



Queensland
Government

OFFICE OF ECONOMIC AND STATISTICAL RESEARCH

MACROECONOMICS TEAM

NATIONAL ACCOUNTS

STATE DETAILS: SEPTEMBER QTR 2007

ABS 5206.0

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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 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 +1.6% (quarterly) +7.9% (annual)
Australia +1.2% (quarterly) +5.4% (annual)

- Growth in state final demand (SFD) in Queensland was 1.6% in September quarter 2007, representing a slight moderation from the June quarter (see Chart 1). Nationally, domestic final demand growth also moderated slightly, to 1.2% in the September quarter.
- In annual terms, however, growth in Queensland's SFD strengthened to 7.9% in the September quarter, well above national annual growth of 5.4% and exceeded only by Western Australia (up 11.2%).

Analysis

Household consumption rose 1.0% (4.6% over the year) in September quarter 2007. All components, except spending on food, communication services, and net expenditure interstate increased during the quarter. Expenditure on rent and other dwelling services, as well as spending on household furnishings and equipment, contributed the most to quarterly growth.

Private investment (total) grew 0.4% in the September quarter, to be 11.0% higher than a year ago. In seasonally adjusted terms, investment in machinery and equipment was exceptionally strong, increasing 14.4% over the year. Annual growth in non-dwelling construction moderated considerably, reflecting a flattening out in new engineering construction in September quarter 2007.

Dwelling investment declined 1.5% in September quarter 2007, but remained 6.5% higher over the year. Both components of dwelling investment fell in the quarter, with the construction of new dwellings down 0.8% and alterations and additions activity falling 2.1%.

Investment by state and local governments continued to show exceptional strength in the September quarter, with investment by the general government and public corporations increasing at an annual rate of 30.8% and 79.9% respectively.

Overseas exports of goods declined 1.0% in the September quarter, following no growth in the June quarter, but remained 2.1% higher over the year. Quarterly growth in imports moderated to 0.4%, the lowest rate since June quarter 2001.

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, September 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	1.0	4.6	0.5	2.4
Private Investment	0.4	11.0	0.1	2.8
Dwelling Investment	-1.5	6.5	-0.1	0.5
New Dwellings	-0.8	6.5	0.0	0.3
Alterations and Additions	-2.1	6.8	-0.1	0.2
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	-1.3	-2.0	0.0	-0.1
Public Final Demand	n.a.	n.a.	n.a.	n.a.
General Govt. Final Consumption	0.5	1.3	0.1	0.2
National	0.8	-0.1	0.0	0.0
State and Local	0.4	2.0	0.0	0.2
General Govt. Investment	6.5	26.0	0.2	0.8
National	-3.9	-2.5	0.0	0.0
State and Local	8.1	30.8	0.2	0.8
Public Corporation Investment	n.a.	n.a.	n.a.	n.a.
National	n.a.	n.a.	n.a.	n.a.
State and Local	9.8	79.9	0.3	1.7
State Final Demand (SFD)	1.6	7.9	1.6	7.9
Overseas Exports of Goods	-1.0	2.1	n.a.	n.a.
Overseas Imports of Goods	0.4	9.9	n.a.	n.a.

* Reference year for chain volume measure is 2005-06. 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

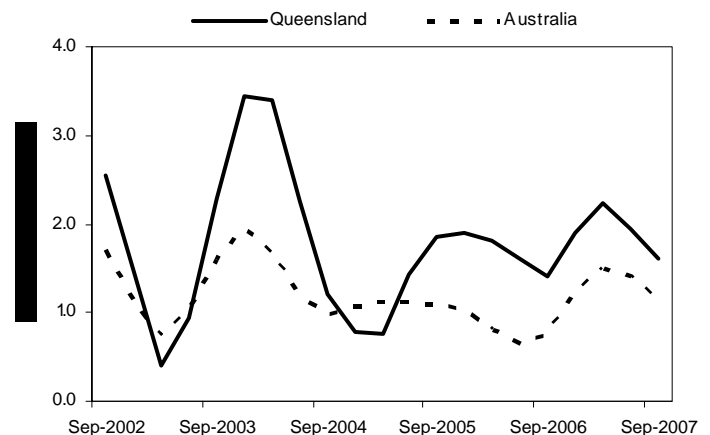


Table 2: Interstate SFD Growth Comparison, September Quarter 2007

Chain Volume Measures (Trend)	Quarterly % Change	Annual % Change
New South Wales	0.9	4.5
Victoria	0.9	3.3
Queensland	1.6	7.9
South Australia	0.3	2.0
Western Australia	2.0	11.2
Tasmania	0.8	4.6
Australia	1.2	5.4