



**Highlights (seasonally adjusted terms)**

- In seasonally adjusted (sa) terms, gross domestic product (GDP) rose 0.2% in September quarter 2009, to be 0.5% higher over the year. These results were below market expectations of a 0.4% rise in the quarter and a 0.7% rise annually.
- Household consumption rose 0.7% in the September quarter, to be 1.8% higher over the year. This solid quarterly result follows growth of 0.3% and 0.7% in the March and June quarters.
- Reflecting relatively low interest rates, as well as considerable public sector policy stimulus, dwelling investment rose 5.8% in the September quarter. However, this was the first rise in national private sector residential construction since September quarter 2008 and, as a result, the real level of dwelling investment was 6.7% lower than that of a year earlier.
- Both major components of business investment fell in the September quarter. Following a 7.3% fall in March quarter and a 1.9% rise in the June quarter, machinery and equipment investment fell 4.1% in September quarter 2009. This pattern possibly reflects a pull-forward of spending to the June quarter, as businesses sought to claim the Federal Government tax break in the 2008-09 financial year.

- Non-dwelling construction fell 4.3% in the September quarter, with both non-residential building (down 6.0%) and private sector engineering construction (down 2.3%) recording falls.
- However, a shift from de-stocking last quarter to inventory rebuilding in the September quarter contributed significantly (0.8 percentage point) to GDP growth.
- Partly offsetting this weakness in the private sector, public investment rose 6.2% in the quarter, reflecting the impact of both state and federal infrastructure initiatives.
- Net exports detracted 1.6 percentage points from growth in September quarter 2009, a turnaround from the substantial contributions to GDP experienced in December quarter 2008 and March quarter 2009. Exports declined 2.3%, while imports rose 5.8%.

**Highlights (trend terms)**

- Revised data show that quarterly growth in trend GDP has strengthened modestly in recent quarters, to 0.5% in September quarter 2009 (see Chart 1). However this is still well below the recent peak of 1.6% recorded in March quarter 2007.
- Annual GDP growth strengthened 0.4 percentage point to 0.9% in the September quarter. However, annual growth remains well below the recent peak of 5.1% of reached in June quarter 2007.
- In trend terms, contributions to growth from household consumption (0.3 percentage point) and public investment (0.1 percentage point) offset a 0.1 percentage point deduction from both machinery and equipment and non-dwelling construction investment. The trade sector also detracted from growth after making contributions to GDP in each of the previous four quarters.

**Table 1: Components of GDP\***  
(September quarter 2009)

Seasonally Adjusted	% Change		% point Contribution	
	quarterly	annual	quarterly	annual
Household consumption	0.7	1.8	0.4	1.0
Private dwelling investment	5.8	-6.7	0.3	-0.4
Business investment	-4.2	-8.6	-0.6	-1.3
Machinery and equipment	-4.1	-12.7	-0.3	-1.0
Non-dwelling construction	-4.3	-4.0	-0.3	-0.3
Private gross fixed capital	-0.9	-5.2	-0.2	-1.3
Public gross fixed capital	6.2	1.0	0.3	0.1
Changes in inventories			0.8	-0.8
Gross national expenditure	1.3	-0.7	1.4	-0.7
Net exports			-1.6	1.9
Exports of goods & services	-2.3	-0.2	-0.5	0.0
less Imports of goods & services	5.8	-8.3	-1.1	1.9
Statistical discrepancy			0.4	-0.7
<b>GDP</b>	<b>0.2</b>	<b>0.5</b>	<b>0.2</b>	<b>0.5</b>
Trend	% Change		% point Contribution	
	quarterly	annual	quarterly	annual
Household consumption	0.6	1.8	0.3	1.0
Private dwelling investment	-0.8	-8.8	0.0	-0.5
Business investment	-2.0	-6.9	-0.3	-1.0
Machinery and equipment	-1.9	-11.1	-0.1	-0.9
Non-dwelling construction	-2.1	-2.1	-0.1	-0.1
Private gross fixed capital	-0.9	-4.8	-0.2	-1.2
Public gross fixed capital	2.2	0.3	0.1	0.0
Changes in inventories			0.4	-0.3
Gross national expenditure	0.9	-0.3	0.9	-0.3
Net exports			-0.3	2.3
Exports of goods & services	-0.1	0.7	0.0	0.1
less Imports of goods & services	1.5	-9.4	-0.3	2.1
Statistical discrepancy			0.0	-1.1
<b>GDP</b>	<b>0.5</b>	<b>0.9</b>	<b>0.5</b>	<b>0.9</b>

\*Chain volume measure, 2007-08 reference year.

**Chart 1: GDP Growth**  
(% change, trend)

