

Barrenjoey\*

# The Australian Economy

Opportunities and Challenges

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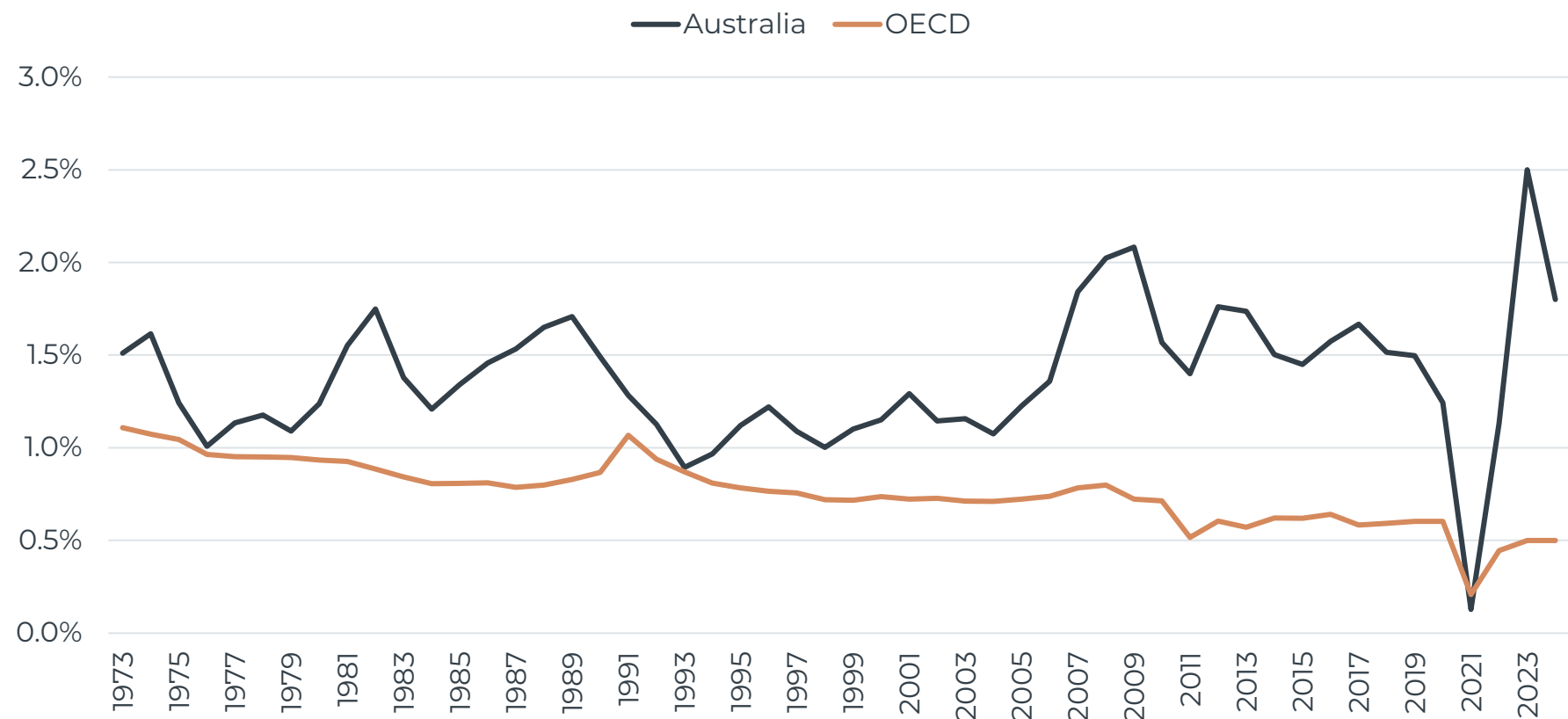
June 2025



# Population growth

Australia has consistently stronger population growth than its peers

Annual population change (%)

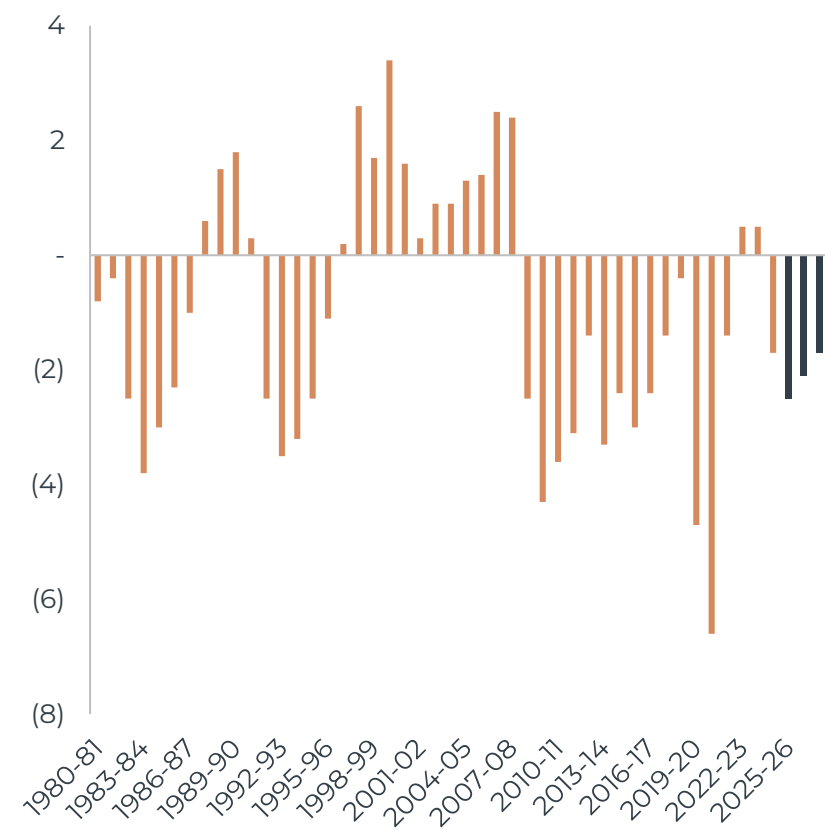


Source: Barrenjoey Fixed Income, OECD

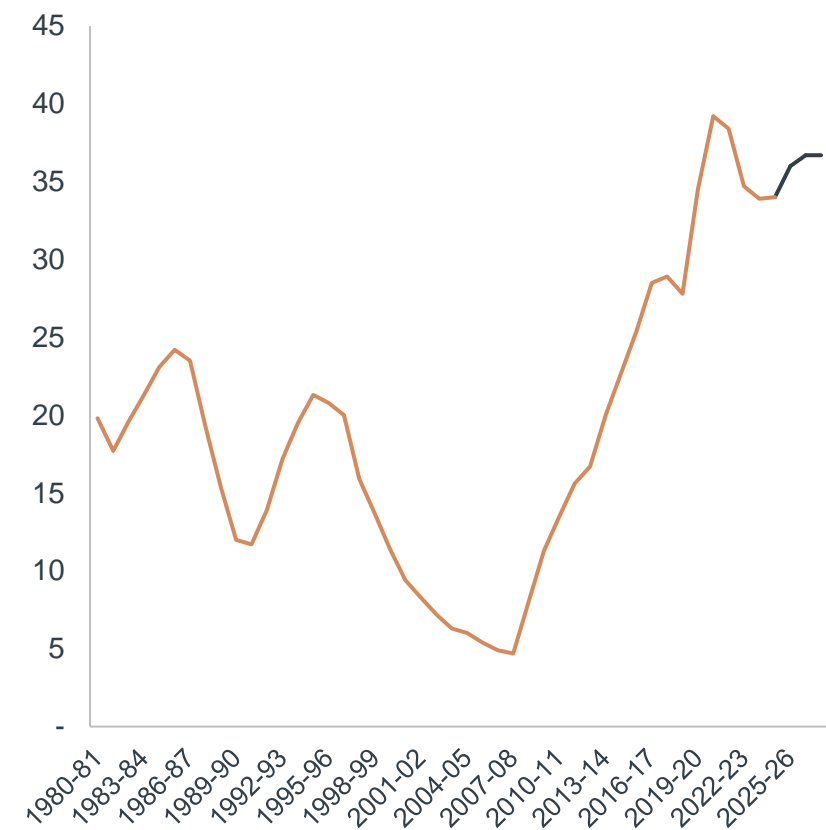
# Government debt

Government debt is low, but with persistent modest deficits

Headline cash balance (% GDP)



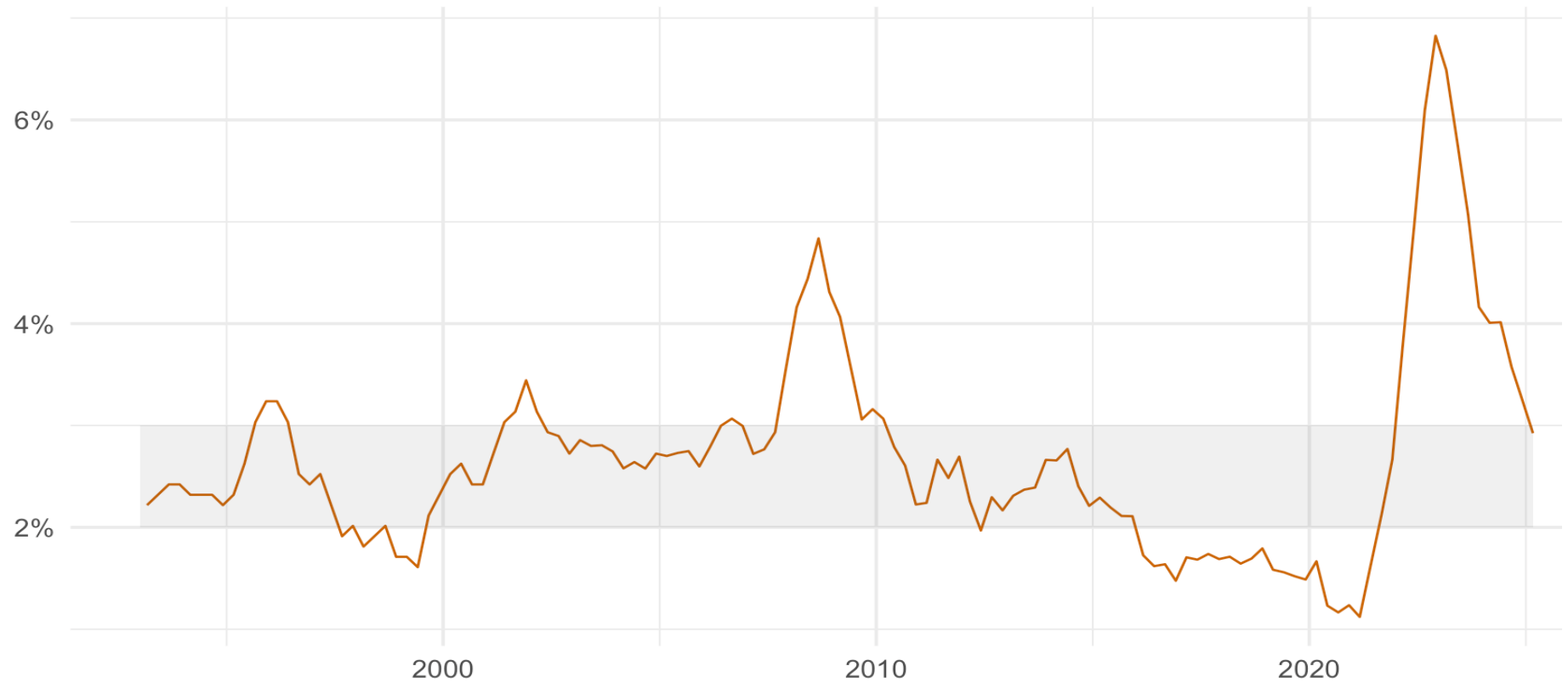
Gross government debt (% GDP)



Source: Barrenjoey Fixed Income, Commonwealth Treasury

# Inflation

Trimmed mean inflation is back within the 2-3% band



Source: Barrenjoey Fixed Income, ABS

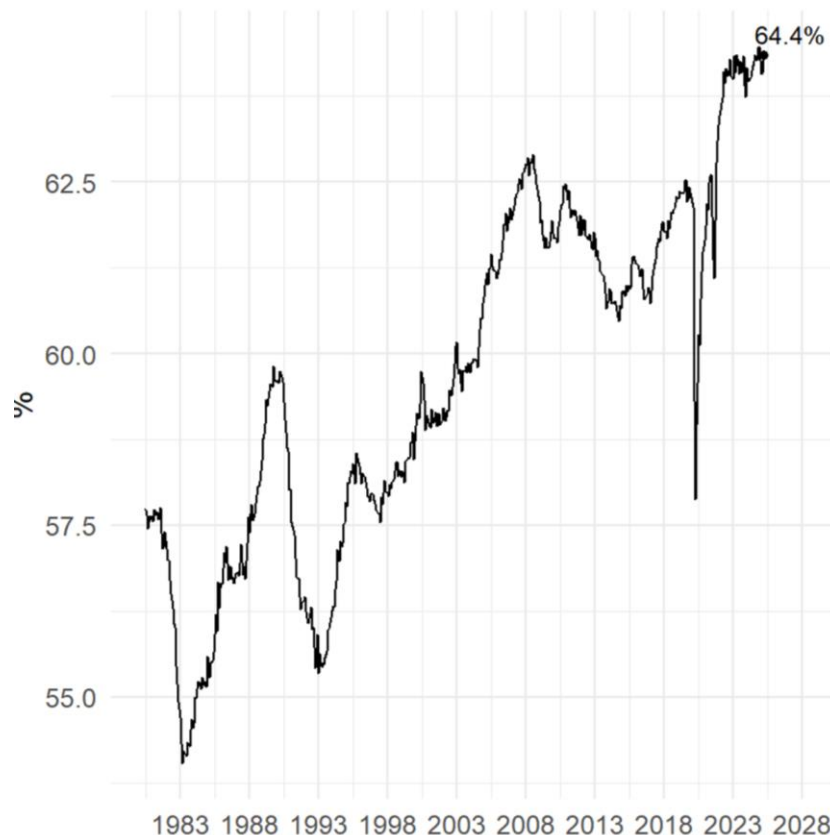
# Employment

Unemployment low, employment to population at a record

Unemployment near multi decade lows



A record share employed

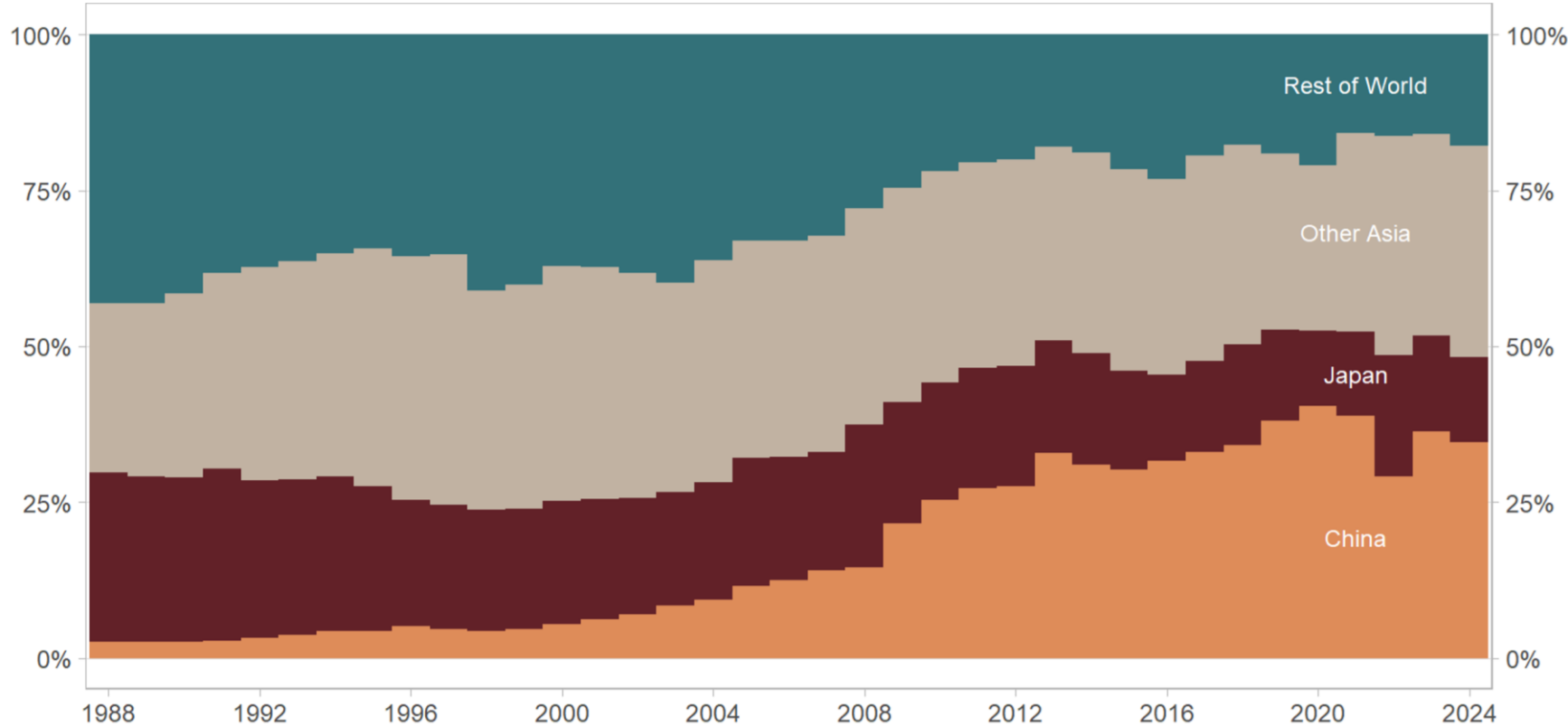


Source: Barrenjoey Fixed Income, ABS

# Exports

Our exports continue to rotate towards Asia

Australia exports country of destination, by share



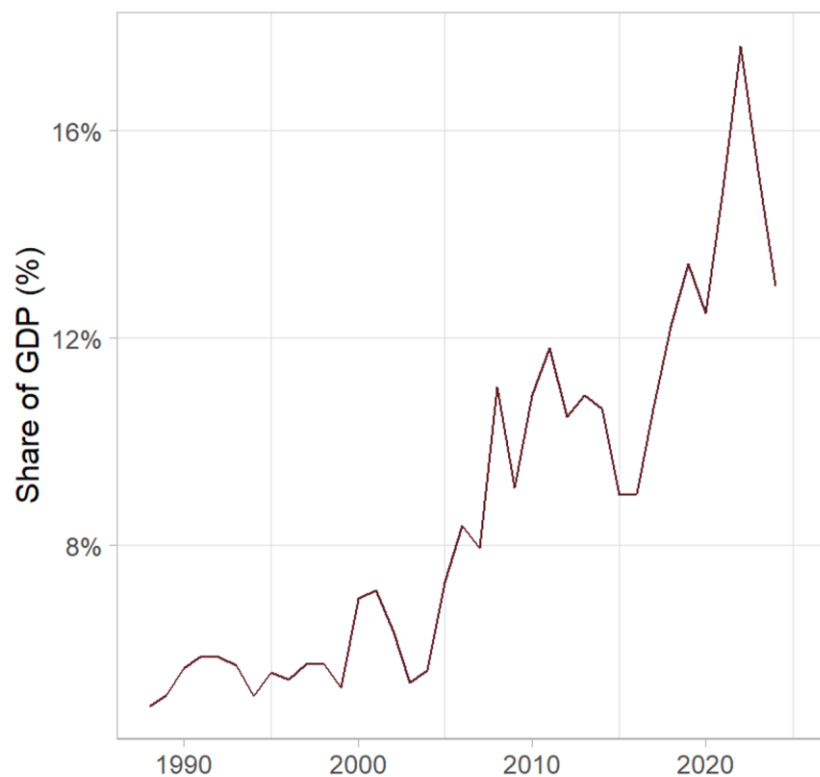
Source: Barrenjoey Fixed Income, ABS



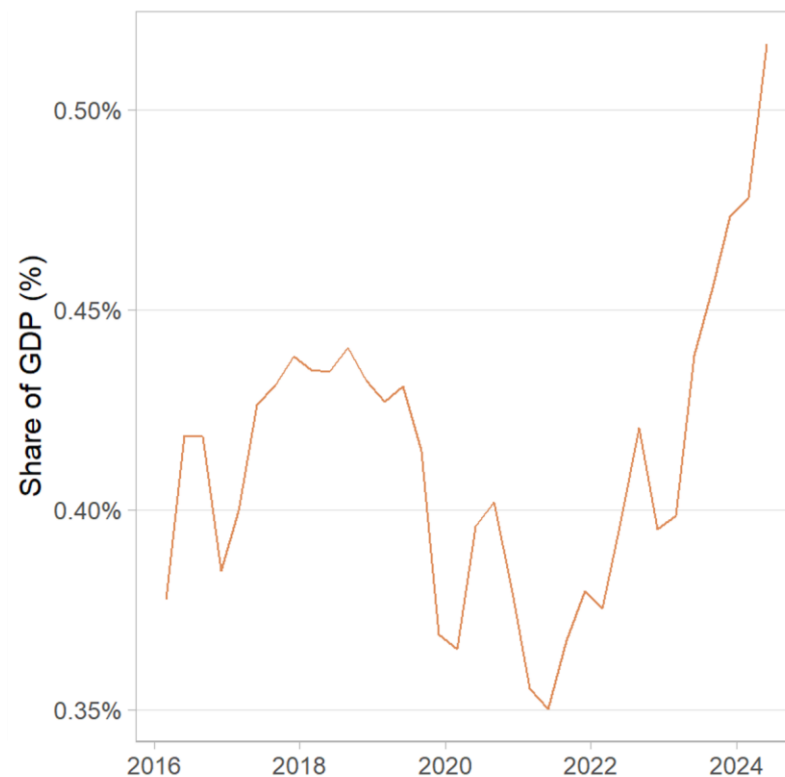
# Resources

## Resources strong, renewable energy growing

Aus resources exports, as a share of GDP



Aus renewable energy domestic investment

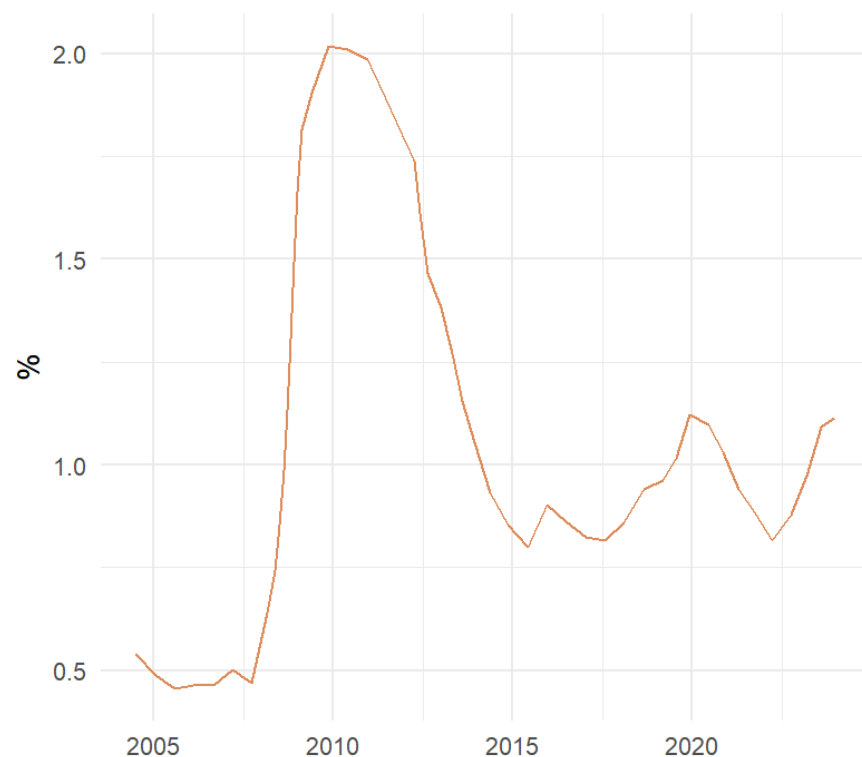


Source: Barrenjoey Fixed Income, ABS

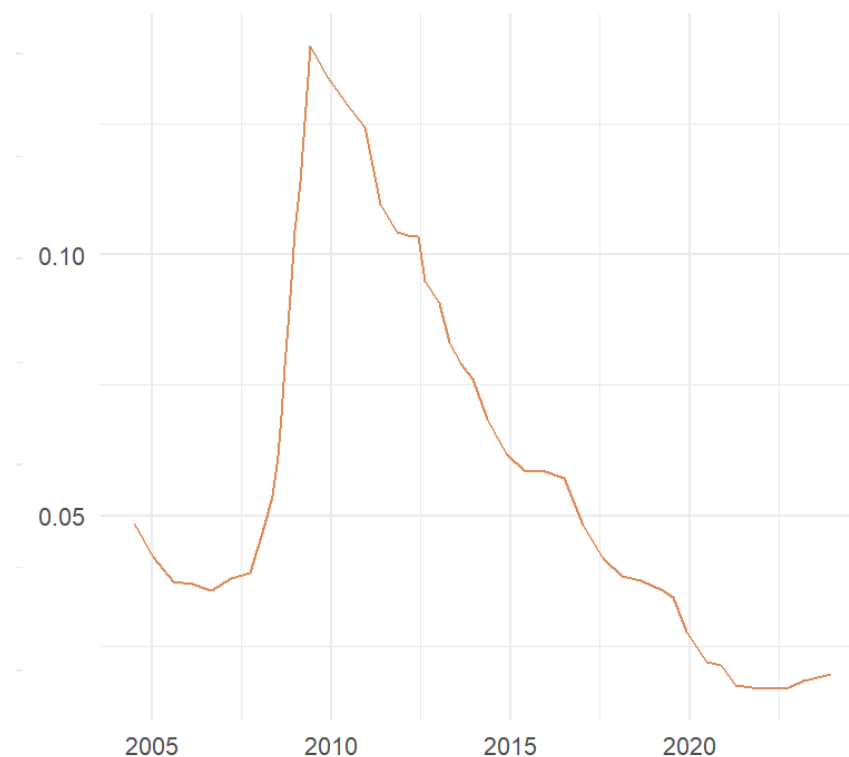
# Banking

## The banking system remains resilient

Non-performing loans as a share of credit (%)



Loan losses as a share of credit (%)



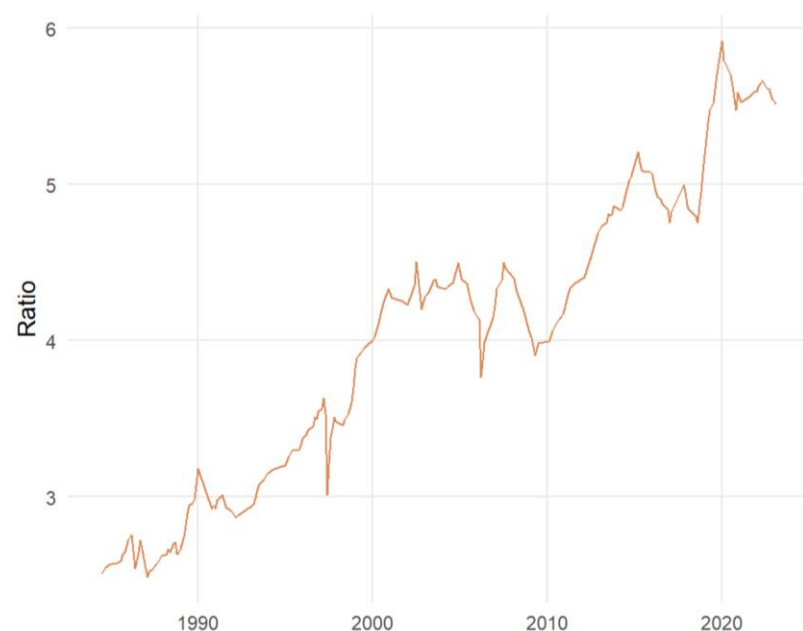
Source: Barrenjoey Fixed Income, APRA, RBA



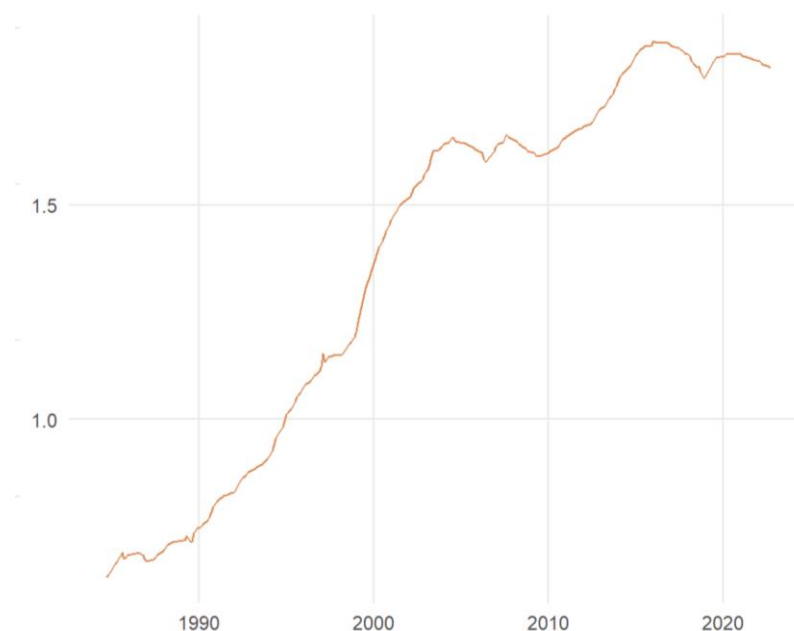
# Housing prices and household debt are high

## Housing and household debt: Ratio to household disposable income

### Housing prices



### Household debt

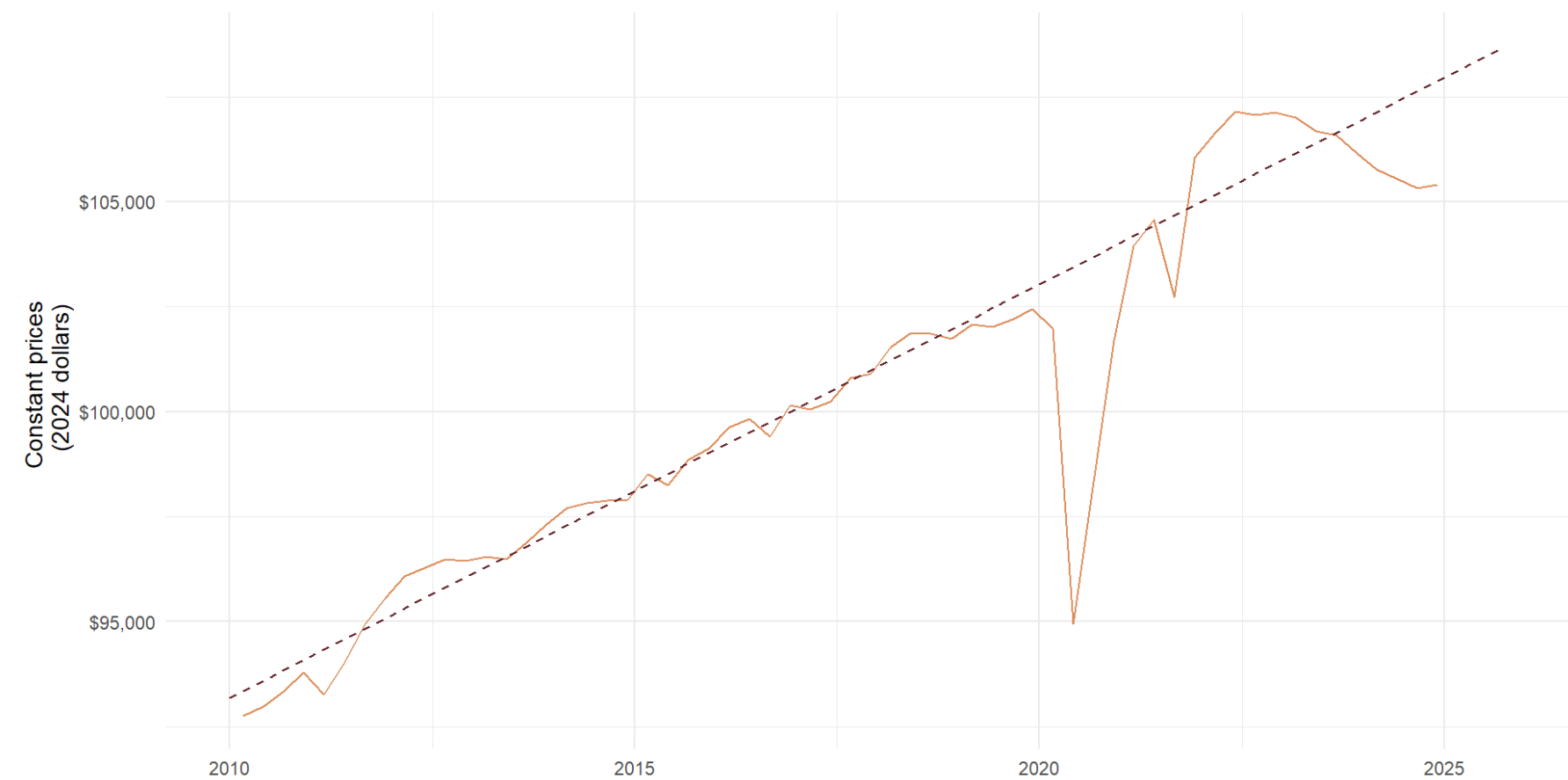


Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises

Source: Barrenjoey Fixed Income, ABS

# GDP

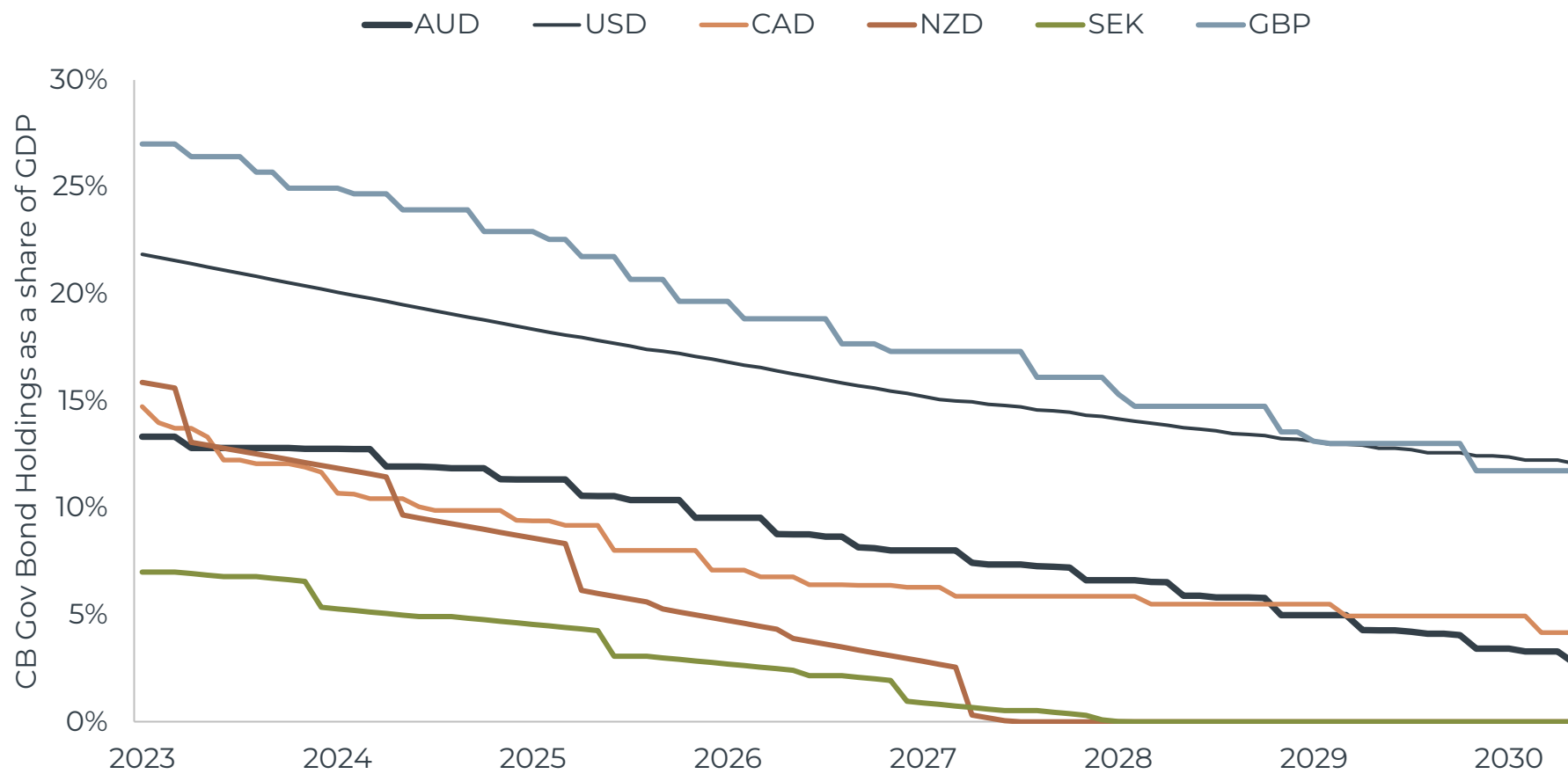
GDP per capita has bottomed but below trend



Source: Barrenjoey Fixed Income, ABS

# Central bank balance sheet

## Central bank balance sheet unwind continues at a moderate pace



Source: Barrenjoey Fixed Income, Central Banks