



Queensland  
Government

**QUEENSLAND TREASURY**  
**ECONOMIC POLICY BRANCH**  
**QUEENSLAND STATE ACCOUNTS:**  
**MARCH QUARTER 2004**

Office of the Queensland Government Statistician

Released: 21 July 2004

**Main Features**

**March qtr 2004 Gross State/Domestic Product (trend):**

Queensland      ↑ 0.5% (quarterly) ↑ 3.7% (annual)  
Rest of Australia ↑ 0.9% (quarterly) ↑ 3.6% (annual)  
Australia        ↑ 0.8% (quarterly) ↑ 3.7% (annual)

**Commentary**

- Queensland recorded growth in real trend GSP of 0.5% in March quarter 2004, easing from growth of 0.8% in December quarter 2003. However, in annual terms, Queensland's economic growth (3.7%) continued to exceed that in the rest of Australia (3.6%).
- Domestic economic activity in Queensland in the March quarter remained substantially stronger than in the rest of Australia. Queensland's lower overall growth was caused by a larger deduction by net exports compared with that in the rest of Australia.

**March quarter results**

- The easing in economic growth in Queensland in March quarter 2004 was caused by a moderation in growth in domestic demand, combined with another substantial deduction from growth by net exports. Growth in gross state expenditure eased from 3.0% (trend) in the December quarter to 2.4% in the March quarter, while net exports detracted 2.2% points from overall economic growth.
- Household consumption continued to be the main driver of domestic demand in the March quarter. After growing by 3.5% in the December quarter, household consumption rose a further 2.9% in the March quarter, to be 12.1% higher over the year. Queensland's strong consumption growth far outpaced that in the rest of Australia, which grew by 1.3% in the March quarter and 5.0% over the year.
- Despite being at historically high levels, dwelling investment in Queensland continued to grow in the March quarter, rising a further 2.8% in the quarter and 16.4% in annual terms. The rest of Australia experienced more subdued dwelling investment growth of 2.1% in the March quarter and 4.4% over the year.
- Business investment continued to record solid growth in the March quarter, rising by 3.2%, following similar growth in the December quarter. Investment in other buildings and structures was the main driver, rising 6.2% in the March quarter, while machinery and equipment investment rose by a more modest 1.9%. In annual terms, growth in business investment has slowed over the past year, but the volume of business investment has risen for the past 11 quarters.

- The trade sector continued to detract from overall economic growth in Queensland in the March quarter. Total exports (overseas and interstate) declined by 1.0% in the quarter, while imports continued to rise, increasing 4.2%. As a result, net exports detracted 2.2% points from overall growth in the March quarter (rest of Australia, 0.4% point deduction).

**Table 1**  
**Components of March Quarter Economic Growth**

	Queensland (quarterly % change, trend)	Rest of Australia
<b>Chain Volume Measure</b>		
<b>Domestic Production</b>		
Household consumption	2.9	1.3
Private investment	2.9	0.8
Dwellings	2.8	2.1
Business investment	3.2	0.5
Other buildings and structures	6.2	2.5
Machinery and equipment	1.9	-0.5
Private final demand	2.9	1.2
Public final demand	0.8	0.3
Public consumption	-0.2	0.5
Public investment	4.7	-0.6
Gross state expenditure	2.4	1.3
Exports of goods and services	-1.0	3.0
Imports of goods and services	4.2	3.7
Net exports(a)	-2.2	-0.4
<b>Gross state product</b>	<b>0.5</b>	<b>0.9</b>
<b>Current prices</b>		
Compensation of employees	1.3	1.4
Gross operating surplus	2.0	1.7
Taxes less subsidies	1.3	2.1
<b>Gross state product</b>	<b>1.9</b>	<b>2.0</b>

(a) Percentage points contribution to growth in GSP.

**Chart 1**  
**Quarterly Economic Growth**

