

State Accounts (ABS Cat No 5220.0)

Latest Year: 2016-17

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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 1.1 per cent in Tasmania in 2016-17 to \$28.58 billion. Nationally, GDP was estimated to have grown by 2.0 per cent in 2016-17.

Tasmanian GSP per capita was estimated to have been \$55 056 in 2016-17, 0.5 per cent higher than the previous year. Nationally, GDP per capita was estimated to have increased by 0.4 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 2016-17, household consumption in Tasmania was estimated to have been \$18.42 billion, down 0.6 per cent compared to the previous year. Household consumption was estimated to have grown by 2.1 per cent nationally in 2016-17.

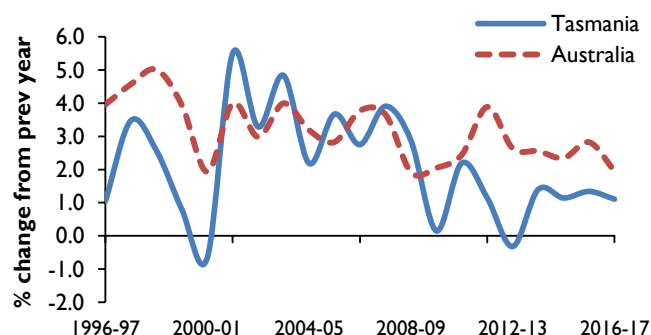
Tasmanian private sector investment was estimated to be \$3.95 billion in 2016-17, down 3.1 per cent from the previous year. Nationally, private investment decreased by an estimated 3.5 per cent.

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

	GSP(A)	% change from	GSP per capita	% change from
	2016-17	2015-16	2016-17	2015-16
	\$m		\$	
NSW	557 861	2.9	71 541	1.3
Vic	399 009	3.3	63 900	0.9
Qld	308 709	1.8	63 212	0.3
SA	101 791	2.2	59 285	1.6
WA	233 152	-2.7	90 799	-3.3
Tas	28 577	1.1	55 056	0.5
NT	25 427	3.9	103 763	3.7
ACT	37 566	4.6	92 436	2.9
Aus	1 692 092	2.0	69 402	0.4

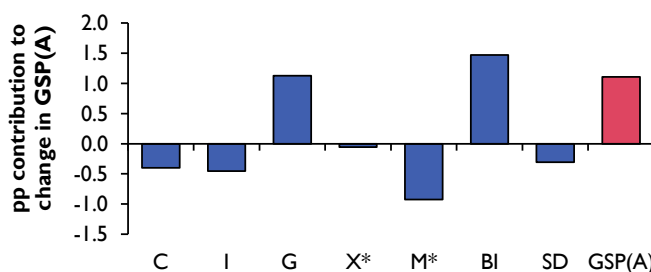
SOURCE: AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS, ABS CAT NO 5220.0: TABLE 1

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, 2016-17



*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 \$6.99 billion in 2016-17, up 4.8 per cent from the previous year. This compares to estimated national growth of 4.1 per cent.

Total public investment in Tasmania in 2016-17 was estimated to be \$1.83 billion. This was up 11.1 per cent from the previous year. Public investment was estimated to have increased by 15.6 per cent nationally.

Tasmanian state final demand increased by 0.8 per cent in 2016-17, to \$31.19 billion. This compares to growth of 2.0 per cent in domestic final demand nationally.

Tasmanian international exports of goods and services were estimated to have decreased by 0.4 per cent, to \$3.90 billion, in 2016-17, compared to estimated growth of 5.5 per cent nationally. International imports to Tasmania were estimated to be \$1.75 billion in 2016-17, an increase of 17.6 per cent compared to 2015-16. Nationally, imports were estimated to have increased by 4.7 per cent.

Gross State Product: Production Method

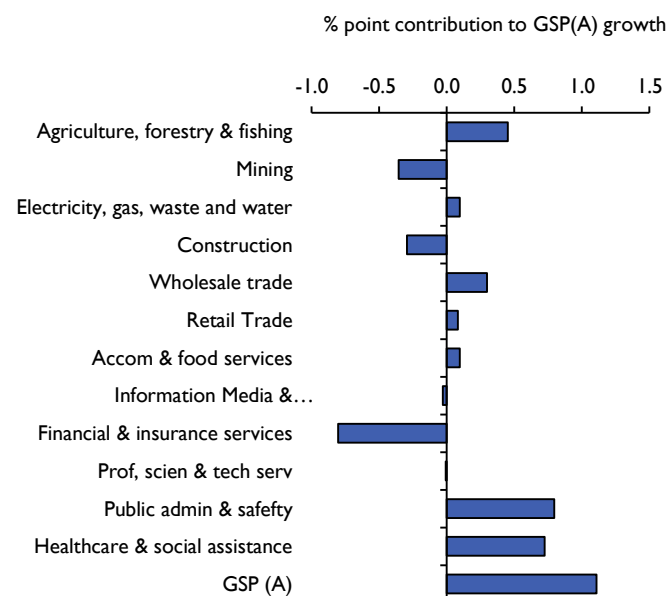
Gross Value Added (GVA) provides an estimate of the value of production by industry.

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

Healthcare and social assistance was Tasmania's largest industry in 2016-17. GVA in the healthcare and social assistance was \$3.58 billion and represented 12.5 per cent of Tasmania's total GVA. This is followed by the agriculture, forestry and fishing (\$2.75 billion) and public administration and safety (\$1.81 billion) industries.

The main contributors to growth in GSP in 2016-17 were the public administration and safety (0.8 of a percentage point) and healthcare and social assistance (0.7 of a percentage point) industries.

Chart 3: Industry gross value added, contribution to Tasmanian GSP growth, selected industries, 2016-17



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

Changes in value added from the finance and insurance services (-0.8 of a percentage point) and mining (-0.4 of a percentage point) industries accounted for the largest negative contributions to GSP growth.

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 3.6 per cent in nominal terms in 2016-17.

Compensation of employees (which includes wages and salaries excluding taxes and employer social contributions) for all industries is estimated to have increased by 0.6 per cent in Tasmania in 2016-17. Gross operating surplus and gross mixed income were estimated to have increased by 6.6 per cent in the same period.

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Treasury urges caution in the use of industry level data from the state accounts due to issues with internal consistency between different data sets. For example, the financial and insurance services industry recorded an estimated 11.2 per cent decrease in GVA in 2016-17, however, the industry's TFI increased by an estimated 13.1 per cent in the same period.

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 2.5 per cent in 2016-17.

Revisions and reliability of GSP estimates

Table 2 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 2.9 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 2: 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
2008-09	1.4	3.4	1.9	2.4	2.5	2.4	2.4	2.4	2.9
2009-10		0.4	0.4	0.1	0.2	0.2	0.0	-0.1	0.2
2010-11			0.8	0.2	0.4	0.2	0.3	0.3	2.2
2011-12				0.5	0.4	0.6	0.1	0.1	1.1
2012-13					-0.6	-0.2	-1.2	-0.7	-0.3
2013-14						1.2	1.3	1.8	1.4
2014-15							1.6	1.3	1.1
2015-16								1.3	1.3
2016-17									1.1

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



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Table 3: Gross State Product, Tasmania, expenditure method, 2016-17

<i>GSP(E), chain volume measures, \$m, 2015-16 prices</i>	2015-16	2016-17	% change from 2015-16	pp cont to	
				Share of GSP % 2016-17	GSP growth 2016-17
Consumption					
Households	18 529	18 416	-0.6	64.4	-0.4
Government	6 673	6 992	4.8	24.5	1.1
Investment					
Private business investment	2 352	2 438	3.7	8.5	0.3
Private dwelling investment	1 366	1 111	-18.7	3.9	-0.9
Ownership transfer costs	358	398	11.2	1.4	0.1
<i>Total private investment</i>	4 076	3 948	-3.1	13.8	-0.5
Public corporations investment	669	661	-1.2	2.3	0.0
General government investment	978	1 169	19.5	4.1	0.7
<i>Total public investment</i>	1 647	1 829	11.1	6.4	0.6
State Final Demand	30 924	31 185	0.8	109.1	0.9
Exports	3 914	3 898	-0.4	13.6	-0.1
Imports	1 486	1 747	17.6	6.1	-0.9
Balancing Item	-5 152	-4 736	-8.1	-16.6	1.5
Statistical Discrepancy	64	- 23	na	-0.1	-0.3
Gross State Product (A)	28 264	28 577	1.1	100.0	1.1

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



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Table 4: Gross State Product, Tasmania, production method, 2016-17

<i>GSP(P) - Gross Value Added, chain volume measures, \$m, 2015-16 prices</i>	2015-16	2016-17	% change	Share of GVA	Share of GSP	pp cont to GSP growth
Agriculture, Forestry & Fishing	2 618	2 746	4.9	10.2	9.6	0.5
Mining	1 104	1 003	-9.1	3.7	3.5	-0.4
Manufacturing	1 743	1 725	-1.0	6.4	6.0	-0.1
Electricity, Gas, Water & Waste Services	820	847	3.3	3.2	3.0	0.1
Construction	1 608	1 525	-5.2	5.7	5.3	-0.3
Wholesale Trade	886	970	9.5	3.6	3.4	0.3
Retail Trade	1 342	1 365	1.7	5.1	4.8	0.1
Accommodation & Food Services	706	733	3.8	2.7	2.6	0.1
Transport, Postal & Warehousing	1 152	1 093	-5.1	4.1	3.8	-0.2
Information Media & Telecommunications	1 040	1 032	-0.8	3.8	3.6	0.0
Financial & Insurance Services	2 019	1 792	-11.2	6.7	6.3	-0.8
Rental Hiring & Real Estate Services	472	471	-0.2	1.8	1.6	0.0
Professional, Scientific & Technical Services	761	759	-0.3	2.8	2.7	0.0
Administrative & Support Services	456	461	1.1	1.7	1.6	0.0
Public Administration & Safety	1 584	1 809	14.2	6.7	6.3	0.8
Education & Training	1 767	1 779	0.7	6.6	6.2	0.0
Healthcare & Social Assistance	3 377	3 582	6.1	13.3	12.5	0.7
Arts & Recreation Services	289	272	-5.9	1.0	1.0	-0.1
Other Services	454	446	-1.8	1.7	1.6	0.0
Ownership of Dwellings	2 327	2 436	4.7	9.1	8.5	0.4
<i>Gross Value Added at basic prices</i>	26 525	26 846	1.2	100.0	93.9	1.1
Taxes less subsidies on products	1 803	1 808	0.3		6.3	0.0
Statistical Discrepancy	- 64	- 77	na		-0.3	0.0
Gross State Product (A)	28 264	28 577	1.1		100.0	1.1

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Table 5: Gross State Product, Tasmania, income method, 2016-17

<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	482	2 335	2 817	12.1	1.2
Mining	61	1 163	1 224	0.8	0.0
Manufacturing	1 229	567	1 796	-5.3	-0.4
Electricity, Gas, Water & Waste Services	689	942	1 631	22.5	1.2
Construction	783	916	1 699	9.6	0.6
Wholesale Trade	623	309	932	2.2	0.1
Retail Trade	1 072	637	1 709	2.6	0.2
Accommodation & Food Services	426	232	658	-2.1	-0.1
Transport, Postal & Warehousing	666	886	1 552	-12.5	-0.9
Information Media & Telecommunications	259	436	695	-1.4	0.0
Financial & Insurance Services	427	1 313	1 740	13.1	0.8
Rental Hiring & Real Estate Services	234	632	865	9.4	0.3
Professional, Scientific & Technical Services	522	201	723	-5.7	-0.2
Administrative & Support Services	316	82	397	-3.6	-0.1
Public Administration & Safety	1 447	230	1 677	-3.1	-0.2
Education & Training	1 355	253	1 608	6.7	0.4
Healthcare & Social Assistance	1 833	278	2 111	3.7	0.3
Arts & Recreation Services	84	71	156	-6.0	0.0
Other Services	318	153	471	-6.2	-0.1
Ownership of Dwellings	na	1 965	1 965	7.2	0.5
Total all industries	12 826	13 600	26 425	3.6	3.6

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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