

GROSS STATE PRODUCT, 2015-16

Summary

During 2015-16:

- South Australia's gross state product (GSP) rose 1.9% in real terms (nationally, GDP rose 2.8%).
- This followed upwardly revised growth in GSP of 2.0% in the previous financial year (2.4% nationally).
- The non-farm economy grew by 2.2% in South Australia in 2015-16 (nationally, non-farm GDP grew by 3.0%).

NSW recorded the highest GSP growth rate of the States in 2015-16 (3.5%) while TAS recorded the lowest growth (1.3%). South Australia ranked equal fourth highest of the States.

GSP growth exceeded population growth in all States, with South Australia recording the third highest per capita GSP growth of the States (1.2%)—after New South Wales (2.0%) and Victoria (1.4%). National GDP per capita growth was 1.4% in 2015-16.

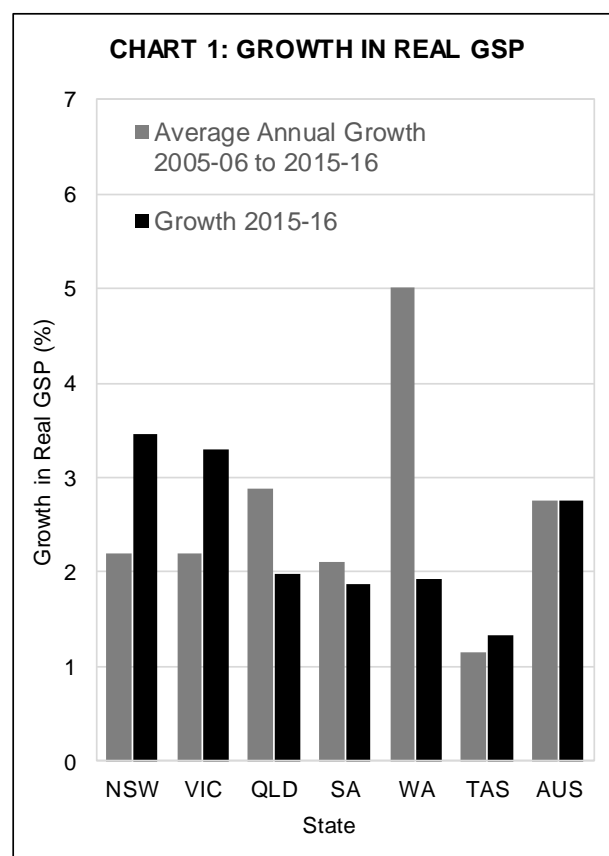
GDP measures production in the economy. The ABS also publishes State Final Demand (SFD) estimates by State—these measure spending in the local economy. South Australia recorded SFD growth of 1.1% in 2015-16. This was the fourth highest of the States, behind NSW (3.9%), Victoria (3.8%) and Tasmania (2.2%). SFD fell in Queensland (down 1.3%) and Western Australia (down 4.0%) in 2015-16. The major contributors to spending growth in South Australia during 2015-16 were household consumption expenditure (up 2.6%) and government consumption (up 2.7%).

The industries contributing the most to South Australian GSP growth in 2015-16 were public administration and safety (up 7.4%), health care and social assistance (up 2.9%) and construction (up 5.1%). Also contributing to growth were rental, hiring and real estate services (up 9.0%) and mining (up 5.2%).

Detracting the most from GSP growth in 2015-16 were: agriculture, forestry and fishing (down 3.6%), transport, postal and warehousing (down 3.0%) and manufacturing (down 1.4%).

Further Analysis

As Chart 1 shows, the rise in South Australia's real GSP of 1.9% in 2015-16 was moderately lower than its 10-year annual average growth rate of 2.1% (national GDP growth was equal to its 10-year annual average growth rate of 2.8%).



In per capita terms, South Australia's GSP rose by 1.2% in 2015-16, third highest of the states, following a rise of 1.1% in the previous year (national per capita GDP rose by 1.4% in 2015-16).

Table 1 shows growth rates of the expenditure components of South Australian GSP and national GDP during 2015-16.

Household consumption spending in South Australia rose 2.6% during 2015-16 (rose 2.9% nationally).

Private new business investment in South Australia fell 9.4% in 2015-16 (fell 11% nationally).

State final demand, the aggregate of all spending in the State economy, rose by 1.1% in South Australia (domestic final demand rose 1.2% nationally).

TABLE 1: Percentage change of expenditure components of GSP/GDP in real terms between 2014-15 and 2015-16

	South Australia	Australia
Household Final Consumption Expenditure	2.6	2.9
Private New Business Investment	-9.4	-10.5
Dwellings	1.4	9.8
Government Consumption	2.7	3.8
Government Investment	3.0	2.1
State Final Demand/ Domestic Final Demand	1.1	1.2
Overseas export of goods	11.2	6.4
Overseas export of services	12.0	8.0
Overseas import of goods	3.4	0.0
Overseas import of services	-0.7	-1.4
GSP/ GDP	1.9	2.8

South Australian exports rose in volume terms in 2015-16 – exports of goods rose 11% in real terms and exports of services by 12% in real terms.

Table 2 shows the growth rates of the income components of South Australian GSP and national GDP during 2015-16. Compensation of employees rose 1.4% in South Australia during 2015-16 (rose 3.1% nationally). Gross operating surplus (profits of incorporated entities) and gross mixed income (income to unincorporated entities) rose by 1.0% in South

Australia during 2015-16 (rose 1.6% nationally).

TABLE 2: Percentage change of income components of GSP/GDP between 2014-15 and 2015-16

	South Australia (%)	Australia (%)
Compensation of employees	1.4	3.1
Gross operating surplus and Gross mixed income	1.0	1.6
Taxes less subsidies on production and imports	4.8	5.6
Gross State Product/GDP (Current prices)	1.1	2.3
GSP/GDP deflator	-0.8	-0.4
Real GSP/GDP	1.9	2.8

Table 3 shows the growth rates of the gross value-added by industry in the South Australian and national economies during 2015-16. In South Australia, the industries recording the strongest growth during 2015-16 included:

- Public administration and safety (up 7.4%);
- Health care and social assistance (up 2.9%);
- Construction (up 5.1%); and
- Rental, hiring and real estate services (up 9.0%).

The industries detracting from growth during 2015-16 included:

- Agriculture, forestry and fishing (down 3.6%);
- Transport, postal and warehousing (down 3.0%);
- Manufacturing (down 1.4%);
- Wholesale trade (down 3.3%); and
- Electricity, gas, water and waste services (down 1.6%).



TABLE 3: Percentage change in GVA by industry in real terms between 2014-15 and 2015-16

	South Australia	Australia
Agriculture, forestry and fishing	-3.6	-5.0
Mining	5.2	6.2
Manufacturing	-1.4	-2.7
Electricity, gas, water and waste services	-1.6	2.1
Construction	5.1	2.8
Wholesale trade	-3.3	3.4
Retail trade	3.1	3.1
Accommodation and food services	1.4	0.8
Transport, postal and warehousing	-3.0	0.9
Information media and telecommunication	4.6	6.7
Financial and insurance services	1.5	4.6
Rental, hiring and real estate services	9.0	9.5
Professional, scientific and technical services	0.4	0.2
Administrative and support services	3.5	-1.3
Public administration and safety	7.4	6.5
Education and training	1.7	2.2
Health and social assistance	2.9	3.9
Arts and recreation services	3.5	2.9
Other services	0.4	1.0
Ownership of dwellings	1.5	2.3
Total all industries	1.7	2.7
Taxes less subsidies on products	1.0	1.3
GSP/GDP	1.9	2.8

18 November 2016

Next release of ABS Cat No 5220.0 is November 2017

