

ABS State Details, September quarter 2021

Source: ABS *Australian National Accounts*, released 1 December 2021, 10.30 am AEST.

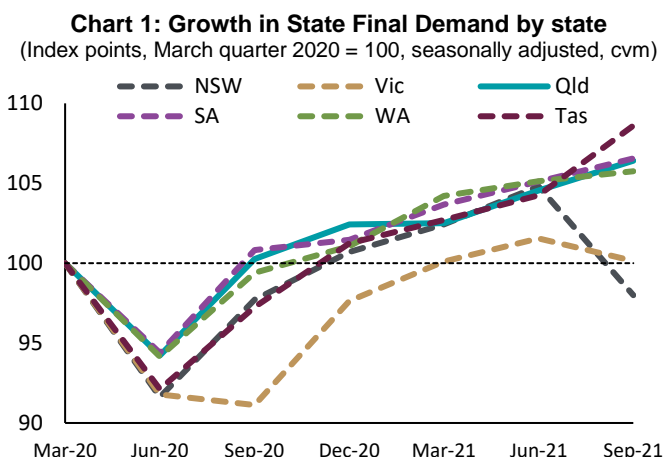
Note: ABS Australian National Accounts only provides data for state final demand and its components. State level estimates of overseas trade in goods and services on a consistent basis to the national accounts are released as part of ABS *Balance of Payments and International Investment Position* and these are discussed below. For a complete picture of State economic growth, ABS *State Accounts* provides annual Gross State Product data.

The ABS has suspended trend data due to COVID-19. Trend data will be reinstated by the ABS when more certainty emerges in the underlying trends in the economy. As a result, seasonally adjusted estimates are presented in this brief, unless otherwise stated.

Queensland's state final demand (SFD) rose 1.8% in September quarter 2021 to be 6.1% higher annually (**Table 1**) and 6.4% above the pre-COVID level in March quarter 2020.

Queensland's growth was considerably stronger than the rest of Australia (**Chart 1**) which recorded a decline of 2.6% in the September quarter, to be just 1.0% above its pre-pandemic level.

The sharp fall across the rest of Australia was driven by declines of 6.5% in New South Wales and 1.4% in Victoria. This, in turn, reflected large falls in household spending in these states as non-essential retail stores were closed and restrictions on gatherings were imposed.



Household consumption rose 0.3% in the September quarter to be 2.9% higher over the year. Household consumption was supported by the successful containment of the COVID-19 virus (resulting in minimal impacts due to lockdowns) and the ongoing recovery in the Queensland labour market.

By component, spending on *food* (up 2.4%), *rent and other dwelling services* (up 0.5%), *insurance and other financial services* (up 1.3%) and *furnishings and household equipment* (up 1.8%) were the largest contributors to quarterly growth.

Dwelling investment rose 4.6% in the September quarter to a record level. The component is now 27.6% higher over the year. The quarterly increase was driven by a 5.0% increase in *new dwelling investment* and a 4.2% increase in *Alterations and additions*. Low interest rates, on-going government support and confidence in both the housing market and the general economic recovery have spurred activity in Queensland's dwelling sector over the past year.

Business investment rose 4.9% in September quarter 2021, to

be 8.5% higher over the year. The component has now recorded two consecutive strong quarterly gains (up 8.4% in June quarter 2021) following the fall in March quarter 2021. **Engineering construction** investment rose 8.6% in the quarter (reflecting increased expenditure on renewable energy projects), while **non-residential building** investment (up 5.5%) also rose strongly.

Public final demand in Queensland rose 3.0% in the quarter to be 5.6% higher annually. **General government final consumption** (up 2.8%) was the main contributor to growth in the quarter, led by increased frontline services including police, fire and emergency services and hospitals due to ongoing COVID-19 responses and border closures. However, **national public corporation investment** fell 31.8% in the quarter to be 39.9% lower annually.

Table 1: Queensland's state final demand, by component
(September quarter 2021, CVM, seasonally adjusted)

Chain Volume Measures ^(a)	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	1.3	6.4	1.0	4.6
Household Consumption	0.3	2.9	0.1	1.6
Private Investment	4.6	17.7	0.8	2.9
Dwelling Investment	4.6	27.6	0.3	1.3
New Dwellings	5.0	30.7	0.1	0.8
Alterations and Additions	4.2	24.5	0.1	0.6
Business Investment	4.9	8.5	0.4	0.7
Machinery and Equipment	-4.4	4.1	-0.2	0.2
Engineering Construction	8.6	9.0	0.2	0.3
Non-Residential Building	5.5	14.2	0.1	0.3
Public Final Demand	3.0	5.6	0.8	1.6
General Govt. Final Consumption	2.8	3.9	0.6	0.9
National	3.6	6.6	0.3	0.6
State and Local	2.1	1.9	0.3	0.2
General Govt. Investment	4.5	21.2	0.2	0.9
National	22.1	34.3	0.2	0.3
State and Local	0.5	18.0	0.0	0.6
Public Corporation Investment	-0.3	-15.6	0.0	-0.2
National	-31.8	-39.9	-0.1	-0.1
State and Local	9.8	-8.1	0.1	-0.1
State Final Demand (SFD)	1.8	6.1	1.8	6.1

(a) Reference year for chain volume measure is 2019-20. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

Table 2: Interstate SFD/DFD growth comparison
(September quarter 2021, % change, CVM, seasonally adjusted)

	NSW	Vic	Qld	SA	WA	Tas	Aust	Aust (GDP)
Quarterly	-6.5	-1.4	1.8	1.4	0.6	4.2	-1.8	-1.9
Annual	0.3	9.9	6.1	5.7	6.4	11.7	5.2	3.9
Since March-20	-2.0	0.1	6.4	6.6	5.8	8.6	2.0	0.1

ABS *Balance of Payments* data (released 30 November), provided a snapshot of **international trade in goods and services** on a consistent basis to the *National Accounts* methodology.

Queensland's **overseas exports of goods and services** fell 4.1% in September quarter 2021 to be 1.6% lower annually. Meanwhile, **overseas imports of goods and services** to Queensland rose 4.8% to be 8.4% higher annually. The fall in exports and the rise in imports suggests the overseas trade sector detracted significantly from Queensland's gross state product growth in the September quarter.