

# ABS National Accounts: December quarter 2024

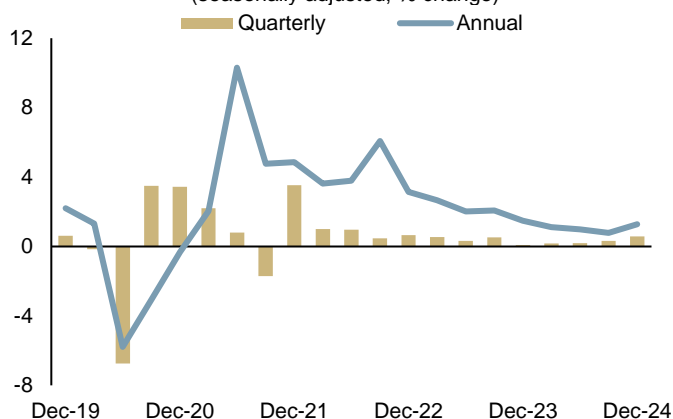
Source: ABS *National Accounts*, released 5 March 2025, 10:30 am AEST.

**GDP grew by 0.6% in December quarter 2024, marginally above market expectations of 0.5%, to be 1.3% higher over the year. Public expenditure, household consumption and net exports drove growth in the quarter.**

**Change in inventories** contributed 0.1%-point to growth in the quarter, driven by buildups in *mining, retail trade* and *wholesale trade* inventories.

**Net exports** contributed 0.2 percentage point to GDP growth in the quarter, driven by a 0.7% rise in *exports* while *imports* rose marginally (up 0.1%). The **terms of trade** rose 1.7% following three consecutive falls due to a surge in export prices relating to increased demand from steel manufacturers for mineral ores following the announcement of China's stimulus package.

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



## Expenditure

**Gross domestic product (GDP)** rose 0.6% (seasonally adjusted) in December quarter 2024 to be 1.3% higher over the year (Chart 1). *Public expenditure, household consumption, and net exports* drove growth in the quarter. *Business investment* also grew in the quarter, driven by *engineering construction*. GDP per capita rose 0.1% in the quarter, its first increase since December quarter 2022, but remained 1.6% below its peak in June quarter 2022.

**Household consumption** grew 0.4% in the quarter, following two consecutive quarterly falls, to be 0.7% higher over the year. *Discretionary* spending grew by 0.4% in the quarter with strong contributions from *furnishings & household equipment* (up 1.9%), and *clothing & footwear* (up 1.2%) related to holiday sales. Spending on *hotels, cafes & restaurants* rose 1.5%, in part due to large sporting and musical events. *Essential* spending rose 0.5%, led by a rise in *health* spending (up 1.5%).

**Business investment** rose 0.7% in the quarter but was marginally (0.1%) lower over the year. The rise in the quarter was driven by *non-dwelling construction* (up 0.6%) with *engineering construction* increasing 3.5%, which more than offset a fall in *non-residential building* (down 4.0%). *Machinery & equipment* fell marginally in the quarter (down 0.3%). The ABS noted the strong growth in engineering construction was driven by progress on renewable and mining projects.

**Dwelling investment** fell 0.4% in the quarter but was 2.5% higher over the year. *New & used dwellings* fell marginally (down 0.1%) in the quarter while *alterations & additions* fell 0.9%. The ABS stated, 'cost pressures and labour shortages combined with the decline in new home commencements continued to weigh on the pipeline of residential projects.'

**Public final demand** rose 0.9% in the quarter, following large rises in previous quarters, to be 5.7% higher over the year. Quarterly growth was broad-based, reflecting growth in both *public consumption* (up 0.7%) and *public investment* (up 1.8%). *Public investment* growth was driven by increased activity on major transport, water and renewable projects.

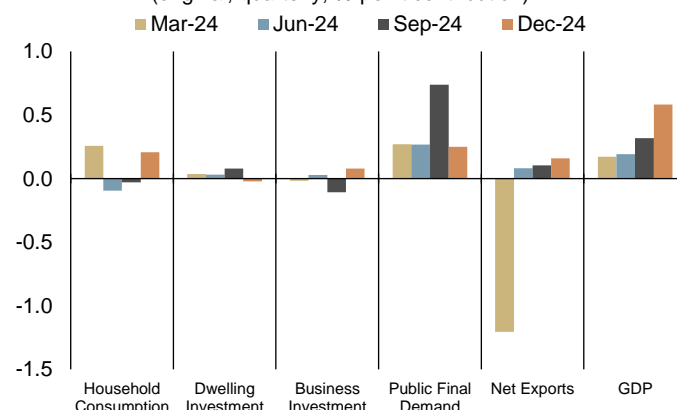
**Table 1: Components of GDP**

(seasonally adjusted, December quarter 2024)

Chain Volume Measure	% change		ppt. contribution	
	quarterly	annual	quarterly	annual
<b>Household consumption</b>	0.4	0.7	0.2	0.3
<b>Private investment</b>	0.3	0.8	0.1	0.2
Dwelling investment	-0.4	2.5	0.0	0.1
Business investment	0.7	-0.1	0.1	0.0
Machinery and equipment	-0.3	0.0	0.0	0.0
Non-dwelling construction	0.6	-5.0	0.0	-0.3
Non-residential building	-4.0	-9.7	-0.1	-0.2
Engineering construction	3.5	0.0	0.1	0.0
<b>Private Final Demand</b>	0.4	0.7	0.3	0.5
<b>Public Final Demand</b>	0.9	5.7	0.3	1.5
General government consumption	0.7	5.1	0.1	1.1
Public investment	1.8	8.1	0.1	0.4
<b>Changes in inventories</b>			0.1	0.2
<b>Gross national expenditure</b>	0.6	2.3	0.6	2.2
<b>Net exports</b>			0.2	-0.9
Exports of goods & services	0.7	1.7	0.2	0.5
less Imports of goods & services	0.1	5.8	0.0	-1.3
<b>Statistical discrepancy</b>			-0.1	-0.1
<b>GDP</b>	0.6	1.3	0.6	1.3
<b>GDP per capita</b>	0.1	-0.7		
<b>Current Prices</b>				
Compensation of employees	2.0	6.1		
Gross operating surplus	1.1	0.5		
GDP	1.6	3.7		
<b>Deflators and Prices</b>				
Terms of trade	1.7	-4.8		
Household consumption deflator	0.8	3.5		
GDP deflator	1.0	2.4		

**Chart 2: Contributions to real GDP Growth**

(original, quarterly, %-point contribution)



**Income**

Real **gross household disposable income** grew 0.7% in the quarter to be 1.9% higher over the year, driven by a 1.4% increase in nominal gross disposable income over the year. The *household saving ratio* rose slightly, to 3.8% in the quarter, continuing to trend higher from the recent low of 1.5% in September quarter 2023. The *household saving ratio* remains below its pre-COVID level of 6.7% in December 2019.

*Compensation of employees (COE)* rose 2.0% in the quarter to be 6.1% higher over the year, consistent with continued strength in the labour market. *Gross operating surplus (GOS)*, a measure of profits rose 1.1% in the quarter, with the increase broad-based across major components. Growth in private non-financial corporations (up 0.6%) was driven by *mining* (higher prices for iron ore, LNG and non-monetary gold), *wholesale trade* and *transport, postal & warehouse services*.

**Production**

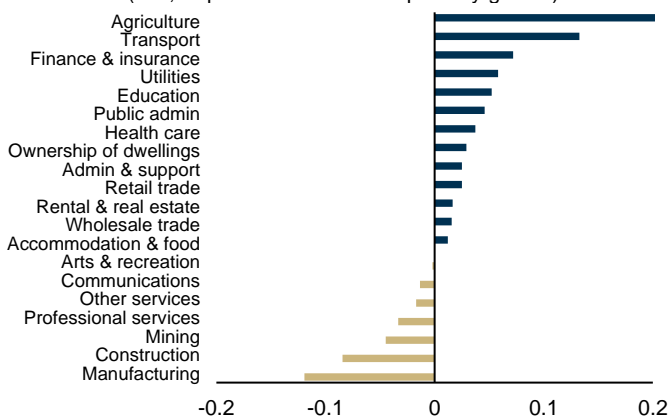
By industry, *agriculture, forestry & fishing* (up 7.3%) was the largest contributor to national GDP growth in the quarter, followed by *transport, postal & warehousing* (up 3.0%) and *finance & insurance* (up 1.0%). In contrast, *manufacturing* (down 2.3%), *construction* (down 1.3%) and *mining* (down 0.3%) were the largest detractors from GDP growth in the quarter (**Chart 3**).

On *agriculture*, the ABS note growth was driven by ‘a strong grain harvest and increased livestock production.’ The increase in *transport* was also linked to the strong grain harvest in the quarter with the ABS attributing it to increased grain storage and road transport activity.

On *manufacturing*, the ABS stated the decline was due to outages in nickel and steel causing a decrease in metal production. While for *construction*, the ABS stated ‘ongoing constraints with high prices and competition within the labour market’ drove weakness across the industry.

**Chart 3: Contribution to GDP growth by industry**

(s.a., %-point contribution to quarterly growth)



*Mining* remained Australia’s largest industry in the December quarter (accounting for 10.7% of nominal gross value added), followed by *health care* (8.8%), *professional services* (7.8%), *finance & insurance* and *construction* (both 7.6%).