

ABS State Details, September quarter 2024

Source: ABS *Australian National Accounts* released 4 December 2024, 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* (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 0.7% in September quarter 2024, to be 3.0% higher over the year (**Table 1**).
- By component, strong growth in *public final demand* more than offset a sharp decline in *household consumption* in the quarter, although this was partly driven by state and federal government electricity rebates shifting expenditure from the household sector to the public sector.
- Annual growth in Queensland's domestic economy is the strongest of all the states and well above the national average (1.7%, **Table 2**).

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

	% change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	-0.6	1.3	-0.4	0.9
Household Consumption	-0.8	1.1	-0.4	0.6
Private Investment	0.1	1.6	0.0	0.3
<i>Dwelling investment</i>	0.1	0.7	0.0	0.0
New Dwellings	-0.4	-0.4	0.0	0.0
Alterations and Additions	0.8	2.0	0.0	0.1
<i>Ownership Transfer Costs</i>	2.2	8.9	0.0	0.1
<i>Business Investment</i>	-0.1	1.2	0.0	0.1
Machinery and Equipment	3.3	3.1	0.1	0.1
Engineering Construction	0.6	-5.2	0.0	-0.1
Non-Residential Building	-3.5	4.1	-0.1	0.1
Public Final Demand	3.7	7.2	1.1	2.1
General Government Consumption	2.6	7.0	0.6	1.6
National	0.6	4.9	0.1	0.5
State and Local	4.2	8.7	0.5	1.1
General Government Investment	9.2	4.2	0.4	0.2
National	25.8	25.8	0.2	0.2
State and Local	5.6	-0.2	0.2	-0.0
Public Corporation Investment	5.2	17.7	0.1	0.3
National	-7.2	-19.2	0.0	-0.1
State and Local	7.1	25.3	0.1	0.3
State Final Demand	0.7	3.0	0.7	3.0

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

	NSW	Vic	Qld	SA	WA	Tas	Aust	Aust (GDP)
Quarterly	0.6	0.4	0.7	0.8	0.7	0.4	0.7	0.3
Annual	0.4	1.4	3.0	1.9	2.5	0.8	1.7	0.8

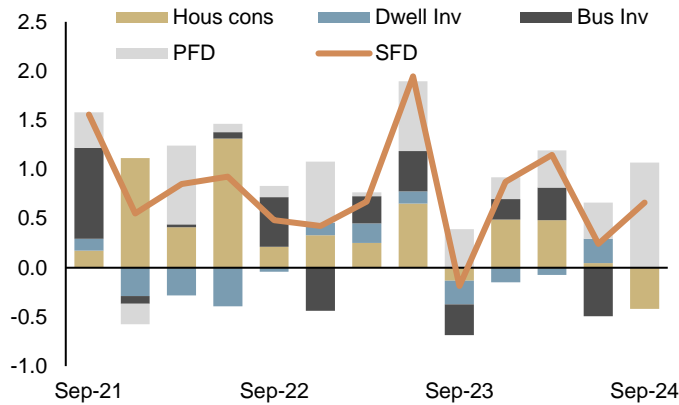
Source: ABS *National Accounts*.

Detail

Queensland's state final demand (SFD) rose 0.7% in September quarter 2024, seeing annual growth accelerate to 3.0% from a downwardly revised 2.1% in the June quarter. Strong growth in *public final demand* drove the rise in overall SFD in the quarter (**Chart 1**).

Annual growth in Queensland's domestic economy is the strongest of all the states and well above the national average (1.7%).

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



Source: ABS National Accounts.

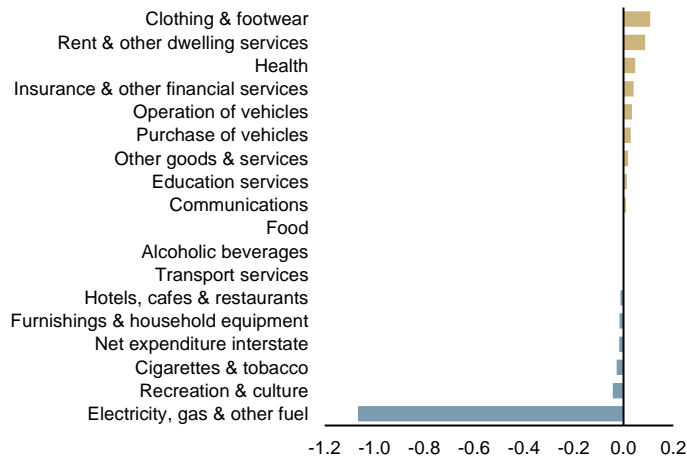
Household consumption

Household consumption fell 0.8% in September quarter 2024, seeing annual growth slow to 1.1%.

The main driver of the sharp quarterly decline was a 75.7% fall in *electricity, gas and other fuels* due to federal and state government electricity rebates. Excluding this component, household spending rose 0.3% in the quarter. Other notable declines included *Cigarettes & tobacco* (down 2.6%), *Recreation & culture* (down 0.4%) and *Furnishings & household equipment* (down 0.3%).

Meanwhile, strong growth was recorded in *Clothing & footwear* (up 3.0%), *Rent & other dwellings* (up 0.4%) and *Health* (0.6%, **Chart 2**).

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



Source: ABS National Accounts.

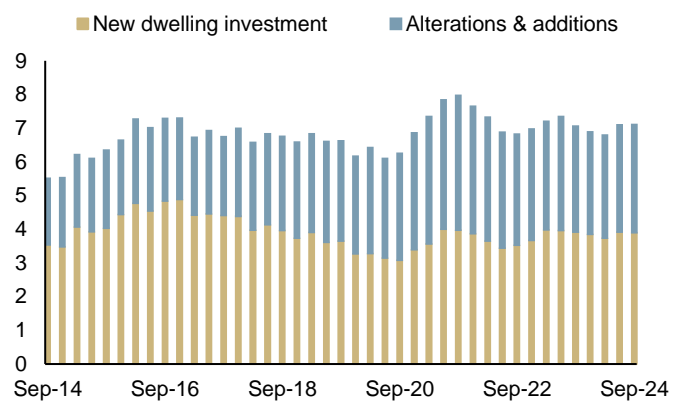
Meanwhile, ongoing strong labour demand and solid wage rates saw *compensation of employees* rise 1.8% in the quarter (the third strongest growth in the country, behind New South Wales and Western Australia), to be 9.7% higher over the year.

Dwelling investment

Dwelling investment rose 0.1% in the quarter to be 0.7% higher over the year. Material and labour shortages, poor weather, and construction company insolvencies have constrained construction activity in recent years (**Chart 3**). However, activity continues to be supported by an elevated amount of work in the pipeline.

The quarterly rise was driven by an increase in *alterations & additions* (up 0.8%), while *new dwelling investment* fell 0.4%.

Chart 3: Dwelling investment by component, Queensland
(seasonally adjusted, chain volume measure, \$Billions, quarterly)



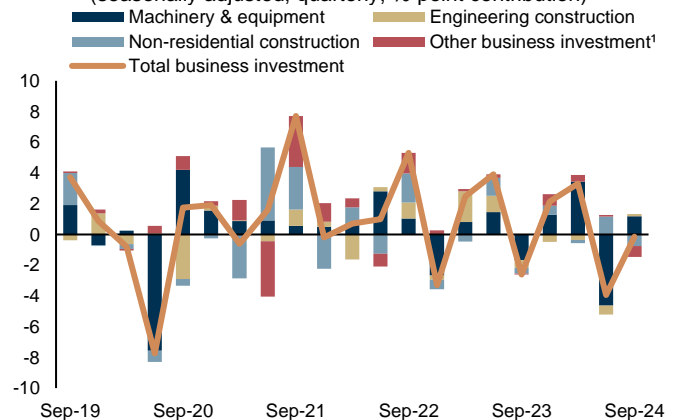
Source: ABS National Accounts.

Business investment

Business investment fell marginally (down 0.1%) in the September quarter but was 1.2% higher over the year.

A particularly large fall in investment in *Non-residential building* (down 3.5%) drove the headline decline in business investment in the quarter (**Chart 4**). However, there was a 3.3% rise in *Machinery & equipment investment* and a 0.6% increase in *Engineering construction*.

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.

Public final demand

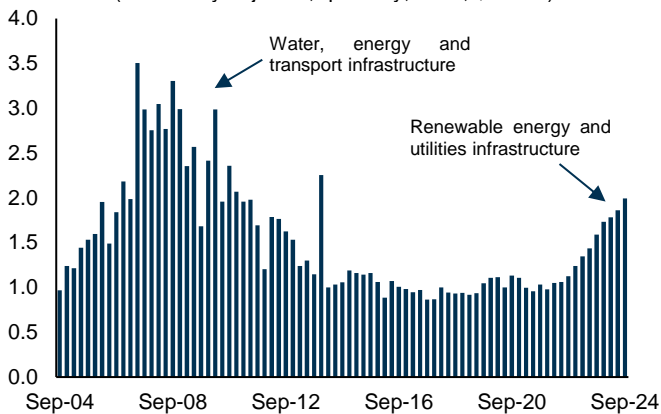
Public final demand (government spending) in Queensland continued to grow strongly, rising 3.7% in the September quarter and contributing 1.1 percentage points to growth in state final demand. Public sector spending has been a key driver of growth in domestic activity in recent quarters, up 7.2% over the year (contributing 2.1%-points of the 3.0% growth in state final demand).

General government consumption rose 2.6% in the quarter, driven with national (up 0.6%) and state & local (up 4.2%) consumption both growing strongly. The ABS noted the strength in state & local government consumption was due to state-based energy bill relief schemes being implemented in the quarter.

Meanwhile, public investment rose 8.0% in September quarter 2024, driven by strength in national public investment (up 17.4%), with state & local public investment growing more modestly (up 6.1%). Investment spending by state & local public corporations has risen sharply over the year (up 25.3%), 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.

Overseas trade

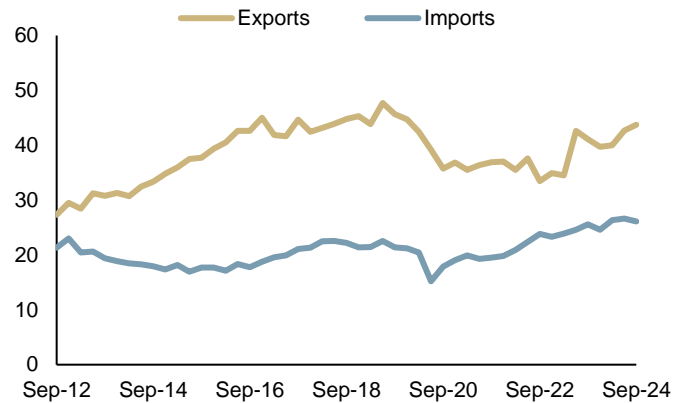
ABS Balance of Payments data (released 3 December) show Queensland's overseas exports of goods and services rose 2.4% in September quarter 2024 to be 6.4% higher over the year (Chart 6).

The quarterly rise was driven by a 3.3% increase in goods exports, while services exports fell 6.8%.

Overseas imports of goods and services fell 1.9% in September quarter 2024, with a decline in goods imports (down 4.3%) more than offsetting growth in services imports (up 5.1%). However, over the year imports were 2.1% 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 rise in exports and decline in imports means the overseas trade sector contributed to Queensland's gross state product growth in the September quarter.

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



Source: ABS Balance of Payments.