

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	0.2% (quarterly)	0.0% (annual)
Australia	1.2% (quarterly)	4.3% (annual)

- State final demand (SFD) in Queensland rose by 0.2% in March quarter 2010 (see Chart 1). Nationally, domestic final demand rose by 1.2%, with all states recording growth in SFD in March quarter 2010 (see Table 2).
- Queensland's SFD was unchanged over the year to March quarter 2010. This was weaker than the national outcome of 4.3% growth. All other states recorded growth over the year to March quarter 2010.
- In seasonally adjusted (sa) terms, Queensland's SFD fell 0.5% in March quarter 2010.

Analysis (trend)

Household consumption rose 0.4% in March quarter 2010, to be 1.6% higher over the year. Growth in the quarter was driven by increased expenditure on insurance and other financial services, rent and other dwelling services, as well as recreation and culture. Expenditure on the operation of vehicles, health and electricity, gas and other fuel fell. Going forward, rising interest rates are likely to weigh on consumption, although improving labour market conditions and an anticipated recovery in housing activity and prices should provide some support.

Private investment (total) fell in March quarter 2010, by 2.2%, with growth in dwelling investment offset by a decrease in business investment, which fell for the fifth consecutive quarter.

Dwelling investment rose by 3.6%, driven by a 6.3% rise in alterations and additions investment, while investment in new dwellings fell slightly, by 0.2%, partly due to poor weather conditions in the quarter. Total dwelling investment was 7.2% higher over the year to March quarter 2010.

Business investment fell 5.3% in the quarter. Machinery and equipment investment fell 8.2% and non-dwelling construction fell by 2.5%. The fall in non-dwelling construction was driven by a decline in new engineering construction (4.1%), and a smaller fall in new non-dwelling building construction (1.8%).

Overseas exports of goods fell 0.5% in the March quarter, but rose 2.8% over the year – which, along with Western Australia, was the only state not to experience an annual decline. The weakness in Queensland's March quarter 2010 exports largely reflected adverse weather conditions, which disrupted coal supply, and a strong A\$, which tempered demand for goods priced in A\$ terms. *Overseas imports of goods* rose by 3.8% in March quarter 2010, to be 12.3% higher over the year.

Public final demand grew 1.8% in March quarter 2010, to be 9.0% higher over the year. Growth in public demand was driven by higher consumption and investment, the latter of which has been boosted by Commonwealth Government infrastructure packages and supported by the State's own significant capital program.

Explanatory Note:

The Queensland State Accounts, produced by the Office of Economic and Statistical Research, 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, March quarter 2010

Chain Volume Measures (Trend)*	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	-0.5	-2.8	-0.4	-2.2
Household Consumption	0.4	1.6	0.2	0.8
Private Investment	-2.2	-11.0	-0.5	-2.9
Dwelling Investment	3.6	7.2	0.2	0.5
New Dwellings	-0.2	-6.2	0.0	-0.2
Alterations and Additions	6.3	22.6	0.2	0.7
Business Investment	-5.3	-22.6	-0.7	-3.8
Machinery and Equipment	-8.2	-27.8	-0.6	-2.4
New Engineering Construction	-4.1	-11.0	-0.2	-0.5
New Non-Residential Buildings	-1.8	-24.6	-0.1	-0.9
Public Final Demand	1.8	9.0	0.5	2.1
General Govt. Final Consumption	0.9	3.4	0.1	0.5
National	2.2	5.2	0.1	0.2
State and Local	0.3	1.9	0.0	0.2
General Govt. Investment	5.0	23.1	0.3	1.0
National	9.0	28.5	0.1	0.2
State and Local	3.8	21.5	0.2	0.8
Public Corporation Investment	-1.5	3.4	-0.1	0.1
National	5.0	69.4	0.0	0.1
State and Local	-1.6	1.7	-0.1	0.1
State Final Demand (SFD)	0.2	0.0	0.2	0.0
Overseas Exports of Goods	-0.5	2.8	n.a.	n.a.
Overseas Imports of Goods	3.8	12.3	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.

Chart 1: Real State/Domestic Final Demand

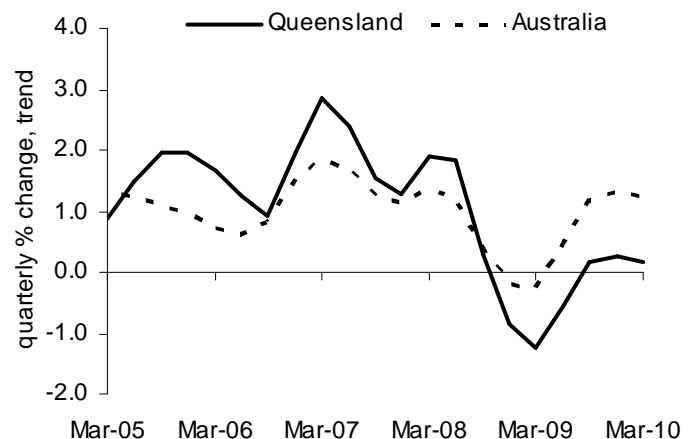


Table 2: Interstate SFD/DFD Growth Comparison, March quarter 2010, CVM

	Trend		Seasonally Adjusted	
	Quarterly % Change	Annual % Change	Quarterly % Change	Annual % Change
New South Wales	1.4	5.2	0.6	4.7
Victoria	1.2	5.3	0.4	6.4
Queensland	0.2	0.0	-0.5	0.3
South Australia	1.1	5.2	1.3	5.2
Western Australia	0.9	4.6	-0.5	6.1
Tasmania	0.8	2.0	0.6	3.1
Australia	1.2	4.3	0.6	4.4