



# GROSS STATE PRODUCT, 2014-15

## Summary

During 2014-15:

- South Australia’s gross state product (GSP) rose 1.6% in real terms (nationally, GDP rose 2.3%).
- This followed downwardly revised growth of 0.8% in the previous financial year (2.5% nationally).
- The non-farm economy grew by 1.4% in South Australia in 2014-15 (nationally, non-farm GSP grew by 2.3%).

WA recorded the highest GSP growth rate of the States in 2014-15 (3.5%) while QLD recorded the lowest growth (0.5%). South Australia ranked equal fourth highest of the States.

GSP growth exceeded population growth in all States, except Queensland, with South Australia recording the equal fourth highest per capita GSP growth of the States (0.7%)—along with Victoria—after Western Australia (1.9%), Tasmania (1.3%) and NSW (0.9%). National GDP per capita growth was 0.8% in 2014-15.

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 0.9% in 2014-15. This was the third highest of the States, behind NSW (3.2%) and Victoria (2.5%). The major contributors to spending growth in South Australia during 2014-15 were household consumption expenditure (up 2.1%), dwelling investment (up 7.0%) and government consumption (up 0.4%).

The industries contributing the most to South Australian GSP growth in 2014-15 were financial and insurance services (up 4.4%), health care and social assistance (up 4.0%), and accommodation and food services (up 10%). Also contributing to growth were rental, hiring and real estate services (up 12%) and agriculture, forestry and fishing (up 4.5%).

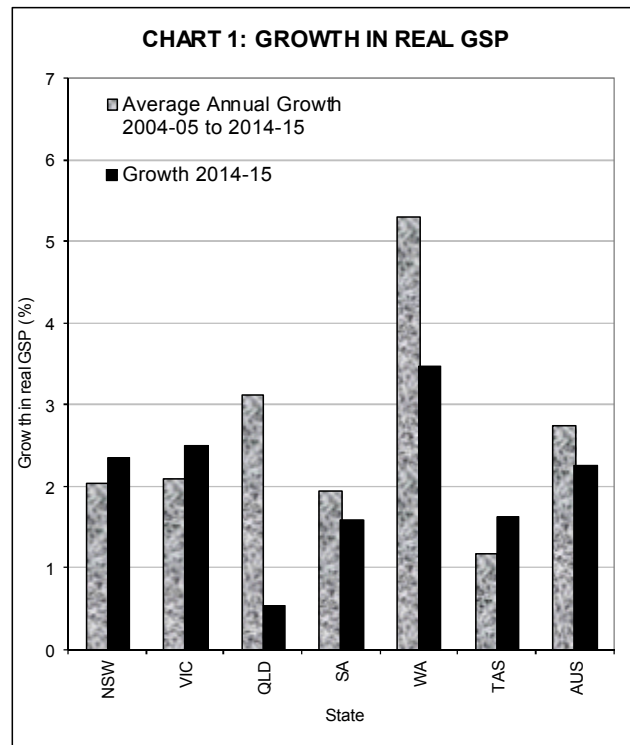
The manufacturing and construction industries detracted the most from GSP growth in 2014-15, both falling by 3.9%. Other industries detracting

from GSP growth included: professional, scientific and technical services (down 4.9%), mining (down 2.4%) and electricity, gas, water and waste water services (down 2.7%).

## Further Analysis

As Chart 1 shows, the rise in South Australia’s real GSP of 1.6% in 2014-15 was lower than its 10-year annual average growth rate of 2.0% (national GDP growth was lower than its 10-year annual average growth rate of 2.7%).

The states recording the strongest growth in GSP were WA (up 3.5%) and VIC (up 2.5%).



In per capita terms, South Australia’s GSP rose by 0.7% in 2014-15, equal fourth highest of the States, following a fall of 0.1% in the previous year (national per capita GDP rose by 0.8% in 2014-15).

Table 1 shows growth rates of the expenditure components of South Australian GSP and national GDP during 2014-15.



Household consumption spending in South Australia rose 2.1% during 2014-15 (rose 2.5% nationally).

Private new business investment in South Australia rose 0.3% in 2014-15 (fell 6.3% nationally).

State final demand, the aggregate of all spending in the State economy, rose by 0.9% in South Australia (domestic final demand rose 0.7% nationally).

**TABLE 1: Percentage change of expenditure components of GSP/GDP in real terms between 2013-14 and 2014-15**

	South Australia	Australia
Household Final Consumption Expenditure	2.1	2.5
Private New Business Investment	0.3	-6.3
Dwellings	7.0	8.3
Government Consumption	0.4	1.3
Government Investment	-18.0	-5.5
<b>State Final Demand/ Domestic Final Demand</b>	<b>0.9</b>	<b>0.7</b>
Overseas export of goods	-7.7	5.2
Overseas export of services	-1.3	7.0
Overseas import of goods	-1.1	2.1
Overseas import of services	-11.0	-5.7
<b>GSP/ GDP</b>	<b>1.6</b>	<b>2.3</b>

South Australian exports fell in volume terms in 2014-15 – exports of goods fell 7.7% in real terms and exports of services by 1.3% in real terms.

Table 2 shows the growth rates of the income components of South Australian GSP and national GDP during 2014-15. Compensation of employees rose 3.2% in South Australia during 2014-15 (rose 2.4% nationally). Gross operating surplus (profits of incorporated entities) and gross mixed income (income to unincorporated entities) rose by 0.8% in South Australia during 2014-15 (rose 1.0% nationally).

**TABLE 2: Percentage change of income components of GSP/GDP between 2013-14 and 2014-15**

	South Australia (%)	Australia (%)
Compensation of employees	3.2	2.4
Gross operating surplus and Gross mixed income	0.8	1.0
Taxes less subsidies on production and imports	-0.7	1.3
Gross State Product/GDP (Current prices)	1.7	1.6
GSP/GDP deflator	0.1	-0.6
Real GSP/GDP	1.6	2.3

Table 3 shows the growth rates of the gross value-added by industry in the South Australian and national economies during 2014-15. In South Australia, the industries recording the strongest growth during 2014-15 included:

- Financial and Insurance Services (up 4.4%);
- Health care and social assistance (up 4.0%);
- Accommodation and food services (up 10%); and
- Rental, hiring and real estate services (up 12%);

The industries showing the weakest growth during 2014-15 included:

- Manufacturing (down 3.9%);
- Construction (down 3.9%);
- Professional, scientific and technical services (down 4.9%);
- Electricity, gas, water and waste water services (down 2.7%); and
- Mining (down 2.4%).

**TABLE 3: Percentage change in GVA by  
industry in real terms between 2013-14 and  
2014-15**

	South Australia	Australia
Agriculture, forestry and fishing	4.5	1.5
Mining	-2.4	7.6
Manufacturing	-3.9	-1.2
Electricity, gas, water and waste services	-2.7	1.4
Construction	-3.9	-0.7
Wholesale trade	2.0	2.4
Retail trade	3.7	2.6
Accommodation and food services	10.2	7.0
Transport, postal and warehousing	3.0	-0.9
Information media and telecommunication	8.4	9.4
Financial and insurance services	4.4	4.6
Rental, hiring and real estate services	11.6	4.4
Professional, scientific and technical services	-4.9	-4.0
Administrative and support services	0.2	-0.1
Public administration and safety	2.0	0.9
Education and training	0.7	2.4
Health and social assistance	4.0	4.5
Arts and recreation services	1.9	3.0
Other services	4.4	2.9
Ownership of dwellings	1.8	2.4
<b>Total all industries</b>	<b>1.4</b>	<b>2.3</b>
Taxes less subsidies on products	0.2	0.4
<b>GSP/GDP</b>	<b>1.6</b>	<b>2.3</b>