

# GDP chart pack: June quarter 2021

ONE

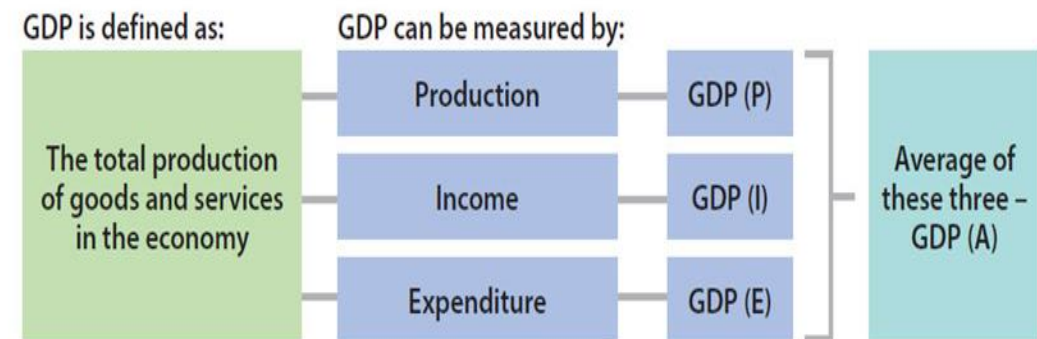
# A short note on methodology

# Measuring GDP

- **GDP (P)** is derived as the sum of gross value added (GVA) for each industry, at basic prices, plus taxes, less subsidies. Basic values represent the amounts received by producers, including subsidies, but before taxes.
- **GDP (I)** is derived as the sum of compensation of employees, gross operating surplus, gross mixed income and taxes less subsidies on production and imports.
- **GDP (E)** is derived as the sum of all final expenditures (consumption, gross fixed capital formation), changes in inventories and exports of goods and services less imports of goods and services.
- In theory, each approach (E, P and I) should produce the same estimate of GDP. But if the measures are compiled independently using different data sources, different estimates are produced. The ABS aligns estimates of GDP annually by balancing them in supply and use tables. Quarterly GDP is benchmarked to annual GDP, but the three estimates can be different for any given quarter. Quarterly GDP is compiled using all three approaches where the headline measure of GDP is a simple average, or **GDP (A)**.

**Gross domestic product (GDP)** is the total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in production but before deducting allowances for the consumption of fixed capital.

## How is GDP Measured?



Source for figure: RBA Explainer, [Economic Growth](#)

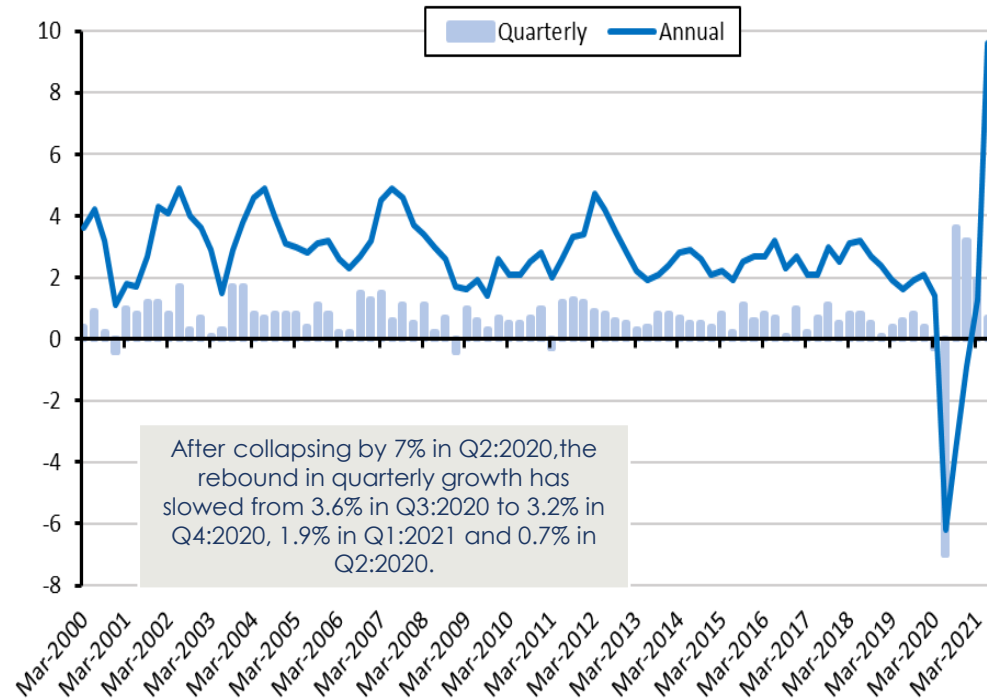
TWO

# GDP GROWTH

# Real GDP growth

## Australia: Real GDP

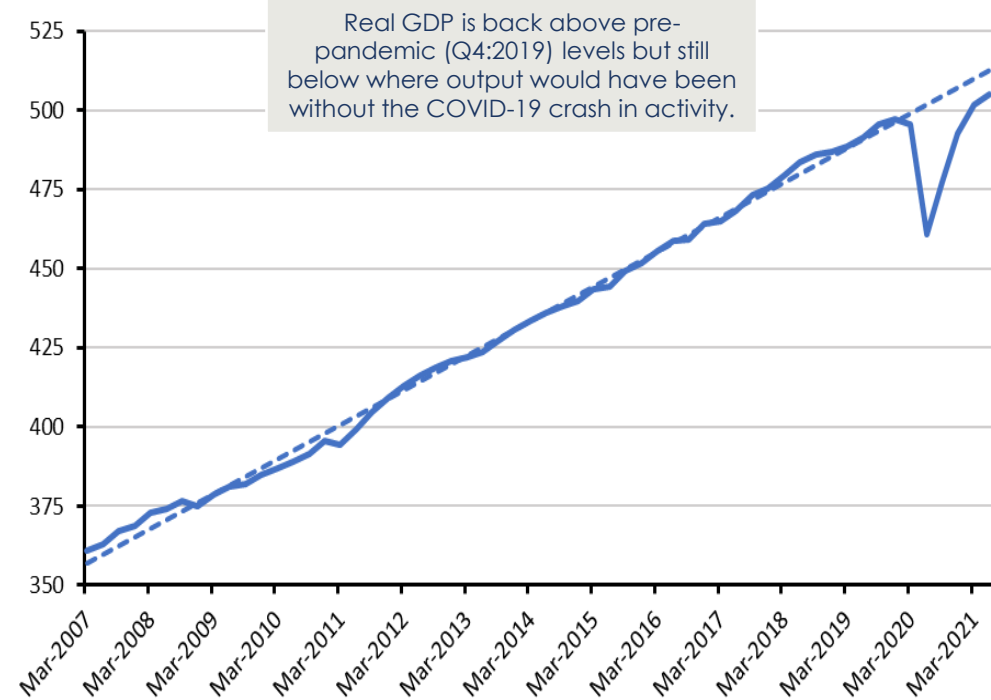
Per cent change on previous period (volumes, sa)



Source: Bloomberg and ABS. Data to June 2021 quarter.

## Australia: Real GDP

\$ billions (volumes, sa)

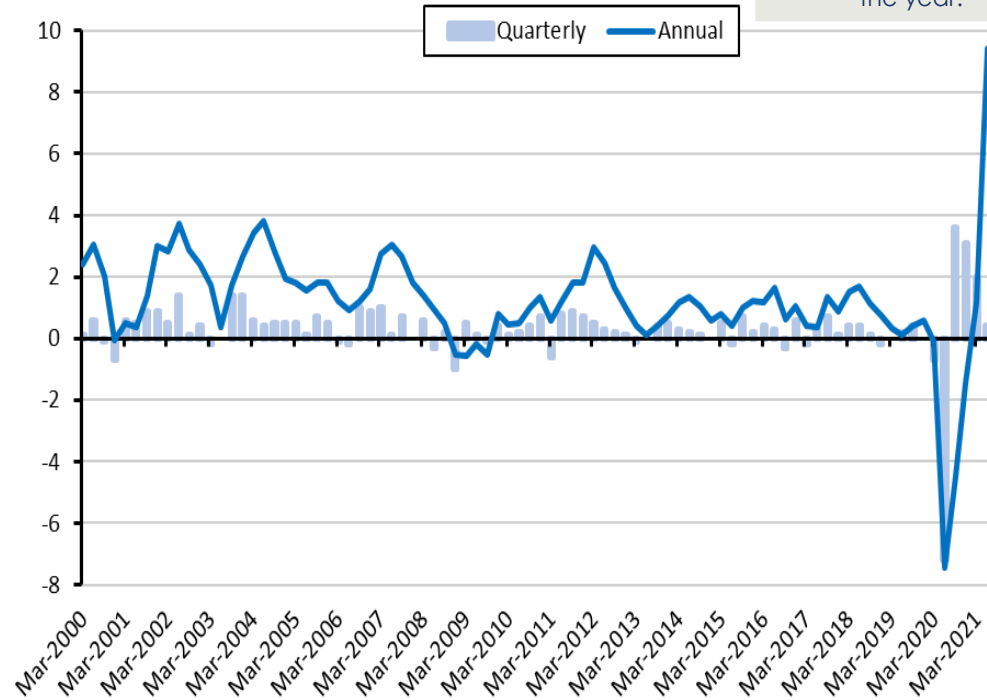


Source: Bloomberg and ABS. Dotted line shows simple linear trend for pre-pandemic real GDP. Data to June 2021 quarter.

# Real per capita growth: GDP and NNDI

## Australia: Real GDP per capita

Per cent change on previous period (volumes, sa)

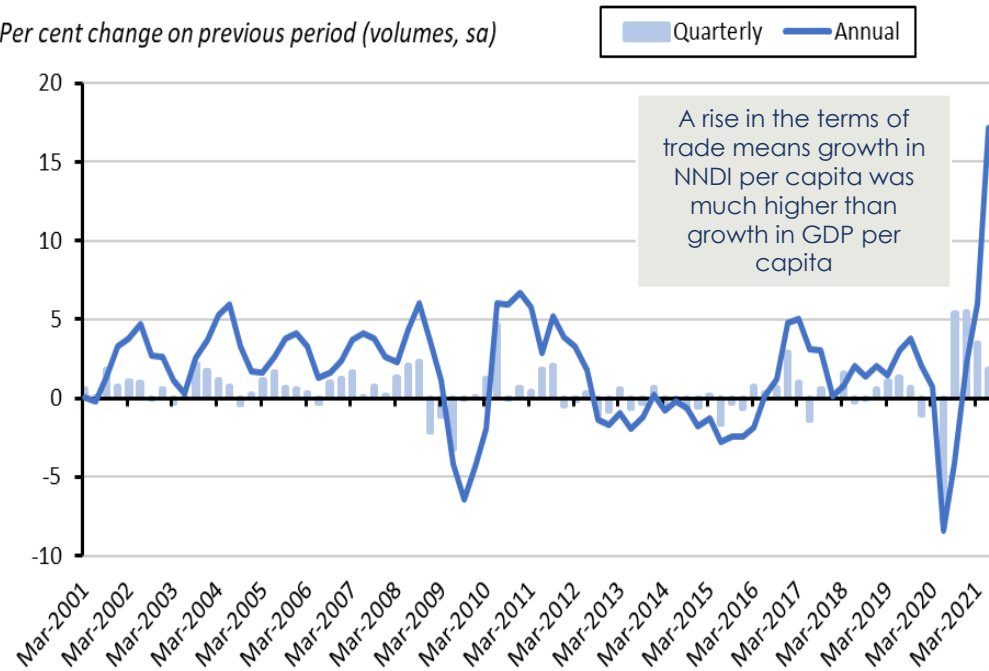


GDP per capita growth for Q2:2021 was 0.4 per cent over the quarter and 9.4 per cent over the year.

Source: Bloomberg and ABS. Data to June quarter 2021.

## Australia: Real Net National Disposable Income per capita

Per cent change on previous period (volumes, sa)



A rise in the terms of trade means growth in NNDI per capita was much higher than growth in GDP per capita

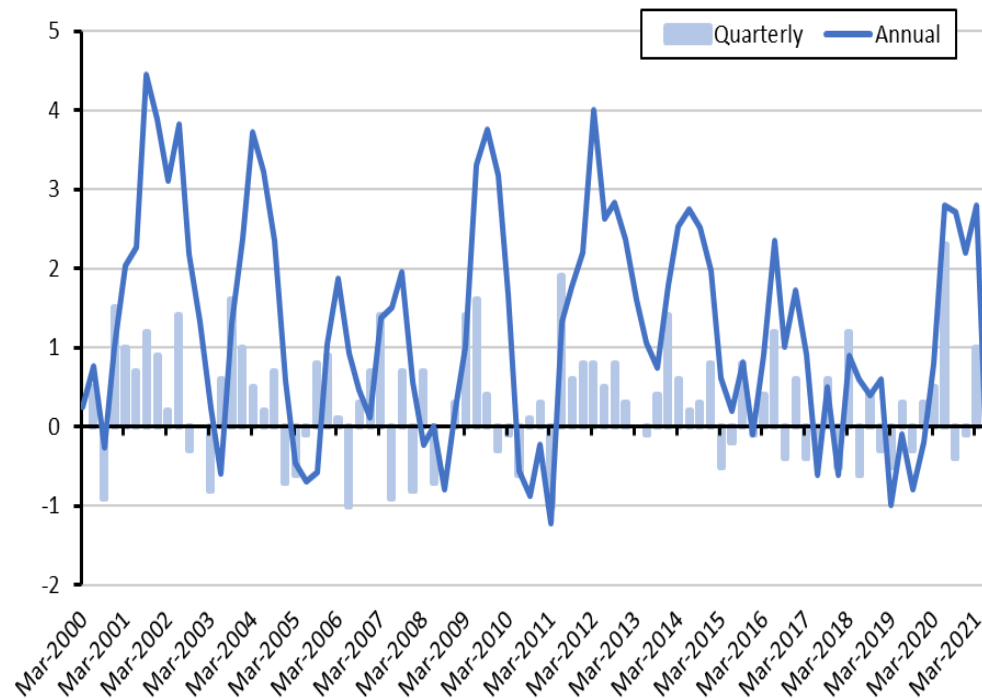
Source: Bloomberg and ABS. Real net national disposable income adjusts GDP for the impact of changes in the price of exports relative to changes in the price of imports (the terms of trade effect); the real impact of income flows (both primary and secondary) between Australia and the rest of the world; and the consumption of fixed capital, which is the depreciation of machinery, buildings and other produced capital. Data to June 2021 quarter.

# Productivity growth and labour input

Big swings in productivity growth (measured as GDP per hour worked) have been driven by large shifts in hours worked as well as movements in real GDP.

## Australia: Labour productivity

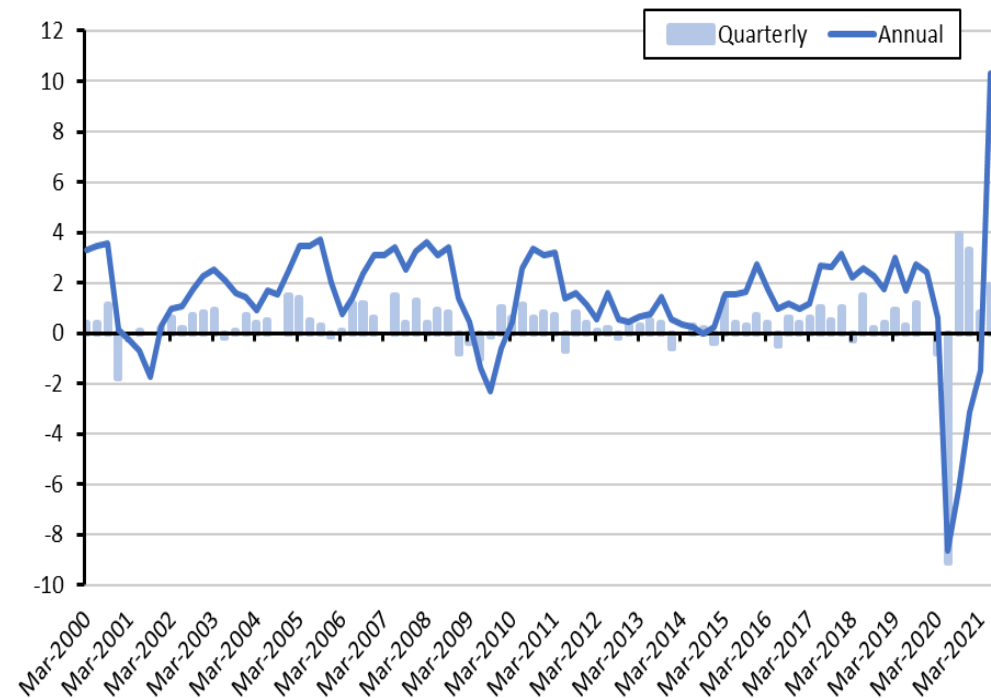
Per cent change in GDP per hour worked on previous period (volumes, sa)



Source: Bloomberg and ABS. Data to June 2021 quarter.

## Australia: Labour input

Per cent change in hours worked on previous period (sa)

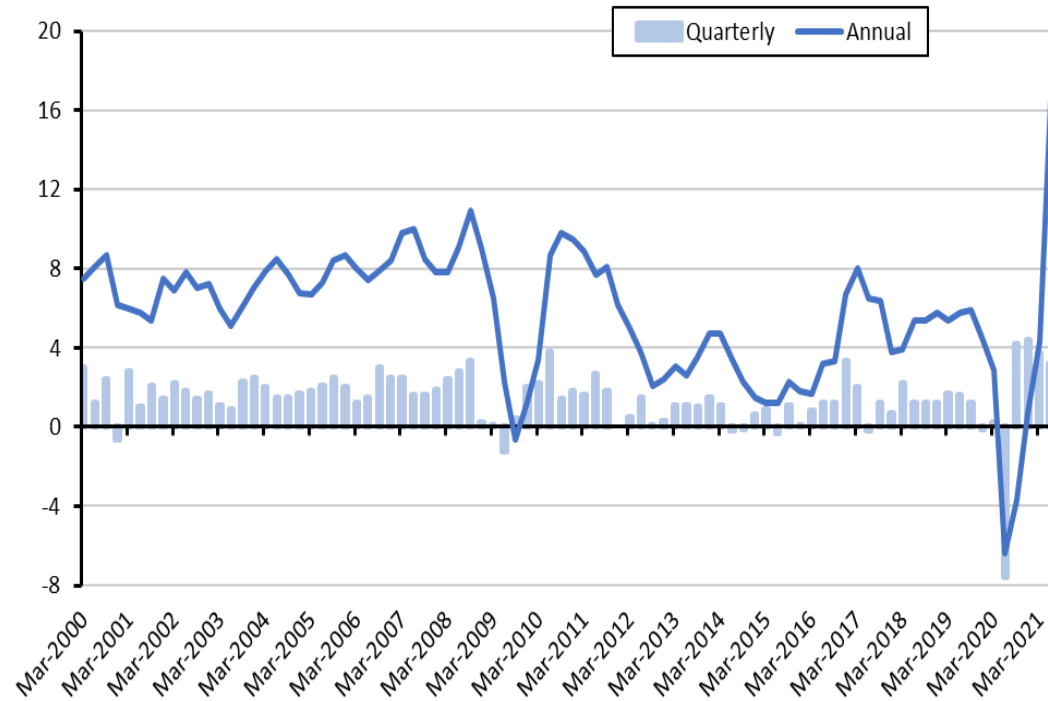


Source: Bloomberg and ABS. Data to June 2021 quarter.

# Nominal GDP growth

## Australia: Nominal GDP

Per cent change on previous period (current prices, sa)

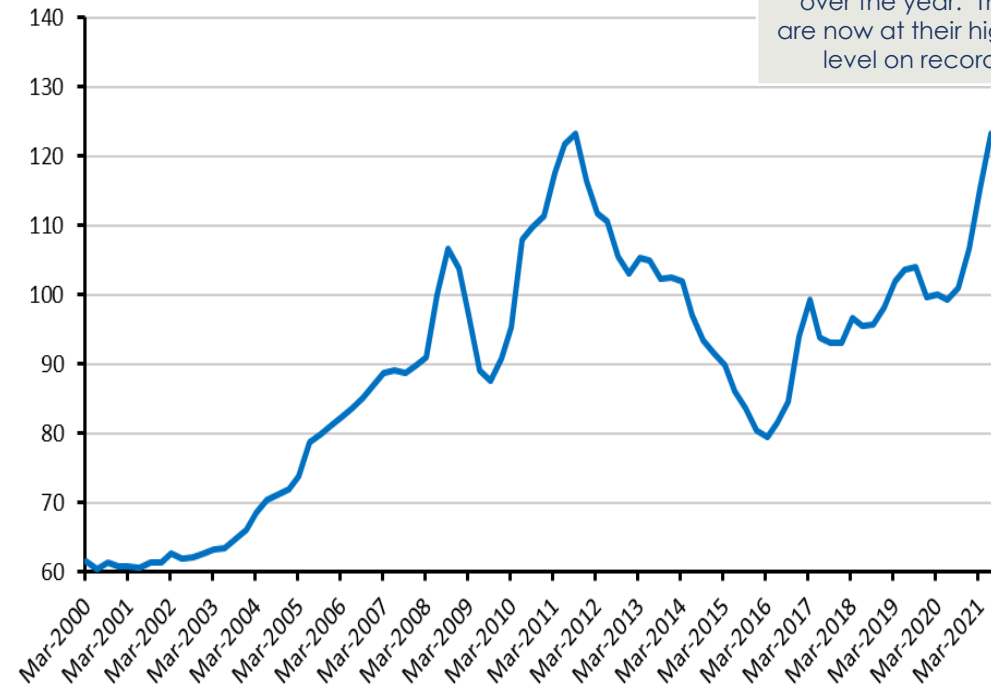


Nominal GDP rose by 3.2% over Q2:2021 to be up 16.4% over the year.

Source: Bloomberg and ABS. Data to June 2021 quarter.

## Australia: Terms of trade

Index 2018-19 = 100 (sa)



The terms of trade rose 7% over the quarter in Q2:2021 and 24.1% over the year. They are now at their highest level on record.

Source: Bloomberg and ABS. Data to June 2021 quarter.

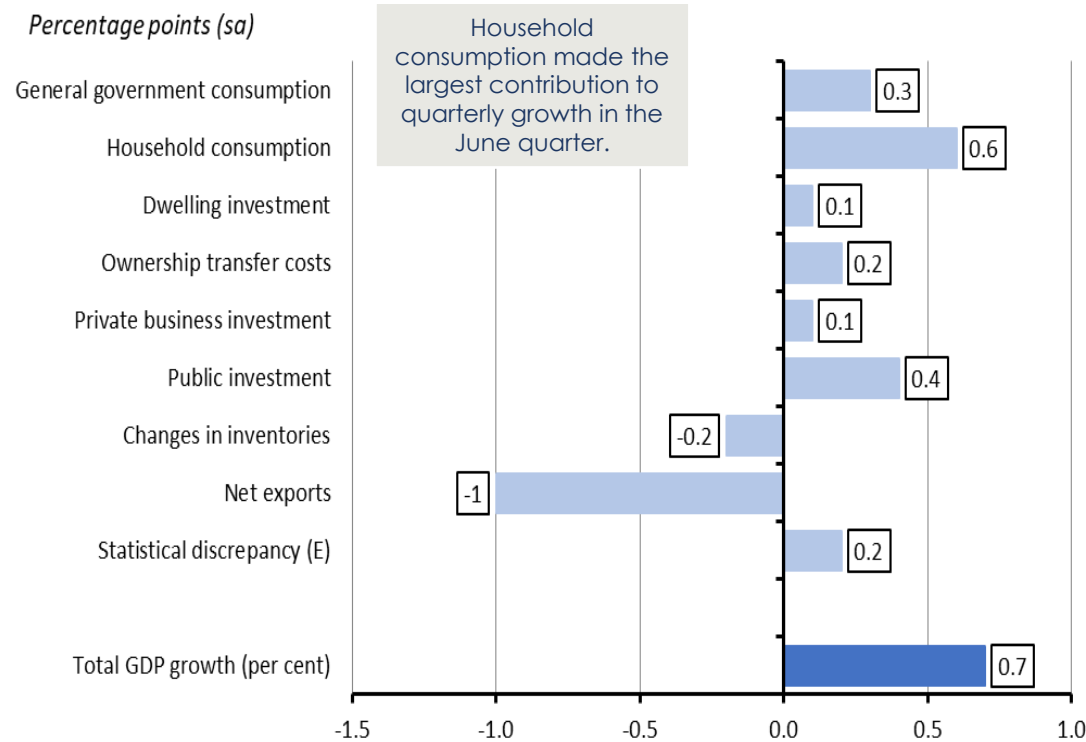


# THREE

## GDP (E)

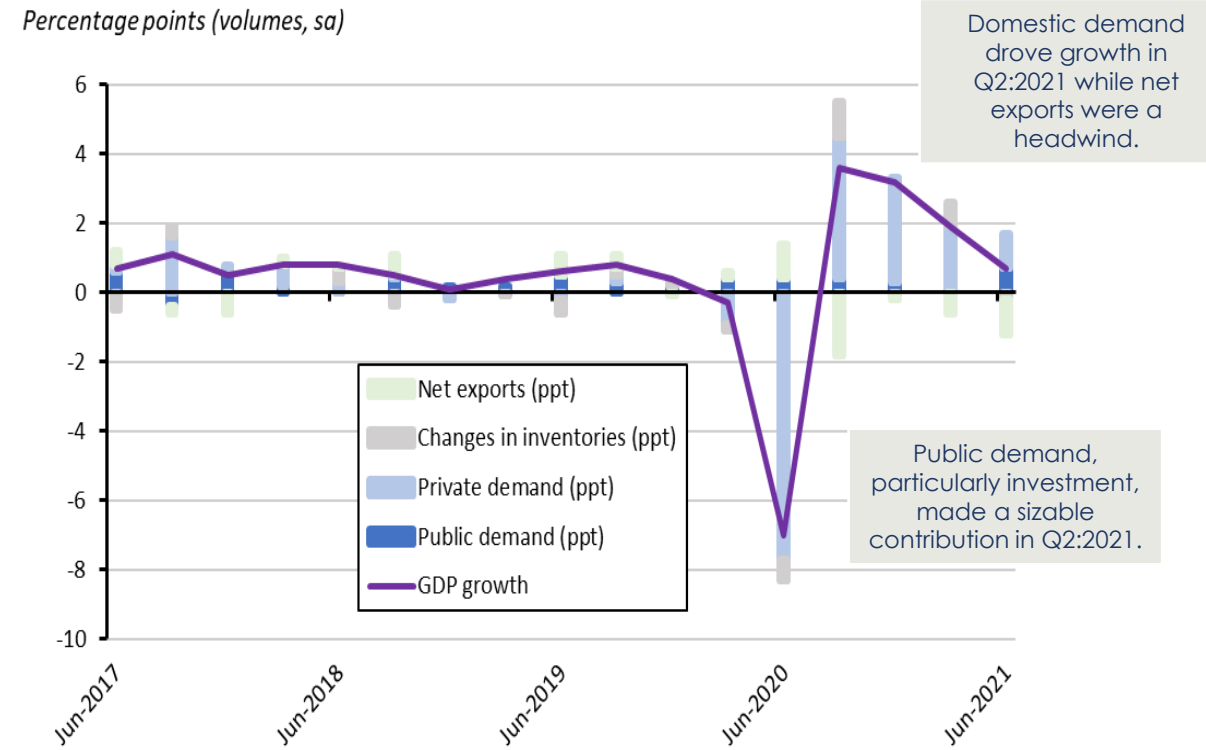
# Drivers of quarterly real GDP growth

## Australia: Contribution to real GDP growth, Q1:2021 to Q2:2021



Source: ABS. Private business investment excludes dwelling investment and ownership transfer costs. Note totals may not sum exactly due to rounding.

## Australia: Contribution of public and private demand to quarterly GDP growth

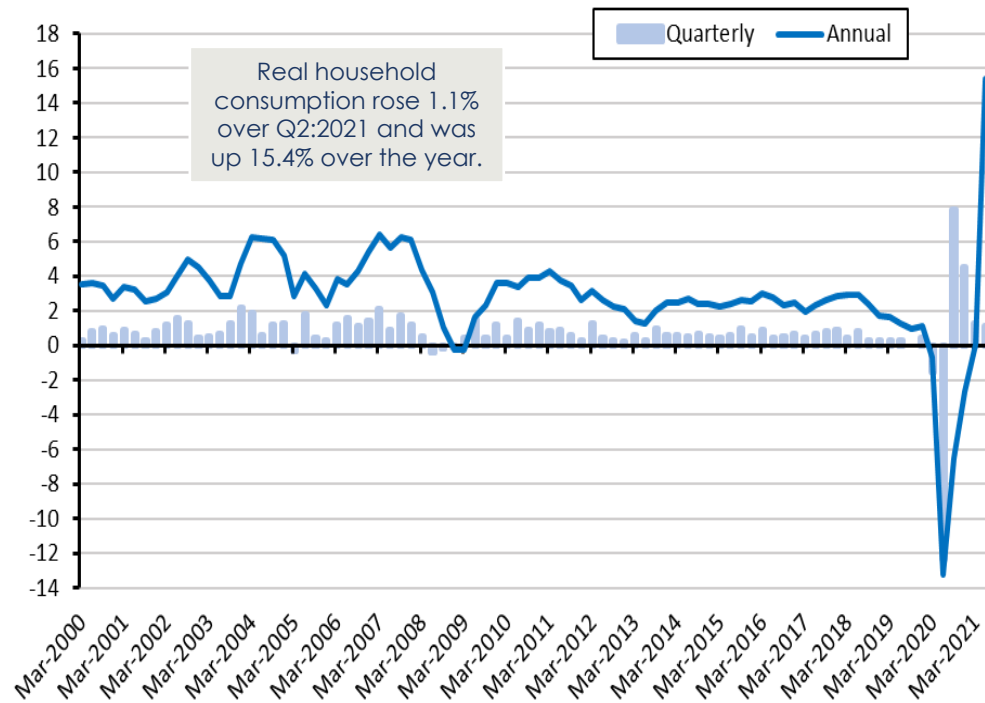


Source: ABS. Data to June 2021 quarter.

# Household consumption

## Australia: Real household consumption

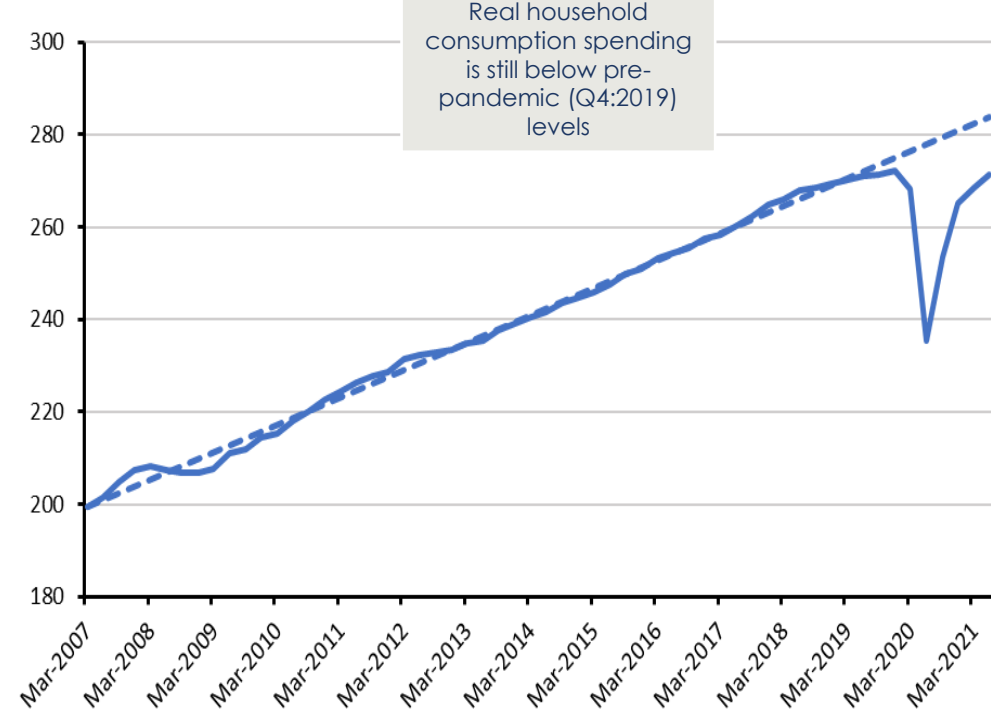
Per cent change on previous period (volumes, sa)



Source: Bloomberg and ABS. Data to June 2021 quarter.

## Australia: Real household consumption

\$ billions (volumes, sa)

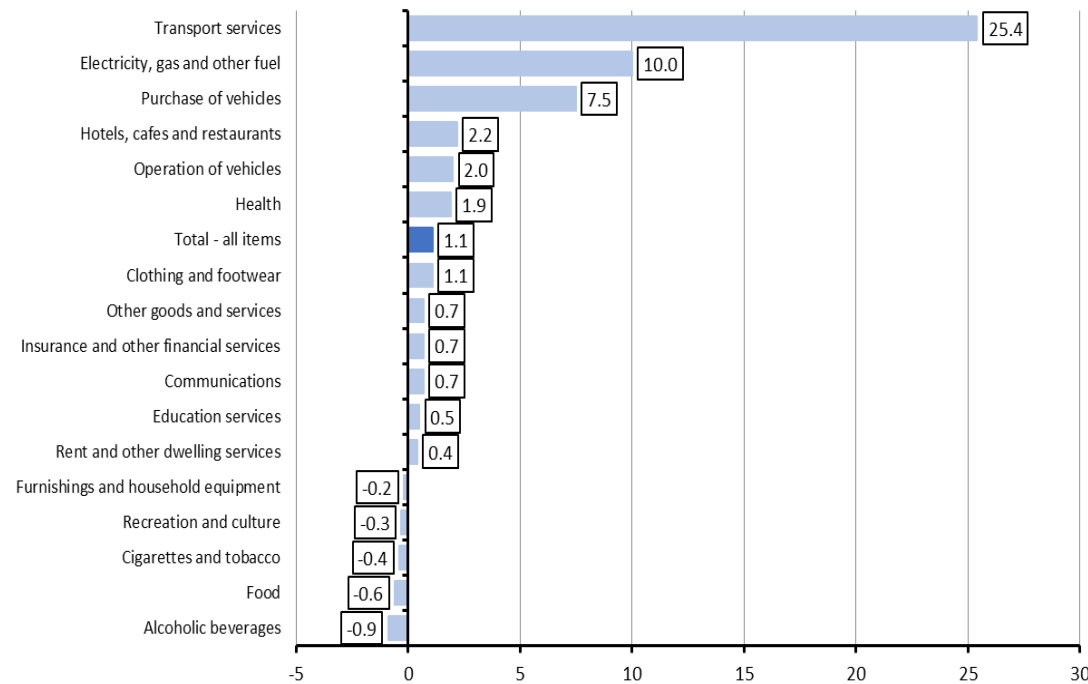


Source: Bloomberg and ABS with simple linear trend fitted to pre-COVID data. Data to June 2021 quarter.

# Household consumption: details

## Australia: Change in household consumption expenditure, June quarter 2021

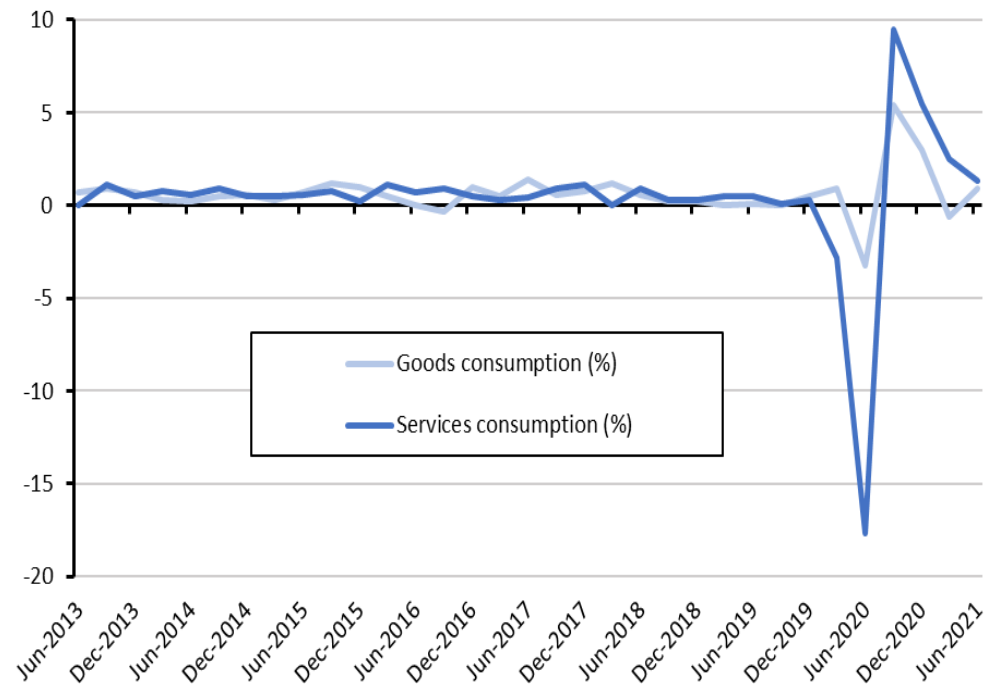
Per cent change over previous quarter (volumes, sa)



Source: ABS

## Australia: Consumption of goods and services

Per cent change on previous year (volumes, sa)



Source: ABS. Data to June 2021 quarter.

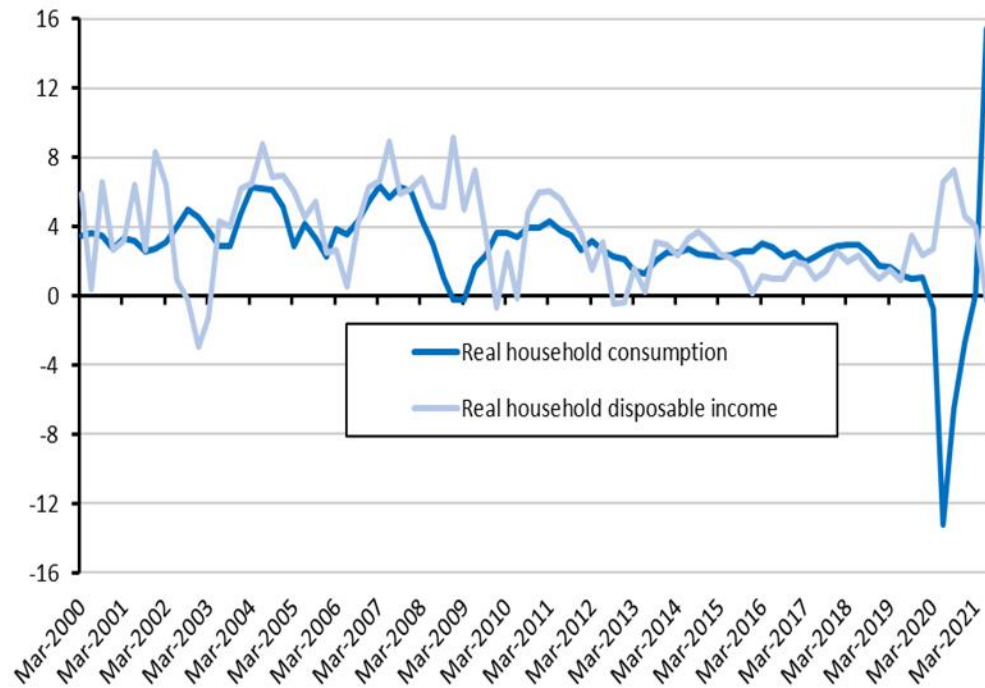
Growth in spending on services again outpaced spending on goods over Q2:2021, but in levels terms spending on services remains below pre-pandemic levels while spending on goods remains elevated.

# Household consumption and disposable income

Gross disposable income fell 0.3 per cent in the June quarter 2021, reflecting a decline in social assistance benefits as the number of recipients fell and as COVID-19 support payments were unwound. But the labour income component of income rose in line with increases in employment and in hours worked.

**Australia: Real household consumption and disposable income**

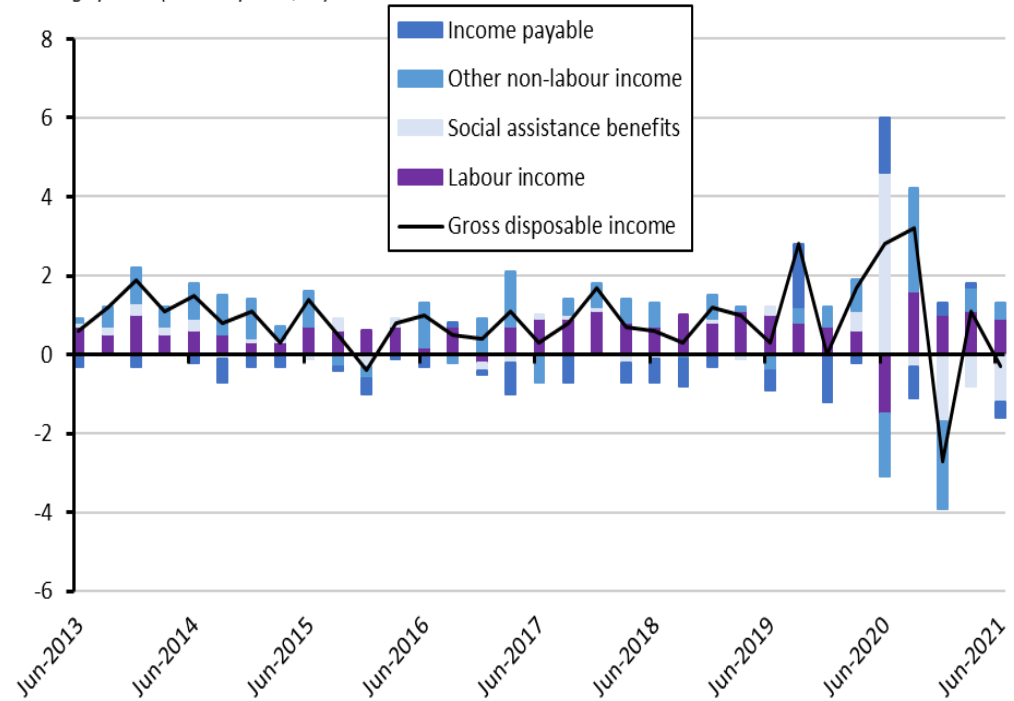
Per cent change on previous year



Source: Bloomberg and ABS. Data to June quarter 2021.

**Australia: Contribution to quarterly growth in household disposable income**

Percentage points (current prices, sa)

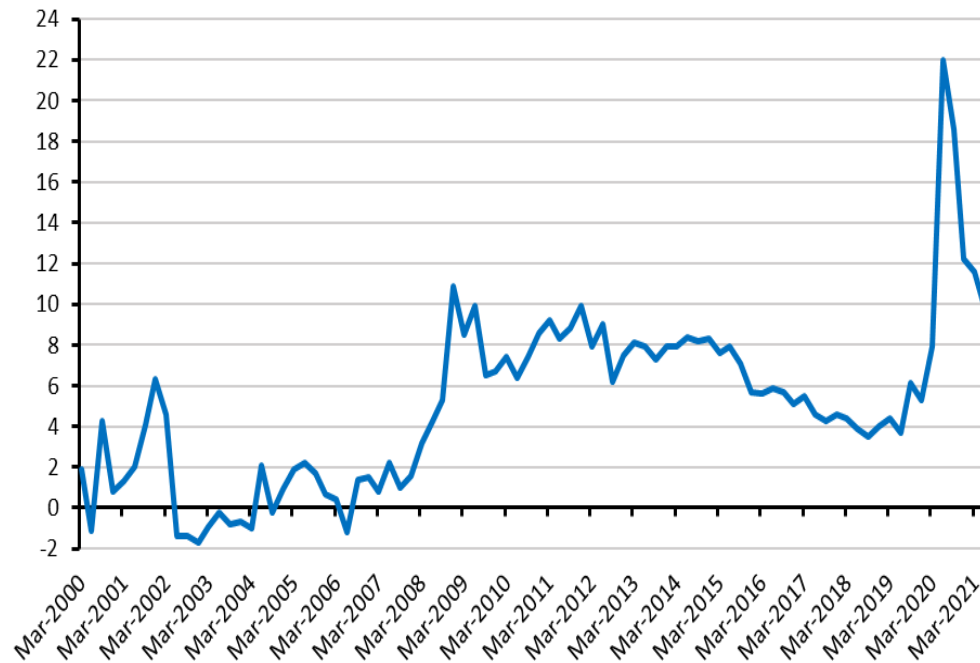


Source: ABS. Labour income is compensation of employees (COE). Data to June 2021 quarter.

# Household saving ratio and consumption share

## Australia: Household saving ratio

Per cent (current prices, sa)

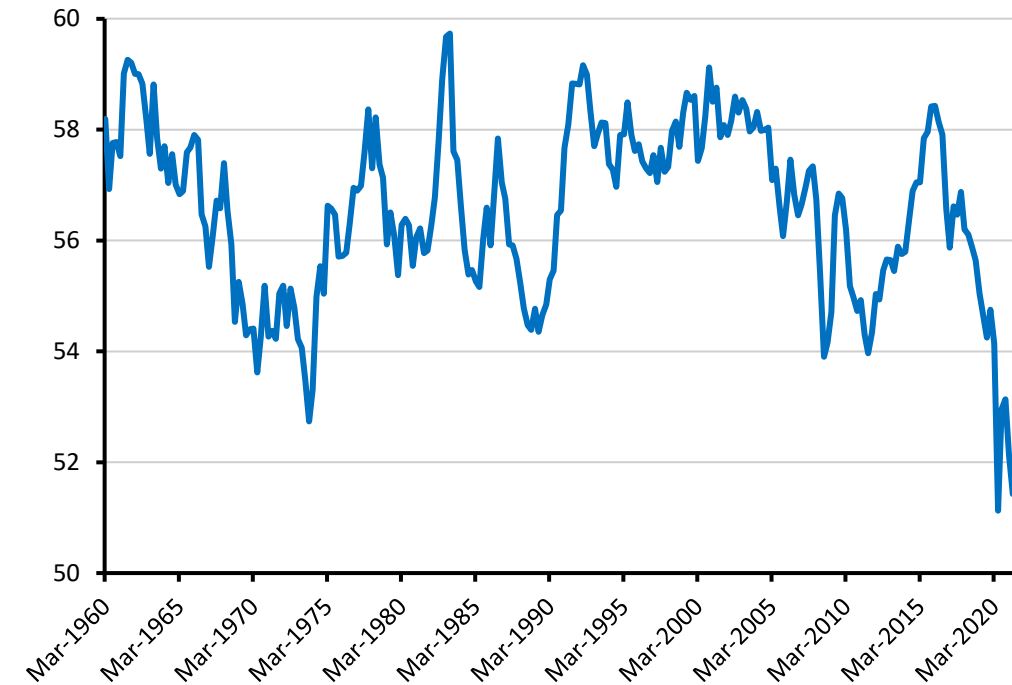


Source: Bloomberg and ABS. The saving ratio is the ratio of household net saving (household net disposable income less household final consumption expenditure) to household net disposable income (household gross disposable income less household consumption of fixed capital). **Data to June 2021 quarter.**

The combination of increased consumption expenditure and lower disposable income saw a decline in the household saving ratio to 9.7%.

## Australia: Household consumption

Per cent share of nominal GDP (sa)



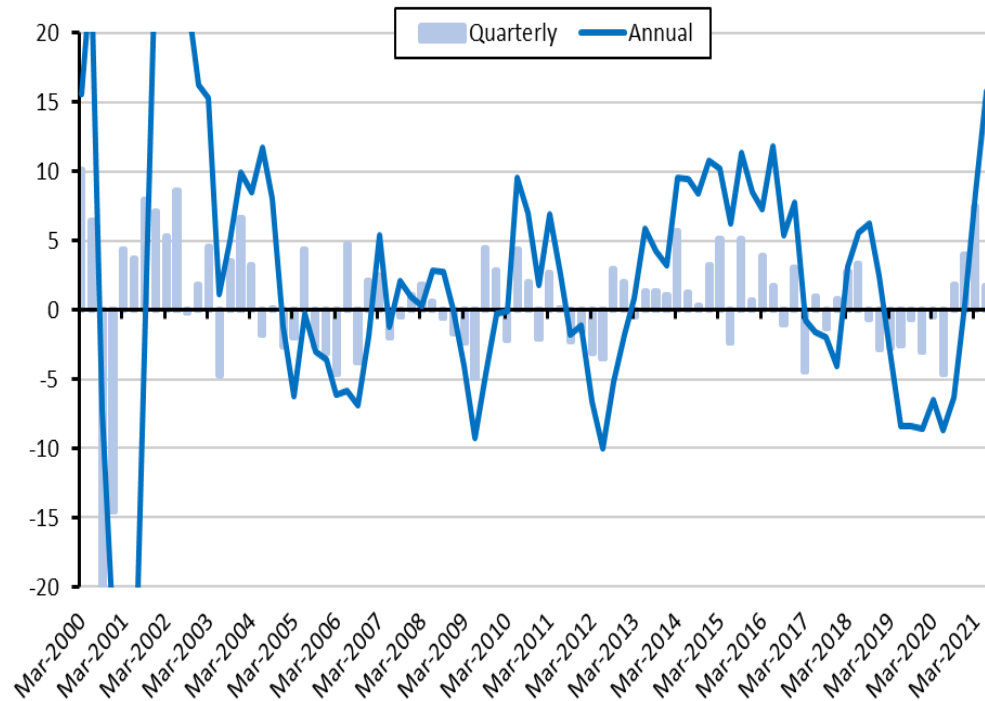
Source: Bloomberg and ABS. **Data to June 2021 quarter.**

# Dwelling investment and ownership transfer costs

Housing investment rose over Q2:2021 with high levels of construction activity on detached homes and on renovations, supported in part by the government's HomeBuilder scheme, while the housing market boom saw another marked increase in ownership transfer costs.

## Australia: Private investment in dwellings

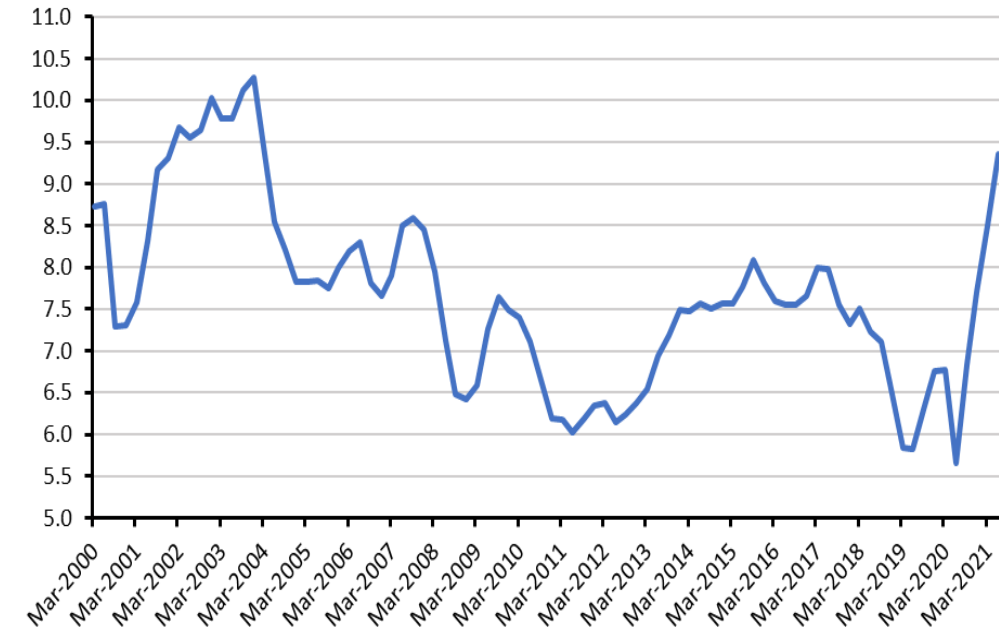
Per cent change on previous period (volumes, sa)



Source: Bloomberg and ABS. Data to June 2021 quarter.

## Australia: Ownership transfer costs

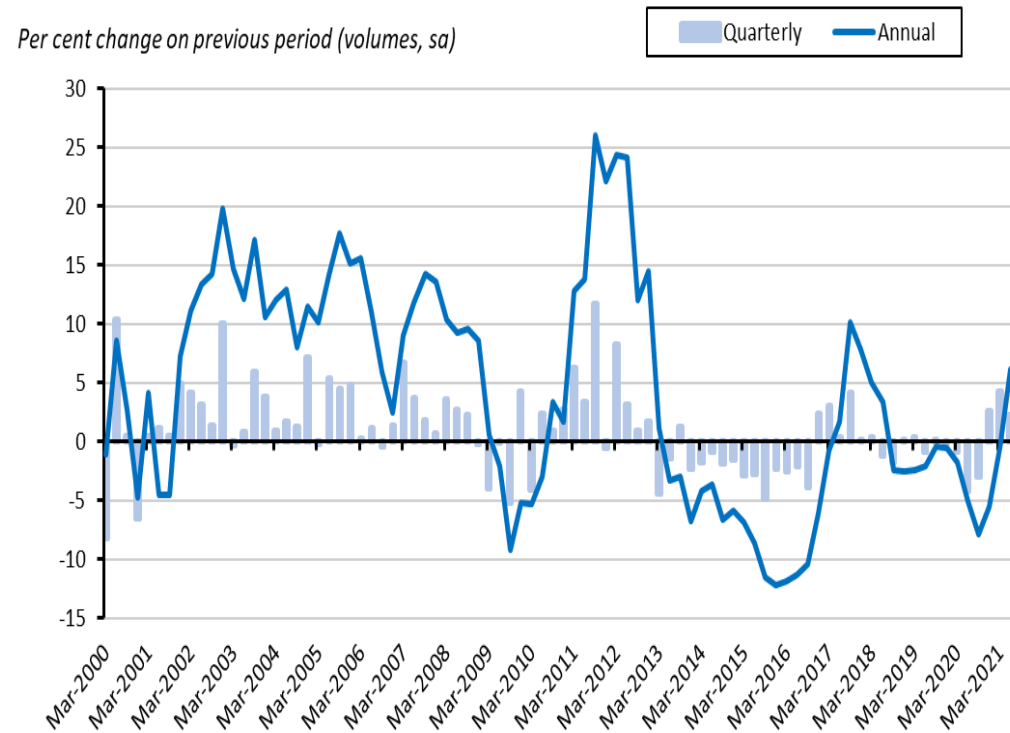
\$ billions (volumes, sa)



Source: Bloomberg and ABS. Ownership transfer costs comprise fees and commissions paid to lawyers, real estate agents and auctioneers, stamp duty, title office charges and local government charges. Data to June 2021 quarter.

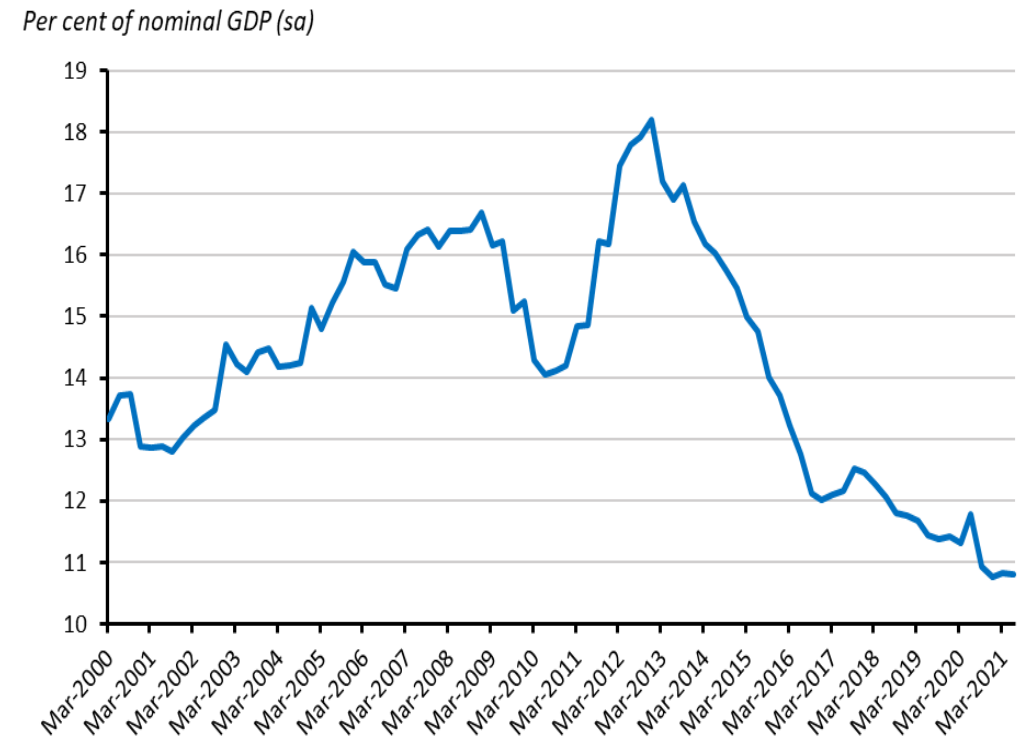
# Private business investment

## Australia: New business investment



Source: Bloomberg and ABS. Private business investment is the ABS series on total private business investment adjusted for the sale of second hand assets. **Data to June 2021 quarter.**

## Australia: Private business investment

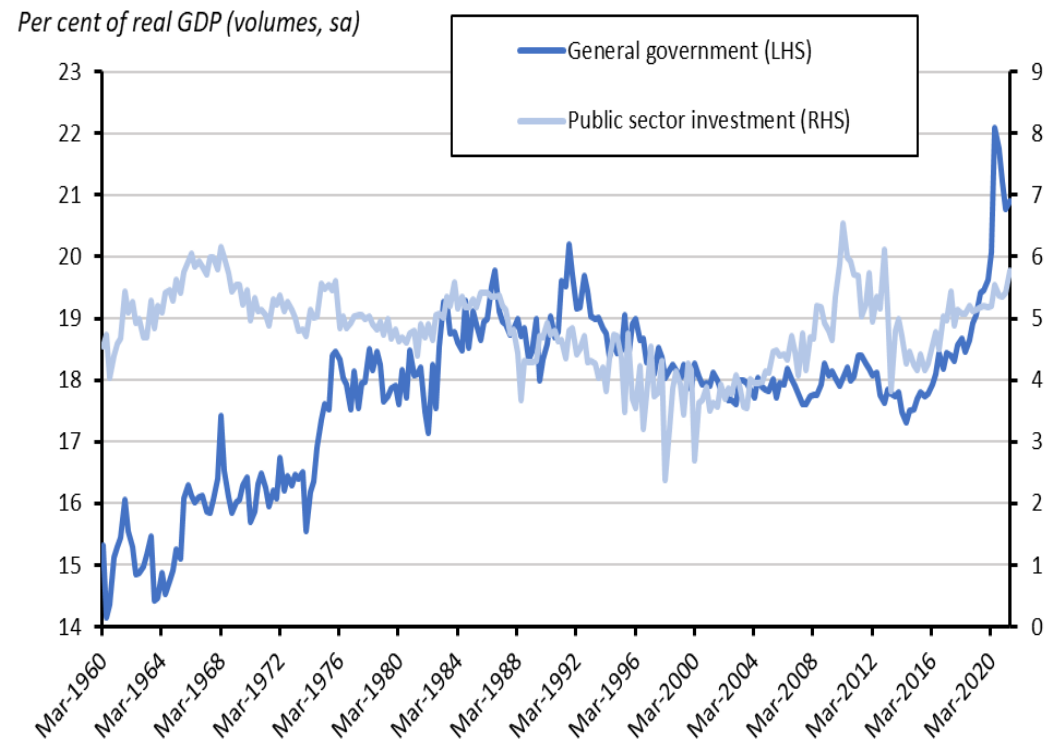


Source: Bloomberg and ABS. Private business investment is the ABS series on total private business investment adjusted for the sale of second hand assets. **Data to June 2021 quarter.**



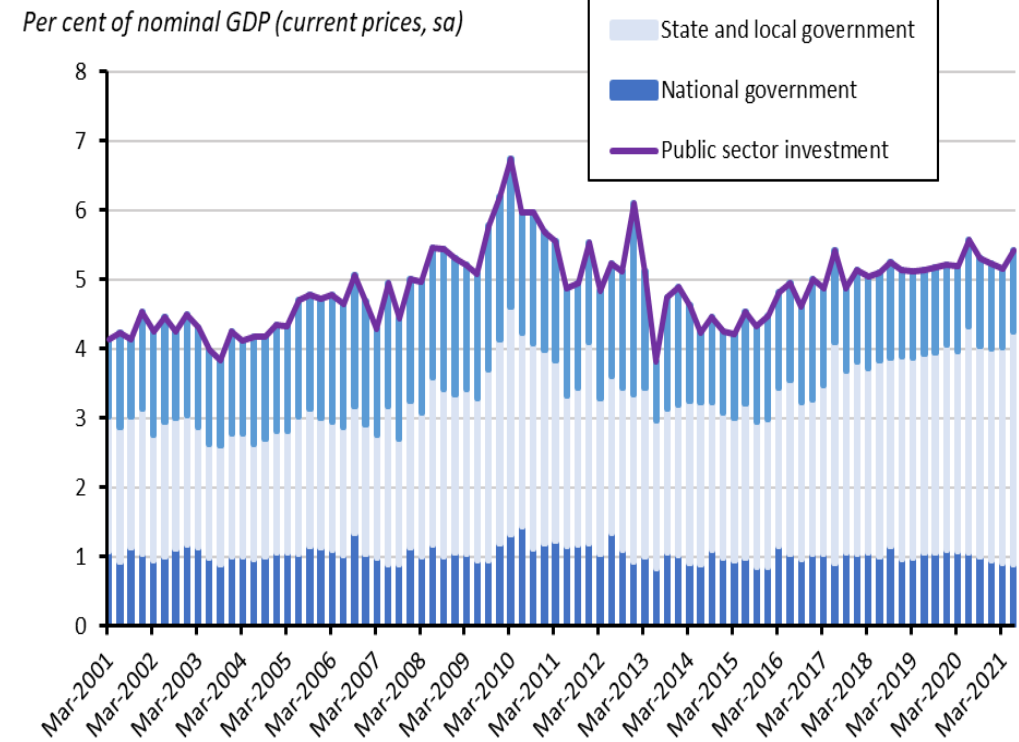
# Public sector

Australia: Government consumption and total public investment



Source: Bloomberg and ABS. Data to June 2021 quarter.

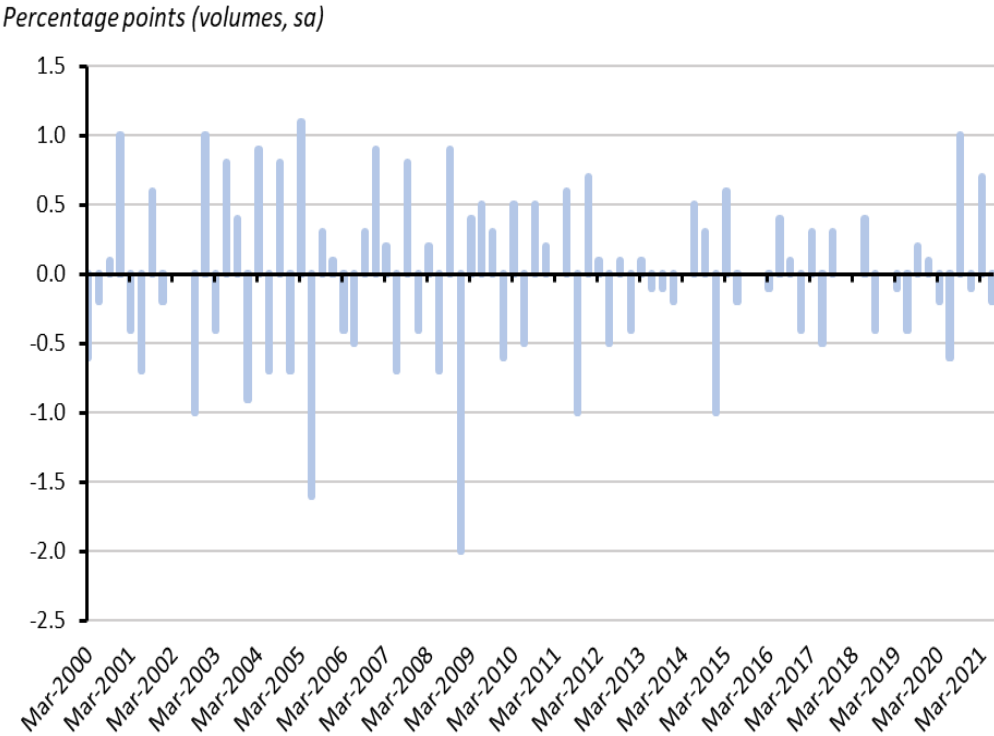
Australia: Public investment



Source: Bloomberg and ABS. Data to June 2021 quarter.

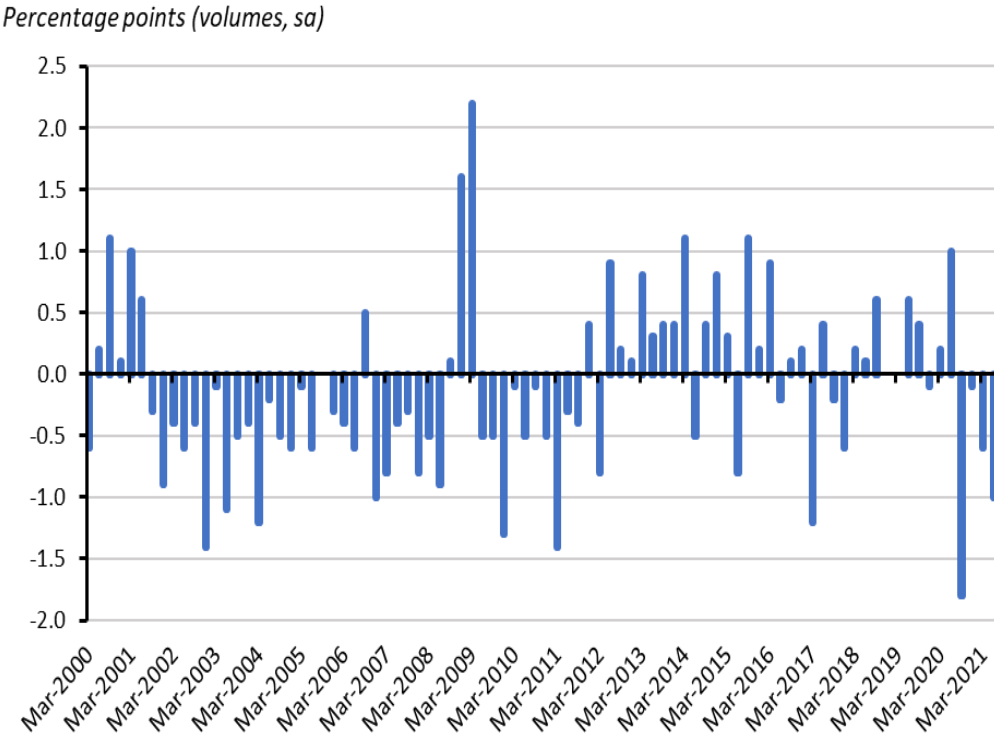
# Change in inventories and net exports

Australia: Change in inventories contribution to real GDP growth



Source: ABS. Data to June 2021 quarter.

Australia: Net exports contribution to real GDP growth



Source: ABS. Data to June 2021 quarter.

# FOUR

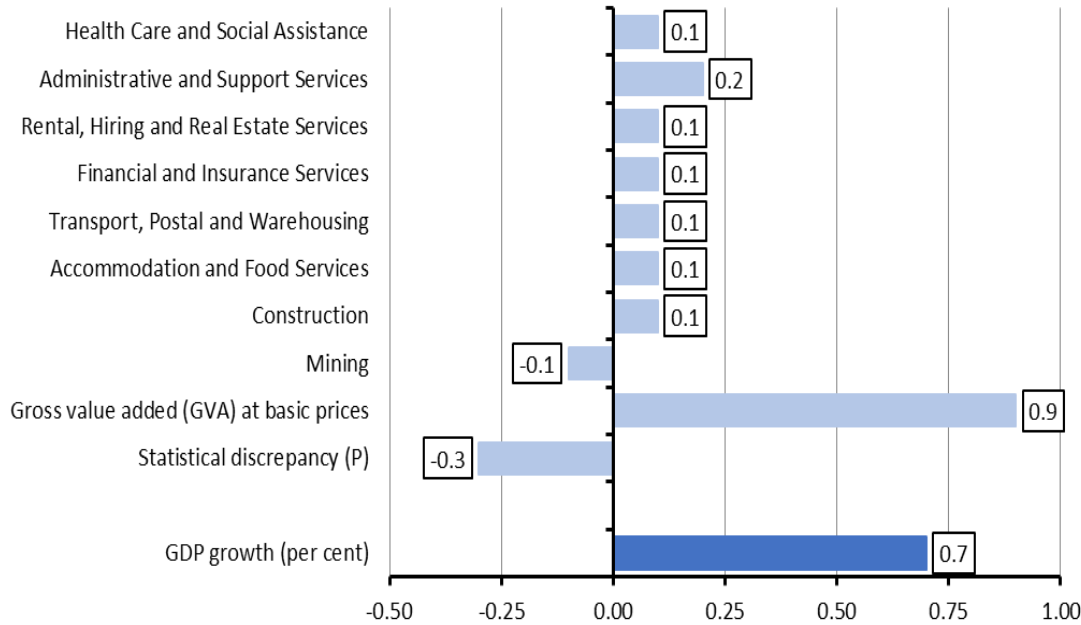
## GDP (P)

# Gross value added (GVA) by industry

Administrative and support services made the largest contribution to GVA in Q2:2021, reflecting strong demand for labour hire services.

## Australia: Contribution to real GDP growth, Q1:2021 to Q2:2021

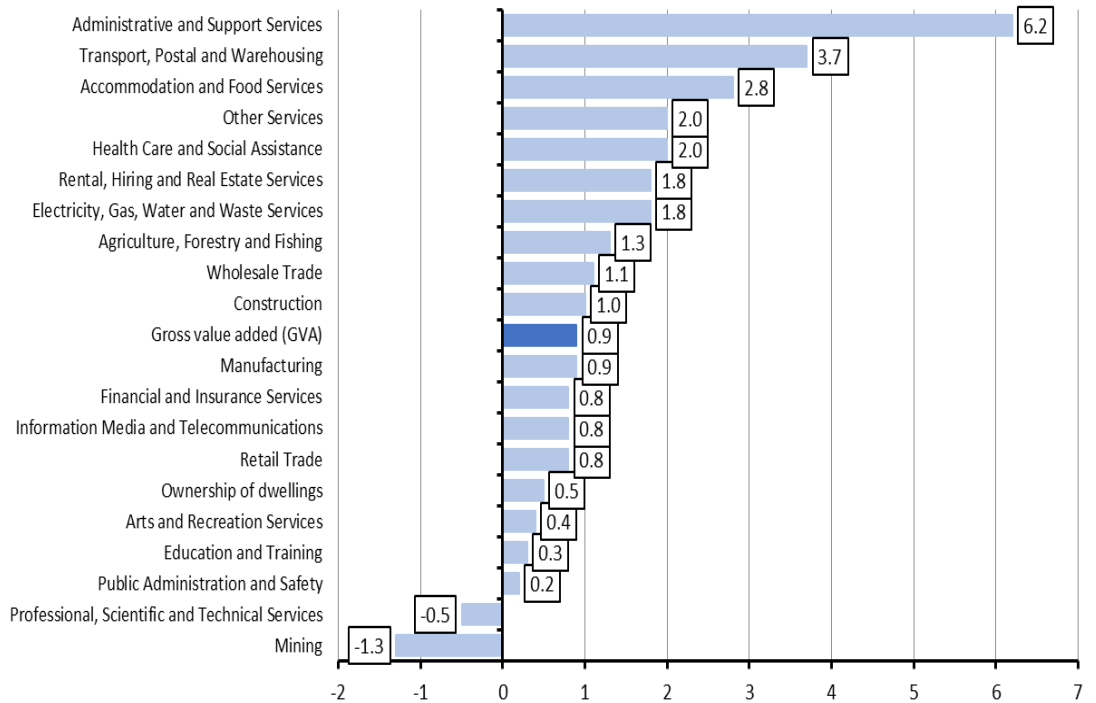
Percentage points (sa)



Source: ABS. Note totals may not sum exactly due to rounding. Only industries with a non-negligible contribution are shown here. GVA is the value of output at basic prices minus the value of intermediate consumption at market (or purchasers') prices. Basic values capture the amounts received by producers, including the value of any subsidies, but before any taxes. Hence GVA at basic prices plus taxes less subsidies gives GDP at market (or purchasers') prices.

## Australia: Growth by industry, June Quarter 2021

Per cent change over previous quarter (volumes, sa)



Source: Bloomberg and ABS

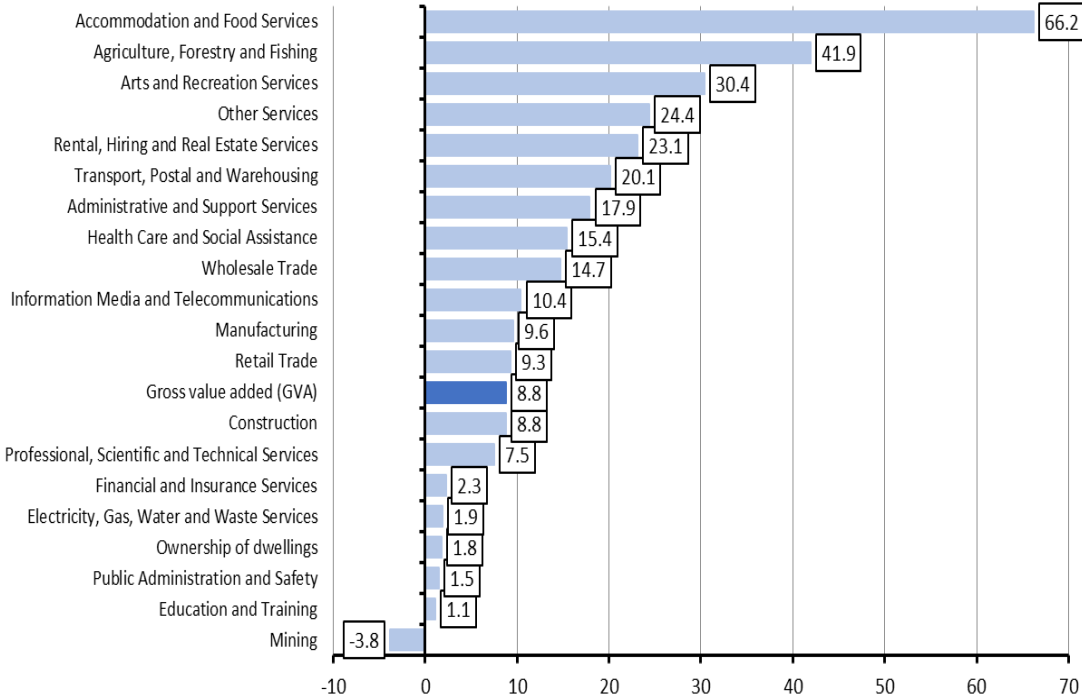
GVA rose in 17 out of 19 industries over the June 2021 quarter.

# GVA by industry (2)

Despite sizeable gains in accommodation and food services, admin and support services and transport, postal and warehousing services, activity in these industries remains below pre-pandemic levels.

Australia: Growth by industry, June Quarter 2021

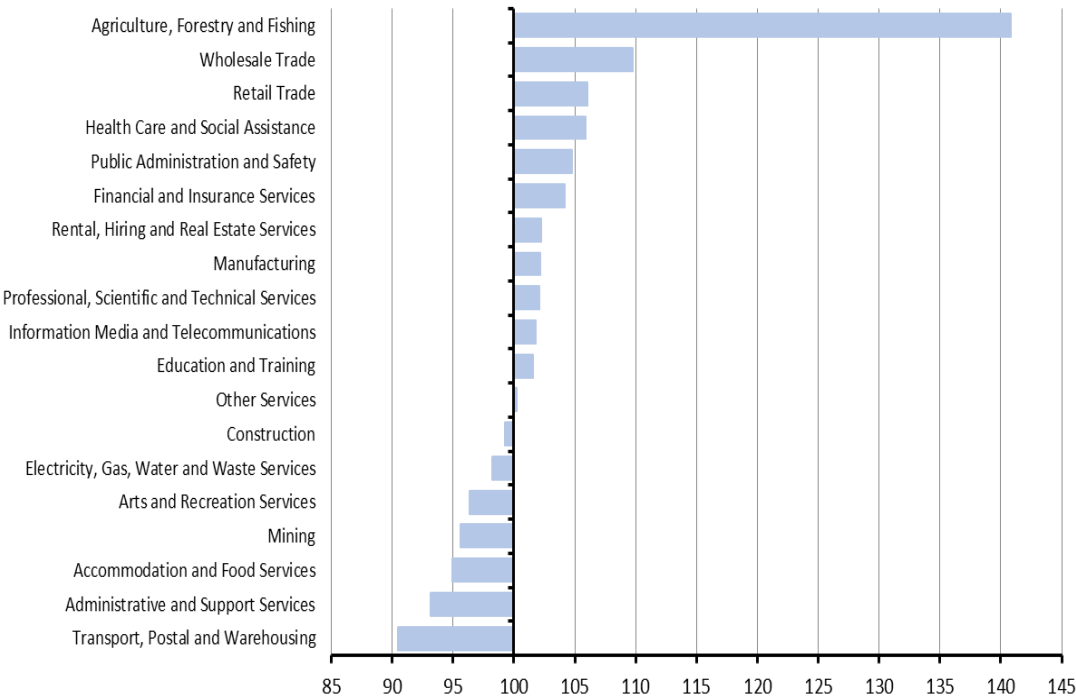
Per cent change over previous year (volumes, sa)



Source: Bloomberg and ABS

Australia: GVA by industry vs pre-pandemic levels

December quarter 2019 = 100 (volumes, sa)



Source: Bloomberg and ABS

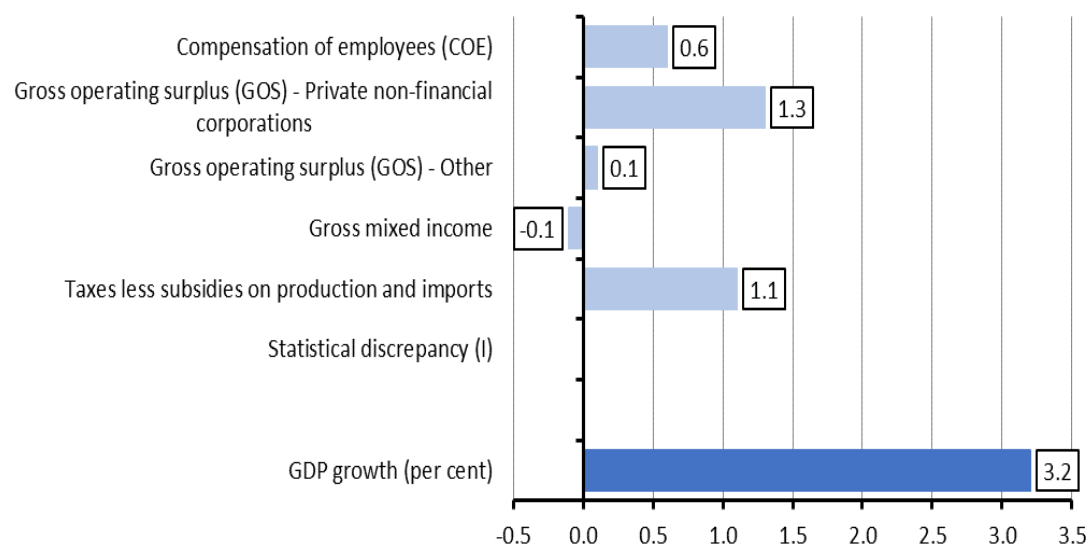
FIVE

# GDP (I)

# Income, profit and wages

## Australia: Contribution to nominal GDP growth, Q1:2021 to Q2:2021

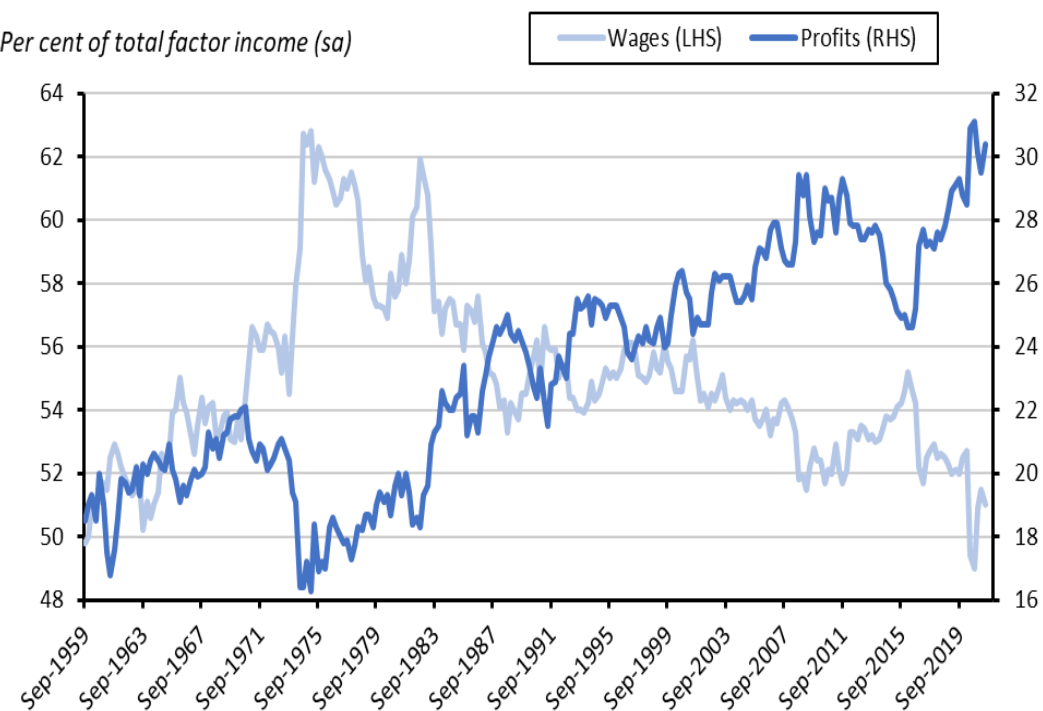
Percentage points (current prices, sa)



Source: ABS. Note totals may not sum exactly due to rounding. COE is total remuneration in cash or kind paid to employees. It combines wages and salaries and employers' social contributions. GOS is the surplus accruing to all enterprises except unincorporated enterprises, defined as the excess of gross output over the sum of intermediate consumption, COE and taxes less subsidies on production and imports. GOS-Other captures public non-financial corporations, financial corporations, general government and dwellings owned by persons. Mixed income is the surplus or deficit on production by unincorporated businesses (that is, businesses that do not possess a separate legal identity from their owner) and includes elements of both COE (returns on labour inputs) and operating surplus (returns on capital inputs).

## Australia: Wage and profit shares

Per cent of total factor income (sa)



Source: ABS. Total factor income (TFI) is the sum of compensation of employees (COE), gross mixed income and the gross operating surplus (GOS) of financial and non-financial corporations. The wage share is the ratio of COE to TFI and the profit share is the ratio of GOS to TFI. **Data to June 2021 quarter.**

SIX

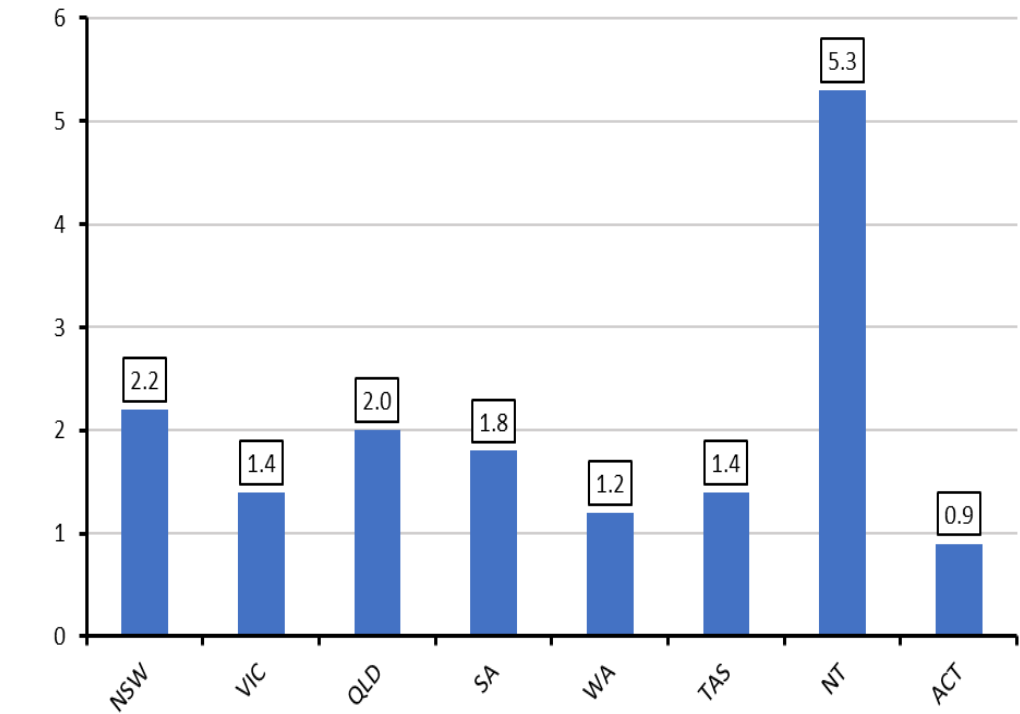
# STATE FINAL DEMAND



# Growth in state and territory final demand

Australia: State final demand, June 2021 Quarter

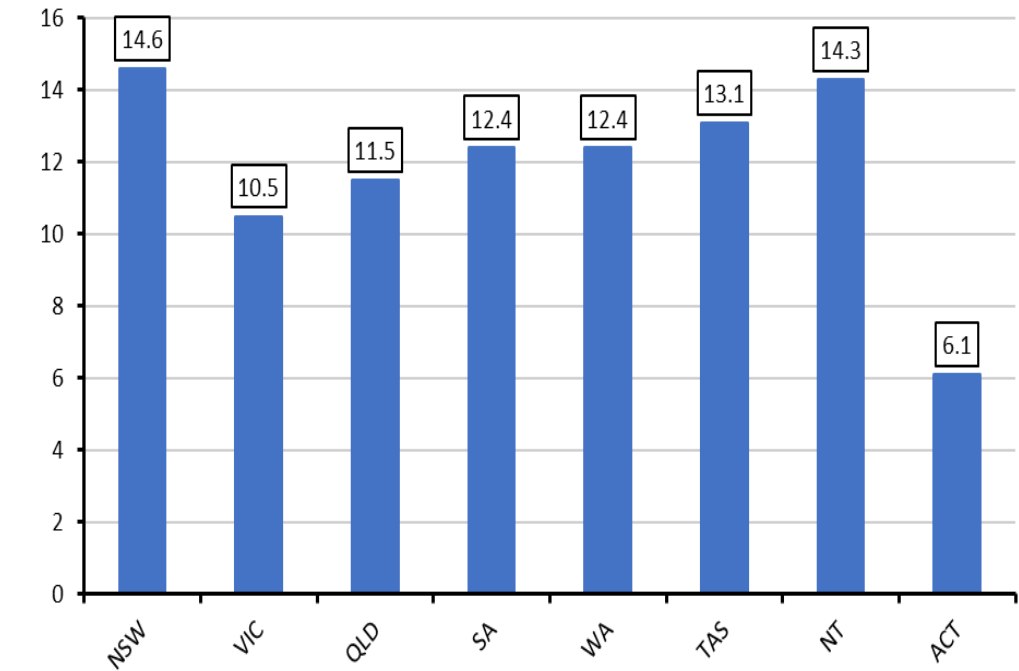
Per cent change on previous quarter (volumes, sa)



Source: Bloomberg and ABS

Australia: State final demand, June 2021 Quarter

Per cent change on previous year (volumes, sa)

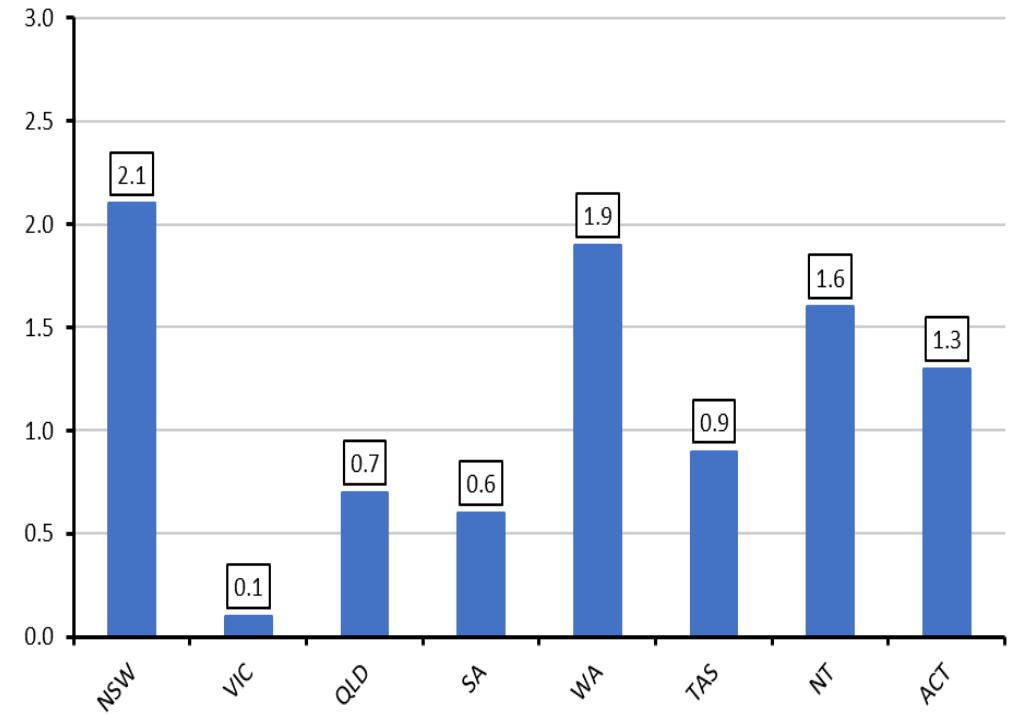


Source: Bloomberg and ABS

# Growth in state and territory consumption expenditure

Australia: State household consumption expenditure, June 2021 Quarter

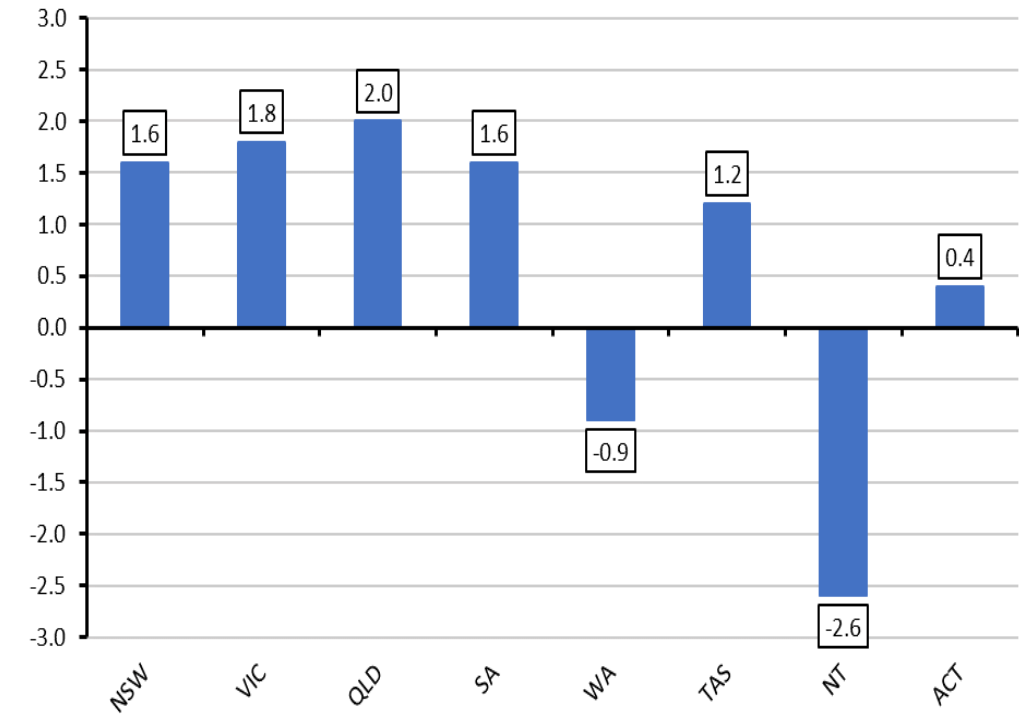
Per cent change on previous quarter (volumes, sa)



Source: ABS

Australia: State government consumption expenditure, June 2021 Quarter

Per cent change on previous quarter (volumes, sa)



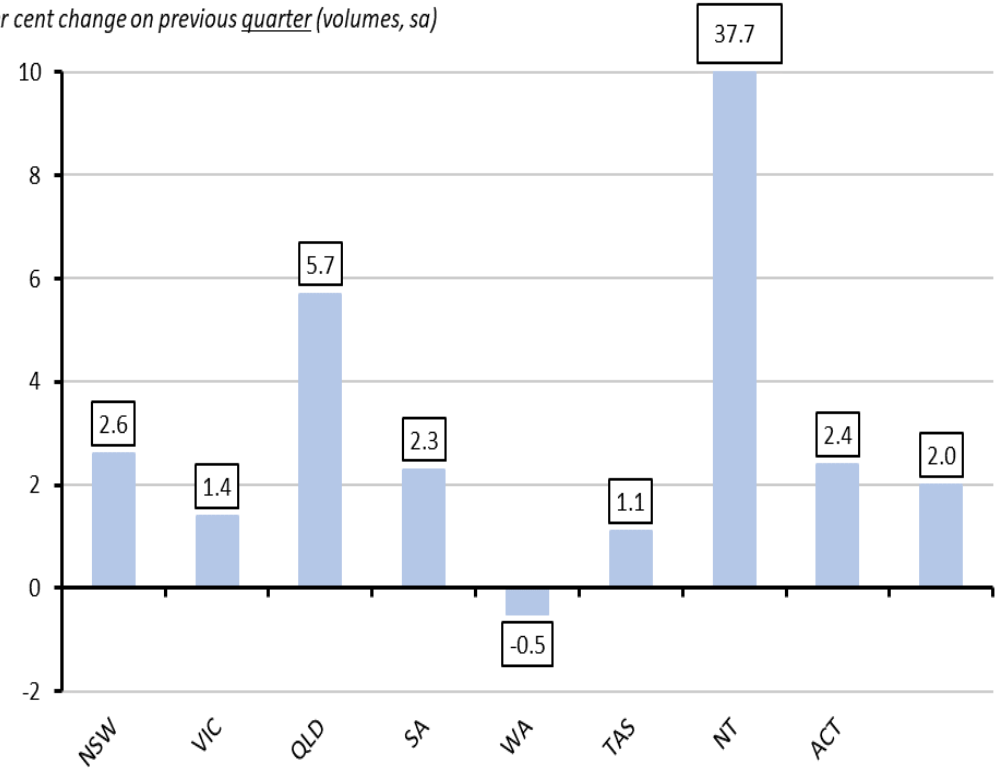
Source: ABS

# Growth in state and territory investment expenditure

GDP CHART PACK - JUNE QUARTER, 2021

Australia: State private gross fixed capital formation, June 2021 Quarter

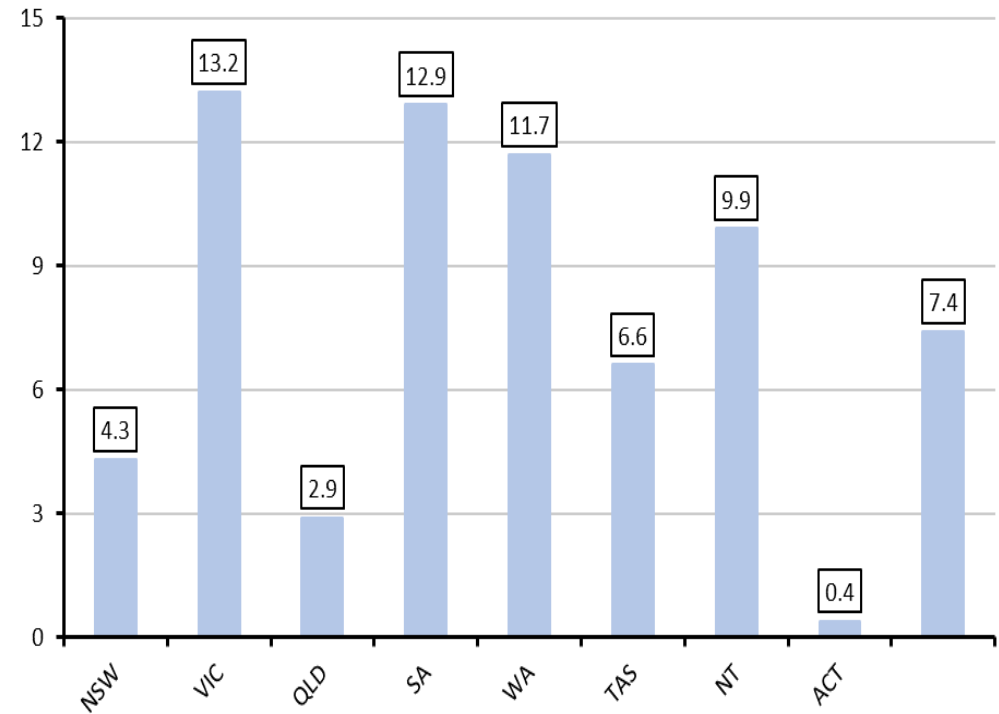
Per cent change on previous quarter (volumes, sa)



Source: ABS. Note NT result not shown fully on graph.

Australia: State government gross fixed capital formation, June 2021 Quarter

Per cent change on previous quarter (volumes, sa)



Source: ABS

MARK THIRLWELL

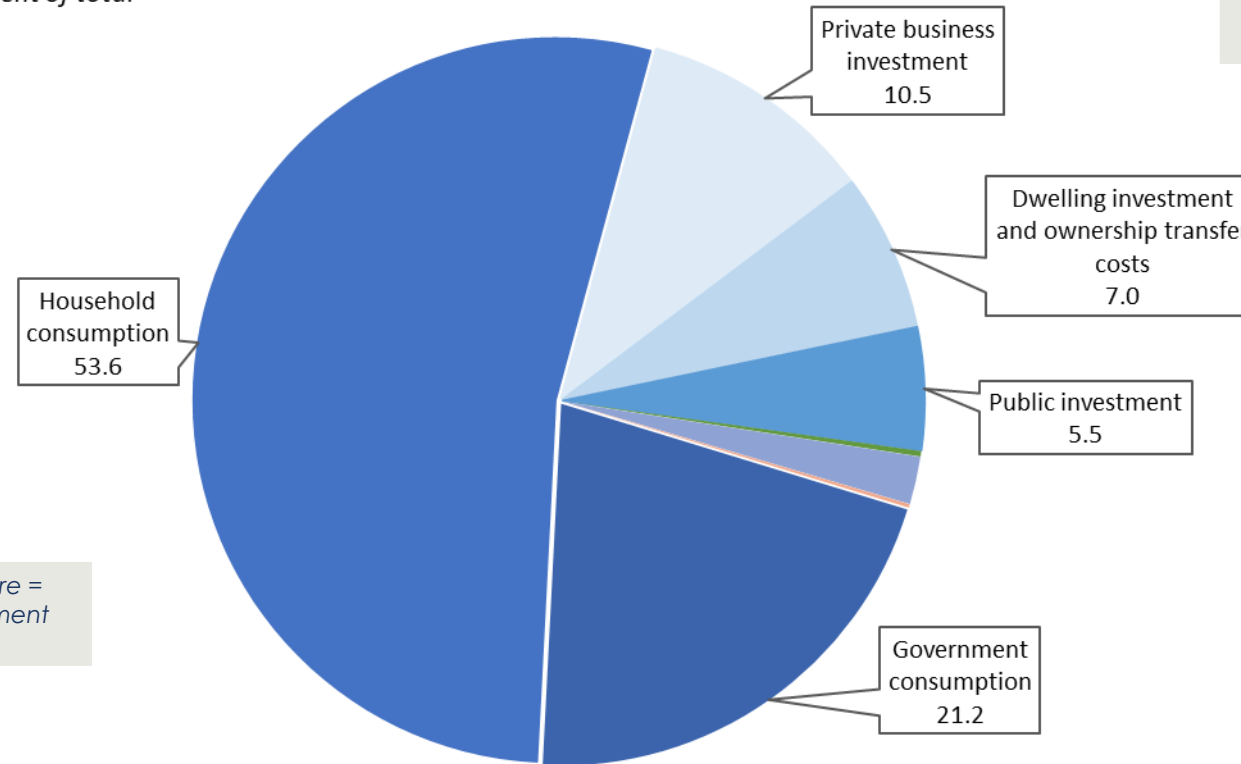
SEVEN

# Annual data (2020-21)

# Composition of GDP: Expenditure basis

## Australia: Composition of Real GDP by Expenditure, 2020-21

Per cent of total



Private fixed capital formation = private business investment + dwelling investment and ownership transfer costs = 17.6% of GDP.

Total fixed capital formation = private business investment + dwelling investment and ownership transfer costs + public investment = 23% of GDP.

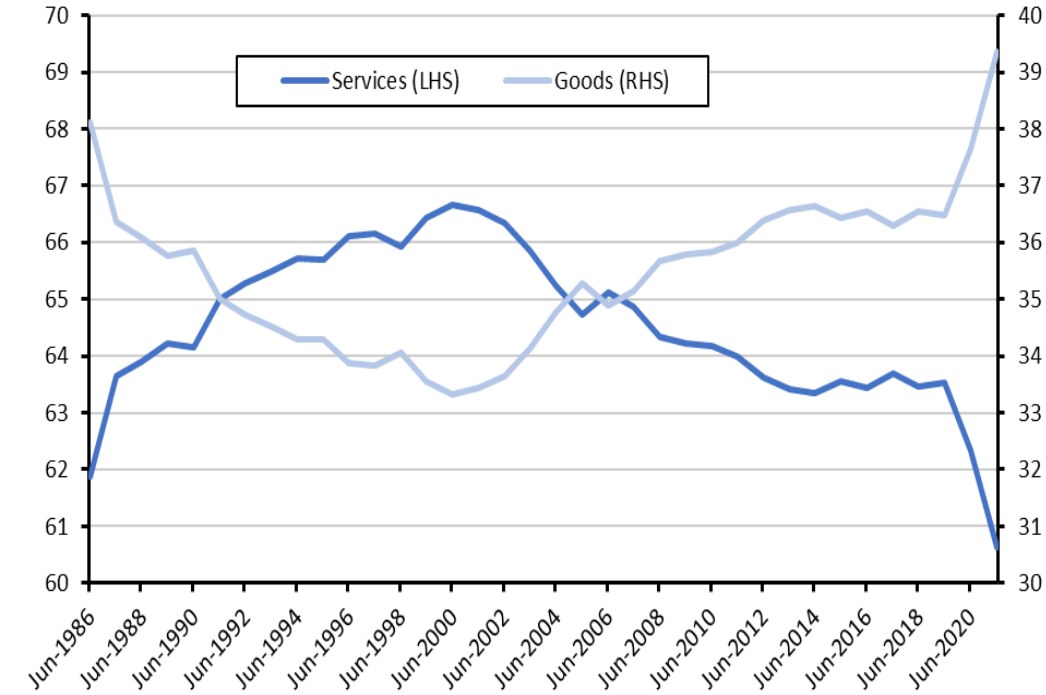
Total final consumption expenditure = household consumption + government consumption = 74.7% of GDP.

Source: ABS. Note, labels for net exports, change in inventories and statistical discrepancy not shown. Totals may not sum exactly due to rounding.

# Composition of Household Consumption Expenditure

Australia: Household Consumption Expenditure on Goods and Services

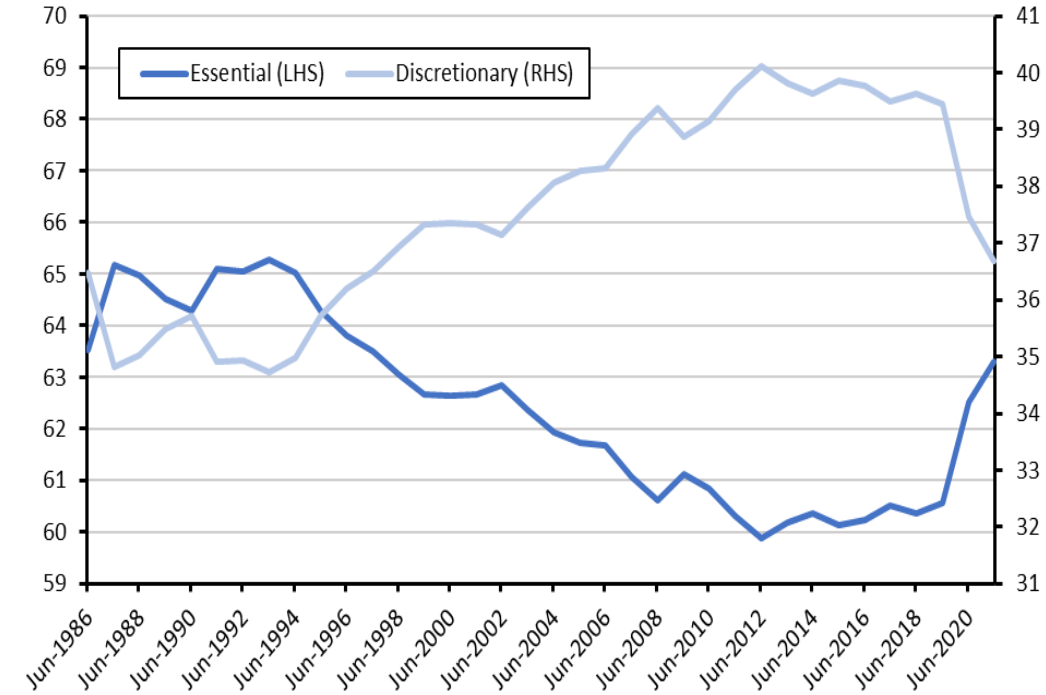
Per cent of total (constant prices)



Source: ABS.

Australia: Household Consumption Expenditure, Essential vs Discretionary

Per cent of total (constant prices)

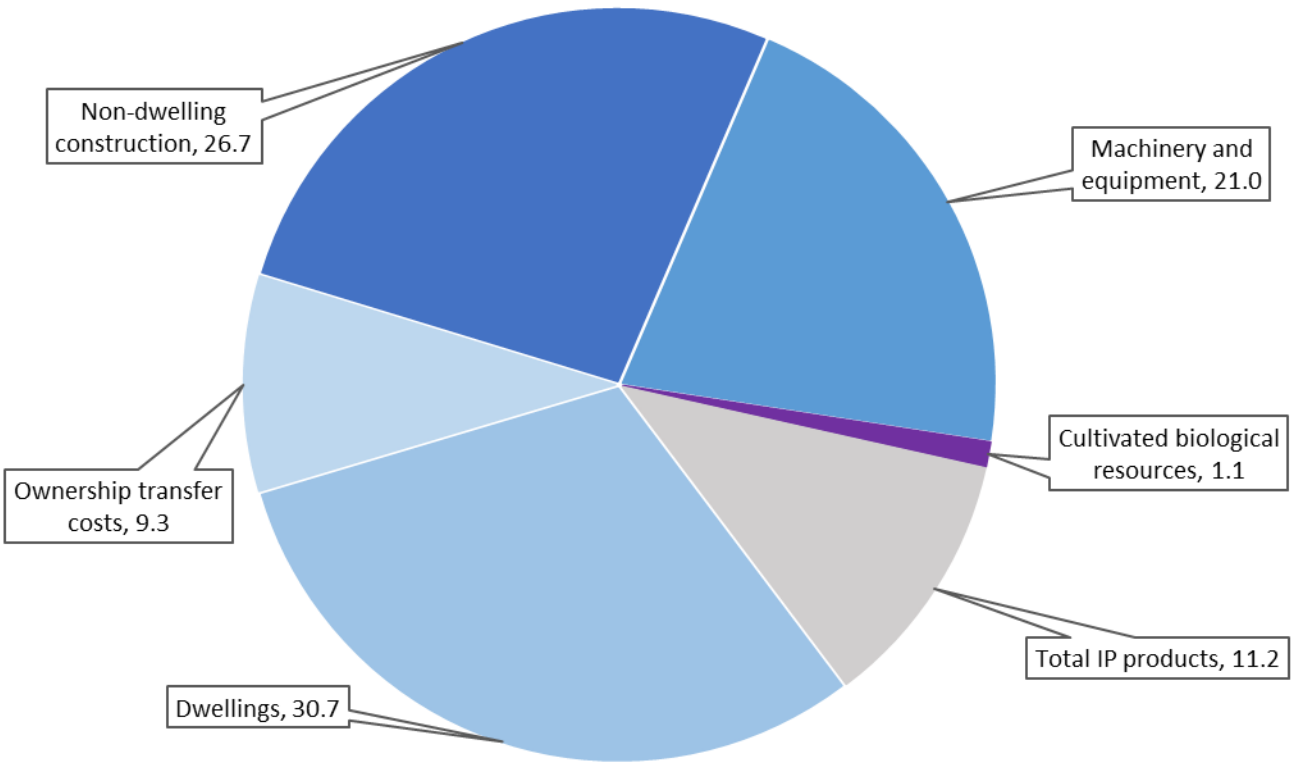


Source: ABS.

# Composition of Real Gross Private Fixed Capital Formation

## Australia: Composition of Real Gross Private Fixed Capital Formation, 2020-21

Per cent of gross private fixed capital formation at constant prices

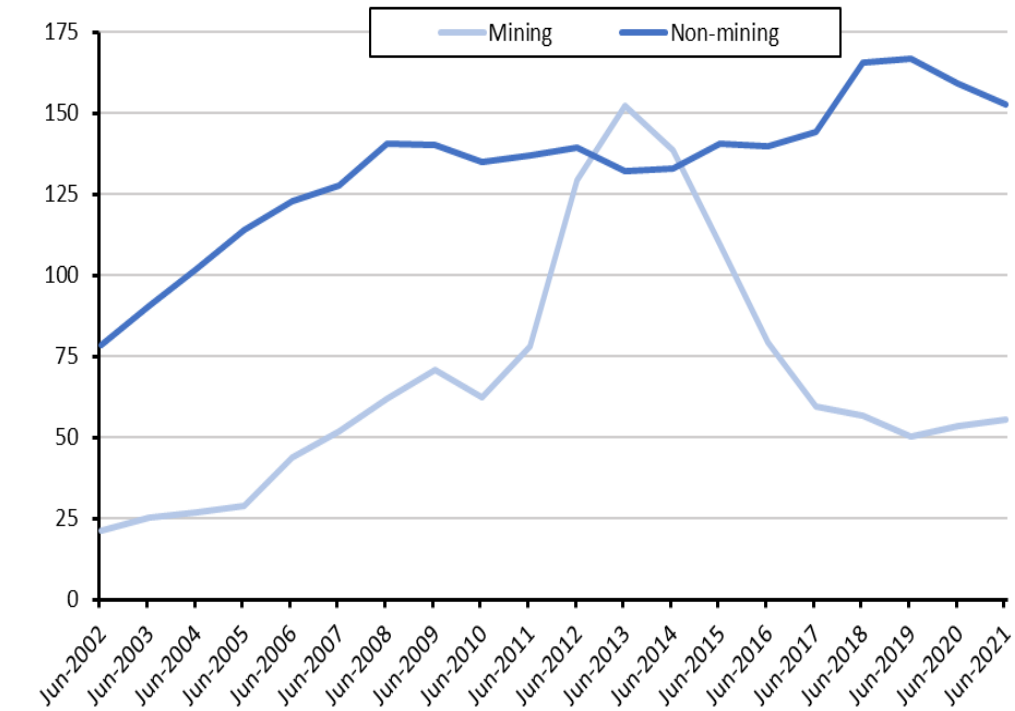


Source: ABS. Totals may not sum exactly due to rounding.

# Private Business Investment by Industry

Australia: Real Private Business Investment by Industry

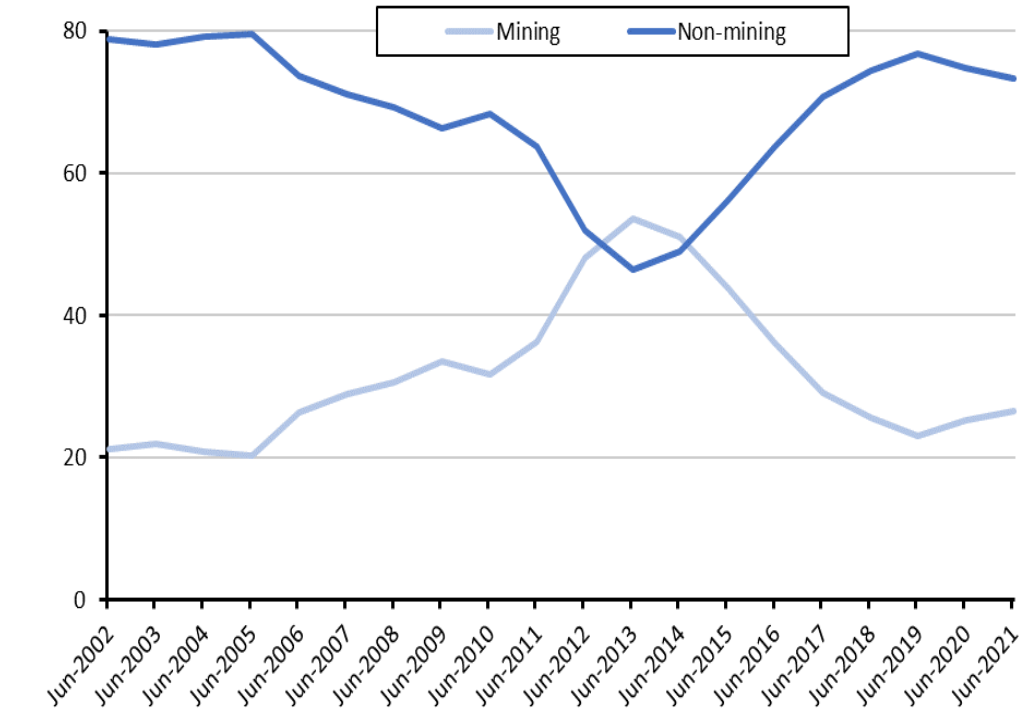
\$ billions (volumes)



Source: ABS.

Australia: Real Private Business Investment by Industry

Per cent of total private business investment



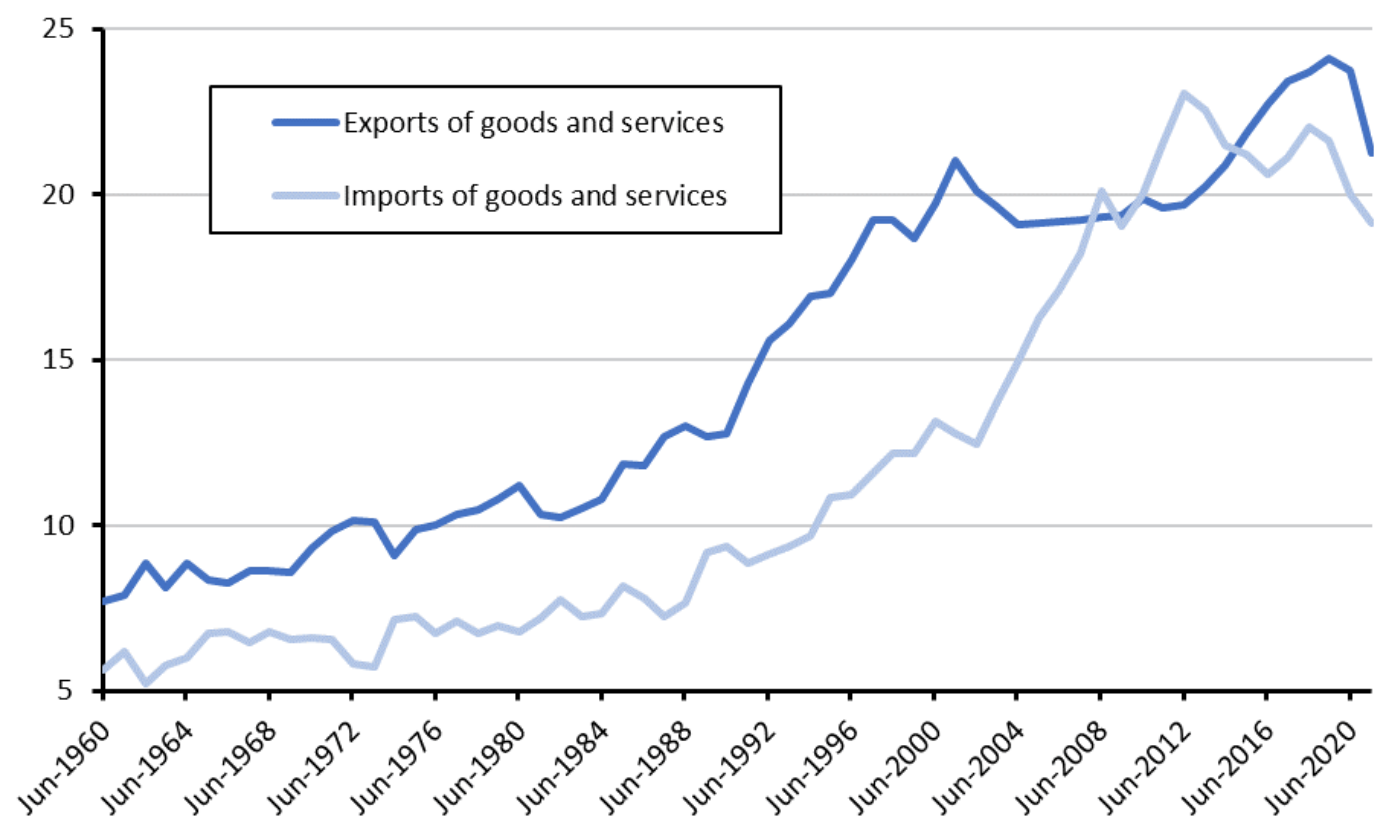
Source: ABS.



# Share of Trade in GDP

## Australia: Trade Shares

Per cent of GDP (volumes)

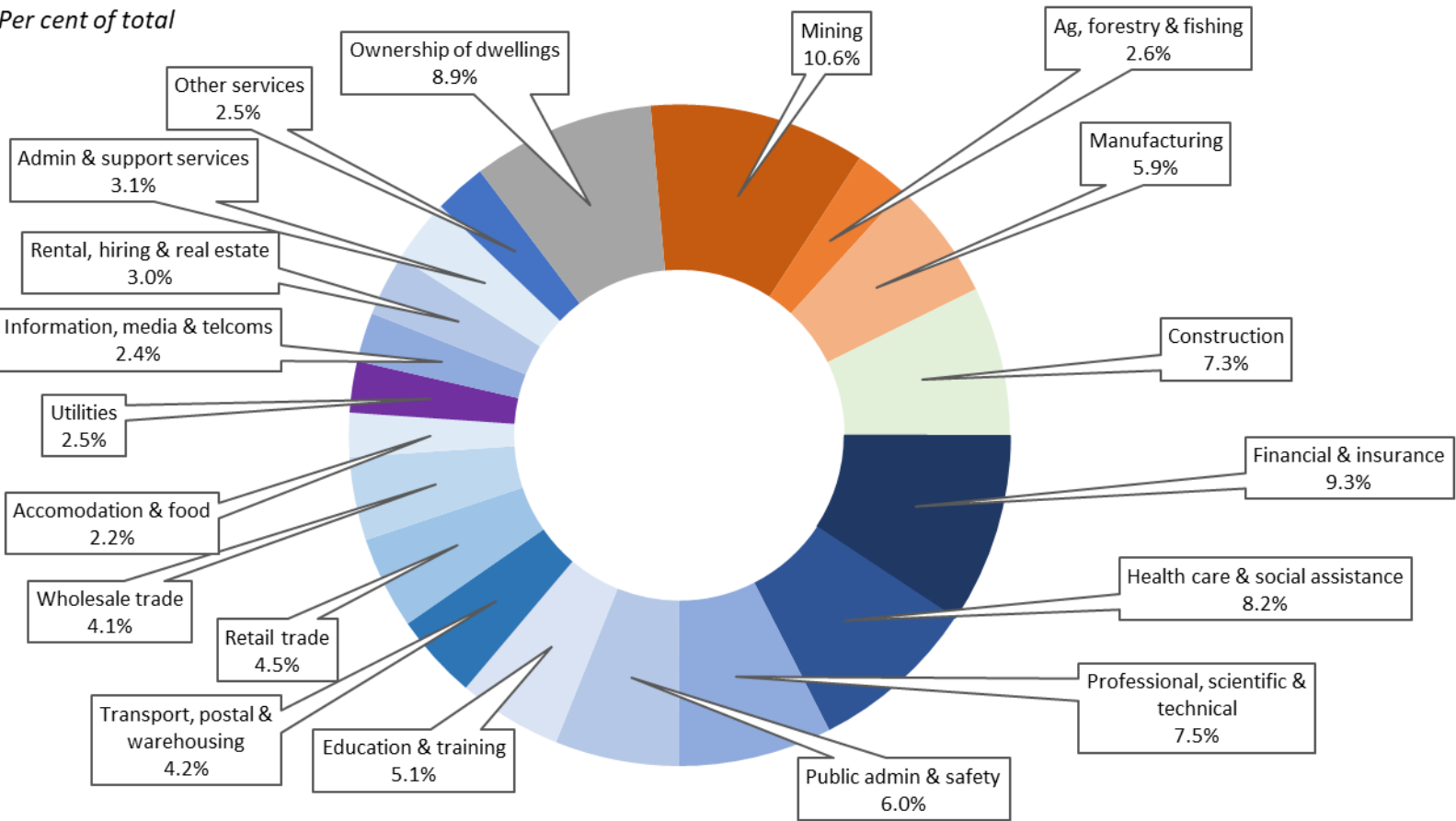


Source: ABS.

# Composition of Gross Value Added (GVA) by Industry

Australia: Composition of Real GVA by Industry, 2020-21

Per cent of total



Source: ABS. Note, other services here includes other services plus arts and recreation services

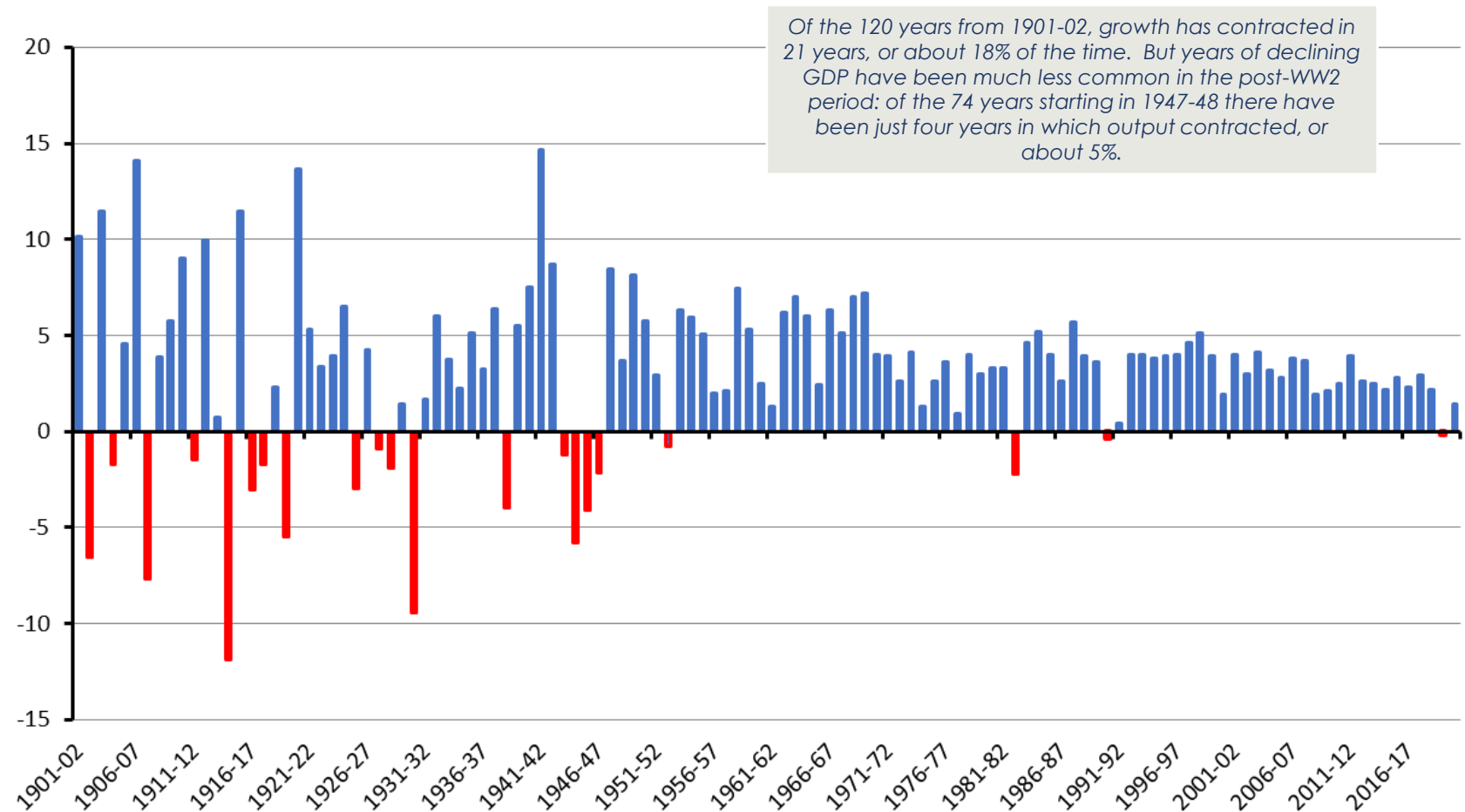
EIGHT

# HISTORICAL COMPARISONS

# Real GDP growth since Federation

## Australia: Real GDP growth from Federation to 2020-21

Per cent change over previous year



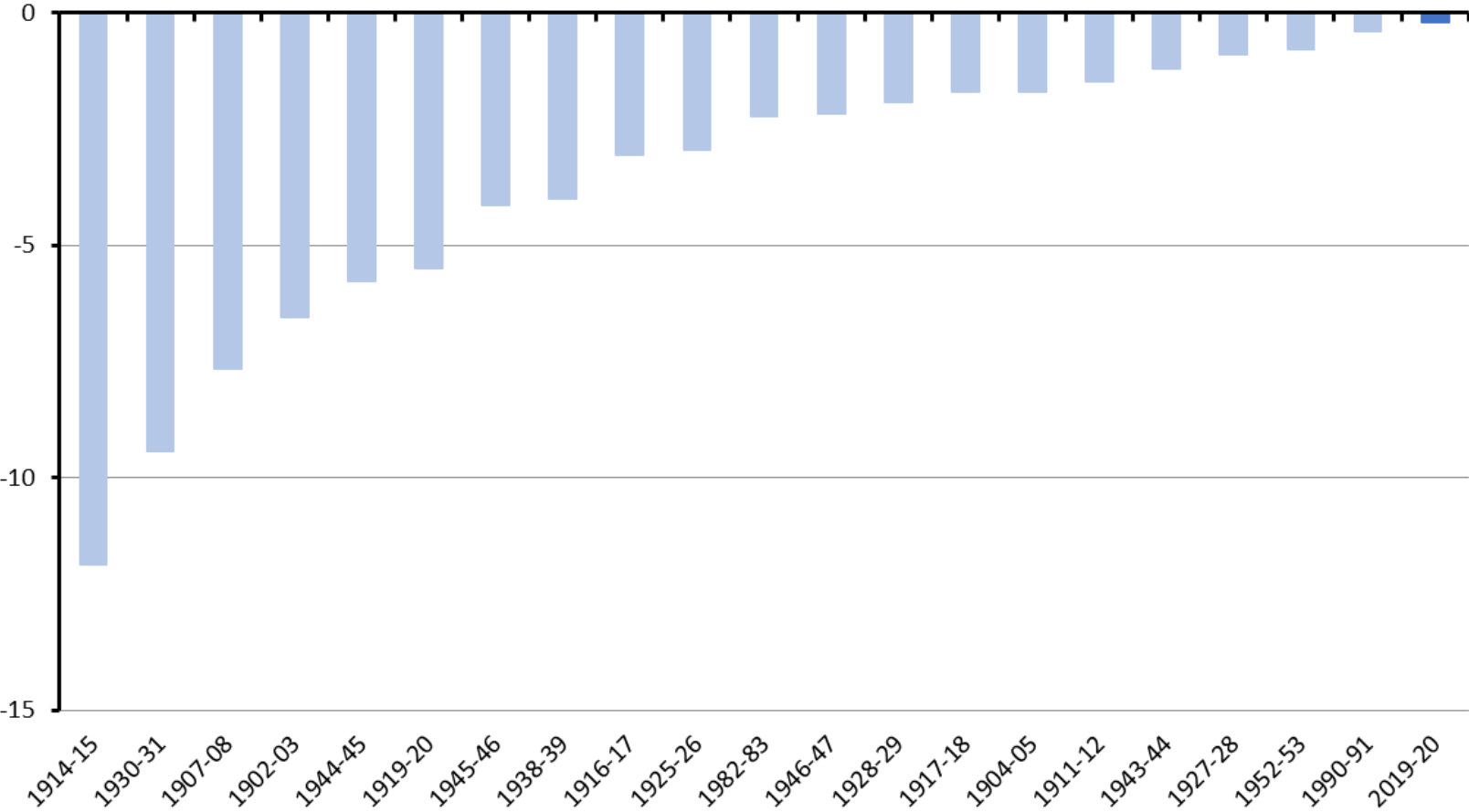
Source: DFAT, ABS and AICD. Annual FY data to 2020-21.

# Annual contractions in real GDP since Federation

Australia: Falls in real GDP in the period since Federation by financial year

Per cent change over previous year

The most recent decline in GDP was a fall of 0.2 per cent in 2019-20.

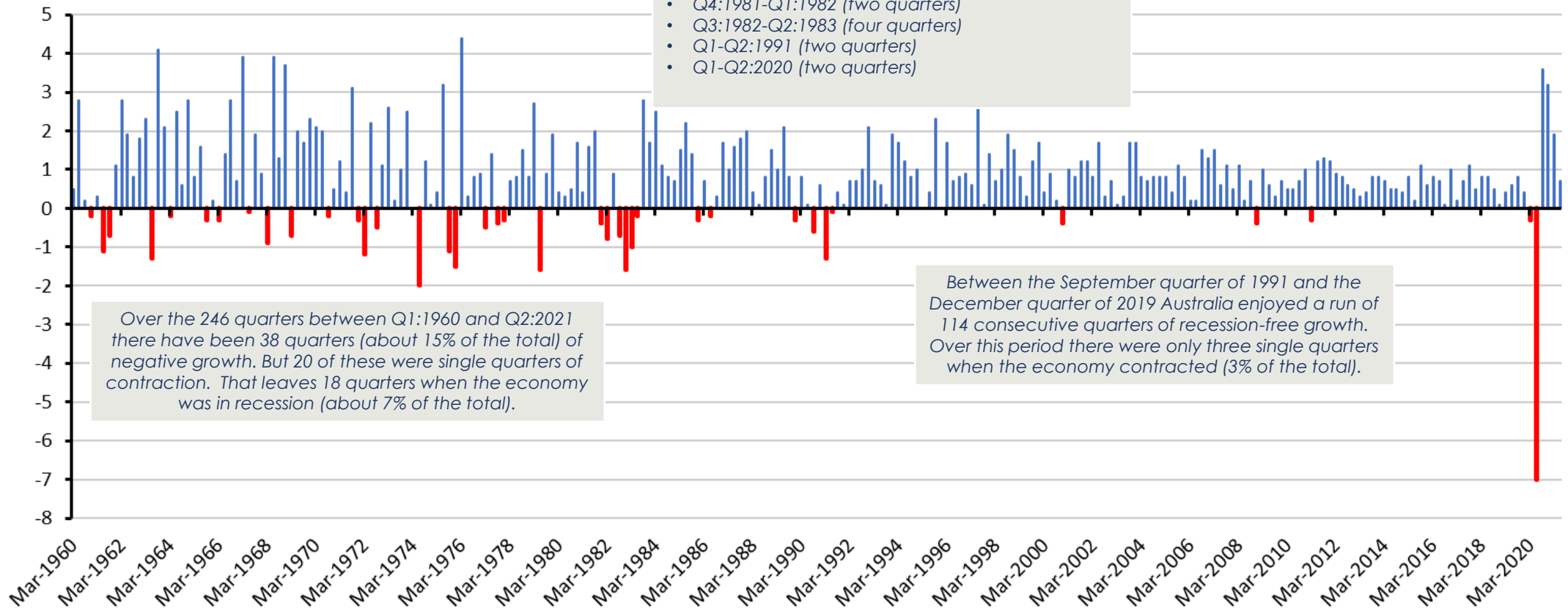


Sources: GDP data are from DFAT Historical Statistics and the ABS. The chart shows all financial years that suffered an annual fall in GDP.

# Recession Count using the 'Two consecutive quarters' rule

## Australia: Real GDP growth

Per cent change on previous quarter (volumes, sa)



Source: ABS.



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