

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

Telstra Corporation was effectively privatised on 20 November 2006 and therefore reclassified by the ABS from a 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	+1.3% (quarterly)	+6.3% (annual)
Australia	+1.0% (quarterly)	+4.7% (annual)

- State final demand (SFD) growth in Queensland moderated for the fourth consecutive quarter, to 1.3% in March quarter 2008 (see Chart 1). Nationally, domestic final demand growth moderated slightly, to 1.0% in the March quarter.
- In annual terms, growth in Queensland's SFD moderated to 6.3% in the March quarter. This was above national annual growth of 4.7%, but matched growth in Western Australia and was exceeded by growth in Tasmania (8.1%) and the Northern Territory (7.4%).

Analysis

Household consumption growth remained unchanged for the fifth consecutive quarter, at 1.3% in the March quarter (up 5.3% over the year). Most major components increased during the quarter, with expenditure on recreation and culture, health as well as furnishings and household equipment contributing strongly.

Private investment (total) rose 0.8% in the March quarter, to be 2.3% higher than a year ago. Dwelling investment detracted from private investment for the fourth consecutive quarter, falling by 0.4%, to be 6.2% lower over the year. A rise in new dwelling construction (up 0.4%) in the March quarter was more than offset by a fall in investment in alterations and additions (down 1.2%).

Business investment (in seasonally adjusted terms) rose modestly in the quarter (up 0.8%), following a strong increase in the December quarter (up 6.6%). Machinery and equipment investment grew 0.5% in the quarter, while non-dwelling construction increased by 1.3%. In annual terms, growth in machinery and equipment investment remained strong, at 9.2%, while non-dwelling construction grew by 2.8%.

Annual growth in investment by state and local governments remained high, at 34.0% in the March quarter. Growth over the year was driven by a rise in general government investment of 35.8%, while public corporations investment increased 32.1%.

Overseas exports of goods declined 0.1% in the March quarter, to be 0.2% lower over the year. Growth in overseas imports of goods moderated slightly, to 5.2% in the quarter, although overseas imports were 17.8% higher in annual terms.

Table 1: Components of Queensland's State Final Demand, March Quarter 2008

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	1.3	5.3	0.7	2.8
Private Investment	0.8	2.3	0.2	0.6
Dwelling Investment	-0.4	-6.2	0.0	-0.5
New Dwellings	0.4	-2.2	0.0	-0.1
Alterations and Additions	-1.2	-10.6	0.0	-0.4
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	2.2	5.2	0.1	0.2
Public Final Demand	n.a.	n.a.	n.a.	n.a.
General Govt. Final Consumption	1.1	4.8	0.2	0.7
National	1.0	4.8	0.0	0.2
State and Local	1.1	4.7	0.1	0.5
General Govt. Investment	5.8	32.9	0.2	1.1
National	10.1	14.8	0.1	0.1
State and Local	5.1	35.8	0.2	1.1
Public Corporation Investment	n.a.	n.a.	n.a.	n.a.
National	n.a.	n.a.	n.a.	n.a.
State and Local	-1.5	32.1	-0.1	0.9
State Final Demand (SFD)	1.3	6.3	1.3	6.3
Overseas Exports of Goods	-0.1	-0.2	n.a.	n.a.
Overseas Imports of Goods	5.2	17.8	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. - Trend data not published by the ABS due to the privatisation of Telstra.

Chart 1: Real State/Domestic Final Demand

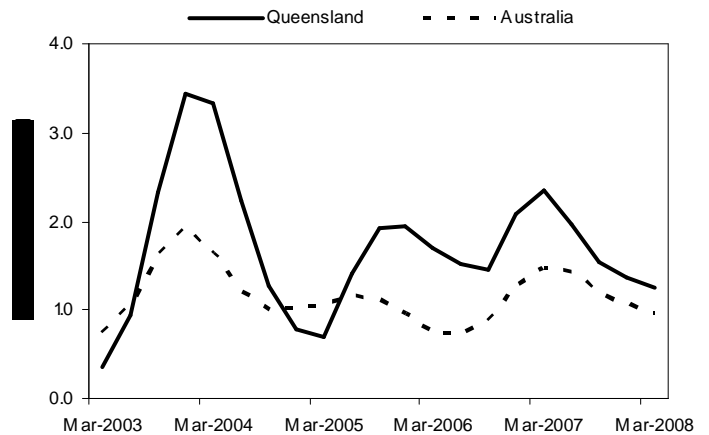


Table 2: Interstate SFD Growth Comparison, March Quarter 2008

Chain Volume Measures (Trend)	Quarterly % Change	Annual % Change
New South Wales	0.6	3.7
Victoria	1.0	4.3
Queensland	1.3	6.3
South Australia	1.1	2.8
Western Australia	0.7	6.3
Tasmania	1.6	8.1
Australia	1.0	4.7

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.