



Main Features

June Qtr 2004 Gross State/Domestic Product (trend):

Queensland	↑ 0.2% (quarterly) ↑ 2.8% (annual)
Rest of Australia	↑ 0.7% (quarterly) ↑ 3.9% (annual)
Australia	↑ 0.6% (quarterly) ↑ 3.7% (annual)

2003-04 Gross State/Domestic Product:

Queensland	↑ 3.9%
Rest of Australia	↑ 3.6%
Australian GDP	↑ 3.6%

Commentary

- Queensland recorded growth in real trend GSP of 0.2% in June quarter 2004 (rest of Australia, 0.7%), easing from growth of 0.4% in the March quarter. In annual terms, Queensland recorded economic growth of 2.8% over the year to the June quarter (rest of Australia, 3.9%).
- Despite the easing in GSP, private domestic economic activity in Queensland remained substantially stronger than in the rest of Australia in the June quarter. Queensland's lower overall growth was caused by a larger deduction by net exports compared with that in the rest of Australia, and lower growth in public spending.
- In year-average terms, Queensland recorded GSP growth of 3.9% in 2003-04, exceeding economic growth in the rest of Australia (3.6%) for the eighth consecutive year.

June quarter results

- The further easing in economic growth in Queensland in the June quarter was caused by another large deduction from growth by net exports, combined with a moderation in growth in domestic demand. Growth in gross state expenditure eased from 1.9% (trend) in the March quarter to 1.2% in the June quarter, while net exports detracted 1.1% points from overall economic growth.
- As in recent quarters, household consumption continued to be the main driver of domestic demand in June quarter 2004. Household consumption rose a further 1.8% in the June quarter, to be 11.2% higher over the year. Queensland's strong consumption growth was more than double that recorded in the rest of Australia, where consumption rose by 5.0% over the year.
- Despite being at historically high levels, dwelling investment in Queensland continued to rise in June quarter 2004, increasing a further 2.1% in the quarter and rising 19.8% in annual terms. In the rest of Australia, dwelling investment increased at a more moderate pace, rising 1.8% in the June quarter and 7.2% over the year.
- Business investment growth continued at a strong pace in the June quarter, rising by 3.3%. Non-dwelling investment rose by 3.0% in the quarter, while machinery and

equipment investment rose by 3.5%. In annual terms, growth in business investment slowed over the first half of 2003-04, but accelerated over the second half of the year.

- Total exports from Queensland (overseas and interstate) declined by 0.2% in the quarter, while imports continued to grow, increasing 2.3%. As a result, the trade sector detracted heavily from overall economic growth. Net exports detracted 1.1% points from overall growth in the June quarter (rest of Australia, 0.5% point deduction).

Table 1
Components of June Quarter Economic Growth

	Queensland	Rest of Australia
	(quarterly % change, trend)	
Chain Volume Measure		
Domestic Production		
Household consumption	1.8	1.2
Private investment	1.7	0.9
Dwellings	2.1	1.8
Business investment	3.3	1.1
Other buildings and structures	3.0	2.1
Machinery and equipment	3.5	0.6
Private final demand	1.7	1.1
Public final demand	0.6	1.0
Public consumption	0.6	0.9
Public investment	0.5	1.4
Gross state expenditure	1.2	1.2
Exports of goods and services	-0.2	1.4
Imports of goods and services	2.3	2.9
Net exports(a)	-1.1	-0.5
Gross state product	0.2	0.7
Current prices		
Compensation of employees	1.8	1.6
Gross operating surplus	1.9	2.3
Taxes less subsidies	1.2	-0.7
Gross state product	1.8	1.7

(a) Percentage points contribution to growth in GSP.

Table 2
2003-04 Economic Performance, Queensland

	2002-03	2003-04
	(annual % change)	
Household consumption	5.5	9.9
Private investment ¹	21.5	10.2
Dwellings	19.9	16.0
Business Investment ¹	32.3	5.1
Public final demand ¹	2.7	5.0
Exports of goods and services	2.6	0.8
Imports of goods and services	9.5	16.7
Gross State Product	5.5	3.9

Note:

- Excludes private sector net purchases of second-hand public sector assets.