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>
<thead>
<tr>
<th>Table 1: Queensland’s state final demand</th>
<th>(June quarter 2016, trend)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Change</td>
<td>Contribution to SFD Growth</td>
</tr>
<tr>
<td>Chain Volume Measures (a)</td>
<td>quarterly</td>
</tr>
<tr>
<td>Private Final Demand</td>
<td>-0.2</td>
</tr>
<tr>
<td>Household Consumption</td>
<td>0.3</td>
</tr>
<tr>
<td>Private Investment</td>
<td>-1.9</td>
</tr>
<tr>
<td>Dwelling Investment</td>
<td>1.8</td>
</tr>
<tr>
<td>New Dwellings</td>
<td>2.1</td>
</tr>
<tr>
<td>Alterations and Additions</td>
<td>1.5</td>
</tr>
<tr>
<td>Business Investment</td>
<td>-4.5</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>0.3</td>
</tr>
<tr>
<td>Engineering Construction</td>
<td>-8.1</td>
</tr>
<tr>
<td>Non-Residential Construction</td>
<td>0.3</td>
</tr>
<tr>
<td>Public Final Demand</td>
<td>1.9</td>
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<tr>
<td>General Govt. Final Consumption</td>
<td>0.8</td>
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<tr>
<td>National</td>
<td>0.8</td>
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<tr>
<td>State and Local</td>
<td>0.8</td>
</tr>
<tr>
<td>General Govt. Investment</td>
<td>8.3</td>
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<tr>
<td>National</td>
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<tr>
<td>State and Local</td>
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<tr>
<td>Public Corporation Investment</td>
<td>2.2</td>
</tr>
<tr>
<td>National</td>
<td>5.2</td>
</tr>
<tr>
<td>State and Local</td>
<td>1.0</td>
</tr>
<tr>
<td>State Final Demand (SFD)</td>
<td>0.3</td>
</tr>
</tbody>
</table>

(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 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.