

SUMMARY

During 2022-23:

- South Australia's **gross state product** (GSP) rose 3.8% in **chain volume** (real) terms (nationally, gross domestic product (GDP) rose 3.0%).
- This followed GSP growth of 5.6% in the previous financial year (4.3% nationally).
- The non-farm economy grew by 3.6% in South Australia (nationally, non-farm GDP grew by 3.0%).

FURTHER ANALYSIS

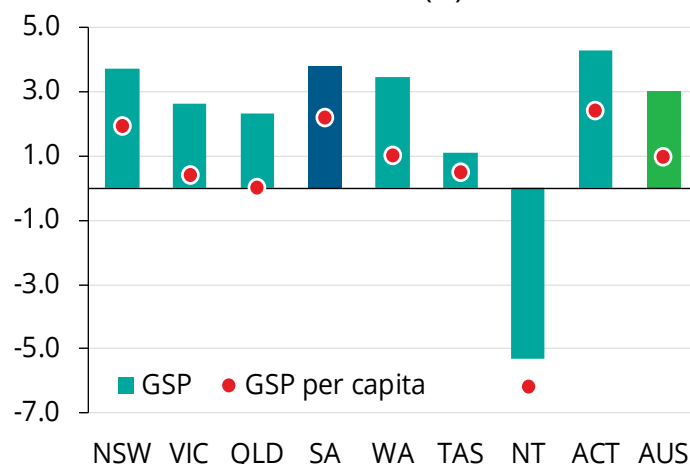
GSP (and national GDP) measures the total value of production in an economy. It is derived in 3 ways:

- summing all **final expenditure** in the economy – GSP(E);
- summing the **value added** in production – GSP(P); or
- summing all **incomes** generated – GSP(I).

South Australia's GSP rose 3.8% in real terms in 2022-23, the second highest rate of growth of the states and territories (behind the Australian Capital Territory).

In **per capita** terms, South Australia's GSP rose 2.2% in 2022-23, the second highest rate of growth in GSP per capita of the states and territories (also behind the Australian Capital Territory)–see Chart 1.

Chart 1: Real GSP and GSP per capita growth between 2021-22 and 2022-23 (%)



EXPENDITURE COMPONENTS OF GSP – GSP(E)

Using the expenditure method, the major components of GSP are the same as for state final demand (spending within the state) – while GSP also includes net interstate and overseas exports and changes in inventories (stocks).

State final demand (SFD) in South Australia grew by 2.8% in 2022-23 – see Table 1.

Expenditure components that contributed the most to South Australia's GSP growth in 2022-23 include:

- Household final consumption expenditure, up 4.6% or \$3,436m (nationally up 5.1%);
- Overseas goods exports, up 16% or \$2,355m (nationally up 2.0%); and
- **Private new business investment**, up 10% or \$1,656m (nationally up 6.4%).

Table 1: Real growth in GSP/GDP expenditure components between 2021-22 and 2022-23 (%)

| | South Australia | Australia |
|--|-----------------|------------|
| Household final consumption expenditure | 4.6 | 5.1 |
| Private new business investment | 10.0 | 6.4 |
| Dwelling investment | -5.4 | -4.0 |
| Government final consumption expenditure | 0.7 | 1.7 |
| Government investment | -8.9 | 5.7 |
| State Final Demand/ Domestic Final Demand | 2.8 | 3.5 |
| Overseas exports of goods | 15.5 | 2.0 |
| Overseas exports of services | 39.7 | 45.6 |
| Overseas imports of goods | 6.0 | 4.2 |
| Overseas imports of services | 58.3 | 36.8 |
| GSP/GDP | 3.8 | 3.0 |

GSP BREAKDOWN BY INDUSTRY PRODUCTION – GSP(P)

Using the production method, GSP is broken down to the level of gross value added (GVA) by each industry.

In South Australia, total industry GVA grew 4.1% in real terms in 2022-23 (compared to national growth of 3.4%) – see Table 2.

In South Australia, the industries recording the strongest real GVA growth in 2022-23 include:

- Accommodation and food services (up 17%);
- Arts and recreation services (up 16%);
- Mining (up 14%); and
- Information media and telecommunications (up 10%).

Meanwhile, the South Australian industries recording the weakest real GVA growth in 2022-23 include:

- Retail trade (up 0.5%);
- Public administration and safety (up 0.7%);
- Rental, hiring and real estate services (up 0.9%); and
- Electricity, gas, water and waste services (up 1.1%).

Table 2: Real industry GVA, 2022-23

| | South Australia | | Australia |
|---|------------------------|-------------------|-------------------|
| | Industry GVA (\$m) | Annual growth (%) | Annual growth (%) |
| Agriculture, forestry and fishing | 7,782 | 7.0 | 3.2 |
| Mining | 6,171 | 13.9 | 1.2 |
| Manufacturing | 7,746 | 3.6 | -1.1 |
| Electricity, gas, water and waste services | 3,775 | 1.1 | 0.8 |
| Construction | 9,380 | 3.1 | 3.8 |
| Wholesale trade | 5,762 | 2.5 | 2.5 |
| Retail trade | 6,270 | 0.5 | 1.4 |
| Accommodation and food services | 3,573 | 16.9 | 21.7 |
| Transport, postal and warehousing | 5,550 | 9.8 | 14.4 |
| Information media & telecommunications | 2,366 | 10.4 | 10.5 |
| Financial and insurance services | 8,940 | 1.6 | 1.4 |
| Rental, hiring and real estate services | 2,997 | 0.9 | 0.5 |
| Professional, scientific and technical services | 7,318 | 5.4 | 3.9 |
| Administrative and support services | 4,012 | 3.6 | 6.9 |
| Public administration and safety | 7,214 | 0.7 | 1.6 |
| Education and training | 7,398 | 1.3 | 1.6 |
| Health care and social assistance | 14,122 | 2.6 | 3.8 |
| Arts and recreation services | 917 | 15.6 | 7.5 |
| Other services | 2,567 | 7.4 | 7.4 |
| Ownership of dwellings | 11,594 | 2.2 | 1.7 |
| Total all industries | 125,455 | 4.1 | 3.4 |
| Taxes less subsidies on products | 9,235 | -0.8 | -1.1 |
| GSP/GDP | 134,209 | 3.8 | 3.0 |

INCOME COMPONENTS OF GSP – GSP(I)

Income components of GSP and GDP are only available in nominal terms. A deflator is used to convert nominal GSP to real GSP.

Compensation of employees in 2022-23 rose 8.2% in South Australia (nationally it was up 10.1%). Gross operating surplus (profits of incorporated entities) and gross mixed income (profits of unincorporated entities which also includes elements of compensation of employees) rose 10.3% in 2022-23 in South Australia (nationally it was up 8.4%) – see Table 3.

Table 3: Real growth in GSP/GDP income components between 2021-22 and 2022-23 (%)

| | South Australia | Australia |
|--|--------------------|------------|
| Compensation of employees | 8.2 | 10.1 |
| Gross operating surplus and gross mixed income | 10.3 | 8.4 |
| Taxes less subsidies on production and imports | 12.1 | 16.0 |
| Nominal GSP/GDP | 9.9 | 9.8 |
| GSP/GDP implicit price deflator | 5.8 | 6.6 |
| Real GSP/GDP | 3.8 | 3.0 |

Selected terms used in this brief are explained on the [DTF website](#).

The next release of [this ABS data](#) (formerly Cat. No. 5220.0) is expected around mid-November 2024.