

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	-0.5% (quarterly)	-3.0% (annual)
Australia	0.4% (quarterly)	0.2% (annual)

- State final demand (SFD) in Queensland fell by 0.5% in September quarter 2009 (see Chart 1). Nationally, domestic final demand rose by 0.4%. Tasmania also recorded a fall in SFD, while all other states recorded increases (see Table 2).
- In annual terms, Queensland's SFD fell 3.0% in the September quarter. This was weaker than the national annual result of 0.2% growth. South Australia recorded the strongest annual growth in SFD in the quarter.
- In seasonally adjusted (sa) terms, Queensland's SFD was unchanged in the September quarter. Quarterly falls occurred in Victoria, Western Australia and Tasmania, while New South Wales and South Australia recorded a rise in SFD.

Analysis (trend)

Household consumption rose 0.5% in the September quarter, to be 1.4% higher in annual terms. Growth in the quarter was driven by expenditure on food, rent and other dwelling services and health. Spending on furnishings and household equipment and purchases of vehicles also contributed in the quarter. A fall in the consumption of other goods and services as well as hotels, cafés and restaurants detracted from growth in the quarter. The passing of fiscal payments to households and the easing of monetary stimulus is likely to weigh on consumption growth going forward. However, a recovery in asset prices is likely to partially offset this.

Private investment (total) fell in the September quarter, by 4.2%. *Dwelling investment* declined by 2.2%, driven by a 2.2% fall in new dwelling investment and a 1.9% fall in alterations and additions investment. Total dwelling investment was 23.1% lower in annual terms. However, seasonally adjusted dwelling investment rose 6.1% in the quarter, the first rise since September quarter 2008.

Business investment fell 6.8% in the quarter, the third consecutive quarterly decline. Machinery and equipment investment fell 7.8% and non-dwelling construction fell by 5.8%. The fall in non-dwelling construction was driven by non-residential buildings, with private engineering construction only falling slightly in the quarter.

Overseas exports of goods rose 1.7% in the September quarter, to be 2.9% higher over the year – the strongest quarterly and annual result of any state. In line with weak household consumption growth, *overseas imports of goods* rose by only 1.4% in the quarter, but were 16.0% lower in annual terms.

Public final demand grew 1.5% in the September quarter, to be 1.7% higher over the year. Growth in public demand was driven by higher consumption and investment, the latter of which was likely boosted by substantial public works currently underway.

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

Chain Volume Measures (Trend)*	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	-1.1	-4.5	-0.9	-3.5
Household Consumption	0.5	1.4	0.3	0.7
Private Investment	-4.2	-14.8	-1.0	-4.0
Dwelling Investment	-2.2	-23.1	-0.1	-1.8
New Dwellings	-2.2	-24.4	-0.1	-1.0
Alterations and Additions	-1.9	-21.1	-0.1	-0.7
Business Investment	-6.8	-15.5	-1.1	-2.6
Machinery and Equipment	-7.8	-21.6	-0.6	-1.9
New Engineering Construction	-1.2	10.2	-0.1	0.4
New Non-Residential Buildings	-9.9	-26.3	-0.3	-1.1
Public Final Demand	1.5	1.7	0.4	0.4
General Govt. Final Consumption	0.5	1.7	0.1	0.2
National	0.2	-1.7	0.0	-0.1
State and Local	0.6	3.2	0.1	0.3
General Govt. Investment	4.9	7.5	0.2	0.3
National	-1.9	-13.9	0.0	-0.1
State and Local	n.a.	n.a.	n.a.	n.a.
Public Corporation Investment	1.7	-3.3	0.1	-0.1
National	n.a.	n.a.	n.a.	n.a.
State and Local	1.6	-3.9	0.1	-0.1
State Final Demand (SFD)	-0.5	-3.0	-0.5	-3.0
Overseas Exports of Goods	1.7	2.9	n.a.	n.a.
Overseas Imports of Goods	1.4	-16.0	n.a.	n.a.

* Reference year for chain volume measure is 2007-08. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components. In this release, the ABS did not provide trend estimates of national public corporation and state and local general government investment.

Chart 1: Real State/Domestic Final Demand

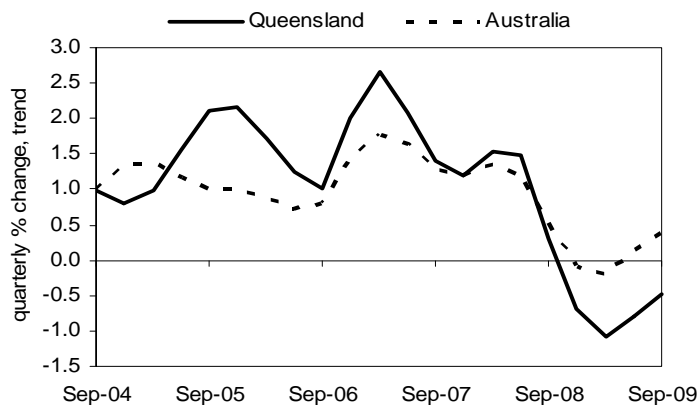


Table 2: Interstate SFD/DFD Growth Comparison, September quarter 2009, CVM

	Trend		Seasonally Adjusted	
	Quarterly % Change	Annual % Change	Quarterly % Change	Annual % Change
New South Wales	0.6	0.7	1.3	1.0
Victoria	0.5	0.8	-0.3	1.6
Queensland	-0.5	-3.0	0.0	-2.9
South Australia	1.2	2.1	1.9	2.0
Western Australia	0.4	0.6	-1.3	0.0
Tasmania	-0.4	-2.6	-0.2	-1.9
Australia	0.4	0.2	0.6	0.1

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.