

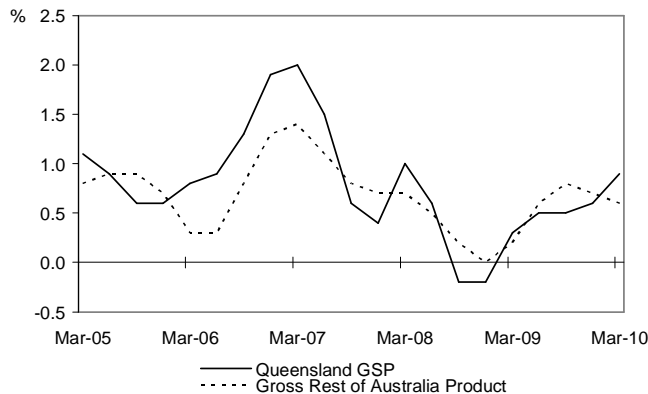
Main Features

March Quarter 2010 Gross State Product (CVM, trend):

Queensland	↑ 0.9% (quarterly)	↑ 2.6% (annual)
Rest of Australia	↑ 0.6% (quarterly)	↑ 2.7% (annual)
Australia	↑ 0.6% (quarterly)	↑ 2.7% (annual)

Chart 1: Gross State Product

(quarterly % change, CVM, trend)



- The latest *Queensland State Accounts* show that in real trend terms, Queensland Gross State Product (GSP) grew 0.9% in March quarter 2010, following an increase of 0.6% in December quarter 2009. Queensland economic growth was driven by a 0.8% point contribution from gross state expenditure (a measure of domestic demand) as net exports had a neutral impact.
- In annual terms, Queensland GSP grew 2.6% over the year to the March quarter, up from 2.0% over the year to the December quarter. In comparison, gross Rest of Australia product rose 2.7% over the year to March quarter 2010.

Domestic Demand

Domestic economic activity for Queensland continued to grow, with Gross State Expenditure (GSE) rising 0.7% in the March quarter, strengthening from growth of 0.4% in December quarter 2009.

Household consumption grew 0.9% in the March quarter, to be 2.3% higher over the year.

Queensland *dwelling investment* increased 3.6%, following a rise of 3.8% in the previous quarter. In comparison, dwelling investment growth in Rest of Australia was 1.2% in the March quarter. In annual terms, Queensland dwelling investment rose 7.3% over the year to March quarter 2010.

Queensland *business investment* (comprised of non-dwelling construction and machinery and equipment investment) declined 6.4% in the March quarter, to be 22.5% lower over the year. The recent period of declining business investment follows nine consecutive financial years of growth in excess of 10 per cent per annum.

Public final demand (comprised of general government consumption and investment, and public corporations investment) rose 2.1% in the March quarter, contributing 2.9 percentage point to Queensland GSP growth. In annual terms, public final demand grew 6.8% over the year to the March quarter and was largely driven by general government investment (up 24.1%).

Trade Results

On the trade side, *net exports* had a neutral impact on Queensland GSP growth in the March quarter, with lower exports offsetting declining imports.

Exports fell 0.2% in the March quarter, driven by declines in both overseas (-0.2%) and interstate (-0.3%) exports.

Imports fell 0.2% in the March quarter, driven by lower interstate imports (-6.1%) more than offsetting a 5.3% rise in overseas imports.

Table 1: Components of Quarterly Economic Growth

March quarter 2010	Queensland	Rest of Australia
Chain Volume Measures	quarterly % change, trend	
Household consumption	0.9	0.6
Private investment ^(a)	-2.5	1.0
Dwelling investment	3.6	1.2
Business investment ^(a)	-6.4	1.0
Public final demand ^(a)	2.1	2.9
General government consumption	1.3	1.1
Public corporations investment ^(a)	-1.7	3.7
General government investment	6.8	11.0
<i>Gross state expenditure</i>	0.7	1.6
Exports of goods and services	-0.2	-0.8
less Imports of goods and services	-0.2	4.1
Gross state product	0.9	0.6
<i>Net exports (% point contribution to GSP growth)</i>	0.0	-1.2
Current Prices		
Compensation of employees	1.1	1.0
Gross operating surplus and mixed income	2.6	3.1
Taxes less subsidies	1.7	2.0
Gross state product	1.8	2.1

(a) Adjusted for second hand asset sales between the public and private sectors in December quarter 2009.

Full QSA details can be found at the OESR website