

ABS State Details, September quarter 2018

Source: ABS 5206.0, released 5 December 2018, 10.30 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 0.1% in September quarter 2018, following a downwardly revised 0.4% increase in the previous quarter, reflecting a detraction from growth by business investment and softness across other major components (Figure 1). However, growth in domestic demand was 2.5% higher over the year (Table 1).

Figure 1: Contribution to quarterly SFD growth, Queensland

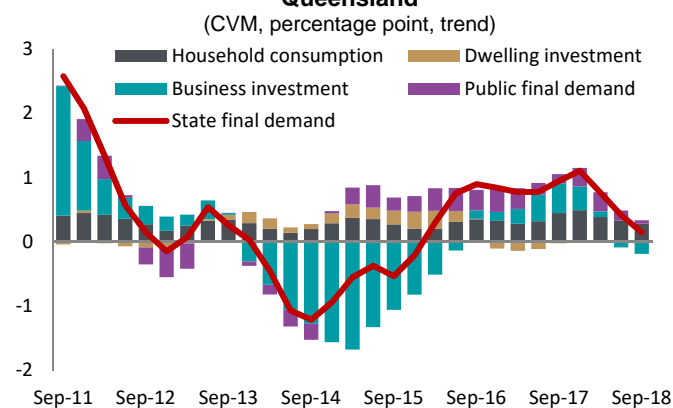


Table 1: Queensland's state final demand (September quarter 2018, trend)

	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Chain Volume Measures ^(a)				
Private Final Demand	0.1	2.1	0.1	1.6
Household Consumption	0.5	2.7	0.3	1.5
Private Investment	-1.0	0.7	-0.2	0.1
Dwelling Investment	0.1	-0.4	0.0	-0.0
New Dwellings	-0.8	-6.6	-0.0	-0.2
Alterations and Additions	1.1	11.3	0.0	0.2
Business Investment	-1.7	1.6	-0.2	0.2
Machinery and Equipment	-0.1	1.7	-0.0	0.1
Engineering Construction	-1.8	11.7	-0.1	0.4
Non-Residential Construction	-5.9	-12.7	-0.2	-0.4
Public Final Demand	0.2	3.3	0.1	0.8
General Govt. Final Consumption	0.3	3.5	0.1	0.7
National	1.6	7.2	0.1	0.5
State and Local	-0.6	1.3	-0.1	0.2
General Govt. Investment	0.8	2.2	0.0	0.1
National	1.9	1.1	0.0	0.0
State and Local	0.4	2.7	0.0	0.1
Public Corporation Investment	-1.0	2.9	-0.0	0.0
National	-1.3	-6.6	-0.0	-0.0
State and Local	-0.9	8.2	-0.0	0.1
State Final Demand (SFD)	0.1	2.5	0.1	2.5

(a) Reference year for chain volume measure is 2016-17. 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 modest growth in SFD in the September quarter. By component, rent and other dwelling services (up 0.6%), insurance and other financial services (up 1.2%) and food (up 0.9%) were the main contributors. Expenditure on hotels, cafes and restaurants (down 0.9%) and operation of vehicles (down 0.3%) were the main detractors from consumption growth in the quarter. Over the year to September quarter 2018, consumption rose 2.7%.

Dwelling investment rose marginally, up 0.1% in September quarter 2018, driven by a rise in alterations & additions (up 1.1%) which more than offset a fall in the construction of new dwellings (down 0.8%). Total dwelling investment was 0.4% lower over the year. Apartment construction in Queensland has declined from record levels, amplified by concerns about an over-supply and tighter lending standards, which tempered investor appetite. As a result, new dwellings investment in Queensland has fallen 14.9% since the peak in September quarter 2016.

Business investment fell 1.7% in September quarter 2018, but was 1.6% higher over the year. After rebounding strongly for almost two years, business investment has eased over the past two quarters.

All components of business investment fell in the quarter. Non-residential construction recorded a decline of 5.9%, its third consecutive quarterly decline. However, this follows a period where non-residential construction had trended higher since mid-2016, supported by investment in education and accommodation projects. Meanwhile, engineering construction fell 1.8% in the quarter, but was 11.7% higher over the year, reflecting investment in a substantial number of renewable energy projects, including wind and solar farms. Machinery and equipment also fell slightly (down 0.1%).

Driven by a rise in general government consumption in the quarter (up 0.3%), public final demand rose 0.2% in September quarter 2018, to be 3.3% higher over the year.

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

	Trend		Seasonally adjusted	
	Quarterly	Annual	Quarterly	Annual
	% change	% change	% change	% change
New South Wales	0.7	3.4	1.1	3.7
Victoria	1.1	4.9	0.2	4.3
Queensland	0.1	2.5	-0.4	2.2
South Australia	0.4	2.5	-0.2	2.7
Western Australia	-0.3	-0.8	0.4	-0.6
Tasmania	0.8	4.3	0.7	4.1
Australia	0.5	2.8	0.3	2.7

ABS 5302.0 (released on 4 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 September quarter 2018, to be 4.3% higher over the year. Meanwhile, overseas imports of goods and services to Queensland fell 0.9% in the quarter, but was 4.3% higher over the year.