

# ABS State Details, June quarter 2016

Source: ABS 5206.0, released 7 September 2016, 11:30 am AEST.

**Note: ABS 5206.0 provides only state final demand and its components. State level estimates of overseas trade in goods and services on a consistent basis to the national accounts 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 (to be released on 18 November) provides annual Gross State Product data.**

Queensland's state final demand (SFD) rose by 0.3% in trend terms in June quarter 2016, following an upwardly revised 0.2% increase in the previous quarter. Domestic demand conditions in Queensland remain weak, with SFD 0.1% lower than a year earlier.

A quarterly fall in LNG-related business investment continued to be the main driver of subdued domestic demand (see Table 1).

**Table 1: Queensland's state final demand**  
(June quarter 2016, trend)

Chain Volume Measures <sup>(a)</sup>	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>-0.2</b>	<b>-1.5</b>	<b>-0.2</b>	<b>-1.2</b>
Household Consumption	0.3	1.9	0.2	1.1
Private Investment	-1.9	-10.4	-0.4	-2.2
Dwelling Investment	1.8	11.1	0.1	0.6
New Dwellings	2.1	15.7	0.1	0.5
Alterations and Additions	1.5	4.8	0.0	0.1
Business Investment	-4.5	-21.8	-0.5	-2.7
Machinery and Equipment	0.3	-13.3	0.0	-0.7
Engineering Construction	-8.1	-38.4	-0.3	-1.9
Non-Residential Construction	0.3	5.7	0.0	0.2
<b>Public Final Demand</b>	<b>1.9</b>	<b>4.8</b>	<b>0.4</b>	<b>1.0</b>
General Govt. Final Consumption	0.8	4.0	0.1	0.7
National	0.8	5.5	0.0	0.3
State and Local	0.8	3.3	0.1	0.4
General Govt. Investment	8.3	13.2	0.3	0.5
National	9.4	7.0	0.1	0.1
State and Local	7.4	14.4	0.2	0.4
Public Corporation Investment	2.2	-6.3	0.0	-0.1
National	5.2	23.2	0.0	0.1
State and Local	1.0	-13.7	0.0	-0.2
<b>State Final Demand (SFD)</b>	<b>0.3</b>	<b>-0.1</b>	<b>0.3</b>	<b>-0.1</b>

(a) Reference year for chain volume measure is 2013-14. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

Household consumption (trend) rose 0.3% in June quarter 2016, to be a modest 1.9% higher over the year. By component, insurance and other financial services (up 1.2%), rent and other dwelling services (up 0.5%) and health (up 0.7%), were the main contributors, while expenditure on the purchase of vehicles (down 3.2%), recreation and culture (down 0.5%) and cigarettes and tobacco (down 2.2%) were the main detractors from growth in the June quarter.

Dwelling investment grew by 1.8% in June quarter 2016, as both construction of new dwellings (up 2.1%) and alterations and additions (up 1.5%) rose. Total dwelling investment was 11.1% higher over the year, driven by strong growth in construction work done on medium-to-high density dwellings. A strong pipeline of housing work yet-to-be-done suggests ongoing strength in Queensland dwelling investment over 2016, particularly for units and apartments in Brisbane.

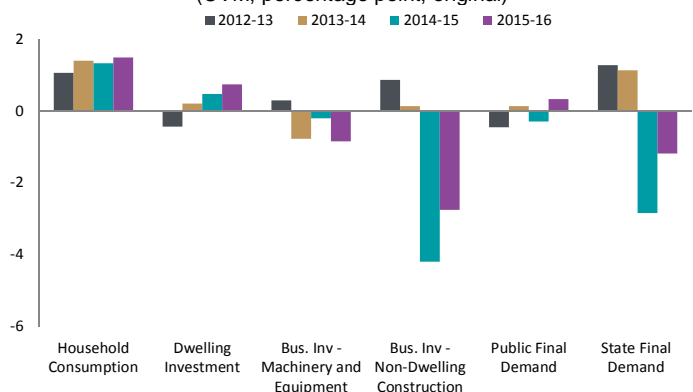
Business investment fell 4.5% in June quarter 2016, following a decline of 5.8% in the previous quarter. Total business investment has halved since its June quarter 2013 peak, as the large LNG projects near completion.

Of the components of business investment, new engineering construction fell 8.1% in the June quarter, to be 38.4% lower over the year. Non-residential building construction (shops, offices, factories etc.) rose 0.3% in the quarter, to be 5.7% higher on a year earlier. Machinery and equipment investment rose 0.3% in the June quarter, but was 13.3% lower over the year.

Public final demand rose 1.9% in June quarter 2016, driven by rises in both general Government investment and consumption.

In 2015-16, SFD fell at a year-average rate of 1.2%. This result was driven by a substantial fall in business investment which was only partially offset by growth in household consumption and dwelling investment (see Chart 1).

**Chart 1: Contribution to State Final Demand, Queensland**  
(CVM, percentage point, original)



ABS 5302.0, released on 6 September, provided a snapshot of international trade in goods and services on a consistent basis to the national accounts methodology.

Based on these data, Queensland's overseas exports of goods and services (trend) rose 2.4% in June quarter 2016, to be 13.3% higher over the year. Meanwhile, overseas imports of goods and services to Queensland rose 1.9% in the June quarter, to be 2.6% higher over the year.

With five of the six LNG trains exporting in the June quarter, the ramp-up in LNG exports, along with a fall in LNG-related imports, suggest the trade sector continues to make a strong contribution to Queensland economic activity.

**Table 2: Interstate SFD/DFD growth comparison**  
(June quarter 2016, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	1.2	4.5	0.6	3.8
Victoria	0.8	3.5	1.1	3.5
<b>Queensland</b>	<b>0.3</b>	<b>-0.1</b>	<b>0.7</b>	<b>0.4</b>
South Australia	0.3	1.3	0.6	1.7
Western Australia	-1.7	-6.2	-2.5	-7.3
Tasmania	0.3	1.6	1.1	1.9
<b>Australia</b>	<b>0.5</b>	<b>1.5</b>	<b>0.6</b>	<b>1.2</b>