

The *Australian National Accounts: National Income, Expenditure and Product (ABS 5206.0)* reports state final demand and its components together with international trade in goods. These measures provide only a partial measure of overall economic activity.

Summary

Real Final Demand Growth (Trend):

Queensland +1.9% (quarterly) +8.0% (annual)
 Australia +0.6% (quarterly) +3.4% (annual)

- Quarterly growth in State Final Demand (SFD) has remained within a band of 1.8% to 2.1% for the last five quarters (see Chart 1).
- Despite quarterly domestic economic growth in Queensland easing slightly to 1.9%, it was still significantly stronger than the 0.6% growth recorded nationally.
- In annual terms, Queensland's SFD growth strengthened marginally to 8.0%, exceeding national growth of 3.4% in the September quarter.

Analysis

Household consumption growth in the State continued to moderate, recording growth of 0.8% (4.0% annually) in September quarter 2006, after recording growth of 0.9% and 1.0% in the June and March quarters respectively. Most components of consumer spending increased, with only spending on cigarettes and tobacco, the purchase of vehicles and spending on communications declining.

Private investment (total) grew by 2.2% in the September quarter, following 2.9% growth in the June quarter. The September quarter outcome was 0.7% point above the long-run growth rate of private investment in the State.

Dwelling investment continued to increase in the September quarter, increasing by 2.7%, with both components growing strongly. Alteration and additions activity increased by 2.4%, while new dwelling construction increased by 2.8%. Nationally, dwelling investment increased by 1.7% in the September quarter.

Business investment rose 1.9% in the September quarter, to be 19.9% higher over the year. Machinery and equipment investment increased by 1.1%, while non-dwelling construction increased by 3.0%. Nationally, business investment fell 1.0% in the September quarter, but was 4.2% higher over the year.

Public final demand grew by 3.7% in the September quarter, to be 12.0% higher over the year. Nationally, public final demand increased by 1.4% over the quarter.

Explanatory Note:

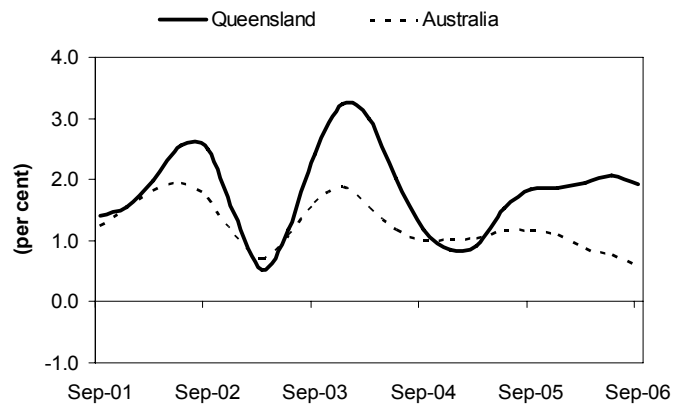
The Queensland State Accounts produced by the Office of the Government Statistician provide a comprehensive quarterly estimate of Queensland Gross State Product by incorporating additional data on interstate trade in goods and services including tourism transactions. The Queensland results from the ABS Australian National Accounts: National Income, Expenditure and Product report only State final demand and international trade in goods.

Table 1: Components of Final Demand (Trend), September Quarter 2006

Chain Volume Measure*	Queensland		Australia	
	qoq%	yoy%	qoq%	yoy%
Private Final Demand	1.3	6.8	0.5	3.0
Household consumption	0.8	4.0	0.7	2.9
Dwelling investment	2.7	4.0	1.7	-0.5
New and used housing	2.8	4.3	1.3	-1.8
Alterations and additions	2.4	3.5	2.1	1.1
Business investment	1.9	19.9	-1.0	4.2
Machinery and equipment	1.1	19.1	-2.6	0.4
Buildings and structures	3.0	21.1	1.1	9.6
Public Final Demand	3.7	12.0	1.4	6.1
Public consumption	1.6	7.3	1.1	4.7
Public investment	9.4	25.7	0.1	4.4
Final Demand	1.9	8.0	0.6	3.4
International exports	-0.5	-0.9	1.3	3.6
International imports	-0.2	5.7	0.5	7.2

* Reference year for chain volume measure is 2004-05. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

**Chart 1
Real State/Domestic Final Demand
Quarterly Growth – Trend**



**Table 2
Interstate Growth Comparison
Real State/Domestic Final Demand (trend)**

	Quarterly % Change	Annual % Change
QLD	1.9	8.0
NSW	-0.1	0.6
VIC	0.4	1.6
SA	0.7	1.8
WA	0.7	9.3
TAS	-0.9	-2.5
AUST	0.6	3.4