

# GROSS DOMESTIC PRODUCT & STATE FINAL DEMAND, DECEMBER QUARTER 2016

## Summary

In the December quarter 2016:

### Trend

- Australian Gross Domestic Product (GDP) rose 0.3% and was 1.9% higher than a year earlier in real terms.
- South Australian State Final Demand (SFD) rose 0.4% and was 1.8% higher than a year earlier in real terms.
- Australian Real Gross Domestic Income, which indicates the purchasing power of total incomes generated by Australian production, increased by 1.5% in real terms.

### Seasonally adjusted

- GDP rose by 1.1% in the December quarter following a fall of 0.5% in the September quarter and was 2.4% higher than a year earlier.
- South Australian State Final Demand (SFD) rose 0.9% and was 2.1% higher than a year earlier, in real seasonally adjusted terms.

## Further Analysis

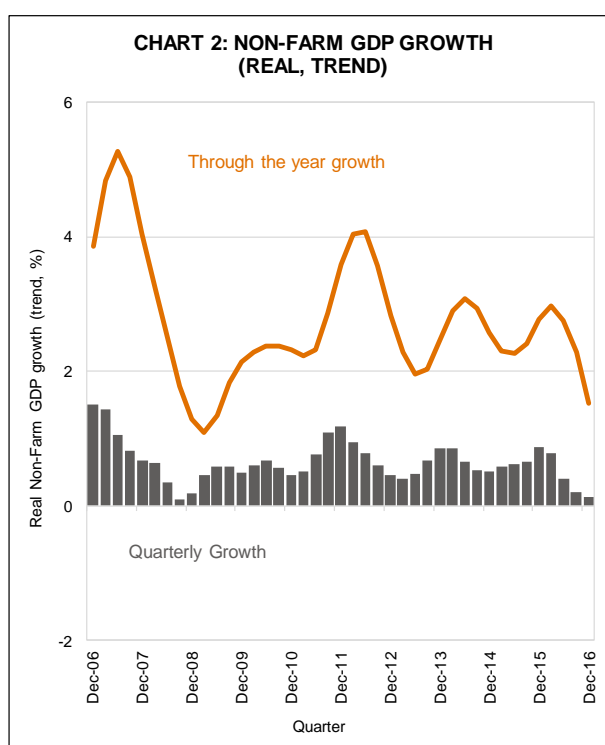
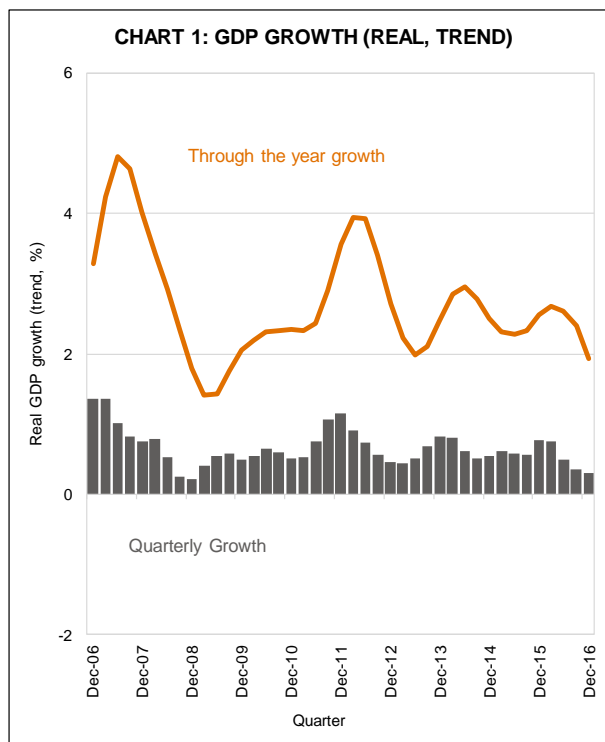
### Trend data

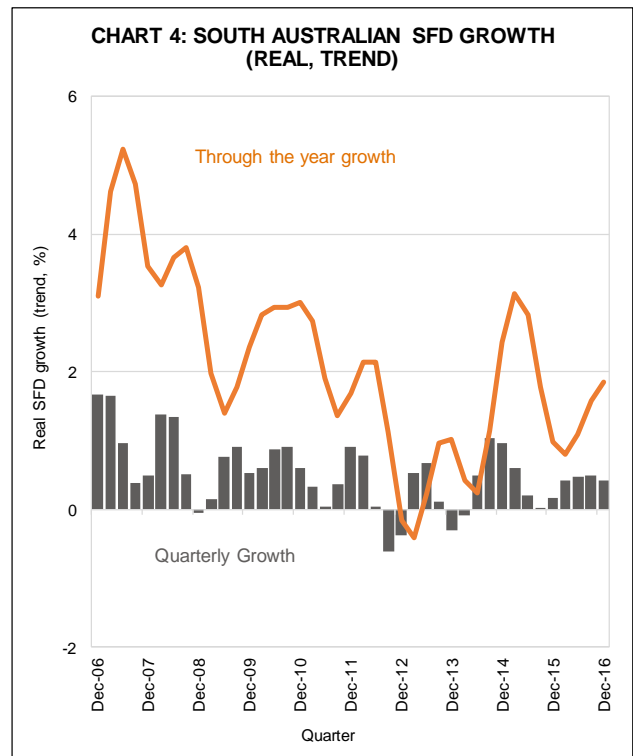
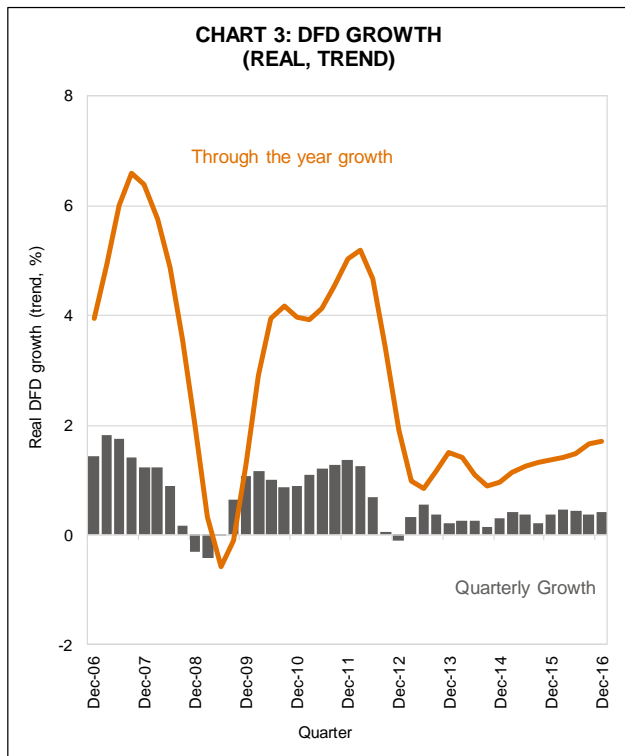
Australia's non-farm GDP rose by 0.1% in the December quarter to be 1.5% higher than a year ago (see Chart 2).

Farm GDP rose by 8.2% in the December quarter to be 23% higher a year ago.

Australian Domestic Final Demand (DFD) rose by 0.4% in the December quarter 2016 to be 1.7% higher than a year ago (see Chart 3).

Nationally, household consumption spending rose by 0.6% in the December quarter, government consumption rose by 0.4%, dwelling investment rose 0.1%, public investment rose by 1.4% but new business investment fell by 1.1%.





South Australian State Final Demand (SFD) rose by 0.4% during the December quarter 2016—see Chart 4.

In South Australia, during the December quarter, spending growth was recorded in public sector capital investment (up 2.4%), household consumption (up 0.6%) and new private business investment (up 0.2%). A decline in spending was recorded in dwelling investment (down 0.4%) and public sector consumption (down 0.2%).

Among the states, SFD rose in the December quarter in Victoria (up 0.8%), New South Wales and Tasmania (both up 0.6%), Queensland (up 0.5%) and South Australia (up 0.4%) but fell in Western Australia (down 2.1%).

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

	Dec qtr 16 vs Sep qtr 16 (% change)	Dec qtr 16 vs Dec qtr 15 (% change)
NSW	0.6	4.0
VIC	0.8	3.1
QLD	0.5	1.6
<b>SA</b>	<b>0.4</b>	<b>1.8</b>
WA	-2.1	-9.2
TAS	0.6	2.3
<b>AUS (DFD)</b>	<b>0.4</b>	<b>1.7</b>



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

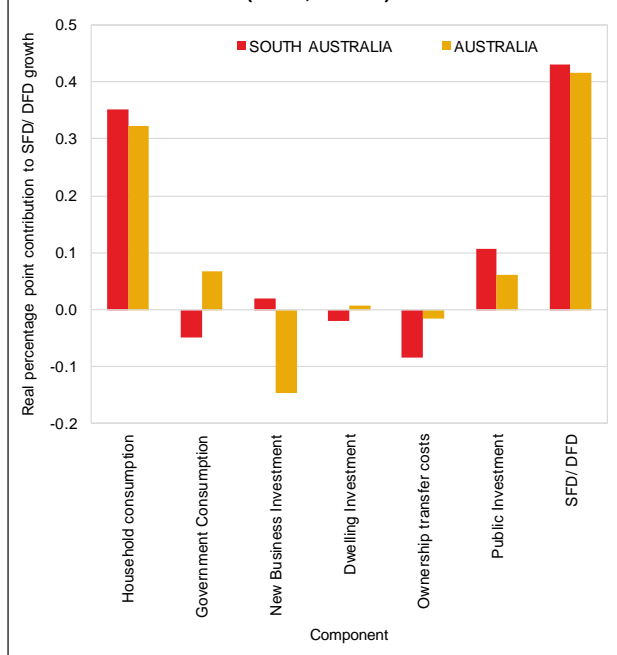
	Dec qtr 16 vs Sep qtr 16		Dec qtr 16 vs Dec qtr 15	
	(% change)		(% change)	
	SA	AUS	SA	AUS
Household Consumption	0.6	0.6	2.8	2.4
Government Consumption	-0.2	0.4	2.1	3.5
New Business Investment	0.2	-1.1	-9.3	-6.9
Dwelling Investment	-0.4	0.1	2.9	4.6
Ownership Transfer Costs	-5.4	-1.0	-5.1	-5.1
Public Investment	2.4	1.4	26.3	10.9
SFD/ DFD	0.4	0.4	1.8	1.7
Exports*	np	1.3	np	7.5
Imports*	np	1.7	np	4.1
GDP	np	0.3	np	1.9

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

1 March 2017

Next release of ABS Cat No 5206.0 is 7 June 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.

