

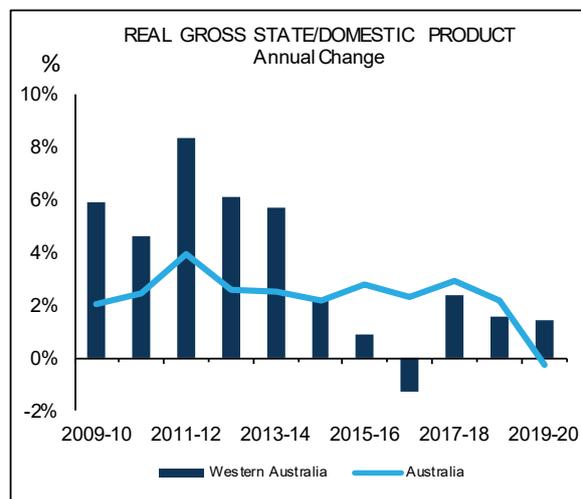


Gross State Product, 2019-20

Key Facts

Western Australia

- Western Australia's Gross State Product (GSP), rose by 1.4% in 2019-20, in real chain volume terms, with the State's economy valued at \$292,284 million.
- Growth in WA's GSP was the strongest of all the States (but behind both Territories), with Tas (0.3%) the only other State to record growth. National GDP contracted by 0.3% in 2019-20, the first decline in almost 30 years.
- On an expenditure basis (see table below), the major driver of the rise in GSP by business investment (contributing 1.1 percentage points, pp), services imports (0.8 pp) and government spending (0.7 pp).
- On an industry Gross Value Added basis, the standout contributor to Western Australia's GSP growth in 2019-20 was 'mining' (up 4.9% and contributing 1.8 pp), while the largest detractor from growth was 'construction' (detracting 0.3 pp).



EXPENDITURE COMPONENTS OF GROSS STATE PRODUCT

Western Australia

	Annual Level (\$m)	Annual Growth (\$)	Cont. to Growth (pp)
Private			
Household final consumption expenditure	106,641	-2.4	-0.9
Business investment	38,282	9.4	1.1
Dwelling investment	7,159	-13.4	-0.4
Ownership Transfer Costs	1,849	2.2	0.0
Public			
General government consumption expenditure	41,101	5.1	0.7
Public Investment	8,879	1.2	0.0
State Final Demand	203,910	0.9	0.6
International exports of goods and services	172,999	0.7	0.4
International imports of goods and services	44,199	-4.1	1.0
Net Exports (i.e. exports minus imports)	128,800	2.4	1.0
Balancing item	-40,426	1.7	-0.2
Statistical Discrepancy	0	n/a	n/a
Gross State Product (chain volume)	292,284	1.4	1.4
Gross State Product (nominal)	316,324	9.7	n/a

Note: Reference year for chain volume measures is 2017-18. 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 12.9% in 2019-20, while prices in the domestic economy (as measured by SFD) grew by 1.6%.
- 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 2019-20, Western Australia's real Gross State Income rose by 8%, to \$311.4 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 increased by 3.6% in 2019-20 to \$55,101 and remained the highest of all States (although behind both Territories).

ANNUAL LEVELS CHANGES AND RATIOS, 2019-20

	GSP		SFD		GSP per capita (CV)		Gross household disposable income per capita (Original)		Share of National Output (CV)
	% Change	% Change	Levels	% Change	Levels	% Change	% Change		
NSW	-0.7	-2.0	76,876	-1.8	53,435	3.7	32.1		
VIC	-0.5	-1.3	68,996	-2.3	48,107	4.4	23.6		
QLD	-1.1	-0.2	70,862	-2.6	48,164	3.7	18.7		
SA	-1.4	-2.2	61,582	-2.3	46,695	4.2	5.6		
WA	1.4	0.9	110,752	0.1	55,101	3.6	15.0		
TAS	0.3	-0.2	59,779	-0.6	48,855	6.0	1.6		
NT	5.3	-4.9	106,851	5.7	67,704	2.1	1.3		
ACT	2.4	3.2	95,695	1.4	92,810	5.1	2.1		
AUS	-0.3	-1.1	76,305	-1.7	51,394	3.9	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.