

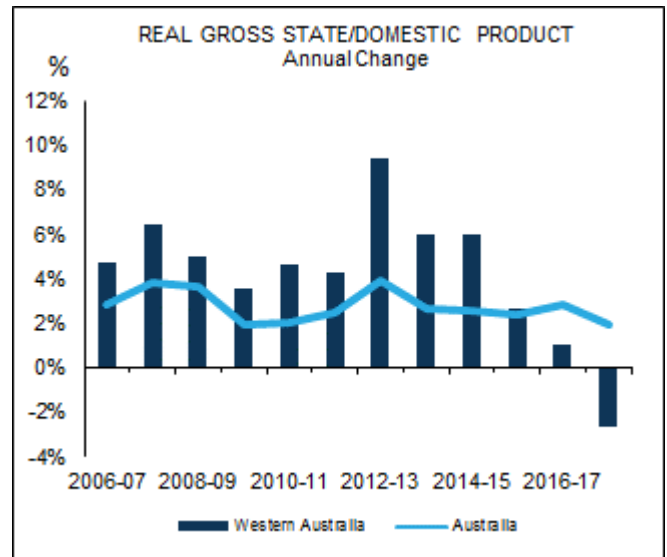


Gross State Product, 2016-17

Key Facts

Western Australia

- Western Australia's Gross State Product (GSP), fell by 2.7% in 2016-17, in real chain volume terms, with the State's economy valued at \$233,152 million.
- This was the lowest rate of change of all the States and Territories and below the national Gross Domestic Product (GDP) growth of 2%.
- On an expenditure basis (see table below), the major driver of the fall in GSP was business investment, which fell by 28.6% in 2016-17. This was partly offset by an increase in exports of goods, which grew by 7.3%.
- State Final Demand (SFD) – a measure of total domestic demand in the State - fell by 7.2% in 2016-17.
- On an industry Gross Value Added basis, the main detractor of Western Australia's GSP growth in 2016-17 was 'construction' (detracting 2.8 percentage points, pp), while the largest contributor to growth was 'agriculture' (contributing 0.54 pp) followed by 'mining' (contributing 0.45 pp).



EXPENDITURE COMPONENTS OF GROSS STATE PRODUCT

Western Australia

	Annual Level (\$)	Annual Growth (%)	Cont. to Growth (pp)
Private			
Household final consumption expenditure	104,830	0.5	0.2
Business investment	38,018	-28.6	-6.4
Dwelling investment	9,249	-19.8	-1.0
Ownership Transfer Costs	2,492	-7.6	-0.1
Public			
General government consumption expenditure	36,772	3.1	0.5
Public Investment	8,896	5.5	0.2
State Final Demand	200,256	-7.2	-6.5
International exports of goods and services	117,874	6.7	3.1
International imports of goods and services	45,736	-3.7	0.6
Net Exports (i.e. exports minus imports)	72,138	14.6	3.8
Balancing item	-38,941	0.0	0.0
Statistical Discrepancy	-302	n/a	n/a
Gross State Product (chain volume)	233,152	-2.7	-2.7
Gross State Product (nominal)	247,705	3.3	n/a
Gross State Income	248,307	3.6	n/a

Note: Reference year for chain volume measures is 2015-16. Growth rates above are in real (chain volume) terms.

Other Results

- The chain volume growth rates of GSP presented above are an estimate of the volume of goods and services produced. These measures abstract from price movements by measuring GSP in constant dollar terms. Dividing current (nominal) price data by chain volume data provides an indication of price movements in the State's economy.
 - This approach indicates that merchandise export prices grew by 11.7% in 2016-17, while prices in the domestic economy (as measured by SFD) remained flat (falling marginally by 0.3%).
- Volume estimates of GSP measure the volume of goods and services produced in each State. If the terms of trade for a State change significantly (i.e. the prices for a State's exports and imports change at different rates) then GSP will not accurately reflect the change in real purchasing power of the income generated within a State. For this reason, real Gross State Income includes an adjustment for the terms of trade¹.
 - In 2016-17, Western Australia's real Gross State Income rose by 3.6%, to \$248.3 million.
- While real GSP and Gross State Income are both helpful measures, they do not provide a measure of incomes received by the residents of a particular State. For example, a proportion of the income generated in the production process may be transferred to other States or overseas (and conversely income may be received from other States or overseas). Gross household disposable income per capita is therefore a better measure of households' economic wellbeing.
 - Western Australia's gross household disposable income per capita fell by 2.8% in 2016-17 to reach \$51,412, and was the highest of all States (but behind both Territories).

ANNUAL LEVELS CHANGES AND RATIOS; 2016-17

	GSP	SFD	GSP per capita		Gross household disposable income per capita		Share of National Output
	%Change	%Change	Levels	%Change	Levels	%Change	
New South Wales	2.9	3.4	71,541	1.3	50,814	0.8	33.0
Victoria	3.3	3.9	63,900	0.9	42,990	1.0	23.6
Queensland	1.8	2.4	63,212	0.3	43,516	0.5	18.2
South Australia	2.2	2.8	59,285	1.6	43,344	1.3	6.0
Western Australia	-2.7	-7.2	90,799	-3.3	51,412	-2.8	13.8
Tasmania	1.1	0.8	55,056	0.5	41,047	1.1	1.7
Northern Territory	3.9	8.2	103,763	3.7	62,893	1.9	1.5
Australian Capital Territory	4.6	3.0	92,436	2.9	91,627	4.5	2.2
Australia	2.0	2.0	69,402	0.4	47,479	0.5	100.0

¹ However, Gross State Income does not capture the extent to which the increased purchasing power of income generated by production within the State accrues either overseas or interstate.