

# GROSS DOMESTIC PRODUCT & STATE FINAL DEMAND, DECEMBER QUARTER 2017

## Summary

In the December quarter 2017:

### Trend

- Australian Gross Domestic Product (GDP) rose 0.6% and was 2.6% higher than a year earlier in real trend terms.
- South Australian State Final Demand (SFD) rose 0.5% and was 3.9% higher than a year earlier in real trend terms.
- Australian Real Gross Domestic Income, which indicates the purchasing power of total incomes generated by Australian production, increased by 0.2% in trend terms.

### Seasonally Adjusted

- GDP rose by 0.4% in the December quarter following a rise of 0.7% in the September quarter and was 2.4% higher than a year earlier.
- South Australian State Final Demand (SFD) rose 0.8% and was 4.9% higher than a year earlier, in real seasonally adjusted terms.

## Further Analysis

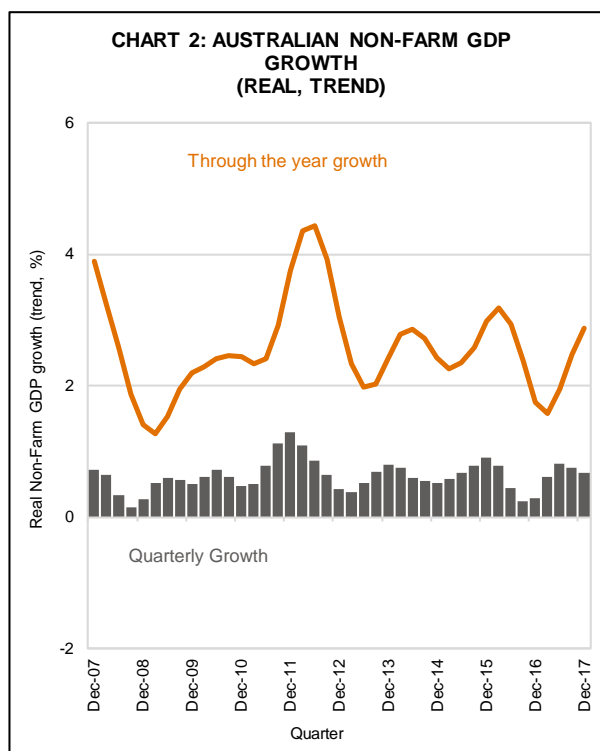
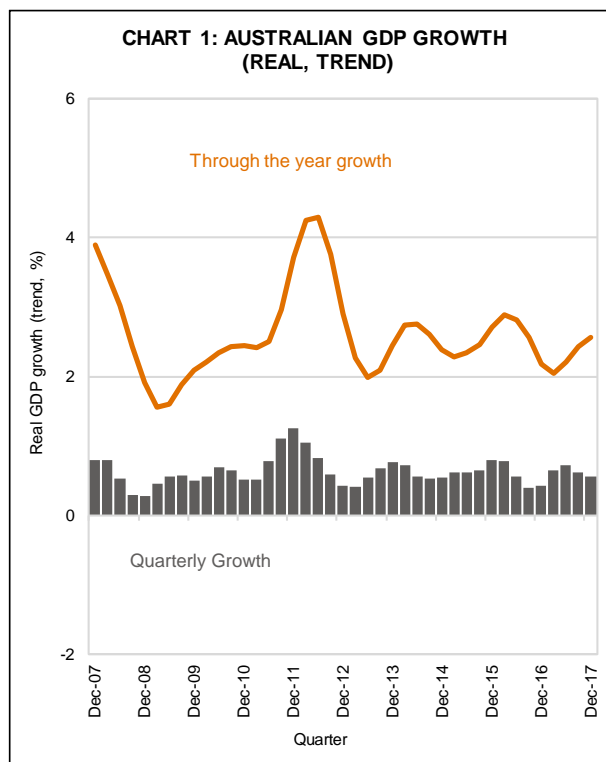
### Trend data

Australia's non-farm GDP rose by 0.7% in the December quarter to be 2.9% higher than a year ago (see Chart 2).

Farm GDP fell by 4.4% in the December quarter to be 9.4% lower than a year ago.

Australian Domestic Final Demand (DFD) rose by 0.8% in the December quarter 2017 to be 3.3% higher than a year ago (see Chart 3).

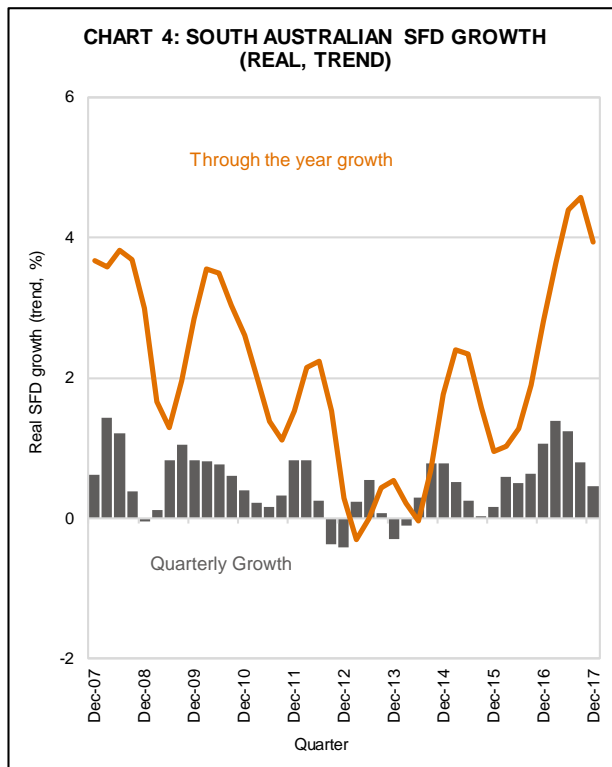
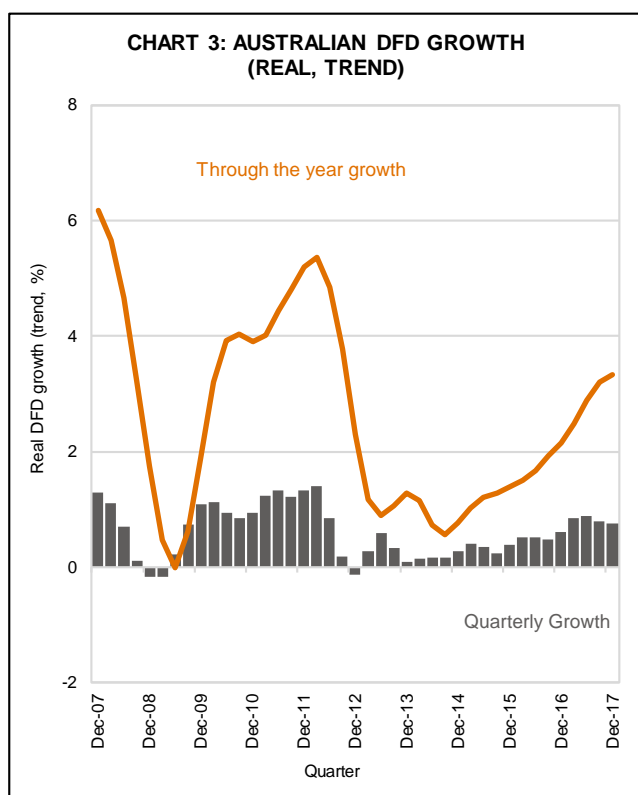
Nationally, household consumption spending and new business investment both rose by 0.8% in the December quarter, government consumption and public investment both rose by 0.7%, but dwelling investment fell 1.0%.



South Australian State Final Demand (SFD) rose by 0.5% during the December quarter 2017—see Chart 4.

In South Australia, during the December quarter, spending growth was recorded in public sector capital investment (up 3.0%), dwelling investment (up 2.0%), household consumption (up 0.7%) and public sector consumption (up 0.1%). A decline in spending was recorded in new private business investment (down 1.4%).

Among the states, SFD rose in the December quarter in New South Wales (up 0.9%), Victoria and Queensland (both up 0.7%), Western Australia (up 0.6%) and South Australia and Tasmania (both up 0.5%).



**Table 1: State Final Demand – Real, trend**

	Dec qtr 17 vs Sep qtr 17 (% change)	Dec qtr 17 vs Dec qtr 16 (% change)
NSW	0.9	3.2
VIC	0.7	4.4
QLD	0.7	2.9
<b>SA</b>	<b>0.5</b>	<b>3.9</b>
WA	0.6	2.1
TAS	0.5	3.6
<b>AUS (DFD)</b>	<b>0.8</b>	<b>3.3</b>



**Table 2: Expenditure Components of SFD/DFD and GDP – Real, Trend**

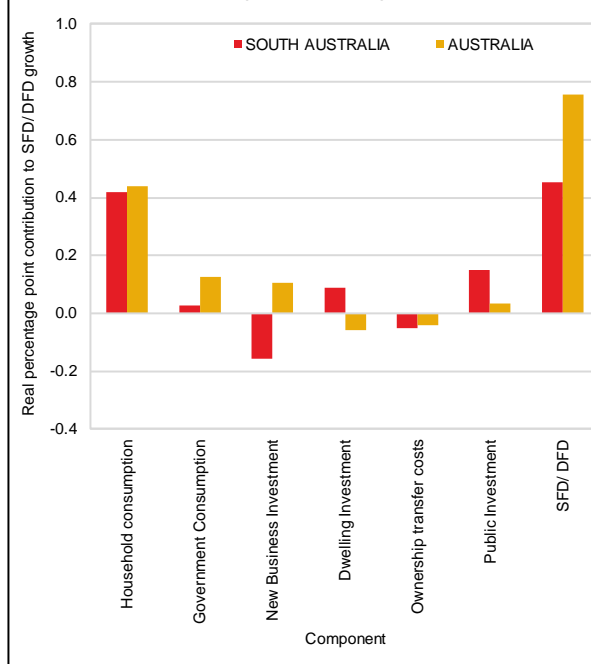
	Dec qtr 17 vs Sep qtr 17		Dec qtr 17 vs Dec qtr 16	
	(% change)		(% change)	
	SA	AUS	SA	AUS
Household Consumption	0.7	0.8	2.7	2.9
Government Consumption	0.1	0.7	4.1	3.5
New Business Investment	-1.4	0.8	6.7	6.5
Dwelling Investment	2.0	-1.0	5.0	-4.1
Ownership Transfer Costs	-3.6	-2.3	-4.3	1.0
Public Investment	3.0	0.7	17.9	8.5
SFD/ DFD	0.5	0.8	3.9	3.3
Exports*	np	0.4	np	3.4
Imports*	np	1.1	np	6.5
GDP	np	0.6	np	2.6

\*National data is for goods and services. State data is no longer published in this release.

7 March 2018

Next release of ABS Cat No 5206.0 is 6 June 2018

**CHART 5: QUARTERLY PERCENTAGE POINT CONTRIBUTIONS TO SFD/ DFD GROWTH (REAL, TREND)**



#### Explanatory Notes

Gross Domestic Product (GDP) is the total market value of goods and services produced in Australia within a given period. The state by state breakdown of this figure is Gross State Product (GSP), however estimates of GSP growth are only published annually.

The main quarterly measure of state economic activity is State Final Demand (SFD), which is an estimate of the level of spending in the local economy by private and public sectors. Spending is reported on the consumption of goods and services, and capital investment.

Spending (DFD/SFD) is not the same as production (GDP/GSP). DFD/SFD for example, includes spending by households and businesses on imports, which are not produced (and do not create jobs) in Australia/South Australia. SFD/DFD does not include exports, which do get produced and create jobs in the State/nation.

Real Gross Domestic Income measures the purchasing power of the production (GDP) occurring in Australia. It takes into account the impacts of changes in Australia's terms of trade. GDP only measures the volume of goods and services produced, mined and farmed in Australia. If prices are rising for our exports this will lift our incomes. Real GDP does not measure this, but real GDI does.

