

# ABS State Details, June quarter 2024

Source: ABS *Australian National Accounts* released 4 September 2024, 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* (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, an indicator of domestic spending) rose 0.4% in June quarter 2024, to be 1.8% higher over the year (**Table 1**).
- By component, strong growth in *public final demand* and *dwelling investment* more than offset a sharp decline in *business investment* in the quarter.
- Despite the slowing in Queensland's domestic economy, growth continues to outperform the rest of Australia (**Table 2**).

**Table 1: Queensland's state final demand, June quarter 2024**  
(seasonally adjusted, CVM)

	% change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>-0.3</b>	<b>0.6</b>	<b>-0.2</b>	<b>0.4</b>
Household Consumption	0.1	1.1	0.1	0.6
Private Investment	-1.4	-1.0	-0.3	-0.2
<i>Dwelling investment</i>	4.3	-3.2	0.2	-0.2
New Dwellings	4.6	-1.6	0.1	-0.1
Alterations and Additions	4.0	-5.1	0.1	-0.1
<i>Ownership Transfer Costs</i>	3.2	7.9	0.0	0.1
<i>Business Investment</i>	-4.6	-1.0	-0.5	-0.1
Machinery and Equipment	-8.4	-1.3	-0.4	-0.1
Engineering Construction	-1.5	-10.0	-0.0	-0.3
Non-Residential Building	4.7	2.9	0.1	0.1
<b>Public Final Demand</b>	<b>2.0</b>	<b>4.9</b>	<b>0.6</b>	<b>1.4</b>
General Government Consumption	1.7	6.5	0.4	1.5
National	1.9	5.7	0.2	0.6
State and Local	1.6	7.1	0.2	0.9
General Government Investment	2.8	-7.8	0.1	-0.4
National	-0.1	1.4	-0.0	0.0
State and Local	3.4	-9.7	0.1	-0.4
Public Corporation Investment	3.0	19.2	0.1	0.3
National	2.9	-1.4	0.0	-0.0
State and Local	3.0	25.1	0.0	0.3
<b>State Final Demand</b>	<b>0.4</b>	<b>1.8</b>	<b>0.4</b>	<b>1.8</b>

**Table 2: Interstate SFD/DFD growth comparison, June quarter 2024**  
(seasonally adjusted, % change, CVM)

	NSW	Vic	Qld	SA	WA	Tas	Aust	Aust (GDP)
Quarterly	-0.4	0.6	0.4	0.9	0.9	0.6	0.2	0.2
Annual	0.2	1.4	1.8	1.5	3.9	1.8	1.5	1.0

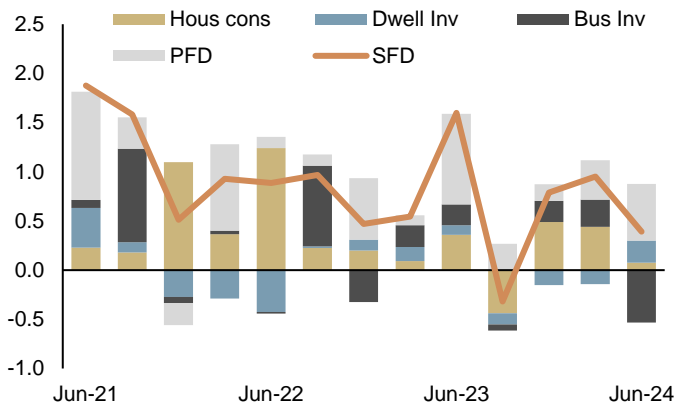
Source: ABS *National Accounts*.

## Detail

Queensland's state final demand (SFD) rose 0.4% in June quarter 2024, seeing annual growth slow to 1.8% from 3.0% in the March quarter. Strong growth in *public final demand* and *dwelling investment* drove the rise in overall SFD in the quarter (**Chart 1**).

In financial year terms, SFD rose 2.4% in 2023-24, down from growth of 3.3% in 2022-23.

**Chart 1: Contribution to quarterly SFD growth, Queensland**  
(seasonally adjusted, chain volume measure, percentage point)



Source: ABS National Accounts.

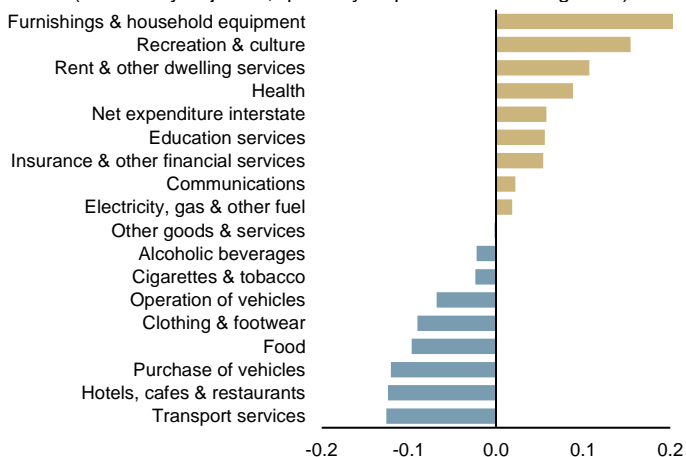
## Household consumption

Household consumption rose just 0.1% in June quarter 2024, seeing annual growth slow to 1.1%.

The main contributors to quarterly growth were higher spending on *furnishings & household equipment* (up 5.1%) and *recreation & culture* (up 1.4%, **Chart 2**). Due to being the largest single component of household consumption, *rent and other dwelling services* component (up 0.5%) also made a strong contribution to headline consumption.

In contrast, there were declines across several consumption components reflecting household budgets coming under pressure from higher interest rates and a sustained period of inflation above the RBA's target. The main detractors from consumption growth in the quarter were *transport services* (down 4.7%), *hotels, cafes & restaurants* (down 1.5%) and *purchase of vehicles* (down 3.8%).

**Chart 2: Household consumption components, Queensland**  
(seasonally adjusted, quarterly %-pt contribution to growth)



Source: ABS National Accounts.

Household consumption growth slowed from 3.6% in 2022-23 to just 1.0% in 2023-24 (contributing 0.5%-point to SFD growth).

Meanwhile, ongoing strong labour demand and solid wage rates saw compensation of employees rise 2.3% in the quarter (the second strongest growth in the country, behind only ACT), to be 9.8% higher over the year.

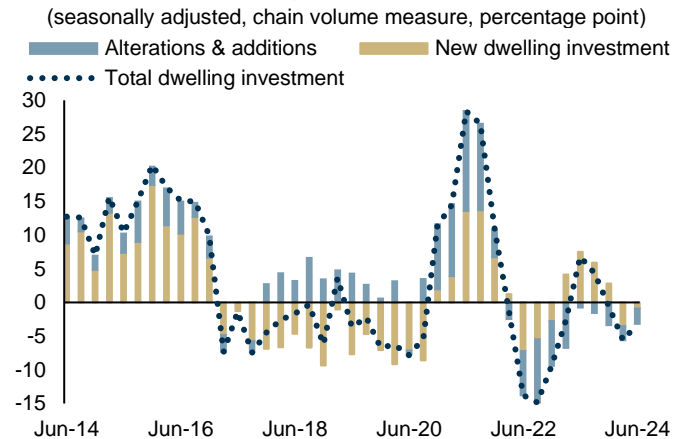
## Dwelling investment

Dwelling investment rose 4.3% in the quarter but was 3.2% lower over the year. Despite an elevated amount of work in the pipeline, material and labour shortages and other constraints within the construction industry have resulted in the component remaining below its recent peak in September quarter 2021.

The quarterly rise was driven by increases in both *new dwelling investment* (up 4.6%) and *alterations & additions* (up 4.0%). Despite strong growth in the quarter, *Alterations and additions* activity is down 22% from its record peak in September quarter 2021 to be more in line with pre-COVID levels.

In annual contribution terms, *alterations & additions* have detracted from dwelling investment growth since March quarter 2022 (**Chart 3**).

**Chart 3: Contribution to annual dwelling investment growth, Queensland**  
(seasonally adjusted, chain volume measure, percentage point)



Source: ABS National Accounts.

In financial year terms, dwelling investment fell a further 1.3% in 2023-24 following a 5.5% fall in 2022-23.

## Business investment

Business investment fell 4.6% in June quarter 2024 but was 1.0% higher over the year.

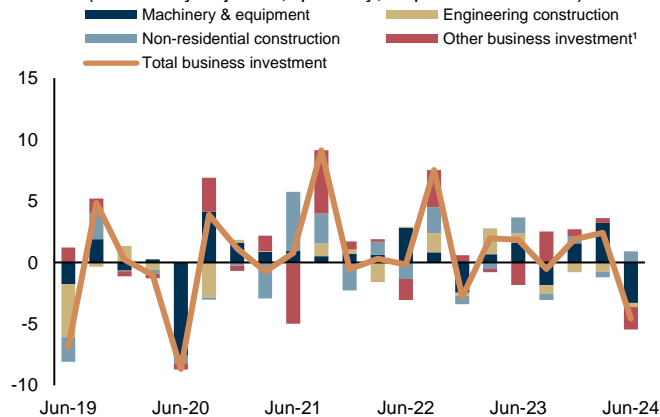
A particularly large fall in investment in *Machinery & equipment* (down 8.4%) more than reversed strong growth in the prior quarter and drove the headline decline in business investment in the quarter (**Chart 4**). However, there was also a 1.5% fall in *Engineering construction* due to reduced activity across mining and utilities projects.

Despite the sharp quarterly decline in *Machinery & equipment investment*, the component remains elevated, driven by strong employment growth in recent years.

*Non-residential building* investment was a bright spot, rising 4.7% in the quarter.

Economic Strategy

**Chart 4: Business investment by component, Queensland**  
(seasonally adjusted, quarterly, %-point contribution)



1. Includes cultivated biological resources and intellectual property products.  
Source: ABS National Accounts.

In financial year terms, business investment rose 2.6% in 2023-24, driven by a 10.6% rise in *Intellectual property products* (which includes computer software, research and development, and mineral exploration as well as entertainment, literary and artistic originals) following strong growth of 6.7% in 2022-23.

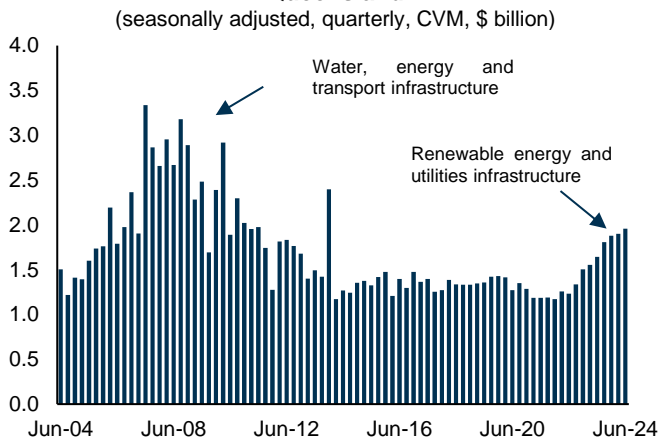
**Public final demand**

Public final demand (government spending) in Queensland continued to grow strongly, rising 2.0% in the June quarter and contributing 0.6 percentage point to growth in state final demand. Public sector spending has been a key driver of growth in domestic activity in recent quarters, up 4.9% over the year (contributing 1.4%-points of the 1.8% growth in state final demand).

*General government consumption* rose 1.7% in the quarter, driven with *national* (up 1.9%) and *state & local* (up 1.6%) consumption both growing strongly. The ABS noted the strength in national government consumption was due to continued spending on key social benefit programs.

Meanwhile, *public investment* rose 2.8% in June quarter 2024, driven by strength in *state & local public investment* (up 3.3%), with *national public investment* growing more modestly (up 0.7%). Investment spending by *state & local public corporations* has risen sharply over the year (up 25.1%), as work on renewable energy and utilities projects progresses (Chart 5).

**Chart 5: Investment by state & local public corporations, Queensland**  
(seasonally adjusted, quarterly, CVM, \$ billion)



Source: ABS National Accounts.

In financial year terms, public final demand rose 5.7% in 2023-24, with strong growth in both *public investment* (up 7.5%) and *consumption* (up 5.3%). Public final demand contributed 1.6%-points to Queensland's SFD growth of 2.4% in 2023-24.

**Overseas trade**

ABS *Balance of Payments* data (released 3 September) show Queensland's overseas **exports of goods and services** rose 7.9% in June quarter 2024 but were 0.7% lower over the year (Chart 6).

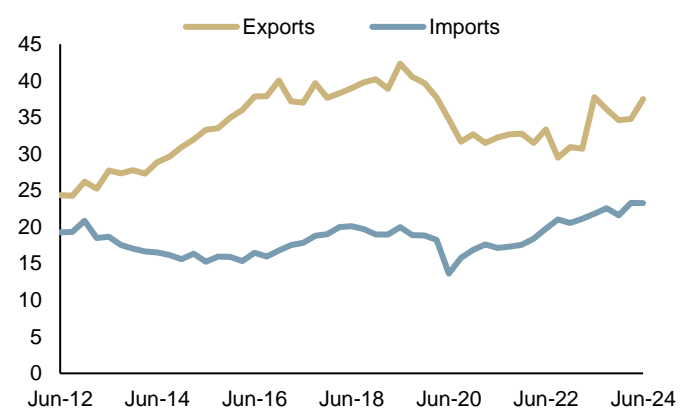
The quarterly rise was driven by both an 8.1% increase in *goods exports* and a 5.8% rise in *services exports*.

Overseas **imports of goods and services** fell 0.1% in June quarter 2024, with a decline in *goods imports* (down 0.8%) more than offsetting growth in *services imports* (up 2.6%). However, over the year imports were 6.6% higher. These data should be treated with caution as the ABS have had issues with changing seasonal patterns of overseas imports post COVID-19.

The sharp rise in exports in addition to the modest decline in imports means the overseas trade sector contributed to Queensland's gross state product growth in the June quarter.

In financial year terms, overseas **exports** rose 10.9% in 2023-24, driven by a rebound in *goods exports* (up 9.7%) and the continued recovery in *services exports* (up 22.9%) post COVID-19. **Imports** rose 7.3% in the year, with *services imports* up 26.7% to be nearly at pre-COVID levels, and *goods imports* up 3.1%. These data suggest the overseas trade sector made a significant contribution to Queensland's Gross State Product growth in 2023-24.

**Chart 6: Overseas trade in goods and services, Queensland**  
(seasonally adjusted, quarterly, CVM, \$ billion)



Source: ABS Balance of Payments.