



Queensland
Government

OFFICE OF ECONOMIC AND STATISTICAL RESEARCH

MACROECONOMICS TEAM

NATIONAL ACCOUNTS

STATE DETAILS: JUNE QTR 2007

ABS 5206.0

Released 11.30am, 4 September 2007

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

Telstra Corporation was effectively privatised on 20 November 2006. As a result, Telstra was reclassified 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 +2.4% (quarterly) +8.2% (annual)
Australia +1.6% (quarterly) +5.4% (annual)

- Revised data show that quarterly growth in State Final Demand (SFD) in Queensland was 2.4% in June quarter 2007, similar to that in the previous quarter (see Chart 1).
- Quarterly growth of 1.6% in domestic final demand nationally was also the same as that in the last quarter.
- In annual terms, growth in Queensland's SFD strengthened to 8.2% in the June quarter, exceeded only by Western Australia (up 11.5%) and was well above national growth of 5.4% in the quarter.

Analysis

Household consumption rose 1.1% (3.7% over the year) in June quarter 2007. All components, except spending on other goods and services, increased during the quarter, with net expenditure interstate, purchase of vehicles and expenditure on furnishings and household equipment recording the strongest growth.

Private investment (total) grew 3.8% in the June quarter, to be 16.3% higher than a year ago. It should be noted that the rate of quarterly growth is distorted due to the reclassification of Telstra from a public to private corporation in the March quarter. Nevertheless, the strengthening in growth in annual terms demonstrates that private investment intentions remained solid in the June quarter.

Dwelling investment increased for the fifth consecutive quarter in June quarter 2007, despite the rate of growth moderating somewhat in the past two quarters. Overall dwelling investment was supported by growth in alteration and addition activity (up 1.4%) and new dwelling construction (up 1.9%). More importantly, the level of dwelling investment in June quarter 2007 was 13.7% above that in the same quarter last year.

Investment by state and local governments continued to show exceptional strength in the June quarter, with investment by the general government and public corporations increasing at an annual rate 23.9% and 56.1% respectively.

Overseas exports of goods rose for the third consecutive quarter, but the rate of growth moderated from 1.0% in the March quarter to 0.4% in the June quarter. Strong domestic demand continued to boost growth in overseas imports of goods (up 2.7%) in the June 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 Queensland's State Final Demand, June Quarter 2007

Chain Volume Measures (Trend)*	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	n.a.	n.a.	n.a.	n.a.
Household Consumption	1.1	3.7	0.6	2.0
Private Investment	3.8	16.3	1.0	4.1
Dwelling Investment	1.9	13.7	0.2	1.1
New Dwellings	1.9	10.1	0.1	0.5
Alterations and Additions	1.4	17.9	0.1	0.6
Business Investment	n.a.	n.a.	n.a.	n.a.
New Machinery and Equipment	n.a.	n.a.	n.a.	n.a.
New Engineering Construction	n.a.	n.a.	n.a.	n.a.
New Non-Residential Buildings	1.1	7.9	0.0	0.3
Public Final Demand	n.a.	n.a.	n.a.	n.a.
General Govt. Final Consumption	0.1	1.1	0.0	0.2
National	-0.7	-0.5	0.0	0.0
State and Local	0.6	2.0	0.1	0.2
General Govt. Investment	1.1	26.1	0.0	0.7
National	1.8	40.8	0.0	0.1
State and Local	0.9	23.9	0.0	0.6
Public Corporation Investment	n.a.	n.a.	n.a.	n.a.
National	n.a.	n.a.	n.a.	n.a.
State and Local	12.7	56.1	0.4	1.3
State Final Demand (SFD)	2.4	8.2	2.4	8.2
Overseas Exports of Goods	0.4	2.0	n.a.	n.a.
Overseas Imports of Goods	2.7	12.9	n.a.	n.a.

* 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

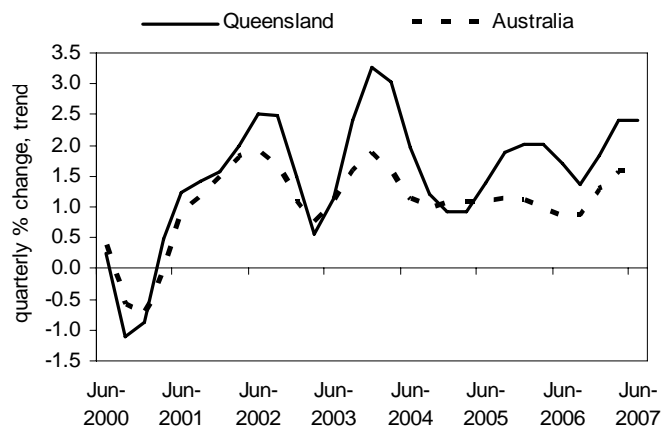


Table 2: Interstate SFD Growth Comparison, June Quarter 2007

Chain Volume Measures (Trend)*	Quarterly % Change	Annual % Change
New South Wales	1.3	4.1
Victoria	0.9	3.4
Queensland	2.4	8.2
South Australia	0.5	3.0
Western Australia	3.8	11.5
Tasmania	1.3	4.9
Australia	1.6	5.4