

# ABS State Details, June quarter 2017

Source: ABS 5206.0, released 6 September 2017, 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 provides annual Gross State Product data.**

Queensland's state final demand (SFD) rose by 0.7% in trend terms in June quarter 2017, following an upwardly revised 0.7% increase in the previous quarter. After a period of weakness, as LNG construction wound down, domestic demand conditions in Queensland have improved, with SFD 2.7% higher than a year earlier (Table 1).

**Table 1: Queensland's state final demand**  
(June quarter 2017, trend)

Chain Volume Measures <sup>(a)</sup>	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>0.5</b>	<b>2.3</b>	<b>0.4</b>	<b>1.8</b>
Household Consumption	0.5	2.4	0.3	1.4
Private Investment	0.3	2.1	0.1	0.4
Dwelling Investment	-3.4	-9.8	-0.2	-0.6
New Dwellings	-4.9	-10.6	-0.2	-0.4
Alterations and Additions	-1.0	-8.8	-0.0	-0.2
Business Investment	1.6	7.0	0.2	0.7
Machinery and Equipment	2.4	11.5	0.1	0.5
Engineering Construction	2.2	5.4	0.1	0.2
Non-Residential Construction	2.3	5.4	0.1	0.2
<b>Public Final Demand</b>	<b>1.4</b>	<b>3.7</b>	<b>0.3</b>	<b>0.8</b>
General Govt. Final Consumption	0.7	2.7	0.1	0.5
National	0.4	1.0	0.0	0.1
State and Local	0.9	3.6	0.1	0.4
General Govt. Investment	5.7	8.0	0.2	0.3
National	7.6	9.9	0.1	0.1
State and Local	4.7	7.0	0.1	0.2
Public Corporation Investment	2.1	6.2	0.0	0.1
National	6.2	33.7	0.0	0.1
State and Local	0.0	-3.7	0.0	-0.0
<b>State Final Demand (SFD)</b>	<b>0.7</b>	<b>2.7</b>	<b>0.7</b>	<b>2.7</b>

(a) Reference year for chain volume measure is 2014-15. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

A 0.5% (trend) increase in household consumption contributed to the solid outcome in SFD in the June quarter. By component, rent and other dwelling services (up 0.5% in the quarter), insurance and other financial services (up 1.0%) and operation of vehicles (up 1.1%) were the main contributors. Expenditure on the hotels, cafes and restaurants (down 0.6%) and cigarettes and tobacco (down 0.4%) were the main detractors from consumption growth in the June quarter. Over the year to June quarter 2017, household consumption rose 2.4%.

Dwelling investment fell 3.4% in June quarter 2017, driven by falls in both the construction of new dwellings (down 4.9%) and alterations and additions (down 1.0%). Total dwelling investment was 9.8% lower over the year. A decline in dwelling approvals, in addition to a moderation in the pipeline of housing work yet to be done, suggests the Queensland dwelling investment cycle is now past its peak.

Business investment rose 1.6% in June quarter 2017, to be 7.0% higher over the year. Total business investment halved between the September quarter 2013 peak and the June

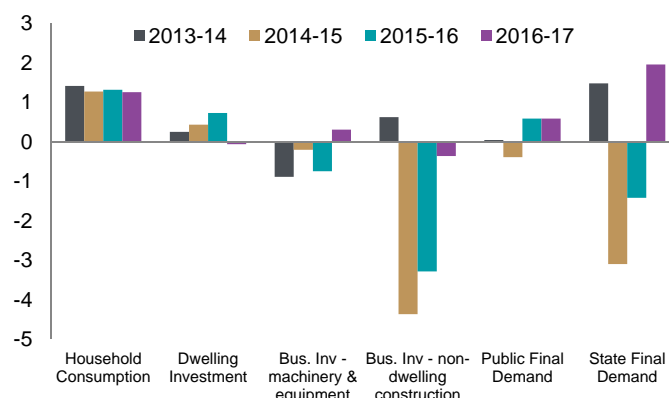
quarter 2016 trough. This wind-down in investment, following the construction of the three LNG projects, was the key driver of the declines in state final demand recorded through 2014 and 2015. However the June quarter 2017 result marked the fourth consecutive quarterly increase in business investment.

All three of the business investment components rose strongly in the quarter, with machinery & equipment recording the largest increase (up 2.4%).

Driven by a rise in General Government Investment in the quarter (up 5.7%), public final demand rose 1.4% in June quarter 2017, to be 3.7% higher over the year.

In financial year terms, SFD rose 2.0% in 2016-17. This result was driven by an increase in household consumption, more than offsetting falls in business investment (down 0.5%) and dwelling investment (down 1.0%, Figure 1). This decline in dwelling investment follows three consecutive years of strong growth.

**Figure 1: Contribution to state final demand, Queensland**  
(CVM, percentage point, original)



ABS 5302.0, released on 5 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) fell 1.4% in June quarter 2017, to be 1.3% lower over the year. Meanwhile, overseas imports of goods and services to Queensland rose 3.5% in the June quarter, to be 11.8% higher over the year.

**Table 2: Interstate SFD/DFD growth comparison**  
(June quarter 2017, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	0.7	2.4	1.2	2.4
Victoria	1.5	5.2	1.3	4.7
<b>Queensland</b>	<b>0.7</b>	<b>2.7</b>	<b>1.1</b>	<b>2.8</b>
South Australia	1.3	4.0	1.7	4.0
Western Australia	0.0	-3.8	-0.3	-4.3
Tasmania	1.0	3.2	1.2	3.1
<b>Australia</b>	<b>0.9</b>	<b>2.7</b>	<b>1.0</b>	<b>2.4</b>