

# ABS State Details, June quarter 2022

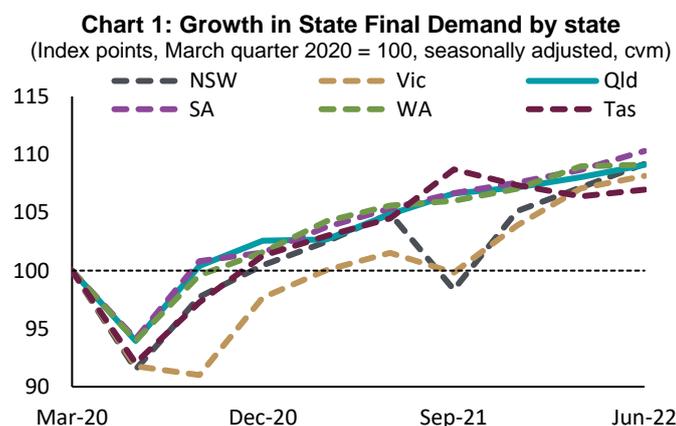
Source: ABS *Australian National Accounts*, released 7 September 2022, 11.30 am AEST.

**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.**

**Note: All data in this brief are reported in seasonally adjusted terms.**

Queensland's state final demand (SFD) rose 1.0% in June quarter 2022 to be 4.0% higher annually (**Table 1**) and 9.1% above the pre-COVID level in March quarter 2020.

The rest of Australia recorded growth of 1.0% in the June quarter, with particularly strong growth in New South Wales (1.9%) and South Australia (1.5%). Queensland's SFD growth since the pre-pandemic period of March quarter 2020 (9.1%) remains stronger than the rest of Australia (8.7%).



*Household consumption* rose 2.2% in the June quarter to be 5.8% higher over the year. The solid growth in household spending has been underpinned by an exceptionally strong labour market (with compensation of employees up 1.6% in the quarter, and 8.5% over the year), previous substantial government stimulus and higher asset prices.

By component, there was accelerated spending on travel-related categories, including *recreation & culture* (up 8.3%), *hotels, cafes & restaurants* (up 10.3%) and *transport services* (up 34.7%), which were the largest contributors to quarterly growth.

Spending on *Health* also rose strongly (up 4.3%) as elective surgeries and allied health services rebounded from the impacts of the Omicron wave in March quarter.

*Dwelling investment* fell for the third consecutive quarter, as wet weather across much of the east coast and continued material and labour shortages hampered construction activity. The 6.0% quarterly decline was driven by both a 6.8% fall in *Alterations and additions* and a 5.3% fall in *new dwelling investment*. Despite the three 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* fell 0.4% in June quarter 2022 but was 1.5% higher over the year. The quarterly result was driven by a 5.3% fall in *engineering construction*, which more than offset a 6.0% rise in investment *machinery and equipment* (reflecting

increased investment from the mining, construction and agriculture industries) and a 0.4% increase in *non-residential building*.

*Public final demand* in Queensland rose 0.7% in the quarter to be 5.7% higher annually. *General government investment* (up 5.5%) was the main contributor to growth in the quarter, with rises at both the *National* (up 8.8%, due to a rise in spending on defence assets) and *State and local* (up 4.6%) levels.

*General government consumption* fell 0.1% driven by a decline in *national expenditure* (down 0.4%, following a strong March quarter due to flood related assistance), while *public corporation investment* (down 1.7%) also fell in the quarter.

**Table 1: Queensland's state final demand, by component**  
(June 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>1.1</b>	<b>3.4</b>	<b>0.8</b>	<b>2.5</b>
Household Consumption	2.2	5.8	1.2	3.1
Private Investment	-2.4	-3.7	-0.4	-0.7
Dwelling Investment	-6.0	-14.0	-0.3	-0.8
New Dwellings	-5.3	-15.9	-0.1	-0.5
Alterations and Additions	-6.8	-11.8	-0.2	-0.3
Business Investment	-0.4	1.5	0.0	0.2
Machinery and Equipment	6.0	5.1	0.2	0.2
Engineering Construction	-5.3	-4.4	-0.1	-0.1
Non-Residential Building	0.4	3.3	0.0	0.1
<b>Public Final Demand</b>	<b>0.7</b>	<b>5.7</b>	<b>0.2</b>	<b>1.6</b>
General Govt. Final Consumption	-0.1	6.7	0.0	1.5
National	-0.4	10.0	0.0	1.0
State and Local	0.0	4.2	0.0	0.5
General Govt. Investment	5.5	1.3	0.2	0.1
National	8.8	17.4	0.1	0.2
State and Local	4.6	-2.4	0.2	-0.1
Public Corporation Investment	-1.7	3.3	0.0	0.0
National	-3.6	-27.5	0.0	-0.1
State and Local	-1.3	13.4	0.0	0.1
<b>State Final Demand (SFD)</b>	<b>1.0</b>	<b>4.0</b>	<b>1.0</b>	<b>4.0</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**  
(June quarter 2022, % change, CVM, seasonally adjusted)

	NSW	Vic	Qld	SA	WA	Tas	Aust	Aust (GDP)
Quarterly	1.9	1.0	1.0	1.5	0.1	0.6	1.0	0.9
Annual	4.1	6.5	4.0	4.7	3.3	2.4	4.7	3.6
Since March-20	9.2	8.2	9.1	10.3	9.1	7.0	8.8	5.7

ABS *Balance of Payments* data show Queensland's *overseas exports of goods and services* rose 1.1% in June quarter 2022 but was 1.0% lower over the year. Meanwhile, *overseas imports of goods and services* to Queensland fell 0.8% but were 10.9% higher in annual terms. The rise in exports and the fall in imports in the quarter suggests the overseas trade sector contributed to Queensland's gross state product growth in the June quarter.