

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	+0.6% (quarterly)	+1.6% (annual)
Australia	+1.2% (quarterly)	+5.3% (annual)

- State final demand (SFD) in Queensland rose by 0.6% in June quarter 2010 (see Chart 1). Nationally, domestic final demand rose by 1.2%, with all states recording growth in SFD in June quarter 2010 (see Table 2).
- Queensland's SFD rose 1.6% over the year to June quarter 2010. This was weaker than the national outcome of 5.3% growth.
- In seasonally adjusted (sa) terms, Queensland's SFD rose 1.4% in June quarter 2010, slightly higher than the national result of 1.3%.

### Analysis (trend)

*Household consumption* rose 0.7% in June quarter 2010, to be 2.2% higher over the year. Growth in the quarter was mainly driven by expenditure on insurance and other financial services, rent and other dwelling services, as well as food. These increases were partially offset by falls in expenditure on the operation of vehicles, and hotels, cafes and restaurants. Going forward, higher interest rates are likely to weigh on consumption, although improving labour market conditions and rising wages should provide some support.

*Private investment (total)* rose in June quarter 2010, by 0.7%, with growth in both dwelling investment and business investment.

*Dwelling investment* rose by 1.2%, driven by a 2.2% rise in new dwelling investment, while alterations and additions activity fell slightly, by 0.2%. Total dwelling investment was 10.2% higher over the year to June quarter 2010.

*Business investment* rose 1.4% in the quarter, after falling in each of the previous five quarters. Machinery and equipment investment rose 4.5%, though non-dwelling construction fell by 1.5%. The fall in non-dwelling construction was driven by a decline in engineering construction (down 2.9%), though this was partially offset by a rise in non-residential construction (up 3.3%).

*Overseas exports of goods* rose 3.8% in the June quarter, to be 8.9% over the year. This increase largely reflected very strong coal export volumes, and an improvement in base metal export volumes. These positive impacts were partly offset by the continuing strong A\$, which tempered demand for goods priced in A\$ terms. Every state recorded growth in overseas exports of goods in the quarter, with Queensland recording the strongest growth (3.8%), followed by New South Wales (2.4%) and Western Australia (2.2%).

*Overseas imports of goods* rose by 3.8% in June quarter 2010, to be 19.4% higher over the year.

*Public final demand* grew 0.3% in June quarter 2010, to be 7.8% higher over the year. Growth in public demand in the quarter was driven by higher consumption. The contribution to growth from government consumption was partially offset by a decline in public investment.

#### Explanatory Note:

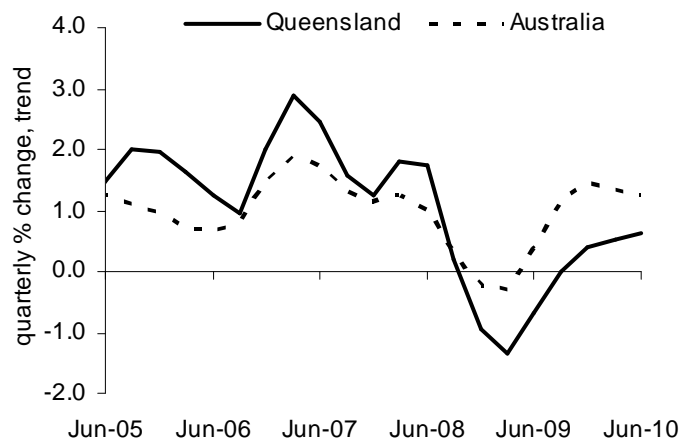
The Queensland State Accounts, produced by the Office of Economic and Statistical Research, provide a comprehensive quarterly estimate of Queensland gross state product by incorporating additional data on interstate trade in goods and services including tourism transactions. The Queensland results from 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, June quarter 2010**

	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Chain Volume Measures (Trend)*				
<b>Private Final Demand</b>	0.7	-0.4	0.5	-0.3
Household Consumption	0.7	2.2	0.4	1.1
Private Investment	0.7	-5.6	0.2	-1.4
Dwelling Investment	1.2	10.2	0.1	0.6
New Dwellings	2.2	3.4	0.1	0.1
Alterations and Additions	-0.2	18.1	0.0	0.5
Business Investment	1.4	-14.0	0.2	-2.2
Machinery and Equipment	4.5	-14.4	0.3	-1.1
New Engineering Construction	-2.9	-11.8	-0.1	-0.5
New Non-Residential Buildings	3.3	-8.5	0.1	-0.3
<b>Public Final Demand</b>	0.3	7.8	0.1	1.9
General Govt. Final Consumption	0.8	3.8	0.1	0.6
National	2.1	8.8	0.1	0.4
State and Local	0.4	1.7	0.0	0.2
General Govt. Investment	3.9	40.4	0.2	1.8
National	5.6	52.4	0.1	0.4
State and Local	3.2	37.6	0.2	1.4
Public Corporation Investment	-7.7	-15.6	-0.2	-0.6
National	-21.7	-8.5	0.0	0.0
State and Local	-5.5	-14.5	-0.2	-0.5
<b>State Final Demand (SFD)</b>	0.6	1.6	0.6	1.6
<b>Overseas Exports of Goods</b>	3.8	8.9	n.a.	n.a.
<b>Overseas Imports of Goods</b>	3.8	19.4	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, June quarter 2010, CVM**

	Trend		Seasonally Adjusted	
	Quarterly % Change	Annual % Change	Quarterly % Change	Annual % Change
New South Wales	1.1	5.4	1.3	5.7
Victoria	1.5	6.3	1.9	6.0
Queensland	0.6	1.6	1.4	1.6
South Australia	1.0	5.4	1.3	5.9
Western Australia	2.7	8.7	3.0	7.9
Tasmania	0.6	2.9	0.5	2.6
<b>Australia</b>	1.2	5.3	1.3	5.3