

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 June 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)	+6.0% (annual)
Australia	+1.1% (quarterly)	+4.6% (annual)

- State final demand (SFD) growth in Queensland was unchanged, at 1.5% in June quarter 2008 (see Chart 1). Nationally, domestic final demand growth was also unchanged, at 1.1% in the June quarter.
- In annual terms, growth in Queensland's SFD moderated to 6.0% in the June quarter. This was above national annual growth of 4.6%, but was exceeded by growth in Tasmania (6.4%) and Western Australia (7.6%).

Analysis

Household consumption growth moderated for the sixth consecutive period, to be 0.7% in the June quarter (up 3.8% over the year). Expenditure on recreation and culture, rent and other dwelling services as well as food contributed strongly to growth in the quarter. However, spending on hotels, cafés and restaurants as well as clothing and footwear detracted from growth.

Private investment (total) growth strengthened in the June quarter, to 2.7%. Annual growth also strengthened, to 7.1%. Revised data show that *dwelling investment* contributed to private investment growth for the second consecutive period in the June quarter, with dwelling investment growth strengthening to 1.9%. This follows declines in dwelling investment in each of the three quarters to December quarter 2007. A rise in new dwelling construction (up 3.5%) in the June quarter more than offset a slight fall in investment in alterations and additions (down 0.2%).

Business investment (in seasonally adjusted terms) rose further in the quarter (up 6.5%), following a modest increase in the March quarter (up 1.6%). Machinery and equipment investment grew 4.8% in the quarter, while non-dwelling construction increased by 8.8%. In annual terms, both machinery and equipment investment and non-dwelling construction grew at double digit rates (13.9% and 11.2% respectively).

Investment by *state and local governments* continued to increase in the June quarter, up 0.7% to be 16.1% higher over the year. Growth over the year was driven by a rise in general government investment of 13.5%, while public corporations investment increased 18.6%.

Overseas exports of goods rose 0.8% in the June quarter, to be 1.9% higher over the year. Growth in *overseas imports of goods* moderated slightly, to 3.0% in the quarter, although overseas imports were 17.5% higher in annual terms.

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 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	0.7	3.8	0.4	2.0
Private Investment	2.7	7.1	0.7	1.8
Dwelling Investment	1.9	0.7	0.1	0.1
New Dwellings	3.5	6.7	0.1	0.3
Alterations and Additions	-0.2	-6.3	0.0	-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	1.8	9.7	0.1	0.3
Public Final Demand	n.a.	n.a.	n.a.	n.a.
General Govt. Final Consumption	1.5	6.4	0.2	1.0
National	0.5	5.5	0.0	0.3
State and Local	1.9	6.8	0.2	0.7
General Govt. Investment	-1.4	14.1	-0.1	0.5
National	3.8	17.3	0.0	0.1
State and Local	-2.2	13.5	-0.1	0.4
Public Corporation Investment	n.a.	n.a.	n.a.	n.a.
National	n.a.	n.a.	n.a.	n.a.
State and Local	3.5	18.6	0.1	0.6
State Final Demand (SFD)	1.5	6.0	1.5	6.0
Overseas Exports of Goods	0.8	1.9	n.a.	n.a.
Overseas Imports of Goods	3.0	17.5	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

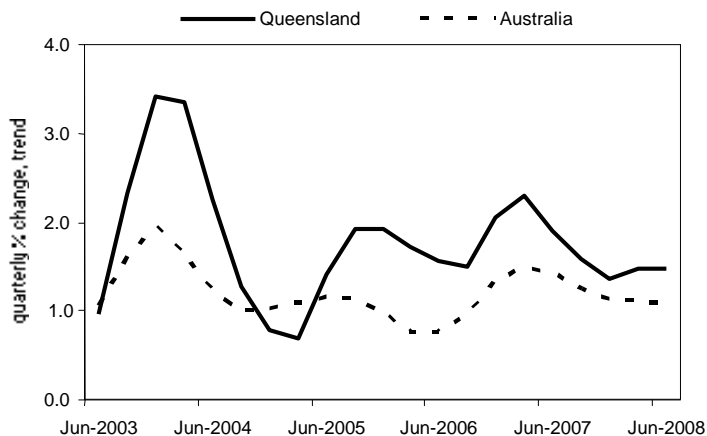


Table 2: Interstate SFD Growth Comparison, June Quarter 2008

Chain Volume Measures (Trend)	Quarterly % Change	Annual % Change
New South Wales	0.4	3.3
Victoria	1.1	4.5
Queensland	1.5	6.0
South Australia	1.1	3.6
Western Australia	2.3	7.6
Tasmania	1.4	6.4
Australia	1.1	4.6