

State Accounts (ABS Cat No 5220.0)

Latest Year: 2017-18

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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 3.3 per cent in Tasmania in 2017-18 to \$30.27 billion. Nationally, GDP was estimated to have grown by 2.8 per cent in 2017-18.

Tasmanian GSP per capita was estimated to have been \$57 686 in 2017-18, 2.3 per cent higher than the previous year. Nationally, GDP per capita was estimated to have increased by 1.2 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) (which includes interstate trade, 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 2017-18, household consumption in Tasmania was estimated to have been \$19.34 billion, up 2.9 per cent compared to the previous year. Household consumption was estimated to have grown by 2.9 per cent nationally in 2017-18.

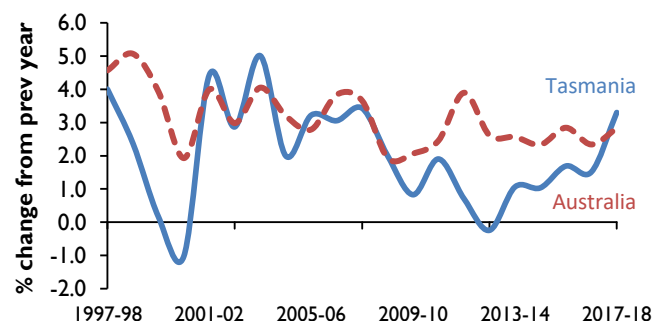
Tasmanian private sector investment was estimated to be \$4.50 billion in 2017-18, up 12.2 per cent from the previous year. Nationally, private investment increased by an estimated 5.0 per cent.

Table 1: GSP and GSP per capita, states and territories, 2017-18

	GSP(A)	% change from 2016-17	GSP per capita	% change from 2016-17
	2017-18		2017-18	
	\$m		\$	
NSW	593 275	2.6	74 955	1.0
Vic	423 961	3.5	66 391	1.2
Qld	339 504	3.4	68 379	1.7
SA	106 004	2.0	61 343	1.4
WA	255 883	1.9	98 997	1.1
Tas	30 266	3.3	57 686	2.3
NT	26 200	1.7	106 191	1.4
ACT	39 442	4.0	94 831	1.8
Aus	1 814 535	2.8	73 267	1.2

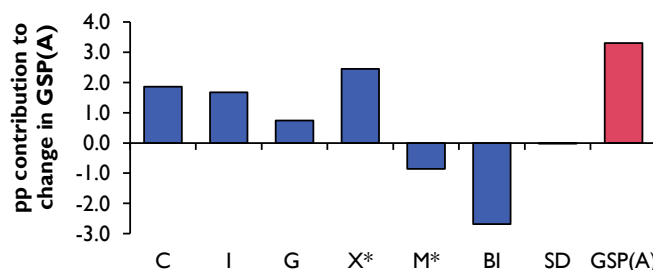
SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 1

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, 2017-18



*INTERNATIONAL EXPORTS AND IMPORTS

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

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Government consumption expenditure in Tasmania was estimated to be \$7.23 billion in 2017-18, up 3.1 per cent from the previous year. This compares to estimated national growth of 3.9 per cent.

Total public investment in Tasmania in 2017-18 was estimated to be \$1.93 billion. This was up 2.2 per cent from the previous year. Public investment was estimated to have increased by 1.8 per cent nationally.

Tasmanian state final demand increased by 4.1 per cent in 2017-18, to \$33.00 billion. This compares to growth of 3.4 per cent in domestic final demand nationally.

Tasmanian international exports of goods and services were estimated to have increased by 17.7 per cent, to \$4.78 billion, in 2017-18, compared to estimated growth of 3.4 per cent nationally. International imports to Tasmania were estimated to be \$1.96 billion in 2017-18, an increase of 14.7 per cent compared to 2016-17. Nationally, imports were estimated to have increased by 6.6 per cent.

Gross State Product: Production Method

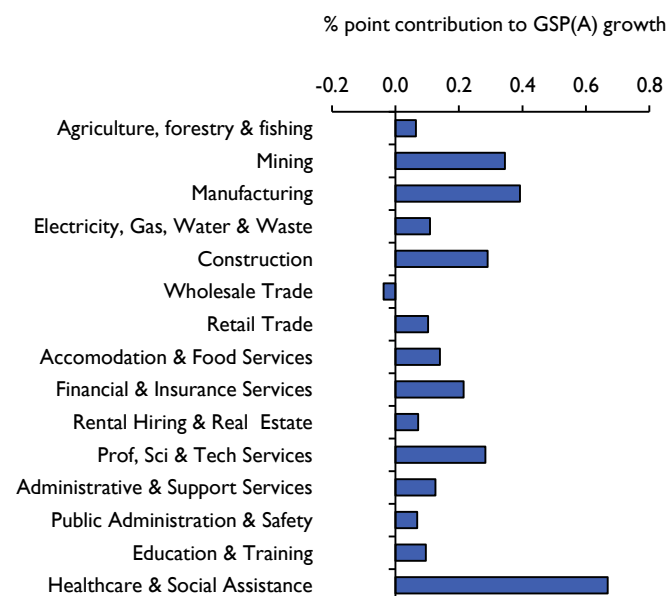
Gross Value Added (GVA) provides an estimate of the value of production by industry.

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

Healthcare and social assistance was Tasmania's largest industry in 2017-18. GVA in the healthcare and social assistance was \$3.67 billion and represented 13.0 per cent of Tasmania's total GVA. This is followed by the agriculture, forestry and fishing (\$2.68 billion) and finance and insurance services (\$2.23 billion) industries.

The main contributors to growth in GSP in 2017-18 were the healthcare and social assistance (0.7 of a percentage point) and manufacturing (0.4 of a percentage point) industries.

Chart 3: Industry gross value added, contribution to Tasmanian GSP growth, selected industries, 2017-18



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

The wholesale trade industry was the only industry in Tasmania to record negative growth in 2017-18, accounting for a negative contribution to GSP growth of less than 0.1 of a percentage point.

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 5.6 per cent in nominal terms in 2017-18.

Compensation of employees (which includes wages and salaries excluding taxes and employer social contributions) for all industries is estimated to have increased by 6.7 per cent in Tasmania in 2017-18. Gross operating surplus and gross mixed income were estimated to have increased by 4.6 per cent in the same period.

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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, which is the ratio of exports to imports.

Tasmanian RGSI was estimated to have increased by 3.8 per cent in 2017-18, while national RGDI increased by 3.2 per cent from the previous year.

In terms of real income growth, Tasmania's performance exceeded the national performance. This was due to favourable movements in the prices of some key international exports from Tasmania.

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 GSP growth estimates for 2015-16 and 2016-17 were both revised upwards by 0.4 of a percentage point.

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 2.0 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	2016-17	2017-18
2008-09	1.4	3.4	1.9	2.4	2.5	2.4	2.4	2.4	2.9	2.0
2009-10		0.4	0.4	0.1	0.2	0.2	0.0	-0.1	0.2	0.8
2010-11			0.8	0.2	0.4	0.2	0.3	0.3	2.2	1.9
2011-12				0.5	0.4	0.6	0.1	0.1	1.1	0.7
2012-13					-0.6	-0.2	-1.2	-0.7	-0.3	-0.2
2013-14						1.2	1.3	1.8	1.4	1.1
2014-15							1.6	1.3	1.1	1.0
2015-16								1.3	1.3	1.7
2016-17									1.1	1.5
2017-18										3.3

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



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Table 4: Gross State Product, Tasmania, expenditure method, 2017-18

<i>GSP(E), chain volume measures, \$m, 2016-17 prices</i>			% change from 2016-17	Share of GSP % 2017-18	pp cont to GSP growth 2017-18
	2016-17	2017-18			
Consumption					
Households	18 790	19 336	2.9	63.9	1.9
Government	7 016	7 233	3.1	23.9	0.7
Investment					
Private business investment	2 437	2 861	17.4	9.5	1.4
Private dwelling investment	1 180	1 240	5.1	4.1	0.2
Ownership transfer costs	396	402	1.5	1.3	0.0
<i>Total private investment</i>	<i>4 013</i>	<i>4 504</i>	<i>12.2</i>	<i>14.9</i>	<i>1.7</i>
Public corporations investment	758	769	1.5	2.5	0.0
General government investment	1 131	1 161	2.7	3.8	0.1
<i>Total public investment</i>	<i>1 889</i>	<i>1 930</i>	<i>2.2</i>	<i>6.4</i>	<i>0.1</i>
State Final Demand	31 707	33 003	4.1	109.0	4.4
Exports	4 063	4 782	17.7	15.8	2.5
Imports	1 705	1 956	14.7	6.5	-0.9
Balancing Item	-4 643	-5 431	17.0	-17.9	-2.7
Statistical Discrepancy	- 125	- 132	na	-0.4	0.0
Gross State Product (A)	29 298	30 266	3.3	100.0	3.3

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

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Table 5: Gross State Product, Tasmania, production method, 2017-18

<i>GSP(P) - Gross Value Added, chain volume measures, \$m, 2016-17 prices</i>	2016-17	2017-18	% change	Share of GVA	Share of GSP	pp cont to GSP growth
Agriculture, Forestry & Fishing	2 656	2 675	0.7	9.5	8.8	0.1
Mining	1 146	1 247	8.8	4.4	4.1	0.3
Manufacturing	1 762	1 877	6.5	6.6	6.2	0.4
Electricity, Gas, Water & Waste Services	886	918	3.6	3.2	3.0	0.1
Construction	1 702	1 787	5.0	6.3	5.9	0.3
Wholesale Trade	942	931	-1.2	3.3	3.1	0.0
Retail Trade	1 367	1 397	2.2	4.9	4.6	0.1
Accommodation & Food Services	709	750	5.8	2.7	2.5	0.1
Transport, Postal & Warehousing	1 196	1 203	0.6	4.3	4.0	0.0
Information Media & Telecommunications	1 023	1 027	0.4	3.6	3.4	0.0
Financial & Insurance Services	2 162	2 225	2.9	7.9	7.4	0.2
Rental Hiring & Real Estate Services	493	514	4.3	1.8	1.7	0.1
Professional, Scientific & Technical Services	811	894	10.2	3.2	3.0	0.3
Administrative & Support Services	500	537	7.4	1.9	1.8	0.1
Public Administration & Safety	1 471	1 491	1.4	5.3	4.9	0.1
Education & Training	1 821	1 849	1.5	6.5	6.1	0.1
Healthcare & Social Assistance	3 476	3 672	5.6	13.0	12.1	0.7
Arts & Recreation Services	307	315	2.6	1.1	1.0	0.0
Other Services	495	507	2.4	1.8	1.7	0.0
Ownership of Dwellings	2 447	2 478	1.3	8.8	8.2	0.1
<i>Gross Value Added at basic prices</i>	<i>27 371</i>	<i>28 293</i>	<i>3.4</i>	<i>100.0</i>	<i>93.5</i>	<i>3.1</i>
Taxes less subsidies on products	1 802	1 824	1.2		6.0	0.1
Statistical Discrepancy	125	149	na		0.5	0.1
Gross State Product (A)	29 298	30 266	3.3		100.0	3.3

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Table 6: Gross State Product, Tasmania, income method, 2017-18

<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	605	2 068	2 673	3.3	0.3
Mining	75	1 258	1 333	0.5	0.0
Manufacturing	1 378	704	2 081	8.7	0.6
Electricity, Gas, Water & Waste Services	695	933	1 629	10.7	0.6
Construction	860	938	1 799	-1.3	-0.1
Wholesale Trade	626	341	967	2.1	0.1
Retail Trade	1 079	696	1 776	6.7	0.4
Accommodation & Food Services	480	247	727	5.4	0.1
Transport, Postal & Warehousing	719	1 149	1 868	5.4	0.4
Information Media & Telecommunications	261	439	700	-0.6	0.0
Financial & Insurance Services	464	1 376	1 840	8.0	0.5
Rental Hiring & Real Estate Services	246	663	909	8.0	0.3
Professional, Scientific & Technical Services	662	248	910	7.7	0.2
Administrative & Support Services	326	128	453	8.6	0.1
Public Administration & Safety	1 389	272	1 662	1.5	0.1
Education & Training	1 450	206	1 656	6.2	0.4
Healthcare & Social Assistance	2 093	366	2 459	11.8	1.0
Arts & Recreation Services	101	77	179	6.5	0.0
Other Services	355	163	519	4.2	0.1
Ownership of Dwellings	na	2 045	2 045	7.2	0.5
Total all industries	13 865	14 318	28 183	5.6	5.6

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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Contact Details
Economic Analysis Unit
Economic.Analysis@treasury.tas.gov.au

