

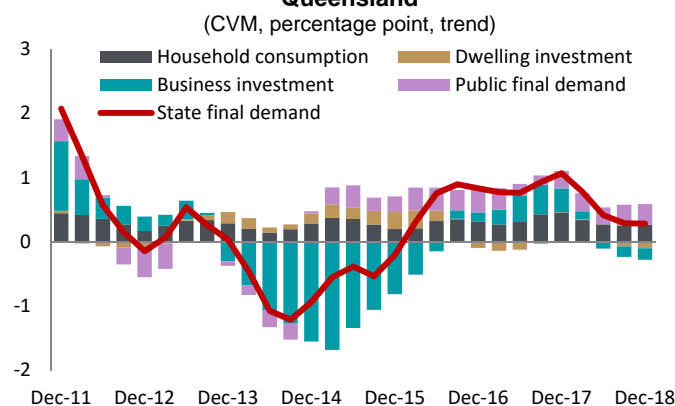
# ABS State Details, December quarter 2018

Source: ABS 5206.0, released 6 March 2019, 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.

Following an upwardly revised 0.3% increase in the previous quarter, Queensland's trend state final demand (SFD) rose 0.3% in December quarter 2018, to be 1.8% higher over the year (Table 1). Apart from household consumption, other private sector components have continued to soften, but this has been offset by growth in public final demand (Figure 1).

**Figure 1: Contribution to quarterly SFD growth, Queensland**



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

Chain Volume Measures <sup>(a)</sup>	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>-0.1</b>	<b>0.7</b>	<b>-0.1</b>	<b>0.5</b>
Household Consumption	0.5	2.0	0.3	1.1
Private Investment	-1.8	-3.0	-0.3	-0.6
Dwelling Investment	-1.8	-3.1	-0.1	-0.2
New Dwellings	-5.2	-12.5	-0.2	-0.5
Alterations and Additions	2.6	13.5	0.1	0.3
Business Investment	-1.7	-2.9	-0.2	-0.3
Machinery and Equipment	3.4	8.7	0.2	0.4
Engineering Construction	-4.5	-0.8	-0.2	-0.0
Non-Residential Construction	-6.6	-21.4	-0.2	-0.6
<b>Public Final Demand</b>	<b>1.3</b>	<b>4.9</b>	<b>0.3</b>	<b>1.2</b>
General Govt. Final Consumption	1.3	4.4	0.3	0.9
National	2.7	10.0	0.2	0.8
State and Local	0.4	1.0	0.1	0.1
General Govt. Investment	2.4	9.8	0.1	0.3
National	1.5	7.9	0.0	0.1
State and Local	2.7	10.5	0.1	0.3
Public Corporation Investment	-0.2	1.6	0.0	0.0
National	-2.4	-8.0	0.0	0.0
State and Local	0.9	6.8	0.0	0.1
<b>State Final Demand (SFD)</b>	<b>0.3</b>	<b>1.8</b>	<b>0.3</b>	<b>1.8</b>

(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 December quarter. By component, *recreation and culture* (up 1.2%), *rent and other dwelling services* (up 0.6%) and *food* (up 1.0%) were the main contributors. Expenditure on the *purchase of vehicles* (down 1.2%) and *electricity, gas and other fuel* (down 1.2%) were the main detractors. Over the year, consumption rose by a modest 2.0%, constrained by subdued real wages growth, wealth impacts from the stock market declines in late-2018 and a moderating housing market.

*Dwelling investment* fell 1.8% in December quarter 2018, driven by a fall in the construction of *new dwellings* (down 5.2%) which more than offset the rise in *alterations & additions* (up 2.6%). Total dwelling investment was 3.1% lower over the year. Apartment construction has declined from record levels, amplified by concerns about an over-supply and tighter lending standards, which have tempered investor appetite. Further, house construction in Queensland has moderated recently. *New dwellings* investment in Queensland is now 21.9% lower since the peak in September quarter 2016.

*Business investment* fell 1.7% in December quarter 2018, to be 2.9% lower over the year. After rebounding strongly for almost two years, business investment in Queensland has moderated over the past three quarters. *Non-residential construction* recorded a decline of 6.6%, its fourth consecutive quarterly decline, following a period where *non-residential construction* had trended higher since mid-2016. Meanwhile, *engineering construction* fell 4.5% in the quarter, to be 0.8% lower over the year. Recent heightened global risks (including trade tensions and the slowdown in industrial production) have discouraged investment in substantial new resource projects in Queensland. *Machinery and equipment* rose 3.4% in the quarter, to be a robust 8.7% higher over the year.

Driven by a rise in *general government consumption* in the quarter (up 1.3%), *public final demand* rose 1.3% in December quarter 2018, to be 4.9% higher over the year.

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

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	0.6	3.1	-0.1	2.6
Victoria	0.6	4.6	0.6	5.2
<b>Queensland</b>	<b>0.3</b>	<b>1.8</b>	<b>0.9</b>	<b>2.1</b>
South Australia	0.5	2.5	0.8	2.4
Western Australia	-0.1	-1.1	-0.3	-1.6
Tasmania	0.5	4.5	0.7	5.1
<b>Australia</b>	<b>0.5</b>	<b>2.5</b>	<b>0.3</b>	<b>2.5</b>

ABS 5302.0 (released on 5 March), 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 0.1% in December quarter 2018, to be 3.7% higher over the year. Meanwhile, *overseas imports of goods and services* to Queensland fell 1.7% in the quarter, to be 0.7% lower over the year.