

State Final Demand – December Quarter 2023

ABS Release: Australian National Accounts: National Income, Expenditure and Product



Publication Release Date: 6 March 2024 | Next Release Date: 5 June 2024

State Final Demand increased by 1.1 per cent in the December quarter 2023.

The ACT's **State Final Demand (SFD)** increased by 1.1 per cent in the **December quarter 2023**, following a 0.2 per cent increase in the September quarter 2023, to be 2.2 per cent higher through the year in seasonally adjusted terms. The quarterly increase was driven by increases in government consumption and private total demand, but partially offset by public investment.

Household consumption increased 0.3 per cent in the December quarter 2023, with strength in purchase of transport services (3.3 per cent), operation of vehicles (1.9 per cent) and health (1.4 per cent), but partially offset by the weakness in purchase of vehicles (-5.8 per cent) and hotels, cafes and restaurants (-1.5 per cent). Private investment increased by 15.3 per cent during the same period, following a decrease in September quarter 2023 by 6.1 per cent, largely driven by the increase in non-dwelling construction (55.9 per cent), machinery and equipment (35.0 per cent) and business investment (29.6 per cent).

Public sector activity fell in this quarter in the ACT's SFD, driven by a decrease in public investment but partially offset by consumption. Public investment decreased by 8.1 per cent in the December quarter 2023, led by a fall in ACT Government investment (-30.0 per cent), but partially offset by the National General Government (2.7 per cent) with increase on office buildings and machinery and equipment. Public consumption rose 0.3 per cent in the December quarter 2023, driven by national government (0.8 per cent) with additional employees hired across various departments.

Nationally, GDP increased by 0.2 per cent in the December quarter 2023, following a 0.3 per cent increase in the September quarter 2023. This also equated to 1.5 per cent through the year growth in seasonally adjusted terms. Growth was driven by government spending on social benefits to households and private business investment led by work on data centres and warehouses.

Household consumption rose marginally by 0.1 per cent in December quarter 2023, to 0.1 per cent higher through the year. The slowdown in household demand reflects ongoing cost of living pressures and substitution away from discretionary towards essential consumption categories. The household saving ratio increased from revised 1.9 per cent in the September quarter to 3.2 per cent the December quarter 2023 and has returned to the 3 per cent growth range seen since the December 2022 quarter. Saving rose in the December quarter due to a rise in gross income and a fall in income payable. Compensation of employees, social assistance benefits, and interest received drove growth in income receivable, while income payable declined through a fall in income tax paid by households.

Key Measures, Chain Volume Measures^{1(a)}, Seasonally Adjusted, December Quarter 2023

	Value (\$m)	Change (%)	
		Quarterly	Tty ²
ACT			
State Final Demand (SFD)	16,713	1.1	2.2
Australia			
Domestic Final Demand (DFD)	576,654	0.1	2.3
Gross Domestic Product	609,750	0.2	1.5

Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product ; (a) Reference year for chain volume measures is 2021-22.

¹ **Chain volume measures** reflect changes in value after the direct effects of price changes have been eliminated and hence measure only volume changes.

² Through the year growth is the percentage change from the same period in the previous year.

Components of ACT SFD, Chain Volume Measures (a), Seasonally Adjusted, December Quarter 2023

	Value (\$m)	Share of Quarterly SFD (%)	Change (%)		Contribution to Growth (ppts)	
			Quarterly	Through the year	Quarterly	Through the year
Public Final Demand	9,324	55.8	-0.7	1.9	-0.4	1.0
Public Consumption	8,249	49.4	0.3	0.3	0.2	0.1
Public Investment	1,075	6.4	-8.1	15.8	-0.6	0.9
Private Final Demand	7,389	44.2	3.4	2.5	1.5	1.1
Private Consumption	5,689	34.0	0.3	1.4	0.1	0.5
Private Investment	1,700	10.2	15.3	6.5	1.4	0.6
State Final Demand	16,713	100.0	1.1	2.2	1.1	2.2

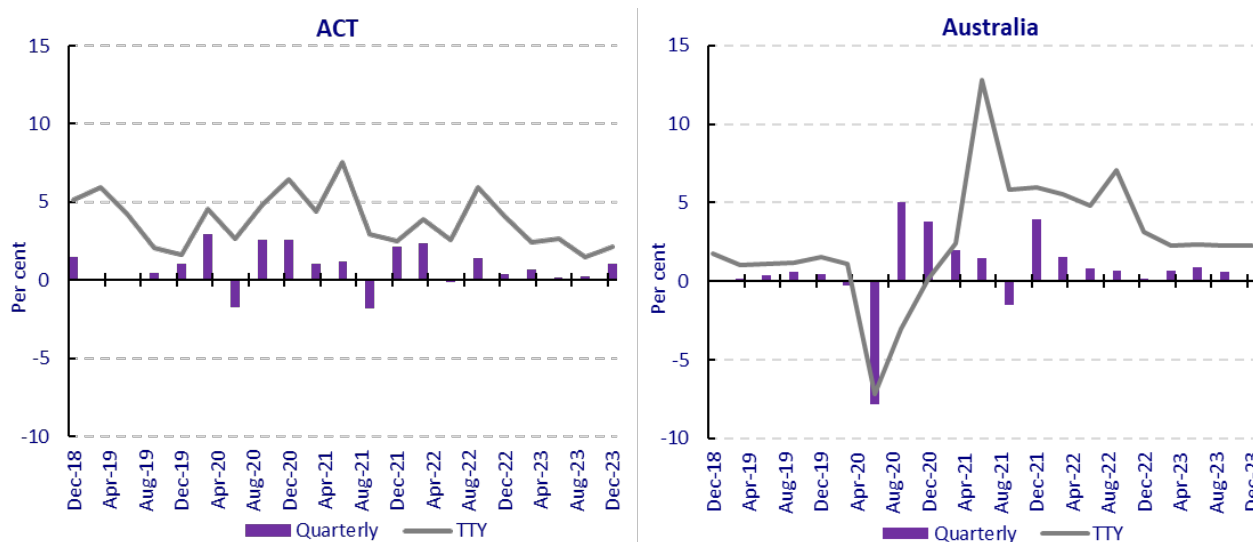
Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22.
Note: Estimates may not add due to rounding.

SFD by States and Territories, Chain Volume Measures (a), Seasonally Adjusted, December Quarter 2023

State/Territory	Value (\$m)	Change (%)	
		Quarterly	Through the year
New South Wales	180,578	-0.4	1.4
Victoria	145,928	0.0	2.1
Queensland	110,965	0.6	2.3
South Australia	36,480	-0.4	1.6
Western Australia	67,141	0.8	5.5
Tasmania	11,101	0.0	1.8
Northern Territory	7,695	3.0	3.6
Australian Capital Territory	16,713	1.1	2.2
Australia(b)	576,654	0.1	2.3

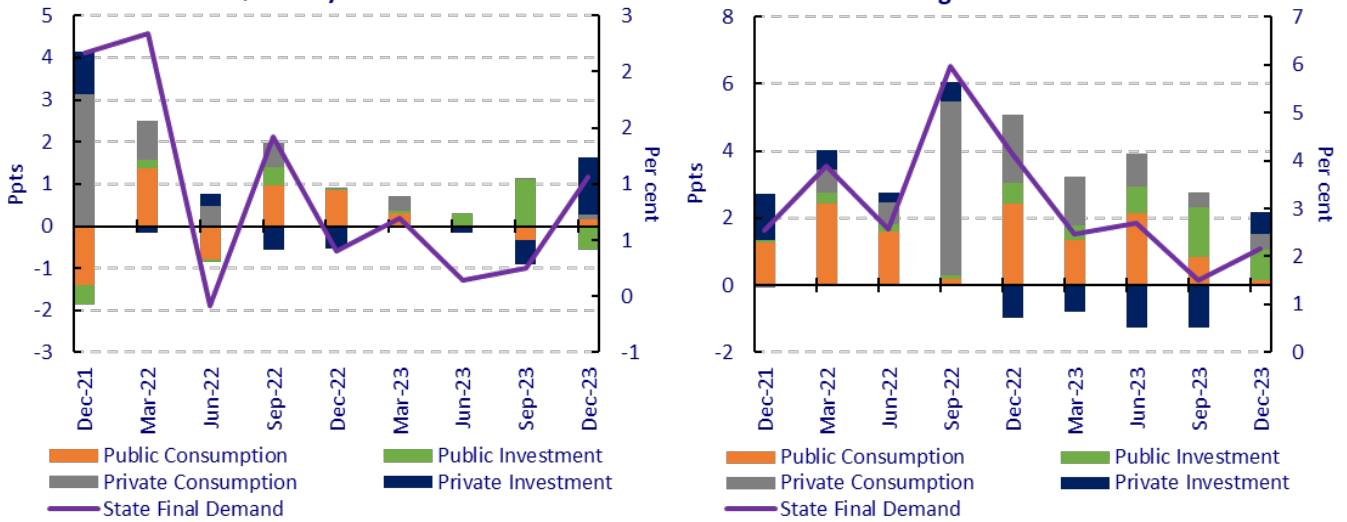
Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22;
(b) Domestic Final Demand (DFD)

Growth in ACT SFD and Australia DFD, Chain Volume Measures (a), Seasonally Adjusted



Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22.

Contribution to Growth in ACT SFD, Chain Volume Measures (a), Seasonally Adjusted
Quarterly Growth **Through The Year Growth**



Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22.

Growth in SFD by States and Territories, Chain Volume Measures (a), Seasonally Adjusted,
December Quarter 2023



Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22.

Detailed Components of ACT SFD, Chain Volume Measures (a), Seasonally Adjusted, December Quarter 2023

	Dec Qtr 2023 Value (\$m)	Share of quarterly SFD (%)	Change (%)		Contribution to Growth (ppts)	
			Quarterly	Through the year	Quarterly	Through the year
Private consumption	5,689	34.0	0.3	1.4	0.1	0.5
Food	581	3.5	0.2	4.1	0.0	0.1
Cigarettes and tobacco	30	0.2	-6.3	-16.7	0.0	0.0
Alcoholic beverages	98	0.6	-1.0	-1.0	0.0	0.0
Clothing and footwear	157	0.9	1.3	0.0	0.0	0.0
Rent and other dwelling services	1,338	8.0	0.3	1.5	0.0	0.1
Electricity, gas and other fuel	62	0.4	0.0	-11.4	0.0	0.0
Furnishings and household equipment	249	1.5	0.0	-0.8	0.0	0.0
Health	362	2.2	1.4	4.6	0.0	0.1
Purchase of vehicles	167	1.0	-6.2	12.1	-0.1	0.1
Operation of vehicles	323	1.9	1.9	0.0	0.0	0.0
Transport services	156	0.9	3.3	13.0	0.0	0.1
Communications	113	0.7	0.9	1.8	0.0	0.0
Recreation and culture	491	2.9	1.0	-1.4	0.0	0.0
Education services	228	1.4	0.9	2.7	0.0	0.0
Hotels, cafes and restaurants	546	3.3	-1.4	0.9	0.0	0.0
Insurance and other financial services	410	2.5	0.5	1.5	0.0	0.0
Other goods and services	416	2.5	1.0	-2.6	0.0	-0.1
Net expenditure interstate	-36	-0.2	-14.3	-10.0	0.0	0.0
Private investment	1,700	10.2	15.3	6.5	1.4	0.6
Dwellings - Total	579	3.5	1.0	-8.4	0.0	-0.3
<i>Dwellings - New and Used</i>	438	2.6	5.0	-5.0	0.1	-0.1
<i>Dwellings - Alterations and additions</i>	142	0.8	-9.0	-17.4	-0.1	-0.2
Ownership transfer costs	144	0.9	-2.7	-13.3	0.0	-0.1
Business investment*	976	5.8	29.6	22.3	1.3	1.1
Non-dwelling construction - Total	452	2.7	55.9	29.9	1.0	0.6
<i>Non-dwelling construction - New building</i>	0	0.0	-	-100.0	0.0	-1.2
<i>Non-dwelling construction - New engineering construction</i>	0	0.0	-	-100.0	0.0	-0.9
<i>Non-dwelling construction - Net purchase of second hand assets</i>	0	0.0	-	-	0.0	0.0
Machinery and equipment - Total	212	1.3	35.0	27.7	0.3	0.3
<i>Machinery and equipment - New</i>	0	0.0	-	-100.0	0.0	-1.2
<i>Machinery and equipment - Net purchase of second hand assets</i>	0	0.0	-	-100.0	0.0	0.2
Cultivated biological resources	0	0.0	-	-	0.0	0.0
Intellectual property products	312	1.9	2.0	9.9	0.0	0.2
Private Final Demand	7,389	44.2	3.4	2.5	1.5	1.1
Public consumption	8,249	49.4	0.3	0.3	0.2	0.1
National Government consumption	6,836	40.9	0.8	-0.6	0.3	-0.2
ACT Government consumption	1,413	8.5	-2.0	4.7	-0.2	0.4
Public investment	1,075	6.4	-8.1	15.8	-0.6	0.9
Public corporations	93	0.6	-1.1	50.0	0.0	0.2
<i>Commonwealth Government Public corporations</i>	34	0.2	3.0	25.9	0.0	0.0
<i>ACT Government Public corporations</i>	59	0.4	-3.3	68.6	0.0	0.1
General government investment	982	5.9	-8.7	13.4	-0.6	0.7
<i>National Government investment</i>	721	4.3	2.7	10.8	0.1	0.4
<i>ACT Government investment</i>	262	1.6	-30.0	21.9	-0.7	0.3
Public Final Demand	9,324	55.8	-0.7	1.9	-0.4	1.0
State Final Demand	16,713	100.0	1.1	2.2	1.1	2.2

Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22.

Notes: Estimates may not add due to rounding.

***Business investment** is a component of private investment, which is the sum of non-dwelling construction, machinery and equipment, cultivated biological resources, and intellectual property products.

**Detailed Components of ACT SFD, Chain Volume Measures (a), Seasonally Adjusted,
Annual Value (the sum values of four quarters to the December Quarter 2023)**

	Annual** (\$m)	Share of SFD (%)	Change*** (%)	Contribution to Change (ppts)
Private consumption	22,694	34.3	2.5	0.8
Food	2,307	3.5	4.1	0.1
Cigarettes and tobacco	133	0.2	-12.5	0.0
Alcoholic beverages	398	0.6	-1.5	0.0
Clothing and footwear	622	0.9	-2.8	0.0
Rent and other dwelling services	5,324	8.0	1.5	0.1
Electricity, gas and other fuel	257	0.4	-5.5	0.0
Furnishings and household equipment	997	1.5	-6.0	-0.1
Health	1,430	2.2	6.5	0.1
Purchase of vehicles	652	1.0	15.6	0.1
Operation of vehicles	1,287	1.9	2.0	0.0
Transport services	605	0.9	30.1	0.2
Communications	450	0.7	2.3	0.0
Recreation and culture	1,975	3.0	-2.9	-0.1
Education services	902	1.4	2.4	0.0
Hotels, cafes and restaurants	2,210	3.3	7.5	0.2
Insurance and other financial services	1,629	2.5	0.7	0.0
Other goods and services	1,670	2.5	-0.4	0.0
Net expenditure interstate	-155	-0.2	-1.9	0.0
Private Investment	6,339	9.6	-6.4	-0.7
Dwellings - Total	2,295	3.5	-11.8	-0.5
<i>Dwellings - New and Used</i>	1,694	2.6	-10.9	-0.3
<i>Dwellings - Alterations and additions</i>	602	0.9	-14.1	-0.2
Ownership transfer costs	599	0.9	-15.9	-0.2
Business investment*	3,445	5.2	-0.4	0.0
Non-dwelling construction - Total	1,522	2.3	-0.7	0.0
<i>Non-dwelling construction - New building</i>	457	0.7	-54.1	-0.8
<i>Non-dwelling construction - New engineering construction</i>	310	0.5	-40.5	-0.3
<i>Non-dwelling construction - Net purchase of second hand assets</i>	13	0.0	-23.5	0.0
Machinery and equipment - Total	712	1.1	-17.8	-0.2
<i>Machinery and equipment - New</i>	383	0.6	-60.2	-0.9
<i>Machinery and equipment - Net purchase of second hand assets</i>	-40	-0.1	-58.8	0.1
Cultivated biological resources	0	0	-	0.0
Intellectual property products	1,211	1.8	14.0	0.2
Private Final Demand	29,033	43.8	0.4	0.2
Public consumption	33,019	49.9	2.2	1.1
National Government consumption	27,402	41.4	1.9	0.8
ACT Government consumption	5,617	8.5	3.7	0.3
Public investment	4,168	6.3	16.5	0.9
Public corporations	324	0.5	51.4	0.2
<i>Commonwealth Government Public corporations</i>	115	0.2	25.0	0.0
<i>ACT Government Public corporations</i>	210	0.3	72.1	0.1
General government investment	3,844	5.8	14.2	0.7
<i>National Government investment</i>	2,727	4.1	7.2	0.3
<i>ACT Government investment</i>	1,119	1.7	36.0	0.5
Public Final Demand	37,187	56.2	3.7	2.0
State Final Demand	66,221	100.0	2.2	2.2

Source: ABS Release: Australian National Accounts: National Income, Expenditure and Product; (a) Reference year for chain volume measures is 2021-22.

Notes: Estimates may not add due to rounding.

***Business investment** is a component of private investment, which is the sum of non-dwelling construction, machinery and equipment, cultivated biological resources, and intellectual property products.

** Annual value is the sum of the relevant component for four quarters to the December quarter 2023.

*** Year-average basis. This is the percentage change of the sum of the relevant component from the March quarter 2022 to the December quarter 2022, compared with the sum of the same component from the March quarter 2023 to the December quarter 2023.