

ABS State Details, March quarter 2014

Source: ABS 5206.0, released 4 June 2014, 11:30 am AEST

Note: From this release of ABS *State Details*, estimates of exports and imports of goods at a state level will no longer be published. The ABS noted concern that state trade data are compiled using a different statistical standard and may mislead users. As a result, ABS 5206.0 provides only state final demand and its components.

Queensland's state final demand (SFD) fell by 0.8% in seasonally adjusted (sa) terms in March quarter 2014, following a 0.4% fall in the previous quarter. Queensland SFD was 0.9% lower over the year to March quarter 2014.

The main drivers of the fall in SFD in the quarter were business and public corporation investment. This was partially offset by solid contributions from household consumption and dwelling investment in the quarter (see Table 1).

Table 1: Queensland's state final demand
(March quarter 2014, sa)

	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Chain Volume Measures ^(a)				
Private Final Demand	-0.7	-0.9	-0.5	-0.7
Household Consumption	0.9	2.8	0.5	1.4
Private Investment	-3.8	-7.6	-1.0	-2.1
Dwelling Investment	5.4	9.1	0.2	0.4
New Dwellings	6.7	9.1	0.2	0.2
Alterations and Additions	3.7	9.1	0.1	0.2
Business Investment	-8.0	-14.2	-1.5	-2.8
Machinery and Equipment	-5.1	-22.1	-0.3	-1.4
New Engineering Construction	-10.4	-13.4	-1.1	-1.5
New Non-Residential Building	-1.8	6.8	0.0	0.2
Public Final Demand	-1.3	-1.0	-0.3	-0.2
General Govt. Final Consumption	-0.7	0.4	-0.1	0.1
National	2.0	3.2	0.1	0.2
State and Local	-1.9	-0.9	-0.2	-0.1
General Govt. Investment	4.7	-0.1	0.2	0.0
National	-12.7	-7.3	-0.1	-0.1
State and Local	9.6	1.7	0.3	0.1
Public Corporation Investment	-22.0	-18.6	-0.4	-0.3
National	-5.5	-4.3	0.0	0.0
State and Local	-25.9	-22.0	-0.3	-0.3
State Final Demand (SFD)	-0.8	-0.9	-0.8	-0.9

(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 growth accelerated to 0.9% in March quarter 2014, following 0.5% growth in the previous quarter, to be 2.8% higher over the year. Expenditure on recreation and culture (up 3.1%), hotels, cafes and restaurants (up 3.4%) and rent and other dwelling services (up 0.6%) contributed the most to household consumption growth in the quarter.

Consistent with recent strength in Queensland's dwelling approvals and generally improved housing market conditions, dwelling investment rose by a solid 5.4% in March quarter 2014. Construction of new dwellings rose by 6.7% in the quarter, while alterations and additions increased by 3.7%. Trends in new dwelling approvals suggest further strength in the dwelling

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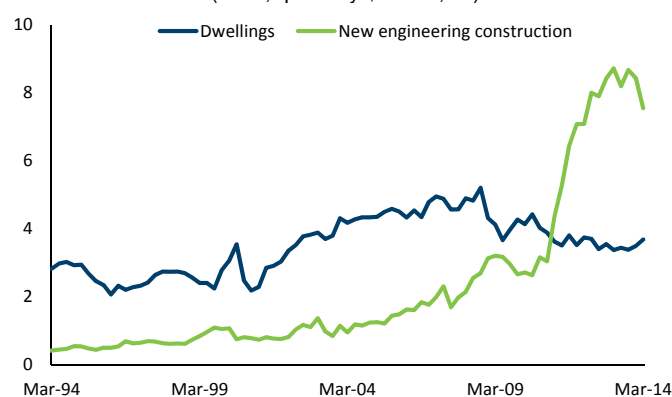
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sector in 2014. Dwelling investment was 9.1% higher in the March quarter when compared to a year earlier.

Business investment fell 8.0% in March quarter 2014, to be 14.2% lower over the year. Nevertheless, business investment in Queensland remains elevated, driven by three major CSG-to-LNG projects, which in aggregate have a nominal construction value of over \$60 billion (see Chart 1). Business investment is expected to return to more sustainable levels over the next few years, as the investment phase of the large LNG projects starts to wind down and the production and export phase begins.

Of the components, new engineering construction fell 10.4%, to \$7.5 billion, in the March quarter. Non-residential building construction (shops, offices, etc.) decreased 1.8% in the quarter, but was still 6.8% higher than a year ago. Machinery and equipment investment fell by 5.1% in March quarter 2014, to be 22.1% lower over the year.

Chart 1: Dwellings and engineering investment
(CVM, quarterly \$ billion, sa)



Public final demand fell 1.3% in March quarter 2014, to be 1.0% lower over the year. This result was largely driven by a 22.0% fall in public corporation investment.

Table 2: Interstate SFD/DFD growth comparison
(March quarter 2014, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	1.4	4.0	2.4	4.7
Victoria	0.4	1.8	0.7	1.8
Queensland	-0.4	-0.5	-0.8	-0.9
South Australia	-0.4	0.4	-0.1	0.4
Western Australia	-0.7	-2.3	-1.5	-1.1
Tasmania	0.5	2.3	0.8	2.8
Australia	0.3	1.3	0.3	1.6

Note: ABS 5206.0 provides only SFD. ABS 5220.0 State Accounts provides Gross State Product data on an annual basis.

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Great state. Great opportunity.

