

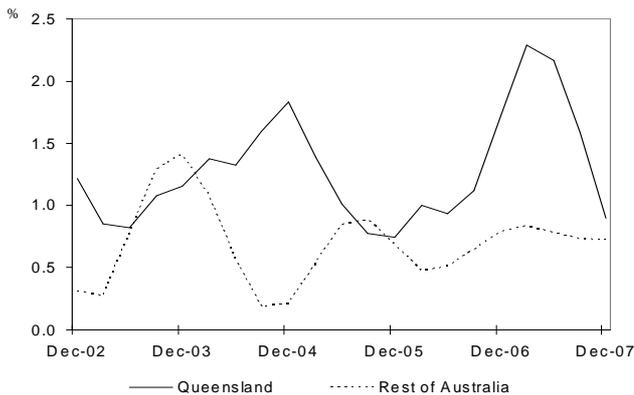
Main Features

Dec Qtr 2007 Gross State Product (CVM, trend):

Queensland	↑ 0.9% (quarterly)	↑ 7.1% (annual)
Rest of Australia	↑ 0.7% (quarterly)	↑ 3.1% (annual)
Australia	↑ 0.8% (quarterly)	↑ 3.9% (annual)

Chart 1: Gross State Product

(quarterly % change, CVM, trend)



- The latest *Queensland State Accounts* show that in real trend terms, Queensland's Gross State Product (GSP) grew by 0.9% in December quarter 2007, following 1.6% growth in the September quarter. In comparison, economic growth for the Rest of Australia was 0.7%, unchanged from the previous quarter.
- Over the year to December quarter 2007, Queensland's GSP grew by 7.1%, well above the Rest of Australia's growth of 3.1%. For fifteen consecutive quarters, annual economic growth in Queensland has been higher than for the Rest of Australia.

December quarter results (trend)

- Growth in domestic activity for Queensland moderated in the December quarter, with Gross State Expenditure rising 0.7%, following growth of 1.5% in the previous quarter. Domestic growth was driven mainly by household consumption expenditure, which contributed 0.7 percentage point to GSP growth.
- Household consumption growth, at 1.3%, moderated in the December quarter, down from 1.6% growth in the previous quarter. However, annual growth in household consumption strengthened for the fifth consecutive quarter, to 5.7% in December quarter 2007.

- Dwelling investment in Queensland declined 3.8% in the December quarter, following a 3.5% fall in the previous quarter. However, these declines followed a sustained surge in dwelling investment which resulted in the trend level of dwelling investment reaching a record-high of \$4.3 billion in March quarter 2007.
- Public sector investment at the state and local level rose 6.9% in the December quarter, to be 56.8% higher in annual terms. Over the quarter, this growth was driven by state and local investment by the general government sector, rising 10.5%, and state and local investment by public enterprises (up 3.5%). In annual terms, state and local investment in both the general government and public enterprises sectors remain strong, rising 48.7% and 65.9% respectively.
- On the trade side, net exports contributed 0.1 percentage point to Queensland GSP growth in the December quarter. A decline in exports (down 0.1%) was mitigated by falling imports (down 0.4%). In contrast, net exports detracted 0.3 percentage point from Rest of Australia growth in the December quarter.

Table 1: Components of Quarterly Economic Growth

Chain Volume Measure	Queensland	Rest of Australia
	quarterly % change, trend	
Final consumption expenditure		
Households	1.3	1.2
General government	0.7	1.0
Gross fixed capital formation	-0.1	1.0
Private	n.p.	n.p.
Dwellings	-3.8	2.0
Other buildings and structures	n.p.	n.p.
Machinery and equipment	n.p.	n.p.
Public enterprises	n.p.	n.p.
General government	9.5	0.5
<i>Gross state expenditure</i>	0.7	1.4
Exports of goods and services	-0.1	-0.5
Imports of goods and services	-0.4	1.9
<i>Net exports (% point contribution to GSP growth)</i>	0.1	-0.7
Gross state product	0.9	0.7

Current Prices

Compensation of employees	1.0	1.7
Gross operating surplus and mixed income	1.4	1.8
Taxes less subsidies	1.7	2.5
Gross state product	1.2	1.8

n.p. not available for publication, but included in totals where applicable, due to a trend break resulting from the privatisation of Telstra

Full QSA details can be found at the OESR website:
www.oesr.qld.gov.au.