

ABS National Accounts: June quarter 2024

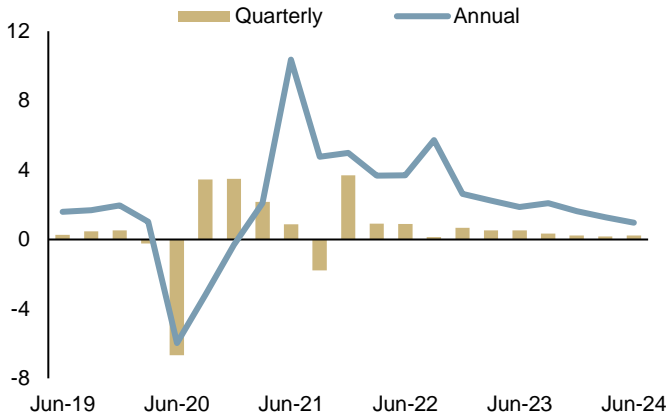
Source: ABS *National Accounts*, released 4 September 2024, 11:30 am AEST.

GDP grew by 0.2% in June quarter 2024, marginally below market expectations of 0.3%, to be 1.0% higher over the year. Public final demand and net exports drove growth in the quarter.

Change in inventories detracted 0.3%-point from GDP in the quarter following a build-up in the March quarter.

Net exports contributed 0.2 percentage point to GDP growth in the quarter, driven by a 0.5% rise in *exports* and to a lesser extent a 0.2% fall in *imports*. The **terms of trade** fell 3.0%, with mining commodity prices falling for a second consecutive quarter.

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



Gross domestic product (GDP) rose 0.2% (seasonally adjusted) in June quarter 2024 to be 1.0% higher over the year (Chart 1). Public final demand and net exports drove growth in the quarter, while household consumption and business investment fell. GDP per capita fell 0.4% in the quarter, its sixth consecutive decline.

Household consumption fell 0.2% in the quarter, with spending on many discretionary categories falling. Transport (down 4.4%) was the largest detractor from growth in the quarter. Household consumption has grown by only 0.5% over the year.

Real **gross household disposable income** grew 0.1% in the quarter to be 0.4% higher over the year. While nominal gross disposable income has grown 4.9% over the year, this has been largely offset by 4.4% growth in the *household consumption deflator* (a measure of consumer price growth). The *household saving ratio* was unchanged at 0.6%, only slightly higher than the recent low of 0.2% in September quarter 2023, constrained by continued increases in prices for essential and discretionary services.

Compensation of employees (COE) rose 0.9% in the quarter to be 6.3% higher over the year, consistent with the gradual unwinding of tightness in the labour market. *Gross operating surplus (GOS)*, a measure of profits fell 0.6% in the quarter, driven by *mining* (lower prices for iron ore and coal), *wholesale trade* (weak grain harvest and lower machinery and equipment imports) and *arts & recreation* (following large scale music and sporting events in the March quarter).

Business investment fell 1.5% in the quarter but was 1.6% higher annually. The decline in the quarter was driven by *machinery & equipment* investment (down 2.4%) and *non-dwelling construction* (down 2.2%, driven by net purchases of second-hand assets).

Dwelling investment rose 0.1% in the quarter but was 3.0% lower over the year. *New & used dwellings* rose 0.6% in the quarter but was largely offset by a decline in *alterations and additions* (down 0.8%).

Public final demand rose 1.4% in the quarter to be 3.7% higher over the year. Quarterly growth reflected growth in both *public consumption* (up 1.4%) and *public investment* (up 1.5%).

Table 1: Components of GDP
(seasonally adjusted, June quarter 2024)

Chain Volume Measure	% change		ppt. contribution	
	quarterly	annual	quarterly	annual
Household consumption	-0.2	0.5	-0.1	0.3
Private investment	-0.6	1.0	-0.1	0.2
Dwelling investment	0.1	-3.0	0.0	-0.1
Business investment	-1.5	1.6	-0.2	0.2
Machinery and equipment	-2.4	-1.2	-0.1	0.0
Non-dwelling construction	-2.2	1.0	-0.1	0.0
Non-residential building	0.5	2.1	0.0	0.0
Engineering construction	1.4	0.5	0.0	0.0
Private Final Demand	-0.3	0.7	-0.2	0.4
Public Final Demand	1.4	3.7	0.4	1.0
General government consumption	1.4	4.7	0.3	1.0
Public investment	1.5	-0.5	0.1	0.0
Changes in inventories			-0.3	0.6
Gross national expenditure	-0.1	2.2	-0.1	2.1
Net exports			0.2	-1.1
Exports of goods & services	0.5	0.1	0.1	0.0
less Imports of goods & services	-0.2	5.2	0.0	-1.1
Statistical discrepancy			0.1	0.0
GDP	0.2	1.0	0.2	1.0
Current Prices				
Compensation of employees	0.9	6.3		
Gross operating surplus	-0.6	2.1		
GDP	0.2	4.4		
Deflators and Prices				
Terms of trade	-3.0	-3.9		
Household consumption deflator	0.8	4.4		
GDP deflator	0.0	3.4		

In year-average terms, GDP grew 1.5% in 2023-24, slightly below the Commonwealth Budget forecast of 1¾% in May but marginally above the RBA's estimate of 1.4% in its August *Statement on Monetary Policy*.

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

