

SUMMARY

During 2020-21:

- South Australia's **gross state product** (GSP) rose 3.9% in **chain volume** (real) terms (nationally, gross domestic product (GDP) rose 1.5%).
- This followed a contraction in GSP of 1.0% (upwardly revised from a 1.4% contraction) in the previous financial year (unchanged nationally, upwardly revised from a 0.2% contraction).
- The non-farm economy grew by 2.9% in South Australia (nationally, non-farm GDP grew by 1.1%).

FURTHER ANALYSIS

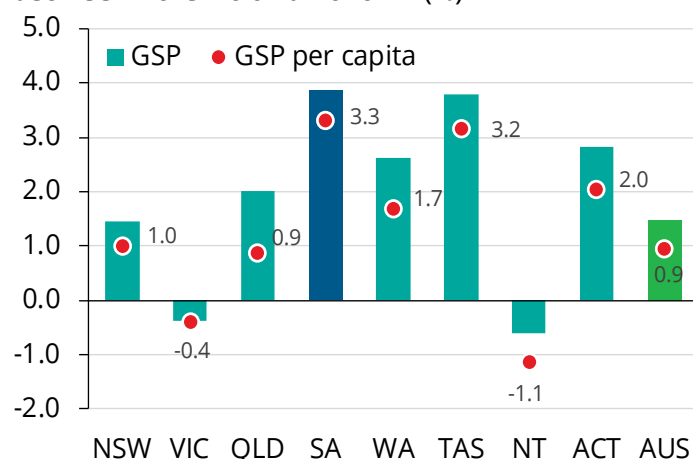
GSP (and national GDP) measures the total value of production in an economy. It is derived in 3 ways:

- 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 3.9% in real terms in 2020-21, the highest rate of growth of the states and territories.

In **per capita** terms, South Australia's GSP rose 3.3% in 2020-21, the 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 2019-20 and 2020-21 (%)



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 3.8% in 2020-21 – see Table 1.

Expenditure components that contributed the most to South Australia's GSP growth in 2020-21 include:

- Household final consumption expenditure, up 2.7% or \$1,825m (nationally up 0.9%);
- Public consumption, up 3.8% or \$1,047m (nationally up 6.0%); and
- Public investment, up 16% or \$927m (nationally up 5.1%).

Table 1: Real growth in GSP/GDP expenditure components between 2019-20 and 2020-21 (%)

| | South Australia | Australia |
|--|-----------------|-----------|
| Household final consumption expenditure | 2.7 | 0.9 |
| Private new business investment | -0.2 | -1.5 |
| Dwelling investment | 5.2 | 3.2 |
| Government final consumption expenditure | 3.8 | 6.0 |
| Government investment | 16.2 | 5.1 |
| State Final Demand/ Domestic Final Demand | 3.8 | 2.4 |
| Overseas exports of goods | 8.4 | -2.6 |
| Overseas exports of services | -32.1 | -32.7 |
| Overseas imports of goods | 12.9 | 8.9 |
| Overseas imports of services | -49.4 | -45.3 |
| GSP/GDP | 3.9 | 1.5 |

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 3.6% in real terms in 2020-21 (compared to national growth of 1.3%) – see Table 2.

In South Australia, the industries recording the strongest real GVA growth in 2020-21 include:

- Agriculture, forestry and fishing (up 24%);
- Wholesale trade (up 12%);
- Manufacturing (up 11%); and
- Health care and social services (up 4.1%).

Meanwhile, the South Australian industries recording the weakest real GVA growth in 2020-21 include:

- Administrative and support services (down 11%);
- Transport, postal and warehousing (down 7.9%); and
- Other services (down 0.9%).

Table 2: Real industry GVA, 2020-21

| | South Australia | Australia |
|---|--------------------|-------------------|
| | Industry GVA (\$m) | Annual growth (%) |
| Agriculture, forestry and fishing | 6,018 | 23.8 |
| Mining | 3,888 | 0.4 |
| Manufacturing | 7,501 | 11.1 |
| Electricity, gas, water and waste services | 3,942 | 0.0 |
| Construction | 7,824 | 0.8 |
| Wholesale trade | 5,148 | 11.6 |
| Retail trade | 5,690 | 4.9 |
| Accommodation and food services | 2,592 | 4.3 |
| Transport, postal and warehousing | 4,084 | -7.9 |
| Information media & telecommunications | 2,012 | 1.8 |
| Financial and insurance services | 7,721 | 2.6 |
| Rental, hiring and real estate services | 2,644 | 4.6 |
| Professional, scientific and technical services | 6,055 | 4.6 |
| Administrative and support services | 2,899 | -10.9 |
| Public administration and safety | 6,866 | 3.0 |
| Education and training | 6,854 | 0.9 |
| Health care and social assistance | 11,747 | 4.1 |
| Arts and recreation services | 680 | 6.3 |
| Other services | 2,023 | -0.9 |
| Ownership of dwellings | 10,582 | 1.8 |
| Total all industries | 106,770 | 3.6 |
| Taxes less subsidies on products | 7,668 | 3.5 |
| GSP/GDP | 114,921 | 3.9 |

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 2020-21 rose 2.7% in South Australia (nationally it was up 3.3%). Gross operating surplus (profits of incorporated entities) and gross mixed income (profits of unincorporated entities which also includes elements of compensation of employees) rose 12% in 2020-21 in South Australia (nationally it was up 8.5%) – see Table 3.

Table 3: Real growth in GSP/GDP income components between 2019-20 and 2020-21 (%)

| | South Australia | Australia |
|--|--------------------|------------|
| Compensation of employees | 2.7 | 3.3 |
| Gross operating surplus and gross mixed income | 12.4 | 8.5 |
| Taxes less subsidies on production and imports | -0.9 | -14.6 |
| Nominal GSP/GDP | 6.4 | 4.3 |
| GSP/GDP implicit price deflator | 2.5 | 2.8 |
| Real GSP/GDP | 3.9 | 1.5 |

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 2022.