

GROSS STATE PRODUCT, 2016-17

Summary

During 2016-17:

- South Australia's gross state product (GSP) rose 2.2% in real terms (nationally, GDP rose 2.0%).
- This followed growth of 0.3% in the previous financial year (2.8% nationally). (South Australia's 2015-16 GSP growth was revised downward from 1.9% growth to 0.3% growth).
- The non-farm economy grew by 0.8% in South Australia in 2016-17 (nationally, non-farm GSP grew by 1.6%).

Victoria recorded the highest GSP growth rate of the states in 2016-17 (up 3.3%) while Western Australia recorded the lowest growth (down 2.7%). South Australia ranked third highest of the states.

GSP growth exceeded population growth in all states, except Western Australia, with South Australia recording the highest per capita GSP growth of the states (1.6%)—above New South Wales (1.3%), Victoria (0.9%), Tasmania (0.5%) and Queensland (0.3%). Western Australia was the only state to record a fall in per capita GSP (down 3.3%). National GDP per capita growth was 0.4% in 2016-17.

GDP measures production in the economy. The ABS also publishes State Final Demand (SFD) estimates by state—these measure spending in the local economy. South Australia recorded SFD growth of 2.8% in 2016-17. This was the third highest of the states, behind Victoria (3.9%) and New South Wales (3.4%). The major contributor to spending growth in South Australia during 2016-17 was public investment (up 71%) - which largely reflects the transfer of the Royal Adelaide Hospital to general government. Other contributors to growth were household consumption expenditure (up 2.7%), government consumption (up 2.2%) and dwelling investment (up 5.4%).

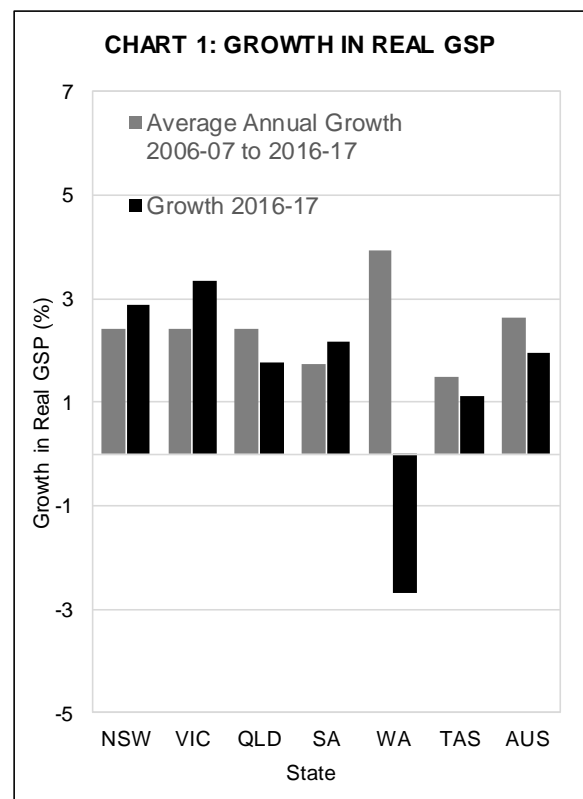
The industries contributing the most to South Australian GSP growth in 2016-17 were Agriculture, forestry and fishing (up 30%), Wholesale trade (up 7.5%) and Health care and social assistance industries (up 6.1%). Other industries contributing to GSP growth included: Ownership of dwellings (up 1.9%) and Financial and insurance services (up 1.7%).

The industries that detracted the most from GSP growth in 2016-17 were Construction (down 8.1%), Mining (down 7.9%), and Professional, scientific and technical services (down 3.2%).

Further Analysis

As Chart 1 shows, the rise in South Australia's real GSP of 2.2% in 2016-17 was higher than its 10-year annual average growth rate of 1.7% (national GDP growth was lower than its 10-year annual average growth rate of 2.6%).

The states recording the strongest growth in GSP were Victoria (up 3.3%) and New South Wales (up 2.9%).



In per capita terms, South Australia's GSP rose by 1.6% in 2016-17, highest of the states, following a fall of 0.4% in the previous year (national per capita GDP rose by 0.4% in 2016-17).

Table 1 shows growth rates of the expenditure components of South Australian GSP and national GDP during 2016-17.

Household consumption spending in South Australia rose 2.7% during 2016-17 (rose 2.1% nationally).

Private new business investment in South Australia fell 1.6% in 2016-17 (fell 4.4% nationally).

State final demand, the aggregate of all spending in the state economy, rose by 2.8% in South Australia (domestic final demand rose 2.0% nationally).

TABLE 1: Percentage change of expenditure components of GSP/GDP in real terms between 2015-16 and 2016-17

	South Australia	Australia
Household Final Consumption Expenditure	2.7	2.1
Private New Business Investment	-1.6	-4.4
Dwellings	5.4	2.7
Government Consumption	2.2	4.1
Government Investment	70.8	15.6
State Final Demand/ Domestic Final Demand	2.8	2.0
Overseas export of goods	-1.0	4.9
Overseas export of services	8.2	7.5
Overseas import of goods	9.7	5.4
Overseas import of services	9.7	2.3
GSP/ GDP	2.2	2.0

South Australian exports fell in volume terms in 2016-17 – exports of goods fell 1.0% in real terms while exports of services rose 8.2% in real terms.

Table 2 shows the growth rates of the income components of South Australian GSP and national GDP during 2016-17. Compensation of employees rose 0.2% in South Australia during 2016-17 (rose 2.1% nationally). Gross operating surplus (profits of incorporated entities) and gross mixed income (income to unincorporated entities) rose by 7.5% in South Australia during 2016-17 (rose 10% nationally).

TABLE 2: Percentage change of income components of GSP/GDP between 2015-16 and 2016-17

	South Australia (%)	Australia (%)
Compensation of employees	0.2	2.1
Gross operating surplus and Gross mixed income	7.5	10.1
Taxes less subsidies on production and imports	3.2	2.0
Gross State Product/GDP (Current prices)	3.7	5.7
GSP/GDP deflator	1.5	3.7
Real GSP/GDP	2.2	2.0

Table 3 shows the growth rates of the gross value-added by industry in the South Australian and national economies during 2016-17. In South Australia, the industries recording the strongest growth during 2016-17 included:

- Agriculture, forestry and fishing (up 30%);
- Health care and social assistance (up 6.1%);
- Wholesale trade (up 7.5%);
- Ownership of dwellings (up 1.9%); and
- Financial and insurance services (up 1.7%).



The industries showing the weakest growth during 2016-17 included:

- Construction (down 8.1%);
- Mining (down 7.9%);
- Professional, scientific and technical services (down 3.2%); and
- Other services (down 2.2%)

TABLE 3: Percentage change in GVA by industry in real terms between 2015-16 and 2016-17

	South Australia	Australia
Agriculture, forestry and fishing	29.8	16.3
Mining	-7.9	1.1
Manufacturing	-0.4	-1.8
Electricity, gas, water and waste services	3.3	0.4
Construction	-8.1	-4.1
Wholesale trade	7.5	6.2
Retail trade	1.9	1.4
Accommodation and food services	-0.7	1.9
Transport, postal and warehousing	1.3	1.8
Information media and telecommunication	3.4	2.5
Financial and insurance services	1.7	3.7
Rental, hiring and real estate services	4.9	2.1
Professional, scientific and technical services	-3.2	6.2
Administrative and support services	-0.9	-0.2
Public administration and safety	1.6	2.1
Education and training	0.6	1.0
Health and social assistance	6.1	5.3
Arts and recreation services	3.0	0.8
Other services	-2.2	-2.6
Ownership of dwellings	1.9	2.4
Total all industries	2.2	2.2
Taxes less subsidies on products	1.3	1.2
GSP/GDP	2.2	2.0

17 November 2017

Next release of ABS Cat No 5220.0 is November 2018

