



Queensland  
Government

OFFICE OF ECONOMIC AND STATISTICAL RESEARCH

MACROECONOMICS TEAM

NATIONAL ACCOUNTS

STATE DETAILS: DECEMBER QTR 2006

ABS 5206.0

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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	+0.8% (quarterly)	+6.1% (annual)
Australia	+0.8% (quarterly)	+3.5% (annual)

- Quarterly growth in State Final Demand (SFD) in Queensland has continued to slow, since recording a high of 2.1% in March 2006 (see Chart 1).
- Quarterly domestic economic growth in Queensland eased to 0.8%, in line with national growth.
- While annual growth in Queensland's SFD slowed to 6.1%, this rate of growth still represented the second highest of any state (following Western Australia) and was well above national growth of 3.5% in the quarter.

### Analysis

*Household consumption* growth in the State continued its moderating trend since December 2005, recording growth of 0.6% (3.2% over the year) in December quarter 2006. Most components of consumer spending increased, with only spending on food, cigarettes and tobacco, clothing and footwear and spending on hotels, cafes and restaurants declining. Spending on cigarettes and tobacco has now declined for seven consecutive quarters.

*Private investment (total)* grew by 0.5% in the December quarter, following 1.2% growth in the September quarter. The main contributors to some slow-down in growth were a decline in machinery and equipment, and a fall in livestock due to continued drought conditions.

*Dwelling investment* continued to grow in the December quarter, increasing by 1.5%. Alteration and addition activity increased by 2.4%, while new dwelling construction increased by 0.5%. Nationally, dwelling investment increased by 1.8% in the December quarter.

*Business investment* rose 1.2% in the December quarter, to be 12.8% higher over the year. A 2.5% decline in machinery and equipment investment was more than offset by a 6.5% rise in non-dwelling construction. Nationally, business investment fell 0.1% in the December quarter, but was 1.5% higher over the year.

*Public final demand* grew by 1.3% in the December quarter, to be 10.9% higher over the year. Nationally, public final demand increased by 1.1% 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), December Quarter 2006

Chain Volume Measure*	Queensland		Australia	
	qoq%	yoy%	qoq%	yoy%
Private Final Demand	0.6	4.7	0.6	2.9
Household consumption	0.6	3.2	0.9	3.4
Dwelling investment	1.5	5.2	1.8	3.6
New and used housing	0.5	4.4	1.0	2.0
Alterations and additions	2.4	5.9	2.8	5.6
Business investment	1.2	12.8	-0.1	1.5
Machinery and equipment	-2.5	5.8	-1.9	-3.5
Buildings and structures	6.5	23.3	2.2	8.8
Public Final Demand	1.3	10.9	1.1	5.6
Public consumption	0.0	4.2	0.5	3.7
Public investment	4.5	31.7	3.9	14.0
<b>Final Demand</b>	<b>0.8</b>	<b>6.1</b>	<b>0.8</b>	<b>3.5</b>
International exports	-0.4	-1.4	1.0	4.5
International imports	2.2	7.3	1.8	7.7

\* 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

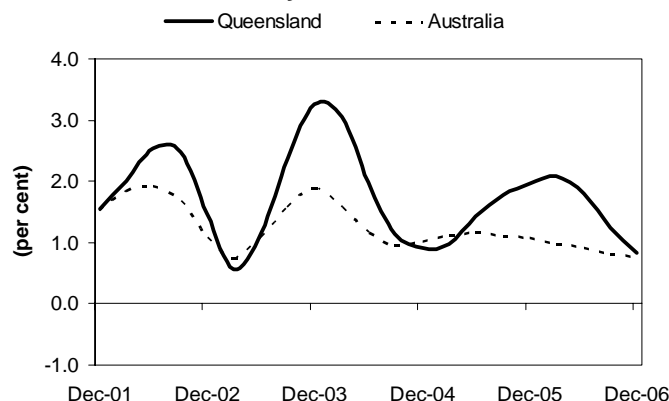


Table 2  
Interstate Growth Comparison  
Real State/Domestic Final Demand (trend)

	Quarterly % Change	Annual % Change
QLD	0.8	6.1
NSW	0.6	1.4
VIC	1.1	3.2
SA	0.8	2.6
WA	0.9	7.2
TAS	-0.4	-3.0
<b>AUST</b>	<b>0.8</b>	<b>3.5</b>