

# ABS State Details, December quarter 2022

Source: ABS *Australian National Accounts*, released 1 March 2023, 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.**

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

Queensland's state final demand (SFD) fell 0.3% in December quarter 2022 but was 2.4% higher over the year (Table 1) and 10.6% above the pre-COVID level in March quarter 2020.

The rest of Australia recorded growth of 0.1% in the quarter, with the strongest growth in the ACT (up 0.3%) and Victoria (up 0.2%). Queensland's SFD growth since March quarter 2020 (10.6%) remains stronger than the rest of Australia (9.2%).

**Chart 1: Growth in State Final Demand by state**  
(seasonally adjusted, quarterly, index, March quarter 2020 = 100)



*Household consumption* fell 0.1% in the December quarter but was 3.1% higher over the year. The decline in consumption in the quarter was driven by falls in *furnishings & household equipment* (down 4.1%), likely reflecting the slowdown in the housing market, *electricity, gas & other fuel* (down 18.0%) and *operation of vehicles* (down 3.6%).

Partly offsetting these declines was solid growth in consumption of *food* (up 3.9%), *rent & other dwelling services* (up 0.8%) and *hotels, cafes & restaurants* (up 1.0%).

Reflecting Queensland's tight labour market in the December quarter, compensation of employees continued to grow strongly, up 2.9% in the quarter to be 11.7% higher over the year.

*Dwelling investment* rose modestly in the quarter, up 1.4%, following four consecutive quarterly declines as supply chain and labour constraints started to ease. The quarterly increase was driven by a 3.9% increase in *new dwelling investment*, more than offsetting a 1.3% decline in *alterations and additions*. This was the fifth consecutive decline in renovation activity, after record activity in 2021 supported by the *Homebuilder* program.

Despite dwelling investment being down 9.5% over the year, a record amount of residential work in the pipeline in Queensland should support housing construction activity in the near term.

*Business investment* fell 4.7% in December quarter 2022 but was 1.9% higher over the year. All major components fell in the quarter, with investment in *machinery & equipment* down 6.9%,

*engineering construction* falling 5.1% and *non-residential construction* 4.3% lower.

The fall in construction activity was due to 'weakness in both new building and new engineering construction with a decrease in work done on energy projects and retail & office building projects.'

*Public final demand* (government spending) in Queensland rose 1.3% in the quarter to be 5.1% higher over the year. *General government consumption* rose 1.2% in the quarter, with both *national* (up 1.0%) and *state & local* (up 1.3%) growing solidly. Growth in *state & local* consumption was 'primarily due to an increase in non-employee expenses, which includes the Queensland Government's "Cost of living rebate for households".'

*General government investment* rose 0.7%, driven by an increase in *state & local* (up 1.3%), which more than offset a fall in *national* (down 3.0%). *Public corporation investment* rose 4.7%, driven by a rise in *state & local* (up 6.7%).

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

	% Change		SFD Growth	
	quarterly	annual	quarterly	annual
<b>Chain Volume Measures <sup>(a)</sup></b>				
<b>Private Final Demand</b>	<b>-0.9</b>	<b>1.3</b>	<b>-0.6</b>	<b>0.9</b>
Household Consumption	-0.1	3.1	0.0	1.7
Private Investment	-3.4	-4.1	-0.6	-0.7
Dwelling Investment	1.4	-9.5	0.1	-0.5
New dwellings	3.9	-5.3	0.1	-0.2
Alterations & additions	-1.3	-14.1	0.0	-0.4
Business Investment	-4.7	1.9	-0.5	0.2
Machinery & equipment	-6.9	4.6	-0.3	0.2
Non-dwelling construction	-5.3	-0.9	-0.3	0.0
Engineering construction	-5.1	-4.8	-0.1	-0.1
Non-residential construction	-4.3	4.2	-0.1	0.1
<b>Public Final Demand</b>	<b>1.3</b>	<b>5.1</b>	<b>0.4</b>	<b>1.4</b>
General Govt. Consumption	1.2	4.9	0.3	1.1
National	1.0	5.4	0.1	0.6
State and Local	1.3	4.5	0.2	0.6
General Govt. Investment	0.7	3.5	0.0	0.1
National	-3.0	-6.5	0.0	-0.1
State and Local	1.6	6.1	0.1	0.2
Public Corporation Investment	4.7	15.4	0.1	0.2
National	-4.3	4.7	0.0	0.0
State and Local	6.7	17.7	0.1	0.2
<b>State Final Demand (SFD)</b>	<b>-0.3</b>	<b>2.4</b>	<b>-0.3</b>	<b>2.4</b>

(a) Reference year for chain volume measure is 2020-21.

**Table 2: Interstate SFD/DFD growth comparison**  
(December quarter 2022, % change, CVM, seasonally adjusted)

									Aus	
	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	DFD	GDP
Quarterly	-0.1	0.2	-0.3	-0.2	0.1	0.0	-0.5	0.3	0.0	0.5
Annual	3.4	4.1	2.4	3.2	3.2	1.1	3.3	3.9	3.3	2.7
Mar-20	10.1	9.5	10.6	12.2	12.7	10.4	19.6	10.1	9.4	7.4

ABS *Balance of Payments* data show Queensland's *overseas exports of goods and services* rose 4.8% in December quarter 2022 but were 0.1% lower over the year. Meanwhile, *overseas imports of goods and services* fell 4.7% but were up 13.6% over the year.

The rise in *exports* and fall in *imports* in the quarter suggests the overseas trade sector contributed to Queensland's gross state product growth in the December quarter.