

ABS National Accounts: September quarter 2024

Source: ABS *National Accounts*, released 4 December 2024, 10:30 am AEST.

GDP grew by 0.3% in September quarter 2024, below market expectations of 0.4%, to be 0.8% higher over the year. Public expenditure drove growth in the quarter, more than offsetting a deduction from change in inventories while private sector activity was flat.

consumption (up 1.4%) and *public investment* (up 6.3%). Public consumption was driven by additional state-based energy bill relief schemes implemented in the quarter.

Change in inventories detracted 0.4%-point from growth in the quarter, driven by a drawdown in *mining* and *retail* inventories.

Net exports contributed 0.1 percentage point to GDP growth in the quarter, driven by a 0.2% rise in *exports* and a 0.3% fall in *imports*. The **terms of trade** fell 2.5% due to lower commodity prices, its third consecutive decline.



Gross domestic product (GDP) rose 0.3% (seasonally adjusted) in September quarter 2024 to be 0.8% higher over the year (Chart 1). Public expenditure drove growth in the quarter, more than offsetting a deduction from change in inventories. Household consumption was unchanged, while a small rise in dwelling investment was offset by a fall in business investment, resulting in overall private sector activity remaining stagnant. GDP per capita fell 0.3% in the quarter, its seventh consecutive decline.

Household consumption was flat in the quarter, following a 0.3% fall in the June quarter. A sharp fall in *electricity and gas* spending detracted from growth due to the implementation of the energy bill relief rebates, which are treated as government expenditure in the national accounts. This was offset by growth in other categories.

Real **gross household disposable income** grew 0.8% in the quarter to be 2.3% higher over the year, driven by a 6.0% increase in nominal gross disposable income over the year (boosted by the stage 3 tax cuts commencing in July). The *household saving ratio* rose to 3.2%, continuing to trend higher from the recent low of 1.5% (revised up) in September quarter 2023.

Compensation of employees (COE) rose 1.4% in the quarter to be 5.4% higher over the year, consistent with continued strength in the labour market. *Gross operating surplus (GOS)*, a measure of profits fell 1.5% in the quarter, driven by *mining* (lower prices for iron ore, lithium and coal), *wholesale trade* and *professional services*.

Business investment fell 0.6% in the quarter but was 1.3% higher annually. The decline in the quarter was driven by *non-dwelling construction* (down 2.7%, with all sub-components falling), which more than offset a rise in *machinery & equipment* (up 1.0%).

Dwelling investment rose 1.2% in the quarter but was 0.5% lower over the year. *New & used dwellings* rose 1.7% in the quarter while *alterations & additions* rose 0.4%. The ABS noted the improvement 'follows the recent period of construction bottlenecks due to labour and materials shortages.'

Public final demand rose 2.4% in the quarter to be 4.2% higher over the year. Quarterly growth reflected growth in both *public*

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

Chain Volume Measure	% change		ppt. contribution	
	quarterly	annual	quarterly	annual
Household consumption	0.0	0.4	0.0	0.2
Private investment	0.1	1.3	0.0	0.2
Dwelling investment	1.2	-0.5	0.1	0.0
Business investment	-0.6	1.3	-0.1	0.2
Machinery and equipment	1.0	-1.5	0.0	-0.1
Non-dwelling construction	-2.7	-0.3	-0.1	0.0
Non-residential building	-1.8	2.2	0.0	0.1
Engineering construction	-1.5	-2.5	0.0	-0.1
Private Final Demand	0.0	0.7	0.0	0.5
Public Final Demand	2.4	4.2	0.6	1.1
General government consumption	1.4	4.7	0.3	1.0
Public investment	6.3	2.3	0.3	0.1
Changes in inventories			-0.4	-0.1
Gross national expenditure	0.2	1.5	0.2	1.5
Net exports			0.1	-0.9
Exports of goods & services	0.2	-1.1	0.0	-0.3
less Imports of goods & services	-0.3	2.7	0.1	-0.6
Statistical discrepancy			0.0	0.3
GDP	0.3	0.8	0.3	0.8
GDP per capita	-0.3	-1.5		
Current Prices				
Compensation of employees	1.4	5.4		
Gross operating surplus	-1.5	0.8		
GDP	0.4	3.5		
Deflators and Prices				
Terms of trade	-2.5	-4.0		
Household consumption deflator	0.7	3.6		
GDP deflator	0.1	2.7		

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

