

State Accounts (ABS Cat No 5220.0)

Latest Year: 2015-16

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Next Release: November 2017

Gross State Product

The ABS publishes three estimates of Gross State/Domestic Product using the expenditure, income and production methods. The headline measure of GSP growth, GSP Average (GSP(A)), is the average of these three measures.

The ABS estimates that GSP increased by 1.3 per cent in Tasmania in 2015-16 to \$26.04 billion. Nationally, GDP was estimated to have grown by 2.8 per cent in 2015-16.

Tasmanian GSP per capita was estimated to have been \$50 327 in 2015-16, 0.9 per cent higher than the previous year. Nationally, GDP per capita was estimated to have increased by 1.4 per cent.

Gross State Product Expenditure Method

The expenditure method of calculating GSP produces estimates from household consumption (C), investment (I), government expenditure (G), and international and interstate exports (X) and imports (M), such that:

$$\text{GSP(E)} = C + I + G + (X - M)$$

A balancing item (BI) (comprising interstate trade, expenditure interstate, changes in inventories and other adjustments) and a statistical discrepancy (SD) are also applied to ensure jurisdictional estimates of GSP are consistent with the national estimate of GDP.

Data reported below are in chain volume measures (real terms).

In 2015-16, household consumption in Tasmania was estimated to have been \$17.75 billion, up 3.5 per cent compared to the previous year. Household consumption was estimated to have grown by 2.9 per cent nationally in 2015-16.

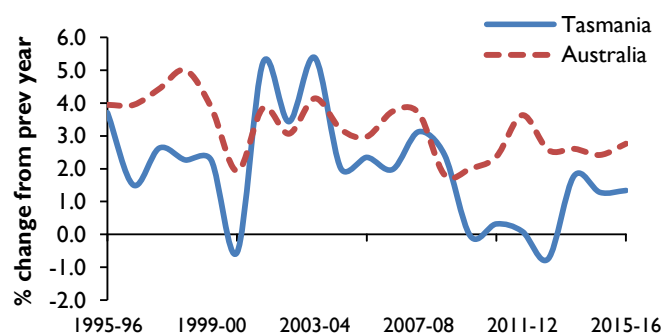
Tasmanian private sector investment was estimated to be \$4.15 billion in 2015-16, down 1.7 per cent from the previous year. Nationally, private investment decreased by an estimated 5.2 per cent.

Table 1: GSP and GSP per capita, states and territories, 2015-16

	GSP(A)	% change from	GSP per capita	% change from
	2015-16	2014-15	2015-16	2014-15
	\$m		\$	
NSW	531 323	3.5	69 266	2.0
Vic	373 624	3.3	62 308	1.4
Qld	314 569	2.0	65 416	0.7
SA	101 096	1.9	59 371	1.2
WA	255 214	1.9	98 012	0.7
Tas	26 039	1.3	50 327	0.9
NT	23 648	2.7	96 906	2.3
ACT	36 225	3.4	92 173	2.0
Aus	1 661 739	2.8	69 421	1.4

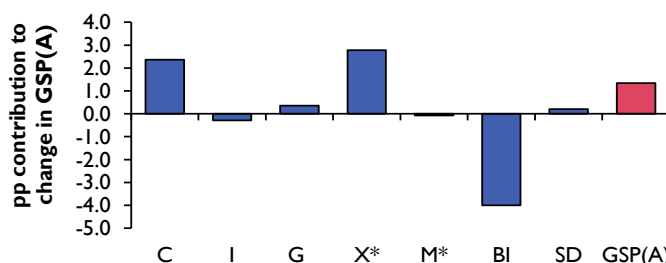
SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 1

Chart 1: GSP/GDP growth, Tasmania and Australia



SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 1

Chart 2: GSP components contribution to growth, Tasmania, 2015-16



*INTERNATIONAL EXPORTS AND IMPORTS

SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 15

State Accounts (ABS Cat No 5220.0)

2015-16

Government consumption expenditure in Tasmania was estimated to be \$6.44 billion in 2015-16, up 3.9 per cent from the previous year. This compares to estimated national growth of 3.8 per cent.

Total public investment in Tasmania in 2015-16 was estimated to be \$1.21 billion. This was down 11.0 per cent from the previous year. Public investment was estimated to have increased by 2.1 per cent nationally.

Tasmanian state final demand increased by 2.2 per cent in 2015-16, to \$29.55 billion. This compares to growth of 1.2 per cent in domestic final demand nationally.

Tasmanian international exports of goods and services were estimated to have increased by 20.2 per cent, to \$4.24 billion, in 2015-16, compared to estimated growth of 6.7 per cent nationally. International imports to Tasmania were estimated to be \$1.43 billion in 2015-16, an increase of 1.4 per cent compared to 2014-15. Nationally, imports were estimated to have decreased by 0.3 per cent.

Gross State Product: Production Method

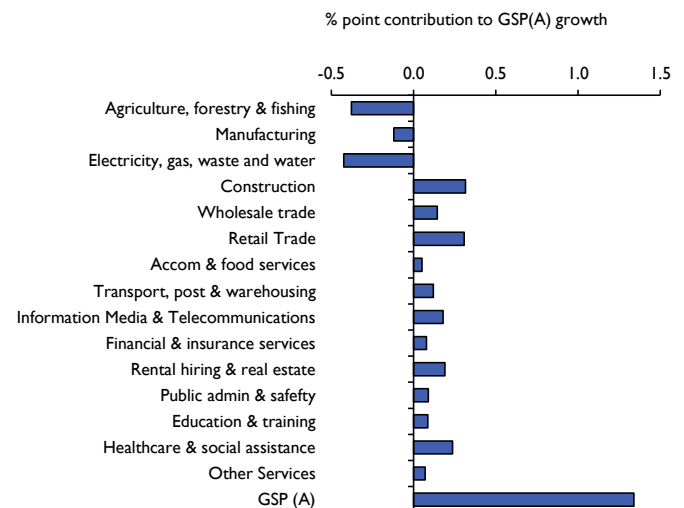
Gross Value Added (GVA) provides an estimate of the value of production by industry.

Estimates of industry GVA used in this briefing are chain volume measures (real terms).

Agriculture, forestry and fishing was Tasmania's largest industry in 2015-16. GVA in the agriculture, forestry and fishing industry was \$2.31 billion and represented 8.9 per cent of Tasmania's total GVA. This is followed by the healthcare and social assistance (\$2.24 billion) and manufacturing (\$1.85 billion) industries.

The main contributors to growth in GSP in 2015-16 were the construction and the retail trade industries, both 0.3 percentage points.

Chart 3: Industry gross value added, contribution to Tasmanian GSP growth, selected industries, 2015-16



SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 28

Changes in value added from the agriculture, forestry and fishing and the electricity, gas, water and waste services industries accounted for the largest negative contributions to GSP growth of 0.4 of a percentage point each.

Gross State Product: Income Method

Estimates of the components produced under the income method are only available in current prices.

Total factor income (TFI) in Tasmania was estimated to have increased by 2.1 per cent in nominal terms in 2015-16.

Compensation of employees (which includes wages and salaries excluding taxes and employer social contributions) for all industries is estimated to have increased by 2.9 per cent in Tasmania in 2015-16. Gross operating surplus and gross mixed income were estimated to have increased by 1.2 per cent in the same period.

State Accounts (ABS Cat No 5220.0)

2015-16

Real Gross State Income

Real gross state income (RGSi) is a measure of the real purchasing power of income generated by production within a jurisdiction. It is calculated by adjusting the chain volume measure of GSP for changes in the terms of trade.

Tasmanian RGSi was estimated to have increased by 0.5 per cent in 2015-16, while RGDI increased by 0.6 per cent from the previous year.

Revisions and reliability of GSP estimates

Table 3 shows estimates of Tasmanian GSP growth published by the ABS and revised growth estimates published in each subsequent year. The volatility of the data is clearly evident from this table. For example, GSP growth in 2008-09 was estimated to be 1.4 per cent in the 2008-09 publication. This was revised upwards to 3.4 per cent a year later and is now estimated to be 2.4 per cent.

Treasury urges caution in the use of year on year State GSP data from the ABS. State GSP data, especially for a small economy such as Tasmania, tend to be quite volatile and often subject to substantial revision, as demonstrated above.

Table 3: Revisions to published GSP growth rates, Tasmania

	Publication year							
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
2008-09	1.4	3.4	1.9	2.4	2.5	2.4	2.4	2.4
2009-10		0.4	0.4	0.1	0.2	0.2	0.0	-0.1
2010-11			0.8	0.2	0.4	0.2	0.3	0.3
2011-12				0.5	0.4	0.6	0.1	0.1
2012-13					-0.6	-0.2	-1.2	-0.7
2013-14						1.2	1.3	1.8
2014-15							1.6	1.3
2015-16								1.3

SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0

State Accounts (ABS Cat No 5220.0)

2015-16

Table 4: Gross State Product, Tasmania, expenditure method, 2015-16

<i>GSP(E), chain volume measures, \$m</i>	2014-15	2015-16	% change from 2014-15	pp cont to	
				Share of GSP % 2014-15	GSP growth 2015-16
Consumption					
Households	17 141	17 749	3.5	68.2	2.4
Government	6 198	6 440	3.9	24.7	0.9
Investment					
Private business investment	2 594	2 474	-4.6	9.5	-0.5
Private dwelling investment	1 292	1 319	2.1	5.1	0.1
Ownership transfer costs	334	354	6.0	1.4	0.1
<i>Total private investment</i>	4 220	4 147	-1.7	15.9	-0.3
Public corporations investment	456	281	-38.4	1.1	-0.7
General government investment	903	928	2.8	3.6	0.1
<i>Total public investment</i>	1 359	1 209	-11.0	4.6	-0.6
State Final Demand	28 918	29 545	2.2	113.5	2.4
Exports	3 529	4 243	20.2	16.3	2.8
Imports	1 414	1 434	1.4	5.5	-0.1
Balancing Item	-5 443	-6 472	18.9	-24.9	-4.0
Statistical Discrepancy	105	157	na	0.6	0.2
Gross State Product (A)	25 695	26 039	1.3	100.0	1.3

SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 7

State Accounts (ABS Cat No 5220.0)

2015-16

Table 5: Gross State Product, Tasmania, production method, 2015-16

	2014-15	2015-16	% change	Share of GVA	Share of GSP	pp cont to GSP growth
<i>GSP(P) - Gross Value Added, chain volume measures, \$m</i>						
Agriculture, Forestry & Fishing	2 409	2 312	-4.0	9.5	8.9	-0.4
Mining	282	286	1.4	1.2	1.1	0.0
Manufacturing	1 878	1 847	-1.7	7.6	7.1	-0.1
Electricity, Gas, Water & Waste Services	1 333	1 224	-8.2	5.0	4.7	-0.4
Construction	1 629	1 710	5.0	7.0	6.6	0.3
Wholesale Trade	761	798	4.9	3.3	3.1	0.1
Retail Trade	1 411	1 490	5.6	6.1	5.7	0.3
Accommodation & Food Services	710	723	1.8	3.0	2.8	0.1
Transport, Postal & Warehousing	1 649	1 680	1.9	6.9	6.5	0.1
Information Media & Telecommunications	623	669	7.4	2.7	2.6	0.2
Financial & Insurance Services	1 455	1 475	1.4	6.1	5.7	0.1
Rental Hiring & Real Estate Services	511	560	9.6	2.3	2.2	0.2
Professional, Scientific & Technical Services	858	863	0.6	3.5	3.3	0.0
Administrative & Support Services	457	458	0.2	1.9	1.8	0.0
Public Administration & Safety	1 559	1 582	1.5	6.5	6.1	0.1
Education & Training	1 688	1 710	1.3	7.0	6.6	0.1
Healthcare & Social Assistance	2 182	2 243	2.8	9.2	8.6	0.2
Arts & Recreation Services	161	166	3.1	0.7	0.6	0.0
Other Services	531	549	3.4	2.3	2.1	0.1
Ownership of Dwellings	2 007	2 033	1.3	8.3	7.8	0.1
<i>Gross Value Added at basic prices</i>	24 095	24 379	1.2	100.0	93.6	1.1
Taxes less subsidies on products	1 705	1 729	1.4		6.6	0.1
Statistical Discrepancy	- 105	- 68	na		-0.3	0.1
Gross State Product (A)	25 695	26 039	1.3		100.0	1.3

SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 7

State Accounts (ABS Cat No 5220.0)

2015-16

Table 6: Gross State Product, Tasmania, income method, 2015-16

<i>GSP(I) Total Factor Income, current prices, \$m</i>	CoE	GOS & GMI	Total Factor Income	TFI % change	pp cont to TFI % change
Agriculture, Forestry & Fishing	428	1 856	2 284	5.3	0.5
Mining	168	80	248	-7.5	-0.1
Manufacturing	1 247	556	1 803	-1.9	-0.1
Electricity, Gas, Water & Waste Services	364	576	939	-25.9	-1.4
Construction	701	981	1 682	5.5	0.4
Wholesale Trade	459	307	766	4.1	0.1
Retail Trade	810	594	1 405	2.6	0.2
Accommodation & Food Services	497	192	689	0.7	0.0
Transport, Postal & Warehousing	799	930	1 729	7.9	0.6
Information Media & Telecommunications	261	336	597	-3.7	-0.1
Financial & Insurance Services	451	1 069	1 520	8.0	0.5
Rental Hiring & Real Estate Services	157	332	489	6.8	0.1
Professional, Scientific & Technical Services	477	325	802	-3.6	-0.1
Administrative & Support Services	393	53	445	1.1	0.0
Public Administration & Safety	1 395	264	1 659	8.8	0.6
Education & Training	1 494	216	1 711	2.1	0.2
Healthcare & Social Assistance	1 915	328	2 243	3.9	0.4
Arts & Recreation Services	85	79	164	-1.2	0.0
Other Services	347	195	542	5.4	0.1
Ownership of Dwellings	na	1 810	1 810	4.9	0.4
Total all industries	12 447	11 079	23 526	2.1	2.1

COE: COMPENSATION OF EMPLOYEES

GOS & GMI: GROSS OPERATING SURPLUS AND GROSS MIXED INCOME

TFI: TOTAL FACTOR INCOME

SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 7.

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