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 0.7% (quarterly) 5.2% (annual)
Australia 0.7% (quarterly) 4.1% (annual)

- State final demand (SFD) growth in Queensland moderated to 0.7% in September quarter 2008 (see Chart 1). Nationally, domestic final demand growth also moderated, to 0.7% in the September quarter.

- In annual terms, growth in Queensland’s SFD moderated to 5.2% in the September quarter. This was above national annual growth of 4.1%, but was exceeded by growth in Western Australia (7.9%).

Analysis

Household consumption growth moderated for the third consecutive period, to 0.5% in the September quarter (up 3.3% over the year). Expenditure on insurance and other financial services, recreation and culture, rent and other dwelling services as well as cigarettes and tobacco contributed the most to growth in the quarter. However, spending on many components detracted from growth, such as food, furnishings and household equipment, purchase and operation of vehicles, hotels, cafés and restaurants as well as clothing and footwear.

Private investment (total) growth moderated in the September quarter, to 0.9%. Annual growth was unchanged, at 9.1%. Revised data show that dwelling investment contributed to private investment growth for the third consecutive period in the September quarter, although dwelling investment growth moderated slightly, to 2.2%. A rise in new dwelling construction (up 1.9%) in the September quarter was complemented by a rise in investment in alterations and additions (up 2.2%).

Business investment (in seasonally adjusted terms) fell in the quarter (down 6.0%), following a strong increase in the June quarter (up 9.8%). Machinery and equipment investment fell 5.1% in the quarter, while non-dwelling construction fell by 7.2%. Despite this, both machinery and equipment investment and non-dwelling construction grew at double digit annual rates (10.3% and 20.8% respectively).

Investment by state and local governments fell slightly in the September quarter, by 1.0%, but remained slightly higher over the year (up 1.7%). Growth over the year was driven by a rise in public corporations investment of 7.1%.

Overseas exports of goods rose 1.0% in the September quarter, to be 5.3% higher over the year, representing the highest annual rate of growth since March quarter 2005. Growth in overseas imports of goods moderated slightly, to 2.8% in the quarter, although overseas imports were 18.1% 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.

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