

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.

Summary

Real Final Demand (Trend):

Queensland	-1.2% (quarterly)	-2.7% (annual)
Australia	-0.2% (quarterly)	+0.2% (annual)

- State final demand (SFD) in Queensland fell by 1.2% in June quarter 2009 (see Chart 1). Nationally, domestic final demand also fell, by 0.2% in the June quarter.
- In annual terms, Queensland's SFD fell 2.7% in the June quarter. This was much weaker than the national annual result of 0.2% growth. Queensland's domestic economic performance in the quarter was the weakest of all states (see Table 2).
- In seasonally adjusted terms, Queensland's SFD has fallen 3.2% from a peak reached in September quarter 2008, this represents the steepest peak to trough fall in Queensland's SFD in the ABS State Details series.

Analysis (trend)

Household consumption rose 0.5% in the June quarter, to be 0.6% higher in annual terms. Growth in the quarter was driven by expenditure on recreation and culture, health and rent and other dwelling services. These increases more than offset comparatively small falls in the consumption of furnishings and household equipment and hotels cafés and restaurants. It is likely that consumption in the quarter was supported by the significant monetary and fiscal stimulus in place at the time.

Private investment (total) fell in the June quarter, by 4.8%. *Dwelling investment* declined by 11.3%, driven by a 10.9% fall in new dwelling investment and a 10.0% fall in alterations and additions investment. Total dwelling investment was 26.5% lower in annual terms.

Business investment fell 3.5% in the quarter, the third consecutive quarterly decline. Machinery and equipment investment fell 4.9% and non-dwelling construction fell by 1.8%. In annual terms, investment in machinery and equipment fell 7.3% in the June quarter while investment in non-dwelling construction remained 1.5% higher. Trend data show that business investment peaked in September quarter 2008, and is likely to remain weak going forward.

Overseas exports of goods rose 0.6% in the June quarter, but remained 0.3% lower over the year. In line with weak household consumption and the fall in machinery and equipment investment, *overseas imports of goods* fell by 8.4% in the quarter, to be 24.7% lower in annual terms.

Within the public sector, state and local government consumption (up 0.9%) and investment (up 2.2%) rose in the June quarter. However, *public final demand* detracted from growth in the quarter, due to falls in public corporation investment (PCI) and national government consumption and investment. However, the fall in public final demand in Queensland experienced since September quarter 2008 was predominately due to the fall in state and local PCI over the period.

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

Table 1: Components of Queensland's State Final Demand, June quarter 2009

	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Chain Volume Measures (Trend)*				
Private Final Demand	-1.4	-3.2	-1.1	-2.5
Household Consumption	0.5	0.6	0.3	0.3
Private Investment	-4.8	-10.0	-1.3	-2.7
Dwelling Investment	-11.3	-26.5	-0.7	-2.0
New Dwellings	-10.9	-27.6	-0.4	-1.2
Alterations and Additions	-10.0	-23.5	-0.3	-0.8
Business Investment	-3.5	-3.3	-0.6	-0.6
Machinery and Equipment	-4.9	-7.3	-0.5	-0.7
New Engineering Construction	1.6	14.3	0.1	0.5
New Non-Residential Buildings	-7.0	-14.7	-0.3	-0.6
Public Final Demand	-0.6	-1.0	-0.1	-0.2
General Govt. Final Consumption	0.4	3.0	0.1	0.5
National	-0.8	-0.4	0.0	0.0
State and Local	0.9	4.7	0.1	0.5
General Govt. Investment	1.1	4.0	0.0	0.1
National	-9.3	-24.9	0.0	-0.1
State and Local	2.2	7.9	0.1	0.3
Public Corporation Investment	-6.3	-22.1	-0.2	-0.8
National	-3.6	8.2	0.0	0.0
State and Local	-5.4	-22.1	-0.2	-0.8
State Final Demand (SFD)	-1.2	-2.7	-1.2	-2.7
Overseas Exports of Goods	0.6	-0.3	n.a.	n.a.
Overseas Imports of Goods	-8.4	-24.7	n.a.	n.a.

* Reference year for chain volume measure is 2006-07. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

Chart 1: Real State/Domestic Final Demand

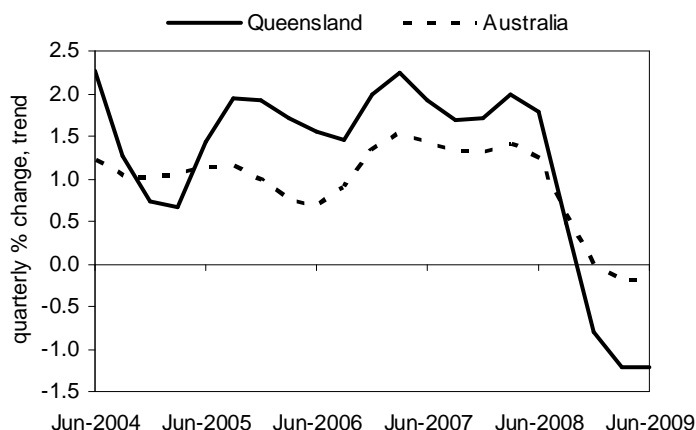


Table 2: Interstate SFD Growth Comparison, June quarter 2009

Chain Volume Measures (Trend)	Quarterly % Change	Annual % Change
New South Wales	0.0	0.2
Victoria	0.6	1.0
Queensland	-1.2	-2.7
South Australia	0.8	3.9
Western Australia	-0.1	2.1
Tasmania	0.0	1.2
Australia	-0.2	0.2

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.