

5 March 2025

ABS CONFIRMS FIRST TWO-YEAR PER CAPITA ECONOMIC DECLINE IN OVER 40 YEARS

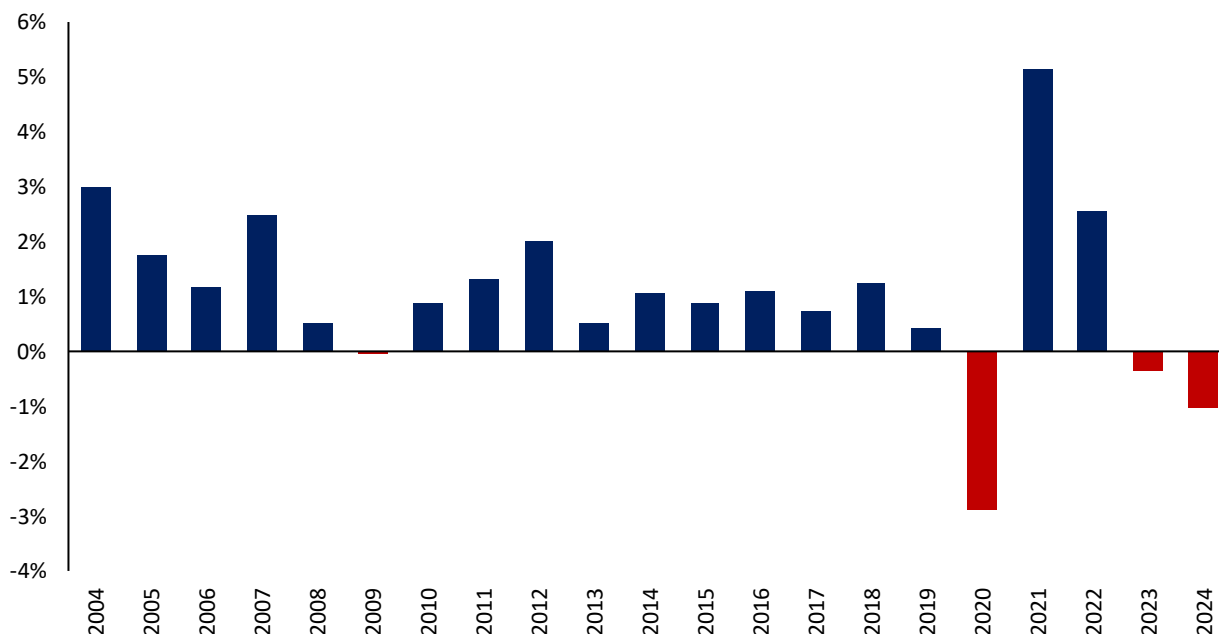
"Today's ABS data reveals that Australians are \$5,400 worse off than they were in 2022, suffering under the first two-year decline in per capita economic growth in more than 40 years. Any talk of a successful economic recovery is premature as Australians are still mired in a personal recession," said Morgan Begg, Director of Research at the Institute of Public Affairs.

Today, IPA analysis of the Australian Bureau of Statistics' National Accounts data for the December quarter of 2024 shows:

- **Australians experienced the first two-year per capita economic contraction in 41 years. The last time the personal economy contracted for two successive years was in 1982-83.**
- **Australians are \$5,400 worse off as real GDP per capita has fallen behind the pre-pandemic growth trend during the term of the Albanese government.**
- **While GDP per capita increased by less than 0.1 per cent in the quarter, it declined by 0.7 per cent in 2024.**
- **GDP per capita has declined in eight of the ten full quarters of the Albanese government, equating to two full years of declining living standards and economic wellbeing.**

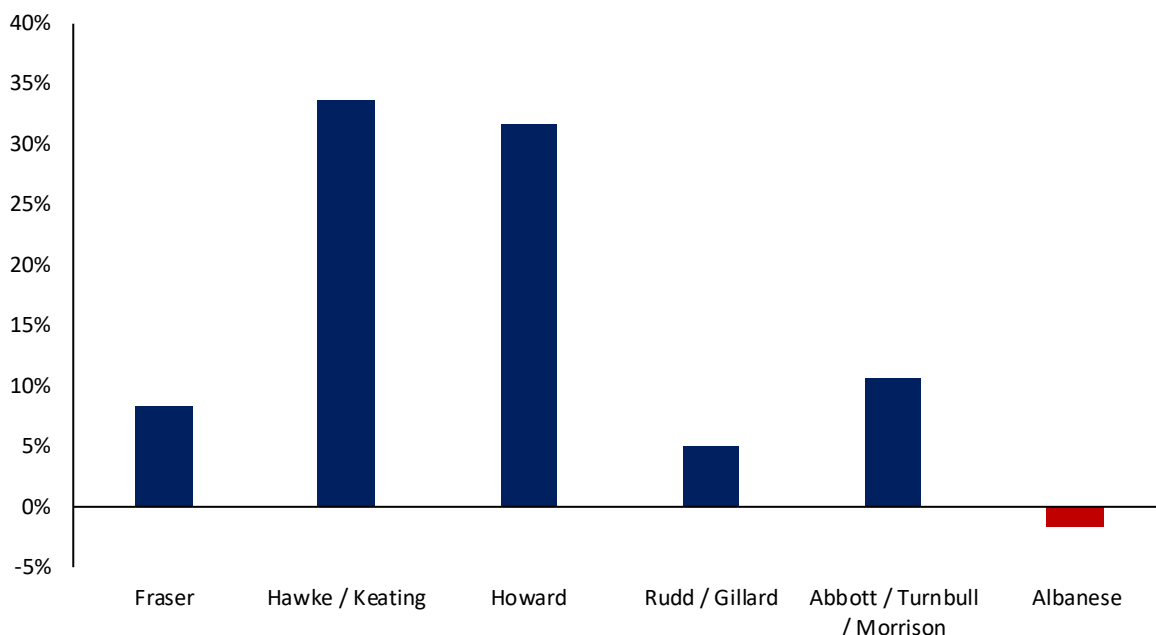
"The National Accounts data underscores the fundamental economic challenges that have been left unaddressed, such as excessive government spending, collapsing productivity growth, high inflation, and out-of-control migration intakes," said Mr Begg.

GDP per capita growth by calendar year (Source: ABS, IPA)



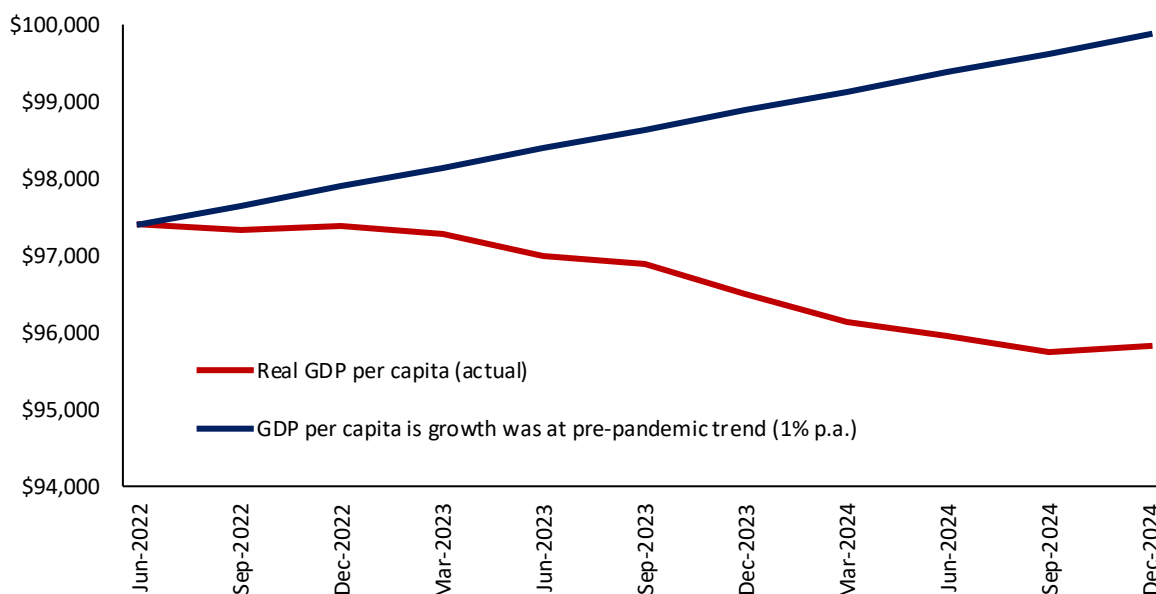
Without a fundamental change in economic policy, if an election was held today, the Albanese government would be the only federal government on record to oversee a real decline in GDP per capita over the course of its term in office.

GDP per capita growth by government term (Source: ABS, IPA)



“Having relied solely on the lazy approach of record migration intakes as its main driver of economic growth, the Albanese government is on track to achieve the unenviable record of being the only government in recorded history to make Australians poorer during its entire time in office, all due to its economic mismanagement,” said Mr Begg.

Annualised real GDP per capita (actual) vs pre-pandemic trend (Source: ABS, IPA)



“The private sector is the fundamental driver of meaningful and sustained economic growth. Yet, governments are strangling Australian businesses with record levels of red tape and job destroying tax policies. Governments at all levels are holding us back,” said Mr Begg.

“Australia desperately needs a new approach that does not rely on record migration intakes and excessive government spending to prop up headline economic figures, while leaving the typical Australian with an ever-shrinking slice of the economic pie.”

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