

ABS State Details, March quarter 2018

Source: ABS 5206.0, released 6 June 2018, 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 trend state final demand (SFD) rose 0.7% in March quarter 2018, following an upwardly revised 0.8% increase in the previous quarter. After a period of weakness, as LNG construction wound down, domestic demand conditions in Queensland have improved, with SFD 2.9% higher than a year earlier (Table 1).

Table 1: Queensland's state final demand
(March quarter 2018, trend)

Chain Volume Measures ^(a)	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	0.4	2.4	0.3	1.8
Household Consumption	0.5	2.0	0.3	1.1
Private Investment	0.1	3.7	0.0	0.7
Dwelling Investment	-2.1	-5.3	-0.1	-0.3
New Dwellings	-5.1	-12.7	-0.2	-0.5
Alterations and Additions	2.5	9.3	0.0	0.2
Business Investment	0.9	9.9	0.1	1.0
Machinery and Equipment	-0.5	4.8	-0.0	0.2
Engineering Construction	2.0	9.6	0.1	0.3
Non-Residential Construction	2.3	11.2	0.1	0.3
Public Final Demand	1.4	4.1	0.3	1.0
General Govt. Final Consumption	1.7	6.3	0.3	1.2
National	2.2	7.4	0.2	0.5
State and Local	1.3	5.7	0.2	0.7
General Govt. Investment	1.0	-3.0	0.0	-0.1
National	-2.6	-3.3	-0.0	-0.0
State and Local	2.2	-2.9	0.1	-0.1
Public Corporation Investment	0.7	-2.4	0.0	-0.0
National	0.7	2.6	0.0	0.0
State and Local	0.7	-5.1	0.0	-0.0
State Final Demand (SFD)	0.7	2.9	0.7	2.9

(a) Reference year for chain volume measure is 2015-16. 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 March quarter. By component, *rent and other dwelling services* (up 0.6% in the quarter), *insurance and other financial services* (up 0.8%) and *recreation and culture* (up 0.7%) were the main contributors. Expenditure on *alcoholic beverages* (down 0.8%) and *cigarettes & tobacco* (down 0.1%) were the main detractors from consumption growth in the quarter. Over the year to March quarter 2018, household consumption rose 2.0%.

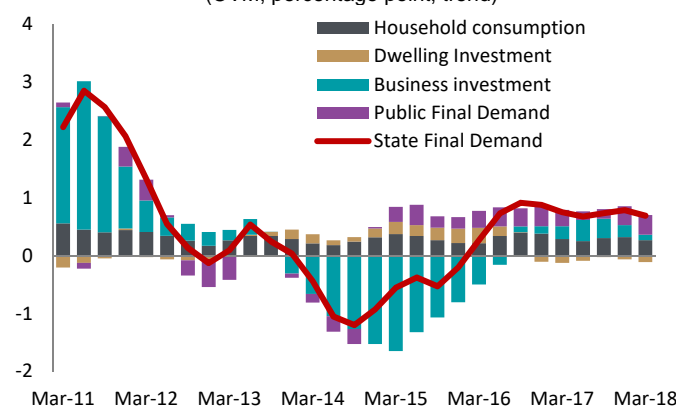
Dwelling investment fell 2.1% in March quarter 2018, driven by a fall in the construction of *new dwellings* (down 5.1%), which more than offset a rise in *alterations & additions* (up 2.5%). Total dwelling investment was 5.3% lower over the year. Despite falling 16.3% since the peak in September quarter 2016, driven by a fall in apartment construction, *new dwellings* investment remains elevated by historical levels.

Business investment rose 0.9% in March quarter 2018, to be 9.9% higher over the year. Total business investment halved between its September quarter 2013 peak and 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 SFD recorded through 2014 and 2015. However, business investment has rebounded in recent quarters, with the March quarter 2018 result marking the seventh consecutive quarterly rise (Figure 1).

All components of business investment components rose in the quarter except *machinery and equipment*, which recorded a slight decline of 0.5%. However, the component has risen strongly since mid-2016, and is 4.8% higher over the year. Non-residential construction (up 11.2%) and engineering construction (up 9.6%) are up strongly over the year to March quarter 2018, supported by non-mining investment, particularly investment in renewable energy, education and accommodation projects.

Driven by a rise in *General Government Consumption* in the quarter (up 1.7%), *public final demand* rose 1.4% in March quarter 2018, to be 4.1% higher over the year.

Figure 1: Contribution to quarterly SFD growth, Queensland
(CVM, percentage point, trend)



ABS 5302.0 (released on 5 June), 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 2.0% in March quarter 2018, to be 3.1% lower over the year. Meanwhile, *overseas imports of goods and services* to Queensland rose 1.4% in the quarter, to be 10.7% higher over the year.

Table 2: Interstate SFD/DFD growth comparison
(March quarter 2018, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	0.9	3.6	0.7	3.7
Victoria	1.0	4.4	1.9	4.9
Queensland	0.7	2.9	0.5	3.1
South Australia	0.4	3.0	-0.2	2.1
Western Australia	-0.1	1.4	-1.1	0.8
Tasmania	1.1	4.0	2.0	3.9
Australia	0.7	3.2	0.6	3.2