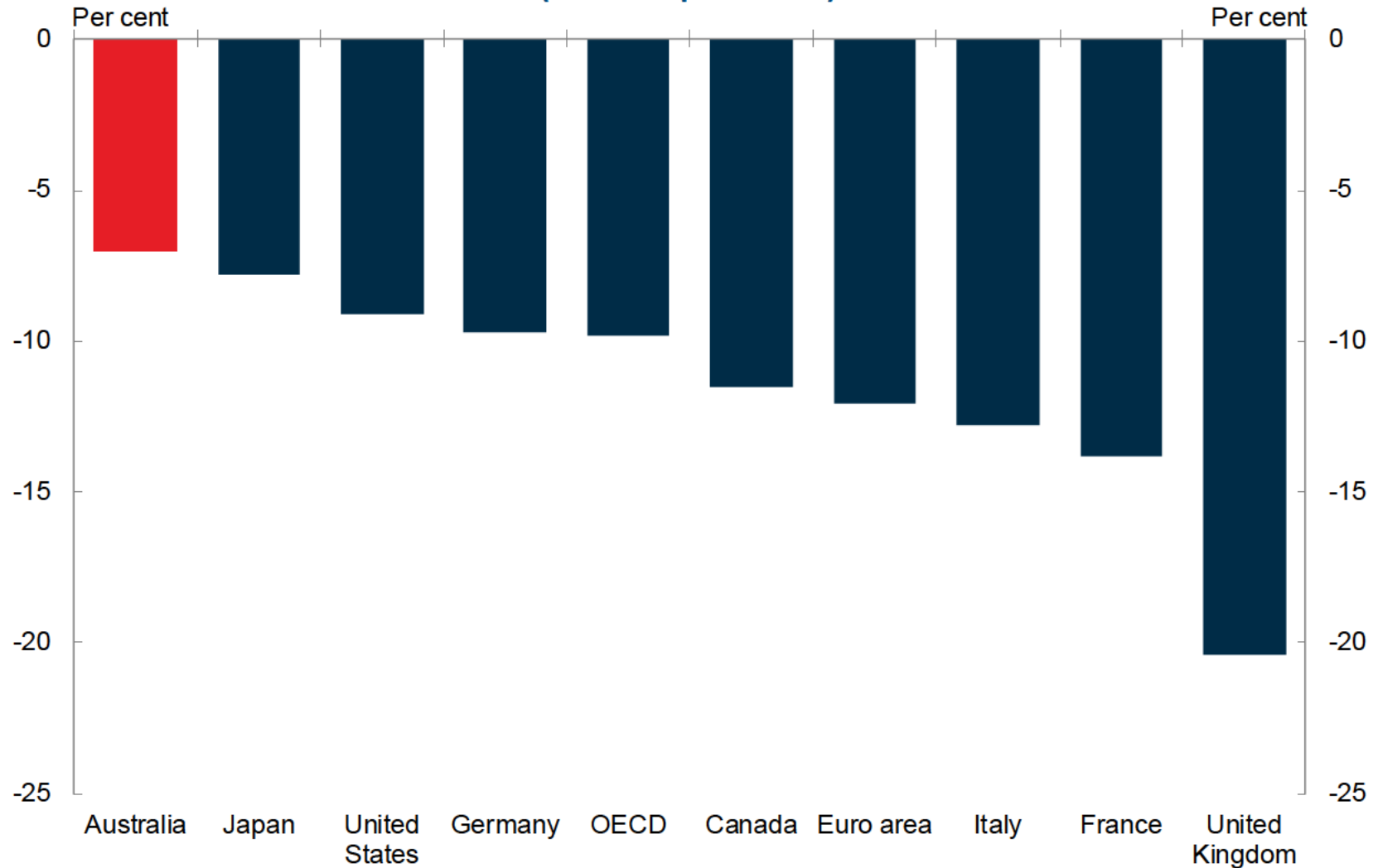
# Household saving ratio



Note: The household saving ratio is the ratio of household net saving to household net disposable income

# International real GDP growth comparisons

(June quarter)







Australian Government  
The Treasury

TSY/AU

# NATIONAL ACCOUNTS

## June Quarter 2020

**From:** s 22  
**To:** s 22; [MEG MECD International and Trade Analysis Unit](#)  
**Cc:** [MEG MECD Executive](#); [MEG MECD National Accounts Unit](#); [Tsr DLOs](#); s 22 [Grant, Angela](#)  
**Subject:** RE: TO request for National Accounts [SEC=OFFICIAL]  
**Date:** Tuesday, 1 September 2020 1:05:34 PM

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Hi s 22

Thanks for checking. It would be good if this could be incorporated into the press release.

Thanks,

s 22

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**From:** s 22 <[redacted]@treasury.gov.au>  
**Sent:** Tuesday, 1 September 2020 10:34 AM  
**To:** s 22 <[redacted]@treasury.gov.au>; MEG MECD International and Trade Analysis Unit <MEGMECDITAU@TREASURY.GOV.AU>  
**Cc:** MEG MECD Executive <MEGMECDE@TREASURY.GOV.AU>; MEG MECD National Accounts Unit <MEGMECDNAU@TREASURY.GOV.AU>; Tsr DLOs <TsrDLOs@TREASURY.GOV.AU>; s 22 <[redacted]@TREASURY.GOV.AU>; s 22 <[redacted]@TREASURY.GOV.AU>  
**Subject:** RE: TO request for National Accounts [SEC=OFFICIAL]

Hi s 22

Thanks for your email. We will update the text below, and include a chart with cumulative falls in GDP (since December 2019 quarter) for those select countries in the chart pack.

I've spoken to NAU – we wanted to check whether you'd like this text incorporated into the press release? Grateful if you could let us know, otherwise we can provide this in an email.

Thanks

s 22

[redacted]  
Team leader, International and Trade Analysis Unit  
Macroeconomic Conditions Division  
Macroeconomic Group  
☎ s 22 | 📧 s 22 [@treasury.gov.au](mailto:[redacted]@treasury.gov.au)  
✉ 1 Langton Crescent, Parkes ACT 2600

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**From:** s 22 <[redacted]@treasury.gov.au>  
**Sent:** Tuesday, 1 September 2020 8:05 AM  
**To:** MEG MECD International and Trade Analysis Unit <MEGMECDITAU@TREASURY.GOV.AU>  
**Cc:** MEG MECD Executive <MEGMECDE@TREASURY.GOV.AU>; MEG MECD National Accounts Unit <MEGMECDNAU@TREASURY.GOV.AU>; Tsr DLOs <TsrDLOs@TREASURY.GOV.AU>; s 22

s 22 [REDACTED]@TREASURY.GOV.AU>; Grant, Angelia

<Angelia.Grant@TREASURY.GOV.AU>

**Subject:** TO request for National Accounts [SEC=OFFICIAL]

**OFFICIAL**

Hi team,

Can you please add some more detail to the paragraph below and include it in the products provided for National Accounts tomorrow morning? It would be good if you could include comparisons with France, Italy, Germany and Australia if possible.

*The level of UK GDP is now down more than 22% since the December 2019 quarter and at its lowest since the June quarter 2003. The level of US real GDP is almost 11% below the peak in the December quarter 2019 and at its lowest since the December quarter 2014, while the level of Eurozone real GDP is more than 15% below the peak in the December quarter 2019 and at its lowest since the March quarter 2005.*

Thanks,

s 22

[REDACTED]

Departmental Liaison Officer

Office of the Hon Josh Frydenberg MP, Treasurer

P +61 2 6277 7340 | M +s 22 [REDACTED] | E s 22 [REDACTED]@treasury.gov.au

**OFFICIAL**