

ABS State Details, December quarter 2024

Source: ABS *Australian National Accounts* released 5 March 2025, 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 0.2% in December quarter 2024, to be 2.2% higher over the year (**Table 1**).
- By component, ongoing growth in *public final demand* more than offset a decline in *private investment*, while *household consumption* returned to growth as government energy rebates continue to be depleted.
- Annual growth in Queensland's domestic economy was broadly in line with the Australian average (2.1% **Table 2**).

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

	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
Private Final Demand	-0.2	-0.2	-0.2	-0.2
Household Consumption	0.6	0.7	0.3	0.4
Private Investment	-2.5	-2.8	-0.5	-0.5
Dwelling Investment	-0.7	1.4	0.0	0.1
New Dwellings	-1.1	-1.1	0.0	0.0
Alterations and Additions	-0.2	4.7	0.0	0.1
Ownership transfer costs	0.2	4.1	0.0	0.1
Business Investment	-3.8	-5.7	-0.4	-0.7
Machinery and Equipment	-5.4	-8.5	-0.2	-0.4
Engineering Construction	-2.1	-4.9	-0.1	-0.1
Non-Residential Construction	-8.3	-8.6	-0.2	-0.2
Public Final Demand	1.2	8.4	0.3	2.4
General Govt. Consumption	0.7	7.3	0.2	1.7
National	0.4	4.9	0.0	0.5
State and Local	0.9	9.1	0.1	1.2
General Govt. Investment	4.8	13.2	0.2	0.5
National	-9.2	19.8	-0.1	0.1
State and Local	8.5	11.8	0.3	0.4
Public Corporation Investment	-1.4	12.0	0.0	0.2
National	12.3	11.1	0.0	0.0
State and Local	-3.4	12.1	-0.1	0.2
State Final Demand (SFD)	0.2	2.2	0.2	2.2

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

	NSW	Vic.	Qld.	SA	WA	Tas.	Aust.	Aust GDP
Quarterly	0.6	0.6	0.2	-0.3	1.1	0.6	0.5	0.6
Annual	1.5	2.4	2.2	2.0	2.7	3.0	2.1	1.3

Source: ABS *National Accounts*.

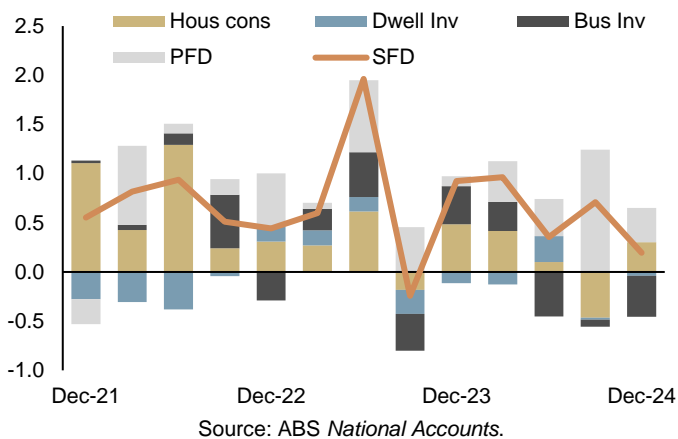
Detail

Queensland's state final demand (SFD) rose 0.2% in December quarter 2024, seeing annual growth moderate to 2.2% from 3.0% in the September quarter.

Ongoing growth in public final demand and a return to growth in household consumption drove the rise in overall SFD in the quarter. In contrast, private investment remains weak, with both dwelling and business investment falling in the quarter (**Chart 1**).

Annual growth in Queensland's domestic economy was broadly in line with the Australian average of 2.1%.

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



Household consumption

After falling 0.9% in the previous quarter, household consumption rose 0.6% in December quarter 2024. However, annual growth slowed to 0.7%.

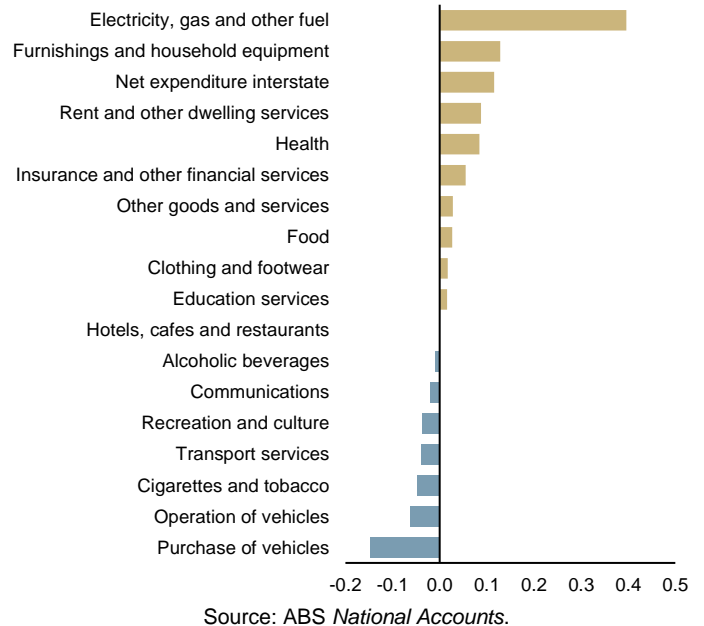
The main driver of the quarterly increase was a 115% rebound in *electricity, gas and other fuels* as some of the federal and state government electricity rebates were used up (spending remains around half of June quarter levels). Excluding this component, household spending rose 0.2% in the quarter. *Furnishings & household equipment* (up 2.5%) also contributed to the headline measure, which more than offset falls in *purchase of vehicles* (down 4.9%), *operation of vehicles* (down 1.3%) and *cigarettes and tobacco* (down 4.8%).

Queensland's household consumption deflator (a broad measure of inflation faced by households) was unchanged at 3.9% over the year to December quarter 2024. This was down from a peak of 7.5% two years earlier but remains above Brisbane's headline consumer price index growth of 1.8%.

Meanwhile, ongoing strong labour demand and solid wage rates saw *compensation of employees* rise 2.0% in the quarter to be 9.3% higher over the year.

Looking ahead, moderating inflationary pressures, ongoing impacts of national income tax cuts and lower lending rates are expected to support further growth in real household incomes and consequently consumption over the subsequent quarters.

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

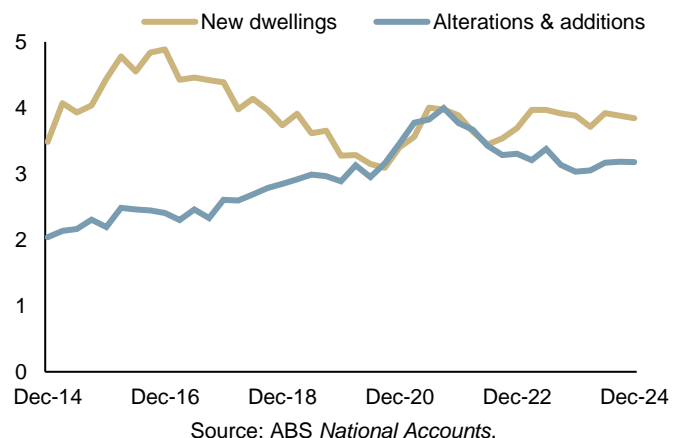


Dwelling investment

Dwelling investment fell 0.7% in the quarter but was 1.4% 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 fall was driven by declines in new dwellings (down 1.1%) and, to a lesser extent, alterations & additions (down 0.2%).

Chart 3: Dwelling investment by component, Queensland
(seasonally adjusted, CVM, \$ billions, quarterly)

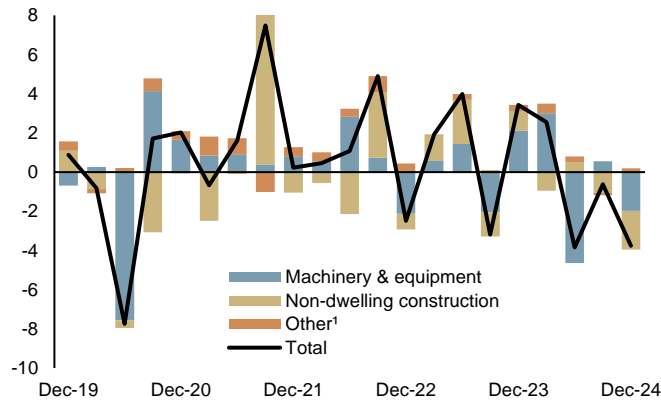


Business investment

Business investment fell for the third consecutive quarter (down 3.8% in the quarter and 5.7% lower over the year).

The decline was broadly based over most of the key components of business investment. Both *non-residential building* (down 8.3%) and *machinery and equipment* (down 5.4%) recorded significant declines as did investment in *cultivated biological resources* (down 2.8%). Only *intellectual property investment* (up 1.7%) recorded an improvement (**Chart 4**).

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



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

Public final demand

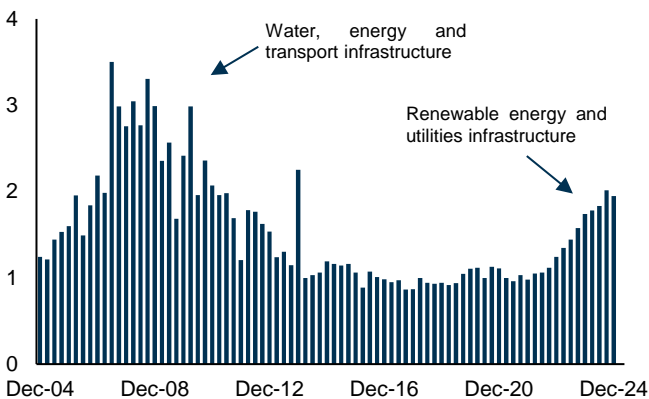
Public final demand (PFD, government spending) in Queensland continued to grow solidly, rising 1.2% in the December quarter and contributing 0.3 percentage point to quarterly growth in state final demand. Public sector spending (up 8.4% over the year) has been a key driver of growth in domestic activity, contributing 2.4%-points to annual growth in state final demand, more than offsetting weakness in private demand (which detracted 0.2%-point from growth).

General government spending drove the rise in PFD, with both the consumption and investment components contributing 0.2%-point each to quarterly SFD growth.

General government consumption rose 0.7% in the quarter, with national (up 0.4%) and state & local (up 0.9%) consumption both rising. Recent growth has been supported by energy bill relief. General government investment rose 4.8% in December quarter 2024, driven by an 8.5% gain in state & local investment which more than offset a 9.2% fall in national spending.

Public corporation investment fell 1.4% in December quarter 2024, driven by a decline in state & local investment (down 3.4%). However, investment spending by state & local public corporations remains elevated following strong gains in recent years as work on renewable energy and utilities projects was progressed (Chart 5).

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



Source: ABS National Accounts.

Overseas trade

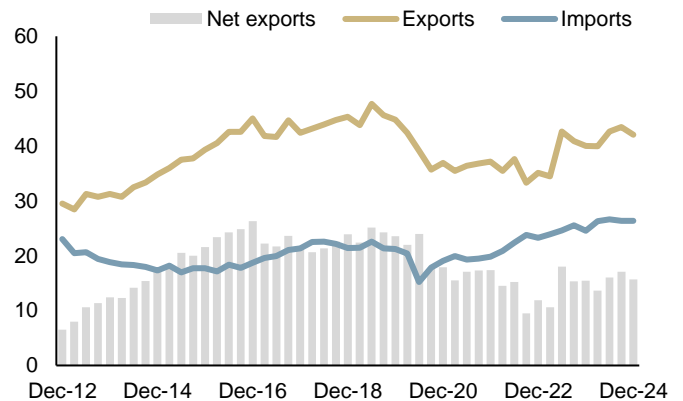
ABS Balance of Payments data (released 4 March) show Queensland's overseas exports of goods and services fell 3.1% in December quarter 2024 but were 5.2% higher over the year (Chart 6).

The quarterly fall was driven by a 3.6% decrease in goods exports following strong growth in prior quarters, while services exports rose 1.6% but have been broadly unchanged over the past seven quarters.

Overseas imports of goods and services rose marginally in December quarter 2024 (up 0.1%), with a decline in services imports (down 5.1%) more than offsetting growth in goods imports (up 2.1%). In annual terms, overseas imports were 7.5% 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 fall in exports and increase in imports means the overseas trade sector detracted from Queensland's gross state product growth in the December quarter.

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



Source: ABS Balance of Payments.