

# ABS State Details, December quarter 2013

Source: ABS 5206.0, released 5 March 2014, 10:30 am AEST

**Queensland's state final demand (SFD) fell by 0.4% in seasonally adjusted (sa) terms in December quarter 2013, following a 0.3% rise in the previous quarter. Queensland SFD was 0.6% higher over the year to December quarter 2013 (see Chart 1).**

The main drivers of the fall in SFD in the quarter were business and general government investment, while dwelling investment recorded solid quarterly growth.

Queensland remains at a very high level, driven by three major CSG-to-LNG projects, which in aggregate have a nominal construction value of over \$60 billion. Following a record high in the September quarter 2013, *new engineering construction* fell 2.3%, to \$8.4 billion, in the December quarter. Business investment is expected to return to more sustainable levels over the next few years as these major projects transition into the production phase.

*Non-residential building construction* (shops, offices, etc.) decreased 3.8% in the quarter, but was still 10.7% higher than a year ago. Machinery and equipment investment fell by 3.1% in December quarter 2013, to be 10.0% lower over the year.

**Table 1: Queensland's state final demand**  
(December quarter 2013, sa)

Chain Volume Measures <sup>(a)</sup>	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>-0.4</b>	<b>0.9</b>	-0.3	0.7
Household Consumption	0.3	2.1	0.2	1.1
Private Investment	-1.7	-1.4	-0.5	-0.4
Dwelling Investment	2.5	-1.3	0.1	-0.1
New Dwellings	3.5	-2.4	0.1	-0.1
Alterations and Additions	1.2	0.1	0.0	0.0
Business Investment	-2.9	-2.7	-0.6	-0.5
Machinery and Equipment	-3.1	-10.0	-0.2	-0.6
New Engineering Construction	-2.3	-0.2	-0.3	0.0
New Non-Residential Building	-3.8	10.7	-0.1	0.3
<b>Public Final Demand</b>	<b>-0.5</b>	<b>-0.6</b>	-0.1	-0.1
General Govt. Final Consumption	0.6	2.7	0.1	0.4
National	-0.2	2.5	0.0	0.1
State and Local	1.0	2.8	0.1	0.3
General Govt. Investment	-5.4	-9.1	-0.2	-0.4
National	10.5	8.6	0.1	0.1
State and Local	-8.9	-12.8	-0.3	-0.5
Public Corporation Investment	1.5	-9.8	0.0	-0.2
National	-10.0	12.4	0.0	0.0
State and Local	4.5	-13.7	0.1	-0.2
<b>State Final Demand (SFD)</b>	<b>-0.4</b>	<b>0.6</b>	-0.4	0.6
<b>Overseas Exports of Goods</b>	<b>3.3</b>	<b>2.8</b>	n.a.	n.a.
<b>Overseas Imports of Goods</b>	<b>-4.9</b>	<b>-15.0</b>	n.a.	n.a.

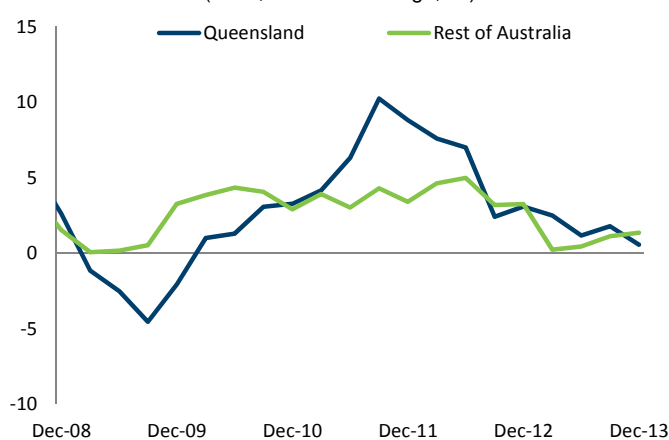
(a) Reference year for chain volume measure is 2011-12. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

Household consumption rose a modest 0.3% in December quarter 2013, compared with 0.6% in the previous quarter, to be 2.1% higher over the year. Expenditure on hotels, cafes and restaurants (up 2.9%), health (up 2.2%) and insurance and other financial services (up 1.5%) contributed the most to household consumption growth in the quarter.

Consistent with forward indicators of the housing market, *dwelling investment* rose by 2.5% in December quarter 2013, but was 1.3% lower over the year. Construction of new dwellings rose by 3.5% in the quarter, while alterations and additions increased by 1.2%. Recent strong approvals data imply a further strengthening in the dwelling sector in 2014.

*Business investment* fell 2.9% in December quarter 2013, to be 2.7% lower over the year. Nevertheless, business investment in

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



*Overseas exports of goods* rose 3.3% in the December quarter, accelerating from 0.6% in the September quarter, to be 2.8% higher over the year.

*Overseas imports of goods* fell 4.9% in December quarter 2013 after growing 0.8% in the previous quarter. However, the ABS treatment of LNG construction-related capital imports has somewhat distorted this series in recent years, given that some imports are accounted for at the national level, but not assigned at the state level.

**Table 2: Interstate SFD/DFD growth comparison**  
(December quarter 2013, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	0.6	2.4	0.6	2.5
Victoria	0.3	1.7	0.3	2.2
Queensland	0.1	1.0	-0.4	0.6
South Australia	0.0	1.4	-1.0	1.3
Western Australia	0.7	-1.0	-0.1	-2.7
Tasmania	0.7	1.5	0.5	1.7
<b>Australia</b>	<b>0.5</b>	<b>1.5</b>	<b>0.1</b>	<b>1.2</b>

Note: ABS 5206.0 provides only SFD and international trade in goods. ABS 5220.0 State Accounts provides Gross State Product data on an annual basis.

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