

# ABS State Details: December quarter 2012

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Queensland's seasonally adjusted (sa) state final demand (SFD) was flat in the quarter (see Table 1), after falling by 0.8% in the September quarter (see Chart 1). SFD rose by 2.2% through the year, a deceleration from growth of 3.0% in the September quarter.

**Table 1: Queensland's state final demand**  
(December quarter 2012, sa)

Chain Volume Measures (sa)*	% Change		Contribution to SFD	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>0.2</b>	<b>3.1</b>	<b>0.2</b>	<b>2.4</b>
Household Consumption	0.3	3.4	0.1	1.7
Private Investment	0.2	2.7	0.0	0.7
Dwelling Investment	5.3	2.9	0.2	0.1
New Dwellings	9.6	14.1	0.2	0.3
Alterations and Additions	0.8	-7.9	0.0	-0.2
Business Investment	-0.6	5.3	-0.1	1.0
Machinery and Equipment	-6.1	-5.7	-0.4	-0.4
New Engineering Construction	2.6	14.8	0.3	1.4
New Non-Residential Buildings	1.4	0.5	0.0	0.0
<b>Public Final Demand</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-0.2</b>	<b>-0.2</b>
General Govt. Final Consumption	-0.5	1.0	-0.1	0.2
National	0.2	3.7	0.0	0.2
State and Local	-0.8	-0.3	-0.1	0.0
General Govt. Investment	0.5	-11.5	0.0	-0.6
National	1.2	-30.3	0.0	-0.3
State and Local	0.4	-6.9	0.0	-0.3
Public Corporation Investment	-9.0	12.6	-0.2	0.2
National	-3.5	57.1	0.0	0.1
State and Local	-9.7	8.0	-0.2	0.1
<b>State Final Demand (SFD)</b>	<b>0.0</b>	<b>2.2</b>	<b>0.0</b>	<b>2.2</b>
<b>Overseas Exports of Goods</b>	<b>16.6</b>	<b>9.7</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Overseas Imports of Goods</b>	<b>7.4</b>	<b>19.2</b>	<b>n.a.</b>	<b>n.a.</b>

\* Reference year for chain volume measure is 2010-11. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

Household consumption growth eased 0.1 percentage point in the December quarter, to 0.3%, likely reflecting the various headwinds facing consumer spending, including weak labour market outcomes, lacklustre consumer sentiment and a lower terms of trade. Expenditure on food (up 5.2%), and health (up 3.3%) contributed to increased household consumption in the quarter, while expenditure on discretionary items such as hotels, cafes and restaurants (down 3.5%), and recreation and culture (down 1.9%) detracted from growth.

Dwelling investment rose 5.3% in December quarter 2012, following a revised fall of 8.9% in the previous quarter (its original fall was estimated to be 15.5% in the last issue of ABS State Details). The rise was driven by higher new dwelling construction and alterations and additions, up 9.6% and 0.8% respectively. Housing affordability has been supported by an aggregate 125 basis point fall in the cash rate over the year to December 2012. However, the overall level of dwelling investment remains constrained by weaker labour market outcomes, similar to household consumption.

Business investment fell a modest 0.6% in December quarter 2012, but was 5.3% higher over the year. It was previously estimated that business investment fell 1.3% in the September quarter, however, this was revised up to growth of 2.8%. New engineering construction rose 2.6% in the quarter, but machinery and equipment investment fell (down 6.1%). The large scale of LNG and coal investment projects currently under construction across the State has raised the volatility of this series, which is still forecast to contribute to economic growth in 2012-13.

Non-residential building construction (currently 12.4% of total business investment, which includes shops, offices, etc.) increased 1.4% in the quarter, to be 0.5% higher over the year. While it has improved by 25.3% from its post-GFC trough, the level remains below the pre-GFC peak, restrained by an extended period of weakness in the retail sector and labour market, and elevated office vacancy rates in some regions of the State.

After falling by 5.8% and 1.7% over the June and September quarters respectively, overseas exports of goods rebounded, up 16.6%, in December quarter 2012. This pick-up in growth was likely driven by solid growth in coal and metal exports. In particular, the recent improvement in coal exports reflected stronger demand attracted by lower prices. Meanwhile, the strong A\$ continued to undermine manufacturing sector competitiveness and other A\$ denominated exports.

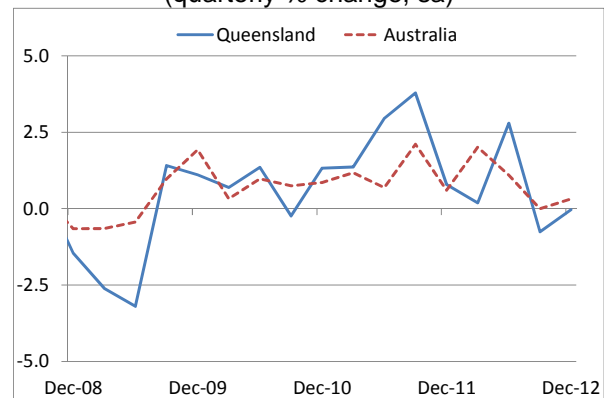
Overseas imports of goods rose 7.4% in December quarter 2012, to be 19.2% higher through the year. However, the ABS treatment of LNG imports somewhat distorted this series in recent years, given that some payments for work done overseas associated with the LNG industry are accounted for at the national level, but has not been assigned at the State and Territory levels.

At 0.0%, Queensland's SFD quarterly outcome (sa) was 0.3 percentage point weaker than Australia's growth in domestic final demand (DFD, see Table 2). Annual growth in Queensland's SFD softened to 2.2%, although was the third strongest of any state, behind Western Australia and New South Wales.

**Table 2: Interstate SFD/DFD growth comparison**  
(December quarter 2012, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
NSW	0.4	2.7	0.4	2.4
Vic.	-0.7	-0.3	-1.1	-0.1
Qld	0.2	2.5	0.0	2.2
SA	-1.1	-0.1	-0.5	0.3
WA	1.4	11.1	0.5	14.2
Tas.	-1.1	-4.7	-0.6	-4.6
Aus.	0.3	3.1	0.3	3.5

**Chart 1: Real State/Domestic Final Demand**  
(quarterly % change, sa)



Note: The ABS Australian National Accounts: National Income, Expenditure and Product report only state final demand and international trade in goods. The ABS Australian National Accounts: State Accounts (5220.0) provide Gross State Product data on an annual basis.