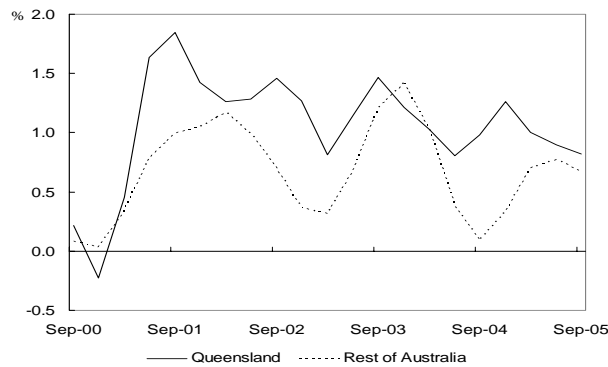


**Main Features**

**Sep Qtr 2005 Gross State/Domestic Product (trend):**

Queensland	↑ 0.8% (quarterly)	↑ 4.0% (annual)
Rest of Australia	↑ 0.7% (quarterly)	↑ 2.5% (annual)
Australia	↑ 0.7% (quarterly)	↑ 2.8% (annual)

**Gross State Product** (quarterly change, CVM, trend)



**Commentary**

- The Queensland economy continued to grow strongly in September quarter 2005. The latest Queensland State Accounts data show that in trend terms, Gross State Product (GSP) increased by 0.8% in the September quarter, following 0.9% growth in June quarter 2005. In comparison, the Rest of Australia grew by 0.7%, moderating slightly from growth recorded in the previous quarter (0.8%).
- In annual terms, Queensland's GSP rose by 4.0% over the year to September quarter 2005. Queensland's economic growth, in annual terms, has outperformed the Rest of Australia since the December quarter 1996.

**September quarter results**

- Domestic economic growth in Queensland continued to strengthen in the September quarter, with gross state expenditure rising 1.9%, following 1.6% and 0.9% growth in the June and March quarters respectively. The strength of domestic activity continued to stimulate imports, with net exports detracting 1.3% points from GSP growth, following a 0.8% point deduction in the June quarter.
- Household consumption continued to record steady growth in the September quarter, rising 1.3%. Consumption growth in Queensland continued to trend upwards after weakening in the first two quarters of 2004-05.
- Business investment growth strengthened in the September quarter, rising 5.4%, following 3.8% growth in the June quarter. Both other buildings and structures investment and equipment investment continued its upward trend, rising a further 5.3% and 5.4%, respectively.

- Dwelling investment in Queensland continued to perform strongly in the September quarter, rising 1.4%, pushing its annual growth to 4.8%. In the Rest of Australia, dwelling investment continued to rise in the September quarter (up 0.9%). Nevertheless, the Rest of Australia recorded a 2.4% decrease in its dwelling investment over the year to September quarter 2005.
- Public final demand rose 1.6% in the September quarter to be 5.5% higher over the year. The state and local component of public final demand was mainly responsible for this growth, increasing 2.2% over the September quarter and 7.5% over the year to September quarter 2005.
- Export growth continued to moderate in the September quarter, with total export volumes decreasing by 1.0% following a 0.3% decrease in the June quarter. Import growth of 2.6% was higher than the June quarter (2.0%). In annual terms, export growth moderated to 1.0% in the September quarter, after recording annual growth of 3.3% in the June quarter. Meanwhile, imports grew by 5.3% over the year to September quarter 2005, after recording annual growth of 3.6% in the previous quarter. The detraction from GSP growth by net exports of 1.8% over the year to September quarter 2005 followed an annual 0.5% point detraction in the June quarter.

**Components of Economic Growth**

Chain Volume Measure	Queensland	Rest of Australia
	(quarterly % change, trend)	
Final consumption expenditure		
Households	1.3	0.5
General government	0.5	0.1
Gross fixed capital formation		
Private	3.3	2.0
Dwellings	1.4	0.9
Other buildings and structures	5.3	2.8
Machinery and equipment	5.4	2.4
Public enterprises	4.0	-4.9
General government	6.6	-2.7
<b>Gross state expenditure</b>	<b>1.9</b>	<b>0.6</b>
Exports of goods and services	-1.0	0.8
Imports of goods and services	2.6	0.4
<i>Net exports (a)</i>	<i>-1.3</i>	<i>0.0</i>
<b>Gross state product</b>	<b>0.8</b>	<b>0.7</b>
<b>Current Prices</b>		
Compensation of employees	2.2	1.8
Gross operating surplus	4.1	2.3
Taxes less subsidies	-1.0	0.7
<b>Gross state product</b>	<b>2.4</b>	<b>1.7</b>

(a) Percentage point contribution to growth in GSP

The full detail of the QSA can be found at the OESR website: [www.oesr.qld.gov.au](http://www.oesr.qld.gov.au)