

ABS State Details, June quarter 2014

Source: ABS 5206.0, released 3 September 2014, 11:30 am AEST

Note: ABS 5206.0 provides only state final demand and its components. State level estimates of overseas trade in goods on a merchandise trade basis (which excludes 're-exports' and 'state not available') are released as part of ABS 5302.0 and these are discussed below. For a complete picture of State economic growth, ABS 5220.0 State Accounts, due for release in November, provides Gross State Product data on an annual basis.

Queensland's state final demand (SFD) rose by 0.4% in seasonally adjusted (sa) terms in June quarter 2014, following a 1.0% fall in the previous quarter. Queensland SFD was 0.4% lower over the year to June quarter 2014.

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

Chain Volume Measures ^(a)	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	0.0	-1.4	0.0	-1.1
Household Consumption	0.0	1.9	0.0	1.0
Private Investment	0.0	-7.5	0.0	-2.0
Dwelling Investment	0.2	8.1	0.0	0.4
New Dwellings	2.5	13.0	0.1	0.3
Alterations and Additions	-2.6	2.2	-0.1	0.0
Business Investment	0.4	-12.4	0.1	-2.4
Machinery and Equipment	0.6	-19.4	0.0	-1.2
New Engineering Construction	-1.1	-9.4	-0.1	-1.0
New Non-Residential Building	12.2	12.1	0.3	0.3
Public Final Demand	1.8	2.9	0.4	0.6
General Govt. Final Consumption	-0.1	1.3	0.0	0.2
National	0.2	2.5	0.0	0.1
State and Local	-0.3	0.7	0.0	0.1
General Govt. Investment	7.8	16.4	0.3	0.6
National	9.7	22.3	0.1	0.2
State and Local	7.4	14.9	0.2	0.5
Public Corporation Investment	6.4	-13.7	0.1	-0.2
National	14.4	9.5	0.0	0.0
State and Local	4.1	-19.2	0.0	-0.2
State Final Demand (SFD)	0.4	-0.4	0.4	-0.4

(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 was unchanged in June quarter 2014, and 1.9% higher over the year. By component, insurance and other financial services (up 1.5%) and rent and other dwelling services (up 0.6%) were the main contributors, while expenditure on vehicles (down 5.1%) and recreation and culture (down 1.2%) recorded the largest detractions.

Dwelling investment rose by 0.2% in June quarter 2014, to be 8.1% higher over the year. Construction of new dwellings rose by 2.5% in the quarter, partially offset by a 2.6% fall in alterations and additions. Trends in new dwelling approvals suggest further strength in the dwelling sector in 2014-15.

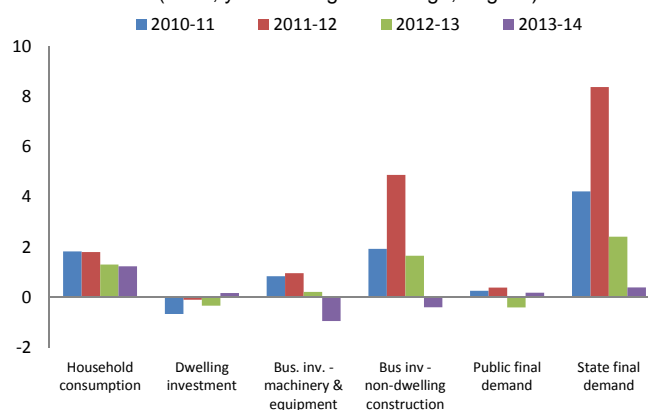
Business investment rose 0.4%, but was 12.4% lower over the year. While business investment in Queensland remains elevated, it is expected to return to more sustainable levels over the next few years, as the investment phase of the large LNG projects continues to wind down and the export phase ramps up.

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Of the components, *new engineering construction* fell 1.1% in the June quarter, to be 9.4% lower over the year. *Non-residential building construction* (shops, offices, factories etc.) rose a strong 12.2% in the quarter, to be 12.1% higher than a year ago. Machinery and equipment investment rose 0.6% in June quarter 2014, but was 19.4% lower over the year.

In 2013-14, SFD rose at a year-average rate of 0.4%. Household consumption, dwelling investment and public final demand contributed to growth in 2013-14, partly offset by a detraction from business investment (see Chart 1).

Chart 1: Contribution to SFD, Queensland
(CVM, year-average % change, original)



On a merchandise trade basis, ABS 5302.0 data show *overseas exports of goods in Queensland* rose 1.1% in June quarter 2014, following 4.0% growth in the March quarter, to be 4.5% higher in year-average terms.

Overseas imports of goods fell 2.4% in the June quarter to be 6.4% lower in 2013-14. 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.

Nevertheless, while not directly comparable, these data suggest overseas trade in goods made a solid contribution to overall economic growth in 2013-14 (see note).

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

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	1.4	6.0	-0.4	3.6
Victoria	0.8	2.6	1.2	2.5
Queensland	-0.3	-0.9	0.4	-0.4
South Australia	0.2	0.0	1.4	0.6
Western Australia	-0.5	-1.5	-0.3	-1.6
Tasmania	0.2	1.8	0.0	1.6
Australia	0.6	1.1	0.4	1.4

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