

# ABS State Details, March quarter 2022

Source: ABS *Australian National Accounts*, released 1 June 2022, 11.30 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.**

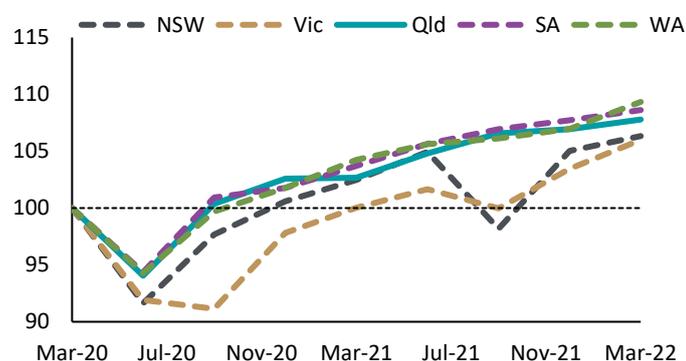
The ABS has suspended trend data due to COVID-19. Trend data will be reinstated when more certainty emerges in the underlying trends in the economy. As a result, seasonally adjusted estimates are presented in this brief, unless otherwise stated.

Queensland's state final demand (SFD) rose 0.8% in March quarter 2022 to be 5.0% higher annually (**Table 1**) and 7.8% above the pre-COVID level in March quarter 2020.

The rest of Australia recorded stronger growth of 1.8% in the March quarter, reflecting strong growth in Western Australia and continued rebounds in household spending in New South Wales, Victoria and the Australian Capital Territory after these jurisdictions were severely impacted by lengthy "Delta" COVID-19 lockdowns in September quarter 2021. Queensland's SFD growth since the pre-pandemic period of March quarter 2020 (7.8%) remains stronger than the rest of Australia (6.9%).

**Chart 1: Growth in State Final Demand by state**

(Index points, March quarter 2020 = 100, seasonally adjusted, cvm)



*Household consumption* rose 0.4% in the March quarter to be 3.8% higher over the year. The Omicron outbreaks, floods in South East Queensland and rising inflationary pressures have constrained real consumption growth in the quarter despite elevated savings throughout the pandemic.

By component, spending on *hotels, cafes & restaurants* (up 5.5%), *purchase of vehicles* (up 14.1%, rebounding from the 15.6% decline in the December quarter) and *transport services* (up 37.3%) were the largest contributors to quarterly growth. However, despite the strong quarterly result, *transport services* (which includes spending on overseas air travel) remains less than half of its pre-COVID level.

*Dwelling investment* fell 6.0% in the March quarter as adverse weather, construction material shortages and labour constraints impacted work done. The quarterly decline was driven by a 9.7% fall in *new dwelling investment*, while *Alterations and additions* fell 1.9%. Despite the consecutive quarterly declines, a record amount of residential work in the pipeline in Queensland should see dwelling investment remaining elevated in the near-term.

*Business investment* rose 1.1% in March quarter 2022 to be 10.7% higher over the year. The quarterly result was driven by a 5.2% rise in *machinery and equipment* investment, which more than offset declines in *non-residential building* (down 1.2%) and *engineering construction* investment (down 2.4%).

*Public final demand* in Queensland rose 3.3% in the quarter to be 7.4% higher annually. *General government consumption* (up 3.2%) was the main contributor to growth in the quarter, with rises at both the *National* (up 5.2%) and *State and local* (up 1.7%) levels. The ABS noted, 'defence spending in QLD and NSW rose a combined 7.8%, compared with 3.0% in other states' in the March quarter, reflecting the 'complex logistical operation undertaken for flood assistance' by the ADF in flood affected regions.

*General government investment* and *public corporation investment* (both up 3.8%) made smaller contributions to growth in the quarter.

**Table 1: Queensland's state final demand, by component**  
(March quarter 2022, CVM, seasonally adjusted)

Chain Volume Measures <sup>(a)</sup>	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>-0.2</b>	<b>4.0</b>	<b>-0.1</b>	<b>2.9</b>
Household Consumption	0.4	3.8	0.2	2.1
Private Investment	-2.0	4.9	-0.4	0.9
Dwelling Investment	-6.0	-5.2	-0.3	-0.3
New Dwellings	-9.7	-3.6	-0.3	-0.1
Alterations and Additions	-1.9	-6.9	0.0	-0.2
Business Investment	1.1	10.7	0.1	0.9
Machinery and Equipment	5.2	5.4	0.2	0.2
Engineering Construction	-2.4	3.8	-0.1	0.1
Non-Residential Building	-1.2	29.7	0.0	0.5
<b>Public Final Demand</b>	<b>3.3</b>	<b>7.4</b>	<b>0.9</b>	<b>2.0</b>
General Govt. Final Consumption	3.2	8.6	0.7	1.9
National	5.2	11.2	0.5	1.1
State and Local	1.7	6.5	0.2	0.8
General Govt. Investment	3.8	4.2	0.2	0.2
National	15.5	20.0	0.1	0.2
State and Local	1.0	0.5	0.0	0.0
Public Corporation Investment	3.8	-0.6	0.0	0.0
National	2.1	-18.4	0.0	0.0
State and Local	4.2	4.6	0.0	0.0
<b>State Final Demand (SFD)</b>	<b>0.8</b>	<b>5.0</b>	<b>0.8</b>	<b>5.0</b>

(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**  
(March quarter 2022, % change, CVM, seasonally adjusted)

	NSW	Vic	Qld	SA	WA	Tas	Aust	Aust (GDP)
Quarterly	1.2	2.4	0.8	0.8	2.2	-0.6	1.6	0.8
Annual	3.8	6.0	5.0	4.7	4.9	3.5	4.8	3.3
Since March-20	6.3	6.0	7.8	8.6	9.3	6.6	7.1	4.8

ABS *Balance of Payments* data (released 31 May), show Queensland's *overseas exports of goods and services* fell 8.7% in March quarter 2022 to be 5.7% lower annually. Meanwhile, *overseas imports of goods and services* to Queensland rose 1.4% to be 1.9% higher annually. The fall in exports and the rise in imports in the quarter suggests the overseas trade sector detracted from Queensland's gross state product growth in the March quarter.