



Queensland
Government

OFFICE OF ECONOMIC AND STATISTICAL RESEARCH

MACROECONOMICS TEAM

NATIONAL ACCOUNTS

STATE DETAILS: MARCH QTR 2007

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.

Telstra Corporation was effectively privatised on 20 November 2006. The classification of Telstra has changed from public sector non-financial corporation to private sector non-financial corporation in March quarter 2007. As such, there is a trend break in a number of series, resulting in no trend estimates being published by the ABS for these series.

Summary

Real Final Demand Growth (Trend):

Queensland	+1.5% (quarterly)	+6.6% (annual)
Australia	+1.1% (quarterly)	+4.1% (annual)

- Quarterly growth in State Final Demand (SFD) in Queensland remained steady at 1.5% over the last three quarters (see Chart 1).
- Quarterly growth of 1.1% in domestic final demand nationally was the same as that in the last quarter.
- While annual growth in Queensland's SFD moderated to 6.6%, this rate of growth still represented the second highest of any state (following Western Australia) and was well above national growth of 4.1% in the quarter.

Analysis

Household consumption growth in the State picked up for the third consecutive quarter, recording growth of 1.1% (3.8% over the year) in March quarter 2007. Most components of consumer spending increased, with only spending on clothing and footwear, and spending on hotels, cafes and restaurants declining. In contrast, purchase of vehicles, and furnishings and household equipment recorded its highest growth since December quarter 2003 and March quarter 2004, respectively.

Private investment (total) grew strongly by 4.8% in the March quarter, following 2.6% growth in December quarter 2006. This growth is artificially inflated due to the reclassification of Telstra from a public to private corporation. It is also important to note that the ABS has not published detailed data on business investment and components of public final demand in trend terms due to the privatisation of Telstra.

Dwelling investment increased for the fourth consecutive quarter in March, increasing by 2.8%. Alteration and addition activity increased by 4.2%, while new dwelling construction increased by 1.0%. Nationally, dwelling investment increased by 1.5% in the March quarter.

International exports of goods increased for the second consecutive quarter (up 2.2%), while the international imports of goods continued to grow strongly (up 4.3%) in 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),
March Quarter 2007

Chain Volume Measure*	Queensland		Australia	
	qoq%	yoy%	qoq%	yoy%
Private Final Demand	n.a.	n.a.	1.6	4.3
Household consumption	1.1	3.8	1.2	4.2
Dwelling investment	2.8	11.8	1.5	7.1
New and used housing	1.0	6.1	1.9	6.2
Alterations and additions	4.2	18.4	1.2	8.3
Business investment	n.a.	n.a.	n.a.	n.a.
Machinery and equipment	n.a.	n.a.	n.a.	n.a.
Buildings and structures	n.a.	n.a.	n.a.	n.a.
Public Final Demand	n.a.	n.a.	n.a.	n.a.
Public consumption	-0.6	2.2	0.1	2.7
Public investment	n.a.	n.a.	n.a.	n.a.
Final Demand	1.5	6.6	1.1	4.1
International exports	2.2	2.6	-0.2	2.7
International imports	4.3	11.6	4.2	11.6

* 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.

n.a. – Data not published by the ABS due to trend issues related to the privatisation of Telstra.

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

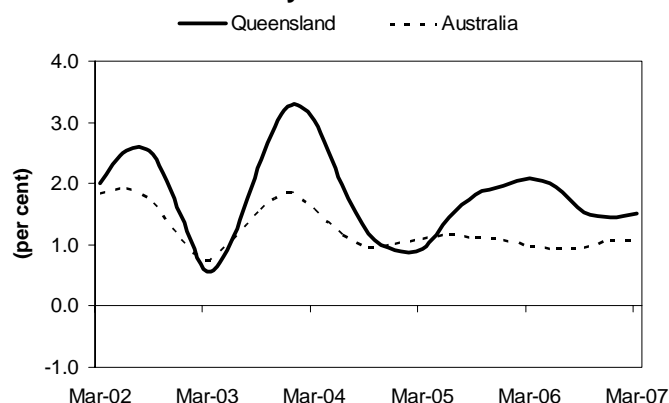


Table 2
Interstate Growth Comparison
Real State/Domestic Final Demand (trend)

	Quarterly % Change	Annual % Change
QLD	1.5	6.6
NSW	1.1	3.0
VIC	0.6	3.0
SA	0.7	3.2
WA	2.3	7.7
TAS	0.2	-1.2
AUST	1.1	4.1