

GROSS DOMESTIC PRODUCT & STATE FINAL DEMAND, JUNE QUARTER 2017

Summary

In the June quarter 2017:

Trend

- Australian Gross Domestic Product (GDP) rose 0.7% and was 2.1% higher than a year earlier in real trend terms.
- South Australian State Final Demand (SFD) rose 1.3% and was 4.0% 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 1.0% in trend terms.

Seasonally Adjusted

- GDP rose by 0.8% in the June quarter following a rise of 0.3% in the March quarter and was 1.8% higher than a year earlier.
- South Australian State Final Demand (SFD) rose 1.7% and was 4.0% higher than a year earlier, in real seasonally adjusted terms.

Further Analysis

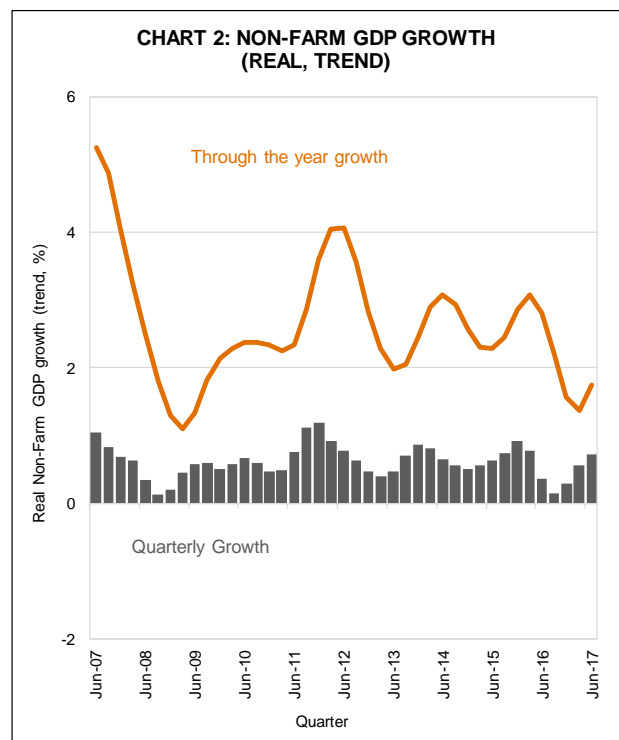
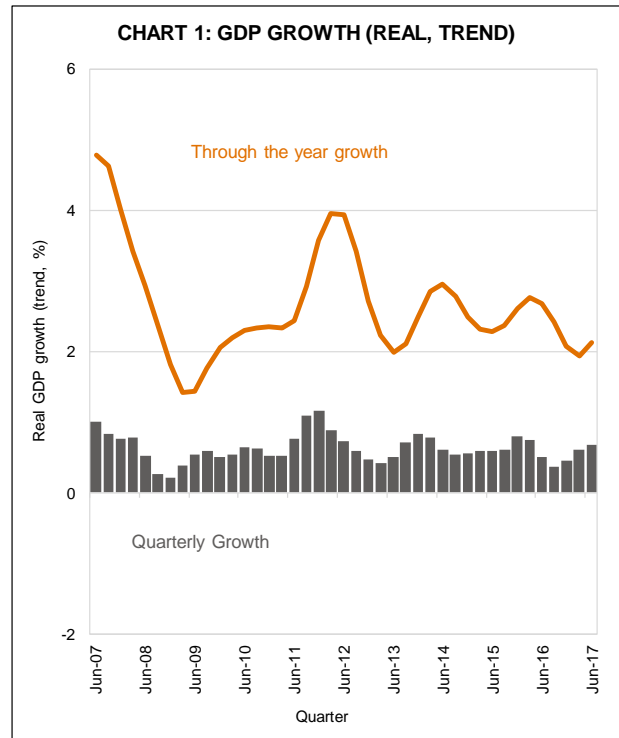
Trend data

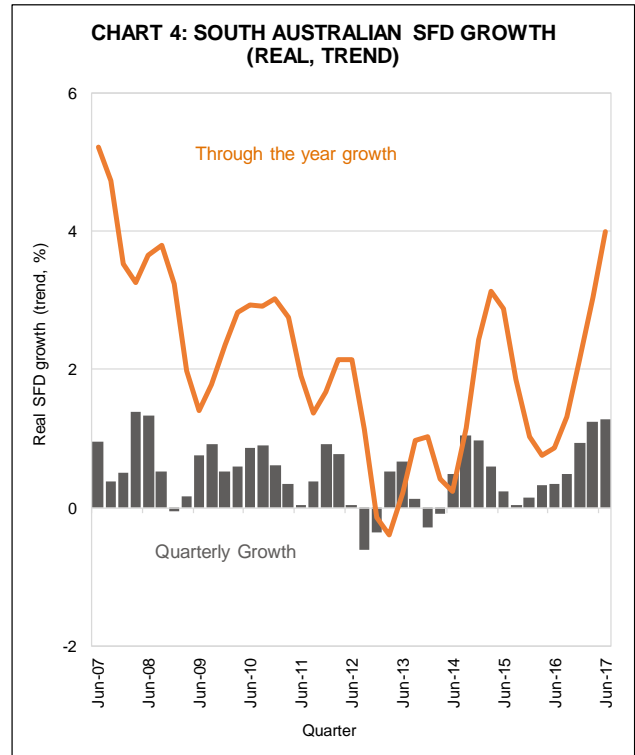
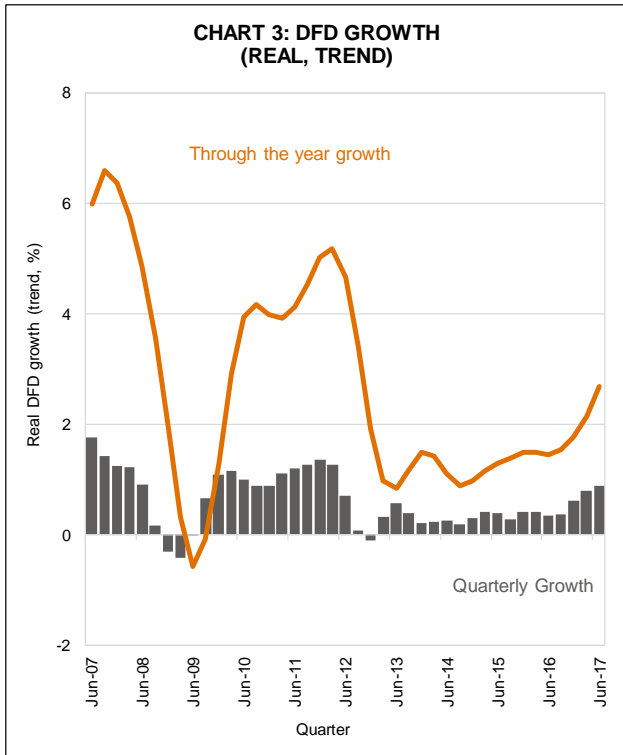
Australia's non-farm GDP rose by 0.7% in the June quarter to be 1.7% higher than a year ago (see Chart 2).

Farm GDP fell by 0.2% in the June quarter but was 23% higher a year ago.

Australian Domestic Final Demand (DFD) rose by 0.9% in the June quarter 2017 to be 2.7% higher than a year ago (see Chart 3).

Nationally, household consumption spending rose by 0.7% in the June quarter, government consumption spending rose by 0.8%, new business investment rose by 1.7%, public investment rose by 3.2% but dwelling investment fell 1.1%.





South Australian State Final Demand (SFD) rose by 1.3% during the June quarter 2017—see Chart 4.

In South Australia, during the June quarter, spending growth was recorded in household and public sector consumption (both up 0.6%), public sector capital investment (up 7.8%) and new private business investment (up 3.2%). A decline in spending was recorded for dwelling investment (down 0.5%).

Among the states, SFD rose in the June quarter in Victoria (up 1.5%), South Australia (up 1.3%), Tasmania (up 1.0%), and New South Wales and Queensland (both up 0.7%). SFD was unchanged in Western Australia in the quarter.

Table 1: State Final Demand – Real, trend

	Jun qtr 17 vs Mar qtr 17 (% change)	Jun qtr 17 vs Jun qtr 16 (% change)
NSW	0.7	2.4
VIC	1.5	5.2
QLD	0.7	2.7
SA	1.3	4.0
WA	0.0	-3.8
TAS	1.0	3.2
AUS (DFD)	0.9	2.7



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

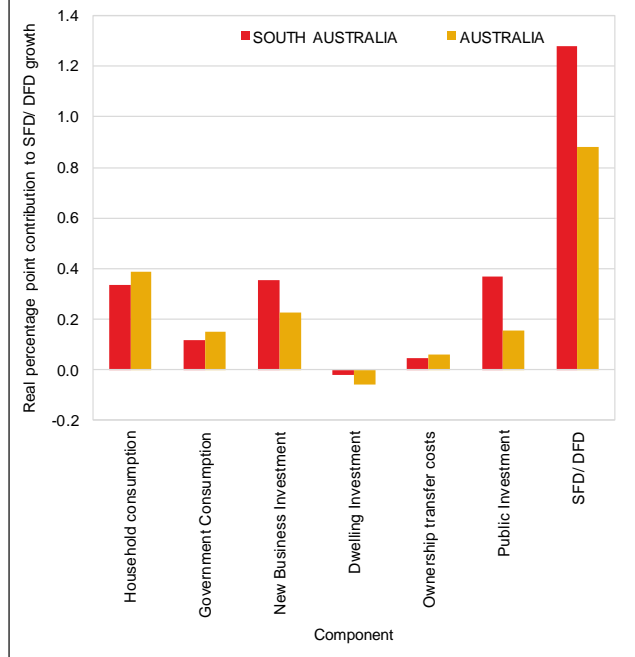
	Jun qtr 17 vs Mar qtr 17 (% change)		Jun qtr 17 vs Jun qtr 16 (% change)	
	SA	AUS	SA	AUS
Household Consumption	0.6	0.7	2.4	2.6
Government Consumption	0.6	0.8	1.1	2.7
New Business Investment	3.2	1.7	11.1	2.2
Dwelling Investment	-0.5	-1.1	-0.3	-2.3
Ownership Transfer Costs	2.9	3.5	0.7	9.1
Public Investment	7.8	3.2	25.2	10.8
SFD/ DFD	1.3	0.9	4.0	2.7
Exports*	np	0.6	np	3.6
Imports*	np	1.6	np	7.0
GDP	np	0.7	np	2.1

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

6 September 2017

Next release of ABS Cat No 5206.0 is 6 December 2017

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

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.

