

## SUMMARY

During 2021-22:

- South Australia's **gross state product** (GSP) rose 5.1% in **chain volume** (real) terms (nationally, gross domestic product (GDP) rose 3.6%).
- This followed GSP growth of 4.7% in the previous financial year (2.2% nationally).
- The non-farm economy grew by 3.9% in South Australia (nationally, non-farm GDP grew by 3.2%).

## FURTHER ANALYSIS

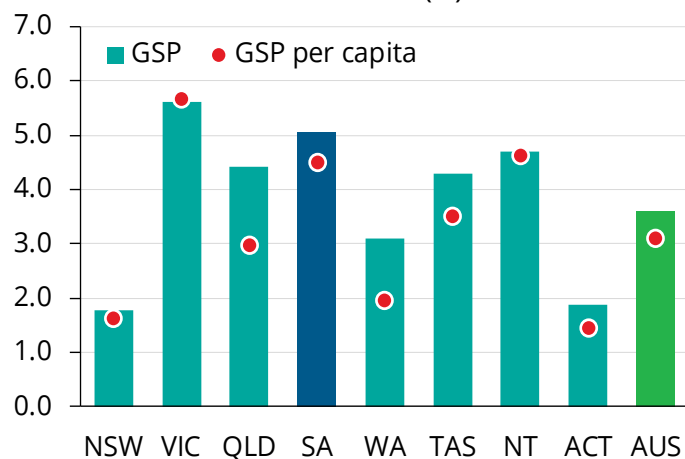
GSP (and national GDP) measures the total value of production in an economy. It is derived in 3 ways:

- 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 5.1% in real terms in 2021-22, the second highest rate of growth of the states and territories.

In **per capita** terms, South Australia's GSP rose 4.5% in 2021-22, the third highest rate of growth in GSP per capita of the states and territories – see Chart 1.

**Chart 1: Real GSP and GSP per capita growth between 2020-21 and 2021-22 (%)**



## 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 5.5% in 2021-22 – see Table 1.

Expenditure components that contributed the most to South Australia's GSP growth in 2021-22 include:

- Household final consumption expenditure, up 3.7% or \$2,606m (nationally up 3.8%);
- **Private new business investment**, up 14% or \$1,951m (nationally up 5.7%); and
- Public consumption, up 6.2% or \$1,893m (nationally up 6.9%).

**Table 1: Real growth in GSP/GDP expenditure components between 2020-21 and 2021-22 (%)**

|  | South Australia | Australia |
|--|-----------------|-----------|
| Household final consumption expenditure              | 3.7             | 3.8       |
| Private new business investment                      | 14.4            | 5.7       |
| Dwelling investment                                  | 7.2             | 3.2       |
| Government final consumption expenditure             | 6.2             | 6.9       |
| Government investment                                | -2.4            | 5.2       |
| <b>State Final Demand/<br/>Domestic Final Demand</b> | 5.5             | 5.0       |
| Overseas exports of goods                            | 3.4             | 0.6       |
| Overseas exports of services                         | -14.3           | -4.8      |
| Overseas imports of goods                            | 3.9             | 5.5       |
| Overseas imports of services                         | 0.5             | 17.5      |
| <b>GSP/GDP</b>                                       | 5.1             | 3.6       |

## 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 5.5% in real terms in 2021-22 (compared to national growth of 4.0%) – see Table 2.

In South Australia, the industries recording the strongest real GVA growth in 2021-22 include:

- Agriculture, forestry and fishing (up 26%);
- Administrative and support services (up 16%);
- Professional, scientific and technical services (up 12%); and
- Manufacturing (up 10%).

Meanwhile, the South Australian industries recording the weakest real GVA growth in 2021-22 include:

- Mining (down 12%);
- Wholesale trade (down 3.2%);
- Accommodation and food services (down 2.4%); and
- Public administration and safety (up 1.1%).

**Table 2: Real industry GVA, 2021-22**

|   | <b>South Australia</b> | <b>Australia</b>     |
|---|------------------------|----------------------|
|   | Industry<br>GVA (\$m)  | Annual<br>growth (%) |
| Agriculture, forestry and fishing               | 7,608                  | 26.2                 |
| Mining  | 4,032                  | -11.8                |
| Manufacturing                                   | 7,537                  | 10.4                 |
| Electricity, gas, water and waste services      | 3,895                  | 2.9                  |
| Construction                                    | 8,920                  | 9.8                  |
| Wholesale trade                                 | 5,127                  | -3.2                 |
| Retail trade                                    | 6,126                  | 2.7                  |
| Accommodation and food services                 | 2,766                  | -2.4                 |
| Transport, postal and warehousing               | 4,965                  | 9.3                  |
| Information media & telecommunications          | 2,003                  | 4.5                  |
| Financial and insurance services                | 8,322                  | 4.7                  |
| Rental, hiring and real estate services         | 2,894                  | 6.7                  |
| Professional, scientific and technical services | 6,826                  | 12.0                 |
| Administrative and support services             | 3,881                  | 16.0                 |
| Public administration and safety                | 6,825                  | 1.1                  |
| Education and training                          | 7,081                  | 1.5                  |
| Health care and social assistance               | 12,773                 | 4.7                  |
| Arts and recreation services                    | 737                    | 8.3                  |
| Other services                                  | 2,283                  | 4.9                  |
| Ownership of dwellings                          | 10,872                 | 2.1                  |
| Total all industries                            | 115,474                | 5.5                  |
| Taxes less subsidies on products                | 8,790                  | 1.2                  |
| <b>GSP/GDP</b>                                  | <b>124,252</b>         | <b>5.1</b>           |

## 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 2021-22 rose 6.5% in South Australia (nationally it was up 5.8%). Gross operating surplus (profits of incorporated entities) and gross mixed income (profits of unincorporated entities which also includes elements of compensation of employees) rose 1.6% in 2021-22 in South Australia (nationally it was up 9.8%) – see Table 3.

**Table 3: Growth in GSP/GDP income components between 2020-21 and 2021-22 (%)**

|  | South<br>Australia | Australia  |
|--|--------------------|------------|
| Compensation of employees                      | 6.5                | 5.8        |
| Gross operating surplus and gross mixed income | 1.6                | 9.8        |
| Taxes less subsidies on production and imports | 43.5               | 61.1       |
| Nominal GSP/GDP                                | 8.7                | 11.0       |
| GSP/GDP implicit price deflator                | 3.5                | 7.1        |
| <b>Real GSP/GDP</b>                            | <b>5.1</b>         | <b>3.6</b> |

*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 2023.*