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Australian Bureau of Statistics

Information Paper

Gross State Product using the Production approach GSP(P)

Australia

2007

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AUSTRALIAN BUREAU OF STATISTICS

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PREFACE

Since 1987 the Australian Bureau of Statistics (ABS) has published annual estimates of Gross State Product (GSP) as part of the *Australian National Accounts: State Accounts* (cat. no. 5220.0). Over recent years there has been an increased effort applied to improving and expanding the quality of the State Accounts. In 2003, the ABS established a specialist team with a focus on the State Accounts.

Compiling GSP using the Production approach (GSP(P)) was the major project on the research program. Another aspect was the establishment of a State Accounts User Group (SAUG) in 2004. Since 2004 consultation and discussion has taken place with SAUG on the development of the GSP(P) volume estimates.

This information paper provides the results of the GSP(P) project. Results are presented for each state followed by a discussion on Gross Value Added (GVA) by industry (including Ownership of dwellings and Taxes less subsidies on products) for each state.

The GSP(P) estimates are compared to the current official volume estimates of GSP growth which are based on the Income/Expenditure approach (GSP(I/E)). The GSP(P) estimates contained in this information paper are considered indicative.

The compilation of the GSP(P) estimates means that there are now alternative measures of economic activity available for each state. There are three possible volume measures of GSP that the ABS could publish as the headline measure of economic growth:

- the new GSP(P) based volume estimates
- the current official GSP(I/E) based volume estimates
- an average of these volume estimates, described as GSP(A).

In considering the merits of the various options the ABS, in consultation with the SAUG, concluded that the average measure is preferred. The ABS considers this measure maximises the use of information about state economic activity and that it will be more stable over time (i.e. subject to smaller revisions) than the two alternatives. This approach is also consistent with the approach used nationally for the latest year estimates and for the quarterly national accounts.

Brian Pink
Australian Statistician

ABBREVIATIONS

ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
APRA	Australian Prudential Regulation Authority
ASNA	Australian System of National Accounts
BACS	Building Activity Survey
BTRE	Bureau of Transport and Regional Economics
CPI	consumer price index
DEST	Australian Government Department of Education, Science and Training
DITR	Australian Government Department of Industry, Tourism and Resources
GDP	gross domestic product
GFCE	government final consumption expenditure
GFS	Government Finance Statistics
GSP	gross state product
GSP (A)	average of GSP measures
GSP (E)	expenditure approach to measuring GSP
GSP (I/E)	income/expenditure approach to measuring GSP
GSP (P)	production approach to measuring GSP
GSP(I)	income approach to measuring GSP
GST	goods and services tax
GVA	gross value added
HFCE	household final consumption expenditure
NCVER	National Centre for Vocational Education Research
NEMMCO	National Electricity Market Management Company Limited
PPI	producer price index
QBIS	Quarterly Business Indicators Survey
SAUG	State Accounts User Group
SNA	System of National Accounts
SNA93	System of National Accounts 1993
VACP	Value of Agricultural Commodities Produced

INTRODUCTION

INTRODUCTION

The ABS has published estimates of GSP as part of the *Australian National Accounts: State Accounts* (cat. no. 5220.0) on a regular basis since 1987. Since this time there has been ongoing work to improve the estimates of GSP and expand the amount of information contained within the State Accounts. The main improvements to the State Accounts include:

- 1988–89 – introduction of Market Prices
- 1991–92 – introduction of State Final Demand
- 1993–94 – constant price estimates introduced using prices at 1989–90 and Industry structure changed to the *Australian and New Zealand Industrial Classification, 1993* (ANZSIC93) (cat. no. 1292.0.15.001) basis
- 1997–98 – implementation of accounts based on the System of National Accounts, 1993 (SNA93) from 1989–90 onwards and change from constant price estimates to chain volume measure estimates.

Over recent years there has been an increased effort applied to improving and expanding the quality of the State Accounts. In 2003, the ABS allocated additional resources to establish a specialist team with a focus on the State Accounts. Investigating the possibility of compiling GSP(P) was the major project on the research program. Another aspect was the establishment of a SAUG in 2004. Since 2004 consultation and discussion has taken place with the SAUG on the development of the GSP(P) volume estimates.

This information paper provides the results of the GSP(P) project. Results for each state are presented, followed by a discussion on GVA by industry (including Ownership of dwellings and Taxes less subsidies on products) for each state. Comparisons of GSP(P) are made to the current official volume estimate of GSP growth which are based on GSP(I/E). The GSP(I/E) volume estimates are derived by deflating current price GSP compiled using the income approach (GSP(I)), with a deflator compiled using the expenditure approach (GSP(E)).

HEADLINE MEASURES OF GSP

The introduction of GSP(P) estimates means that there are now alternative measures of economic activity available for each state. There are three possible volume measures of GSP that the ABS could publish as headline measure of economic growth:

- the new GSP(P) based volume estimates
- the current official GSP(I/E) based volume estimates
- a simple average of these volume estimates, described here as GSP(A).

In considering the merits of the various options the ABS, in consultation with SAUG, concluded that the average measure is preferred. The ABS considers this measure maximises the use of information about state economic activity and that it will be more stable over time (i.e. subject to smaller revisions) than the two alternatives. This approach is also consistent with the approach used nationally for the latest year estimates and for the quarterly national accounts.

HEADLINE MEASURES OF GSP *continued*

It is planned to publish GSP(A) as the headline measure in the *Australian National Accounts: State Accounts, 2006–07* for the period from 1989–90 onwards. The volume estimates published on the GSP(I/E) and GSP(P) bases would, therefore, contain statistical discrepancies to reconcile them with GSP(A).

The development of the volume estimates of GSP(P) will also have an impact on the presentation of the current prices estimate of GSP. The volume measure of GSP(P) will be reflated using the GSP(E) deflator to produce a current price GSP(P). This will then be used with the existing current price GSP to calculate a simple average of GSP, estimated using the income approach, in current prices. This is will result in a statistical discrepancy for the individual measures of current price GSP.

EXPERIMENTAL STATUS OF ESTIMATES

The GSP(I/E) estimates have been regarded as experimental estimates since their inception due to issues relating to the measurement of Interstate trade and Changes in inventories. The development of GSP(P) has allowed an assessment of the current price GSP(I) results. Both the volume GSP(P) and volume GSP(I/E) generate similar outcomes. Consequently the ABS considers the volume estimates to be sufficiently robust, enabling the experimental status be dropped. The robustness of the estimates is also reinforced by the use of GSP(A) as the headline measure. Thus, from the 2006–07 publication of *Australian National Accounts: State Accounts*, the headline GSP volume estimates will no longer be labelled as experimental.

Nevertheless, users should be aware that the State Accounts estimates are likely to be of lower quality than the equivalent national level estimates. One reason is the inherent problems associated with the allocation of multi-State activities, especially in industries such as long distance transport, communication and finance. Another reason is the data sources are generally sample surveys designed to optimise quality at the national level, not the state level. This is likely to impact more on the quality of data for the smaller states and territories.

STATUS OF THE ESTIMATES IN THIS PAPER

The GSP(I/E) estimates shown in this paper are those published in the 2005–06 issue of *Australian National Accounts: State Accounts,* which are the most recent official estimates. It is expected that these estimates will be revised in the 2006–07 issue of 5220.0 primarily due to updated Australia level benchmarks from the annual supply and use tables and the availability of additional data sources.

The GSP(P) and GSP(A) estimates shown in this paper should be regarded as indicative. They are not official ABS estimates. Their purpose is to demonstrate the GSP(P) approach. While the ABS has taken care in developing these estimates, they are likely to be revised in the 2006–07 issue of 5220.0, at which stage they will become official estimates.

STRUCTURE OF PAPER

The remainder of the paper is structured as follows:

- Section 1 outlines the methodologies used to derive GVA at the Australia level compared with the states and territories, and a comparison of the various GSP measures. It includes a comparison of the levels and growth rates of the three measures of GSP (GSP(P), GSP(I/E) and GSP(A)) and other additional analysis for each state/territory.

STRUCTURE OF PAPER *continued*

- Section 2 presents a discussion of the structure of the industries under ANZSIC93 and a detailed description of methods and results for each industry.
- Section 3 contains some concluding remarks and outlines changes to the format of the 2006–07 publication of *Australian National Accounts: State Accounts*. Areas requiring further research and development are also presented.

The inclusion of the GSP(A) and GSP(P) estimates is a major change in State Accounts and, as such, the ABS would be interested in receiving any feedback on these estimates and their inclusion in *Australian National Accounts: State Accounts*. Please contact Donna Grcman (email donna.grcman@abs.gov.au or telephone (02) 6252 5892) if you have any comments or inquires about the proposed approach.

SECTION 1 GSP USING THE PRODUCTION APPROACH – BY STATE

INTRODUCTION

This section presents the general methodology used to estimate GSP(P) and the results for each state. A brief description of the methodology used for the Australian estimates which are published in *Australian System of National Accounts* (ASNA) (cat. no. 5204.0) is also provided. The state methodology is then presented, followed by a comparison of the three GSP measures across all states and a more detailed examination of each state's estimates.

Methods for Australia volume estimates

The annual Australia level volume estimates of GVA for each industry (except for the latest year) are derived in the annual supply and use tables using double deflation, i.e. by subtracting volume estimates of intermediate input from volume estimates of output. Due to data constraints this approach cannot be applied for the latest year (or on a quarterly basis) except for the Agriculture subdivision.

The quarterly and latest year annual volume estimates of industry GVA for Australia are derived by using different indicators for each industry to interpolate and extrapolate the supply use benchmark estimates. Most of the indicators are output indicators. These are based on either sales data deflated by a suitable price index to obtain sales volumes, or on physical quantities produced. The method involves extrapolating reference year estimates of current price GVA using movements in a volume indicator of output. One exception to the use of output or input indicators is the Agriculture sub-division within the Agriculture, forestry and fishing industry where a double deflation approach is used.

For more information about the Australia level methodology, please refer to *Australian System of National Accounts, Concepts: Source and Methods* (cat. no. 5216.0), Chapters 12 and 24.

Methods for State volume estimates

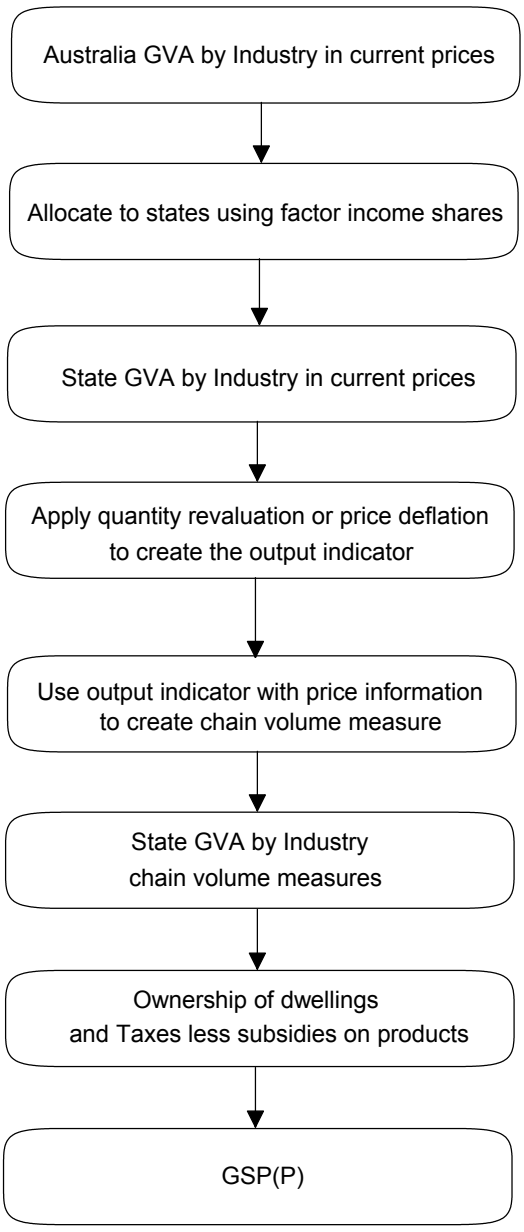
The same methods currently used to derive Australian level annual volume estimates of industry GVA have been used, where possible, in developing the GSP(P) approach. There are two reasons for this choice. First, the cost of developing and maintaining the data set required for double deflation based estimates by state is prohibitive. Second, it is considered that, even if state output and input data by industry were available, these data would almost certainly be of lower quality than the corresponding national data. Hence deriving GVA as their difference would be likely to produce unsatisfactory results due to the compounding of errors in the double deflation approach.

Assumptions have been made, or alternate indicators have been used, on occasions where data availability has limited the application of the national quarterly method.

The following diagram provides a brief overview of the general methodology for the GSP(P) estimates.

Methods for State volume estimates continued

Flowchart of GSP(P) compilation methodology



For most industries there are no separate estimates of state current price GVA available. These estimates are only available on a national basis. The method used to derive a current price GVA by state for each industry is to split that particular industry GVA to the states using the factor income shares (compensation of employees, gross operating surplus and gross mixed income) as currently published in *Australian National Accounts: State Accounts* (cat. no. 5220.0).

In order to align with the total national industry factor income estimates published in table 57 of the *Australian System of National Accounts*, the General Government Gross operating surplus by state in tables 24 to 31 in the *Australian National Accounts, State Accounts* has been re-allocated to all industries using public employment data by industry by state from the ABS *Employee Earnings and Hours, Australia* (cat. no. 6306.0).

Methods for State volume estimates continued

The GSP(P) method uses an output indicator approach for most industries to compile state by industry GVA estimates. This involves extrapolating reference year estimates of current price GVA using movements in a volume indicator of output. A double deflation methodology is used for the Agriculture sub-division within the Agriculture, forestry and fishing industry.

There are two basic approaches for producing volume indicators, price deflation and quantity revaluation. Price deflation is the more commonly used approach.

Price deflation involves dividing a price index into a current price value of sales or turnover to obtain an output volume indicator. For example, the current price sales for Property and business services is deflated using the corresponding price index from the Producer Price Index (PPI) to produce a volume output indicator for that industry.

Quantity revaluation is used when there are individual commodities that are reasonably homogeneous in content and are not subject to quality change. A quantity (e.g. tonnes of coal, ounces of gold, etc.) is required for each time period. For an individual commodity, the estimates of quantity in each period provide the output volume indicator. The output indicators for the commodities produced within an industry are then weighted together using estimates of the value of each commodity produced to derive an overall volume output indicator for the industry. The value of commodities used as weights is either a value of sales or is obtained by multiplying the quantities by a relevant price.

Some industries only use price deflation while others use a combination of price deflation and quantity revaluation to produce an industry level estimate.

These two methods provide the output volume indicator which is then used (with corresponding price information) to produce a chain volume measure for each industry.

Once each state's current price and volume GVA estimates have been derived for each industry and Ownership of dwellings they are then benchmarked to the Australian total for each industry. This is to ensure that the sum of the states for each industry equals the Australian total as published in *Australian System of National Accounts*. Each state's benchmarked industry GVA estimates (current prices and chain volume measures) are then summed to produce GVA at basic prices for each state.

In order to derive GSP(P) for each state, Taxes less subsidies on products needs to be added to each state's GVA at basic prices.

GSP measures

Currently the ABS compiles two different measures of GSP, GSP(I) which uses the income approach and GSP(E) which uses the expenditure approach. Both measures are currently published in *Australian National Accounts: State Accounts*.

GSP(I) is calculated for each state by adding compensation of employees, gross operating surplus, gross mixed income, taxes less subsidies on production and imports, and the Australian statistical discrepancy.

GSP(E) is calculated for each state by adding all final expenditures (general government and household final consumption expenditures and, private and public gross fixed capital formation), exports less imports of goods and services and a balancing item. The balancing item includes changes in inventories, total net interstate trade and the

GSP measures continued

statistical discrepancy. The statistical discrepancy includes the difference between the GSP(E) estimate and the GSP(I) estimate.

The ABS currently produces volume measures by deflating current price GSP(I) using deflators compiled using the available data within the GSP(E) framework. It is not possible to deflate the components of income to produce volume measures because the components do not have readily identifiable price and quantity elements.

To compile the aggregate GSP(E) deflator, current price and volume estimates are compiled for each state for State Final Demand, International trade in goods and services, Interstate trade and Changes in inventories (the latter two components are constructed via an economic model and by dissecting national aggregates respectively). The quotient derived by dividing the aggregate volume measures into the current price values produces an implicit price deflator which is used to deflate the current price estimate of GSP(I) to produce the current official volume estimates of GSP(I/E).

For more information about this methodology, please refer to *Australian System of National Accounts: Concepts, Source and Methods*, Chapter 28.

It is important to note the aggregate current and volume measures used in deriving this deflator are not considered to be complete measures. They merely serve to produce the best deflators for the income based measure of GSP given the available data and resources.

All of the published data presented in this paper are consistent with the 2005–06 editions of *Australian System of National Accounts* and *Australian National Accounts: State Accounts*.

Comparisons of GSP(P) with GSP(I/E) for each state as well as with GSP(A), the simple average of GSP(P) and GSP(I/E), are presented in this paper. These comparisons are presented by chain volume measure estimates at the state level.

The development of the volume estimates of GSP(P) will also have an impact on the presentation of the current prices estimate of GSP. The volume measure of GSP(P) will be reflated using the GSP(E) deflator to produce a current price GSP(P). This will then be used with the existing current price GSP to calculate a simple average of GSP in current prices. This is will result in a statistical discrepancy for the individual measures of current price GSP.

New headline measure of GSP

The replacement of GSP(I/E) with GSP(A) as the headline measure will result in changes to the level and growth rates of GSP for all states.

As illustrated by the table below, the difference between GSP(A) and GSP(I/E) growth rates are generally small for all states except in 2005–06 for the Northern Territory where the difference is 2.0 percentage points.

New headline measure of GSP continued

GSP(A) AND GSP(I/E), Chain volume measures

	GSP(A)		GSP(I/E)	
	Annual growth 2005–06	*Average annual compound growth rates (1995–96 to 2005–06)*	*Annual growth 2005–06*	*Average annual compound growth rates (1995–96 to 2005–06)*
	%	%	%	%
New South Wales	1.5	3.3	1.4	2.9
Victoria	2.4	3.2	2.7	3.6
Queensland	5.1	4.8	4.9	5.0
South Australia	1.8	3.1	2.2	2.7
Western Australia	4.7	4.0	4.9	4.3
Tasmania	2.7	2.8	3.1	2.1
Northern Territory	5.5	4.0	7.5	3.3
Australian Capital Territory	3.9	3.0	3.4	2.8
Australia	2.8	3.7	2.8	3.6

Structure of the paper

The following section of this information paper presents for each state:

- Data and results on the three different measures of GSP in volume terms, both levels and growth rates. Data are presented from 2000–01 to 2005–06. Graphs of volume growth rates for the three GSP measures are shown for the full span of the time series, from 1990–91 to 2005–06.
- Graphs of the difference between GSP(A) and GSP(I/E) growth rates are presented for the full time series, 1990–91 to 2005–06.
- GVA industry contributions to growth in chain volume terms. Data are presented from 2000–01 to 2005–06.

The primary focus is on presenting the data, however, some analysis is also provided for each state.

NEW SOUTH WALES

New South Wales is the largest state in Australia in terms of gross state product. In 2005–06 it represented around one third of Australian Gross Domestic Product (GDP) in level terms.

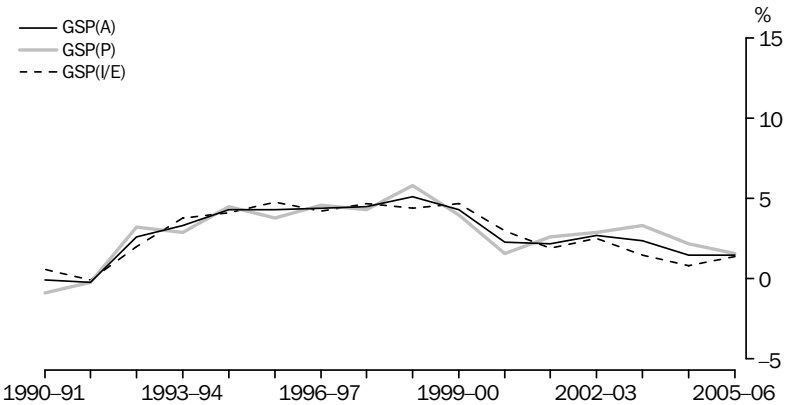
GROSS STATE PRODUCT, New South Wales—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
GSP(A)	280 684	286 897	294 645	301 782	306 203	310 771
GSP(P)	275 015	282 117	290 411	300 071	306 547	311 450
GSP(I/E)	286 354	291 678	298 879	303 493	305 859	310 091
GDP	784 017	813 542	839 187	873 197	896 568	921 747
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
GSP(A)	2.3	2.2	2.7	2.4	1.5	1.5
GSP(P)	1.6	2.6	2.9	3.3	2.2	1.6
GSP(I/E)	3.0	1.9	2.5	1.5	0.8	1.4

(a) Reference year for chain volume measures is 2004–05.

New South Wales GSP(P) growth was positive throughout the time series with the exception of 1990–91 and 1991–92. Growth rates were quite high between 1992–93 and 1999–2000, with a peak in 1998–99. From 2000–01 the growth rates have moderated growing at an average of around 2%. In general GSP(P) and GSP(I/E) displayed similar growth throughout the time series, however there were some divergences between the two measures in 2000–01, 2003–04, and 2004–05.

GROSS STATE PRODUCT, New South Wales—Chain volume measures(a): **Percentage changes from previous year**



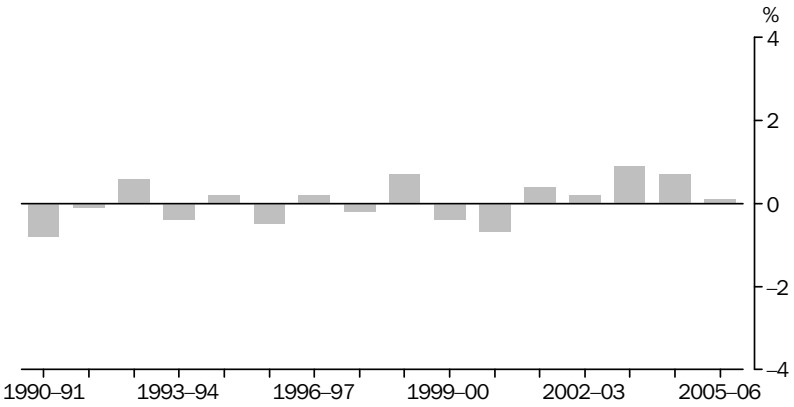
(a) Reference year for chain volume measures is 2004–05.

The difference between the GSP(A) and GSP(I/E) growth has been less than 1.0 percentage point throughout the whole time series and was zero in 2005–06.

NEW SOUTH WALES

continued

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—New South Wales: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

GSP, New South Wales—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	0.2	—	–0.7	0.4	0.1	0.1
Mining	—	—	—	0.1	0.1	–0.1
Manufacturing	0.2	0.2	0.3	—	–0.2	–0.1
Electricity, gas & water supply	0.1	–0.1	—	—	—	0.1
Construction	–1.0	0.6	0.9	0.4	0.3	0.3
Wholesale trade	—	—	–0.1	–0.1	0.2	—
Retail trade	0.1	0.2	0.3	0.2	0.1	—
Accommodation, cafes & restaurants	0.1	—	0.1	0.1	0.2	—
Transport & storage	—	0.1	0.2	0.1	0.2	0.1
Communication services	—	—	0.1	0.1	0.1	0.2
Finance & insurance	–0.3	0.1	0.5	0.6	0.2	0.5
Property & business services	1.5	–0.1	0.4	0.5	–0.2	–0.2
Government administration & defence	–0.1	0.3	–0.2	–0.1	—	0.1
Education	—	0.1	0.1	—	0.1	—
Health & community services	0.2	0.3	0.2	0.2	0.3	0.2
Cultural & recreational services	0.1	–0.1	0.1	0.1	0.1	0.1
Personal & other services	0.1	—	0.1	0.1	—	–0.1
Ownership of dwellings	0.3	0.3	0.3	0.3	0.4	0.3
Taxes less subsidies on products	–0.2	0.4	0.5	0.3	0.3	0.2
Statistical discrepancy	0.7	–0.3	–0.2	–0.9	–0.7	–0.2
GSP(A)	2.3	2.2	2.7	2.4	1.5	1.5

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06 the main industries that contributed to New South Wales GSP growth were Finance and insurance (0.5 percentage points) and Construction and Ownership of dwellings (each 0.3 percentage points). The main negative contributing industry was Property and business services (–0.2 percentage points).

VICTORIA

Victoria is the second largest state in Australia in terms of GSP. In 2005–06 it represented around a quarter of Australian GDP in level terms.

GROSS STATE PRODUCT, Victoria—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
GSP(A)	194 937	202 079	208 277	217 263	221 804	227 149
GSP(P)	196 633	203 149	210 270	217 421	221 386	226 100
GSP(I/E)	193 241	201 010	206 283	217 105	222 221	228 198
GDP	784 017	813 542	839 187	873 197	896 568	921 747
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
GSP(A)	0.9	3.7	3.1	4.3	2.1	2.4
GSP(P)	0.2	3.3	3.5	3.4	1.8	2.1
GSP(I/E)	1.5	4.0	2.6	5.2	2.4	2.7

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, Victoria—Chain volume measures(a): **Percentage changes from previous year**

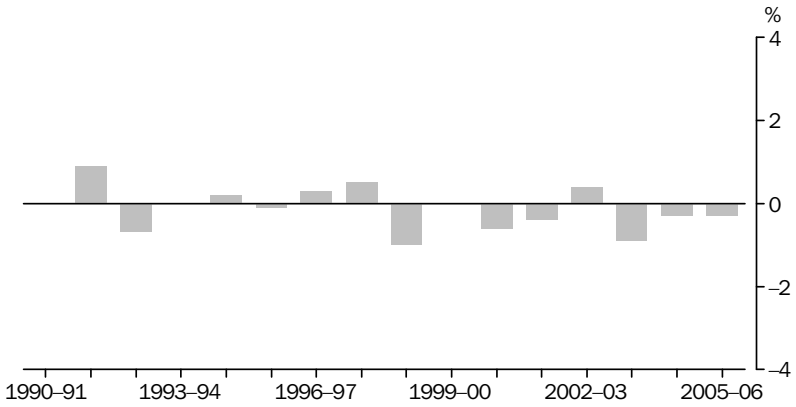
(a) Reference year for chain volume measures is 2004–05.

The first two years of the time series saw negative growth in GSP(P) for Victoria. All years following had positive, and mostly strong growth.

As can be seen from the graph, growth in GSP(P) and GSP(I/E) are close throughout the time series except for 1998–99 and 2003–04.

VICTORIA *continued*

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—Victoria: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

Throughout the time series, the difference between GSP(A) and GSP(I/E) growth has been less than 1.0 percentage point.

GSP, Victoria—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	0.2	0.1	–0.7	0.7	–0.1	0.1
Mining	–0.2	—	–0.2	—	–0.2	–0.1
Manufacturing	–0.1	–0.1	0.2	–0.2	–0.5	–0.4
Electricity, gas & water supply	–0.1	—	0.1	—	—	–0.1
Construction	–0.7	0.6	0.7	0.4	0.2	0.3
Wholesale trade	–0.3	—	0.7	0.6	0.1	–0.1
Retail trade	0.1	0.4	0.3	0.3	0.3	—
Accommodation, cafes & restaurants	—	0.1	—	0.2	0.1	—
Transport & storage	0.3	0.1	0.4	0.1	0.3	0.1
Communication services	—	0.1	0.3	0.2	0.1	0.2
Finance & insurance	—	0.3	0.2	0.3	0.1	0.3
Property & business services	0.1	0.5	0.3	–0.1	0.1	0.6
Government administration & defence	0.2	0.3	—	—	—	—
Education	0.1	0.1	0.1	0.1	0.1	0.1
Health & community services	0.2	0.3	0.4	0.2	0.3	0.3
Cultural & recreational services	0.1	0.1	—	0.1	0.1	0.1
Personal & other services	0.1	0.1	—	—	0.1	0.2
Ownership of dwellings	0.3	0.3	0.3	0.3	0.3	0.3
Taxes less subsidies on products	–0.2	0.4	0.6	0.3	0.3	0.2
Statistical discrepancy	0.6	0.3	–0.5	0.9	0.3	0.2
GSP(A)	0.9	3.7	3.1	4.3	2.1	2.4

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06 the main industries that contributed to Victorian GSP growth were Property and business services (0.6 percentage points), Construction, Finance and insurance, Health and community services and Ownership of dwellings (each 0.3 percentage points). The main negative contributing industry in 2005–06 was Manufacturing (–0.4 percentage points).

QUEENSLAND

Queensland is the third largest state in Australia in terms of GSP. In 2005–06 it represented around 18% of Australian GDP in level terms.

GROSS STATE PRODUCT, Queensland—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
			VALUES *($m)*			
GSP(A)	130 837	139 069	144 925	153 497	160 693	168 853
GSP(P)	131 476	139 507	143 898	153 342	160 400	168 769
GSP(I/E)	130 197	138 631	145 951	153 652	160 986	168 937
GDP	784 017	813 542	839 187	873 197	896 568	921 747
			PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*			
GSP(A)	2.8	6.3	4.2	5.9	4.7	5.1
GSP(P)	4.4	6.1	3.1	6.6	4.6	5.2
GSP(I/E)	1.3	6.5	5.3	5.3	4.8	4.9

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, Queensland—Chain volume measures(a): **Percentage changes from previous year**

(a) Reference year for chain volume measures is 2004–05.

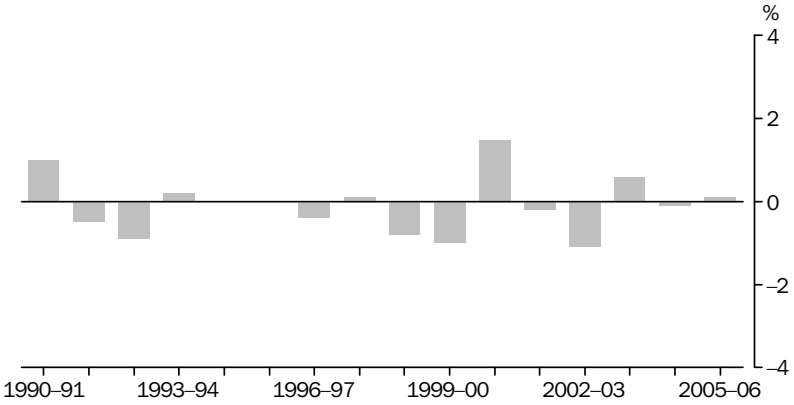
Queensland's GSP(P) growth has been positive over the whole time period with relatively strong growth for the period 1992–93 to 2005–06, varying between 3.1% and 6.6%.

The growth in GSP(P) and GSP(I/E) has been fairly similar over the time series, except for 1999–2000 (1.9 percentage points), 2000–01 (3.1 percentage points) and 2002–03 (2.2 percentage points).

Throughout the time series, the difference between GSP(A) and GSP(I/E) growth has been less than 1.0 percentage point except in 2000–01 and 2002–03 where differences were 1.5 and 1.1 percentage points respectively.

QUEENSLAND *continued*

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—Queensland: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

GSP, Queensland—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	—	–0.1	–0.6	0.6	0.2	–0.1
Mining	1.2	0.5	–0.1	0.3	0.6	–0.1
Manufacturing	0.6	0.6	0.6	0.3	0.2	0.3
Electricity, gas & water supply	0.2	0.1	—	0.1	—	0.2
Construction	–0.8	0.6	0.9	0.6	0.4	0.7
Wholesale trade	0.3	0.4	—	0.3	0.2	0.2
Retail trade	0.2	0.3	0.4	0.7	0.4	0.1
Accommodation, cafes & restaurants	0.2	–0.2	0.2	0.3	—	0.3
Transport & storage	0.3	0.4	0.1	0.3	0.3	0.2
Communication services	—	0.1	0.2	0.1	0.1	0.2
Finance & insurance	0.5	0.5	—	0.3	0.4	0.5
Property & business services	0.7	1.1	0.6	1.3	0.7	1.4
Government administration & defence	0.2	0.2	–0.3	0.2	0.3	0.3
Education	0.2	0.1	0.1	0.2	—	0.2
Health & community services	0.3	0.3	0.2	0.3	0.3	0.3
Cultural & recreational services	0.1	0.1	0.1	0.1	0.1	—
Personal & other services	0.2	0.3	–0.1	—	0.1	0.1
Ownership of dwellings	0.3	0.3	0.3	0.3	0.4	0.3
Taxes less subsidies on products	–0.2	0.4	0.4	0.3	0.2	0.1
Statistical discrepancy	–1.5	0.2	1.1	–0.6	0.1	–0.2
GSP(A)	2.8	6.3	4.2	5.9	4.7	5.1

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06, the main industries that contributed to Queensland GSP growth were Property and business services (1.4 percentage points), Construction (0.7 percentage points) and Finance and insurance (0.5 percentage points). Only Agriculture, forestry and fishing and Mining (–0.1 percentage points) detracted from Queensland growth in 2005–06. Mining contribution to GSP(P) growth was flat in 2005–06 due to capacity constraints limiting growth and an increase in lead, silver and zinc production being offset by falls in copper and coal production.

SOUTH AUSTRALIA

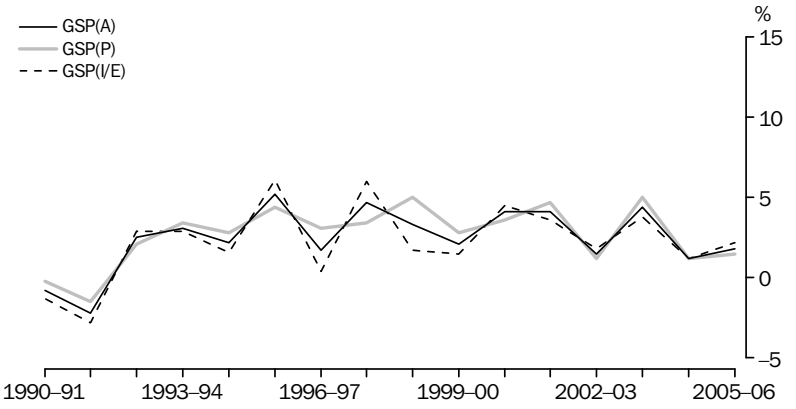
In 2005–06, the South Australian GSP level represented around 7% of Australian GDP.

GROSS STATE PRODUCT, South Australia—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
			VALUES *($m)*			
GSP(A)	53 366	55 578	56 411	58 908	59 626	60 714
GSP(P)	53 073	55 550	56 234	59 060	59 795	60 692
GSP(I/E)	53 659	55 605	56 589	58 756	59 457	60 737
GDP	784 017	813 542	839 187	873 197	896 568	921 747
			PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*			
GSP(A)	4.1	4.1	1.5	4.4	1.2	1.8
GSP(P)	3.6	4.7	1.2	5.0	1.2	1.5
GSP(I/E)	4.5	3.6	1.8	3.8	1.2	2.2

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, South Australia—Chain volume measures(a): **Percentage changes from previous year**



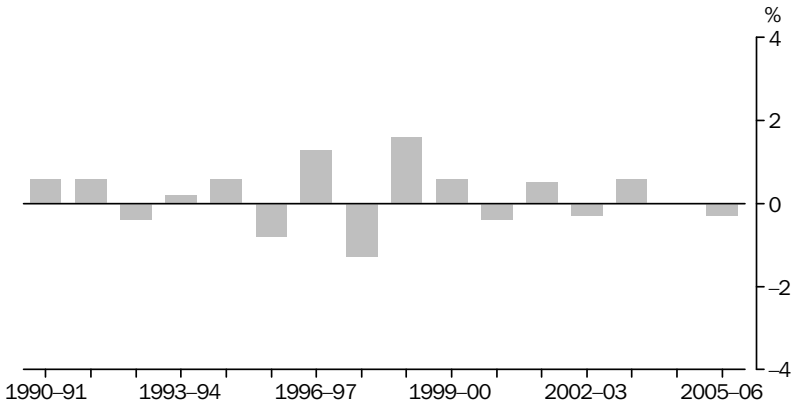
(a) Reference year for chain volume measures is 2004–05.

The graph illustrates growth in South Australian GSP(P) is broadly consistent with GSP(I/E) throughout the time series. Between 1996–97 and 1998–99 growth in GSP(P) and GSP(I/E) displayed some large differences, the largest of which was 3.3 percentage points in 1998–99.

SOUTH AUSTRALIA

continued

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—South Australia: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

GSP, South Australia—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	1.4	0.4	–1.7	1.5	–0.4	0.7
Mining	0.3	–0.3	–0.1	0.1	0.3	–0.3
Manufacturing	0.2	0.2	0.5	0.2	—	—
Electricity, gas & water supply	—	—	0.2	0.1	0.1	–0.1
Construction	–0.6	0.5	0.9	0.3	0.3	0.2
Wholesale trade	–0.2	0.5	0.1	0.2	—	0.1
Retail trade	0.2	0.4	0.3	0.1	0.2	—
Accommodation, cafes & restaurants	0.2	0.1	0.2	0.1	–0.1	—
Transport & storage	0.1	0.1	0.4	0.4	0.1	–0.1
Communication services	—	0.1	0.1	0.1	0.1	0.2
Finance & insurance	0.8	0.3	–0.5	–0.3	–0.1	0.5
Property & business services	0.4	0.9	0.3	0.5	–0.4	–0.6
Government administration & defence	0.1	0.3	–0.1	0.3	0.2	—
Education	—	0.2	0.1	—	0.1	0.2
Health & community services	0.4	0.3	0.3	0.2	0.3	0.3
Cultural & recreational services	0.1	—	—	0.1	0.1	—
Personal & other services	0.2	0.1	0.1	0.1	–0.2	—
Ownership of dwellings	0.3	0.3	0.3	0.3	0.3	0.3
Taxes less subsidies on products	–0.2	0.4	0.4	0.3	0.2	0.1
Statistical discrepancy	0.5	–0.5	0.3	–0.6	—	0.2
GSP(A)	4.1	4.1	1.5	4.4	1.2	1.8

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06, the main industries that contributed to South Australian GSP growth were Agriculture, forestry and fishing (0.7 percentage points), Finance and insurance (0.5 percentage points), Health and community services and Ownership of dwellings (both 0.3 percentage points). The main negative contributing industries in 2005–06 were Property and business services (–0.6 percentage points) and Mining (–0.3 percentage points).

WESTERN AUSTRALIA

In 2005–06, the Western Australian GSP level represented around 12% of Australian GDP.

GROSS STATE PRODUCT, Western Australia—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
			VALUES *($m)*			
GSP(A)	84 064	88 857	93 198	98 477	102 407	107 241
GSP(P)	85 970	91 077	95 063	98 691	101 977	106 571
GSP(I/E)	82 157	86 637	91 333	98 263	102 837	107 910
GDP	784 017	813 542	839 187	873 197	896 568	921 747
			PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*			
GSP(A)	0.8	5.7	4.9	5.7	4.0	4.7
GSP(P)	2.3	5.9	4.4	3.8	3.3	4.5
GSP(I/E)	–0.8	5.5	5.4	7.6	4.7	4.9

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, Western Australia—Chain volume measures(a): **Percentage changes from previous year**

(a) Reference year for chain volume measures is 2004–05.

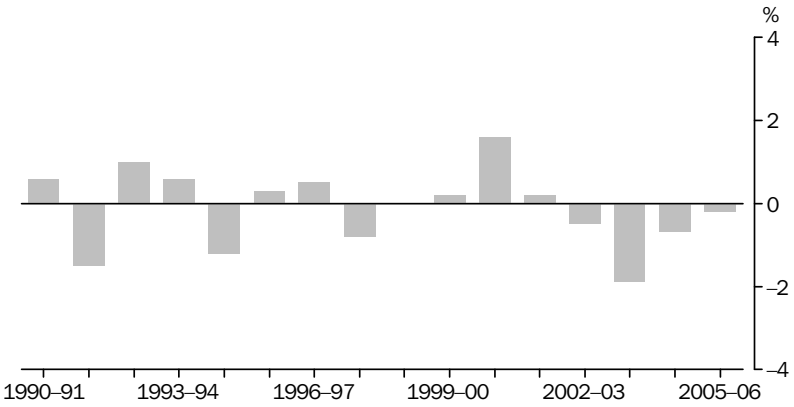
As illustrated by the graph, Western Australian GSP growth has been positive throughout the time series with quite strong growth from 1992–93 onwards.

GSP(P) and GSP(I/E) growth rates generally display similar movements. However, in some years there are large differences between the measures. For example, in 2003–04 the difference was 3.8 percentage points and in 2000–01 it was 3.1 percentage points.

WESTERN AUSTRALIA

continued

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—Western Australia: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

GSP, Western Australia—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	–0.8	0.5	–1.1	1.9	–0.3	0.3
Mining	1.6	0.4	1.0	–2.3	1.1	–0.4
Manufacturing	0.6	0.8	0.9	0.6	0.3	0.2
Electricity, gas & water supply	—	—	0.1	—	0.1	—
Construction	–0.8	0.7	1.2	0.2	0.4	1.5
Wholesale trade	0.2	0.3	0.2	0.5	0.2	0.7
Retail trade	0.1	0.3	0.1	0.3	0.4	0.2
Accommodation, cafes & restaurants	—	0.1	0.1	—	—	—
Transport & storage	0.2	0.3	0.6	0.4	—	0.3
Communication services	—	0.1	0.2	0.1	0.1	0.2
Finance & insurance	0.4	0.1	–0.2	–0.1	—	0.2
Property & business services	0.5	1.7	0.8	–0.4	0.2	0.5
Government administration & defence	0.1	–0.2	—	0.3	0.2	–0.1
Education	0.1	0.1	–0.1	0.1	0.1	—
Health & community services	0.3	0.2	0.3	0.1	0.3	0.2
Cultural & recreational services	—	—	—	0.1	0.1	—
Personal & other services	0.1	—	—	—	0.1	0.4
Ownership of dwellings	0.2	0.3	0.3	0.3	0.3	0.3
Taxes less subsidies on products	–0.2	0.2	0.3	0.2	0.2	0.1
Statistical discrepancy	–1.6	–0.4	0.4	1.8	0.7	0.2
GSP(A)	0.8	5.7	4.9	5.7	4.0	4.7

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

Manufacturing, Construction (except in 2000–01 due to the introduction of the Goods and Services Tax (GST)), Wholesale trade, Retail trade, and Transport and storage have contributed positively to the growth in GSP since 2000–01. Some industries have had a constant flat contribution, including Electricity, gas and water, Accommodation, cafes and restaurants, Education and Cultural and recreational services.

In 2005–06, the main contributors to growth were Construction (1.5 percentage points), Wholesale trade (0.7 percentage points) and Property and business services (0.5 percentage points). Mining detracted 0.4 percentage points from growth in 2005–06 mainly due to falls in production of crude oil and condensate, diamonds, gold and nickel.

TASMANIA

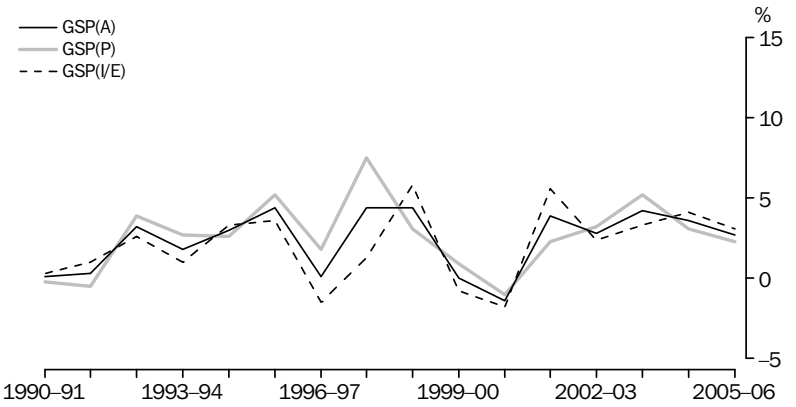
In 2005–06, the Tasmanian GSP level represented almost 2% of Australian GDP.

GROSS STATE PRODUCT, Tasmania—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
			VALUES *($m)*			
GSP(A)	14 071	14 620	15 030	15 667	16 230	16 668
GSP(P)	14 328	14 660	15 133	15 915	16 406	16 790
GSP(I/E)	13 813	14 580	14 926	15 418	16 054	16 546
GDP	784 017	813 542	839 187	873 197	896 568	921 747
			PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*			
GSP(A)	–1.4	3.9	2.8	4.2	3.6	2.7
GSP(P)	–1.0	2.3	3.2	5.2	3.1	2.3
GSP(I/E)	–1.8	5.6	2.4	3.3	4.1	3.1

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, Tasmania—Chain volume measures(a): **Percentage changes from previous year**



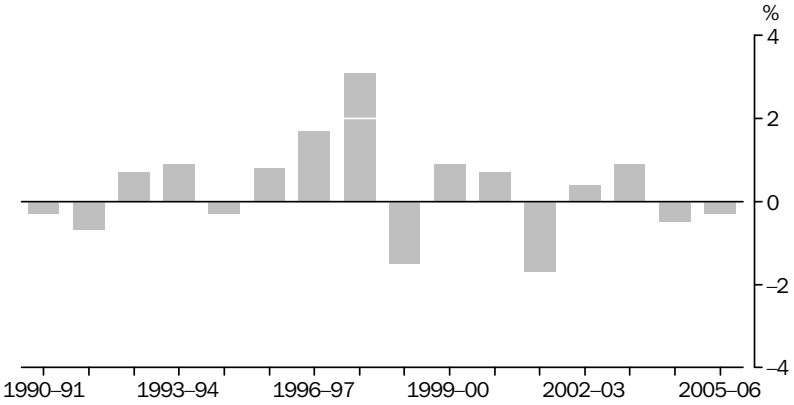
(a) Reference year for chain volume measures is 2004–05.

In the last five years, growth in Tasmanian GSP(P) was between 2.3 and 5.2%. GSP(P) and GSP(I/E) growth rates generally display similar movements.

Throughout the time series, most of differences between GSP(A) and GSP(I/E) growth rates are less than 1.0 percentage point except from 1996–97 to 1998–99 and in 2001–02. The biggest difference was in 1997–98 with 3.1 percentage points difference between the two measures.

TASMANIA *continued*

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—Tasmania: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

GSP, Tasmania—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	0.1	0.1	–0.2	0.6	—	0.1
Mining	–0.6	—	—	0.1	–0.1	–0.2
Manufacturing	–0.9	–0.6	0.3	0.5	0.5	0.6
Electricity, gas & water supply	–0.1	—	0.1	–0.2	0.3	–0.2
Construction	–0.4	0.9	—	0.7	0.2	0.6
Wholesale trade	–0.4	–0.3	0.3	0.2	0.2	0.3
Retail trade	0.2	0.2	0.2	0.6	0.4	0.4
Accommodation, cafes & restaurants	–0.1	–0.2	0.2	0.2	0.1	—
Transport & storage	0.3	0.2	0.4	0.5	—	0.1
Communication services	—	0.1	0.2	0.2	—	0.2
Finance & insurance	0.3	0.4	–0.1	–0.2	–0.3	0.1
Property & business services	0.3	–0.4	—	1.0	0.5	–0.3
Government administration & defence	–0.3	0.3	0.9	–0.5	0.3	–0.1
Education	0.1	0.1	0.1	0.2	0.1	0.1
Health & community services	0.2	0.8	—	0.2	0.2	0.3
Cultural & recreational services	0.1	0.1	0.1	0.1	0.1	—
Personal & other services	0.1	0.1	0.1	0.2	0.1	—
Ownership of dwellings	0.2	0.3	0.3	0.3	0.3	0.3
Taxes less subsidies on products	–0.2	0.4	0.4	0.3	0.2	0.1
Statistical discrepancy	–0.4	1.6	–0.4	–1.0	0.5	0.3
GSP(A)	–1.4	3.9	2.8	4.2	3.6	2.7

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06, Manufacturing and Construction (0.6 percentage points) were the main contributors to Tasmanian growth. Property and business services (–0.3 percentage points), Mining (–0.2 percentage points) and Electricity, gas and water (–0.2 percentage points) were the major detractors.

NORTHERN TERRITORY

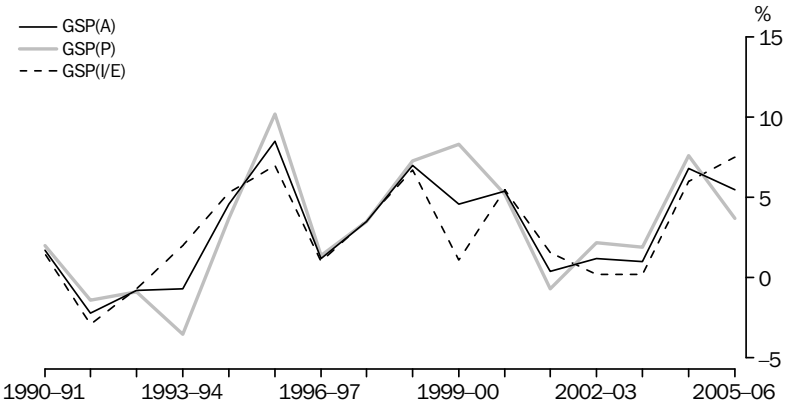
In 2005–06, the Northern Territory GSP level represented around 1% of Australian GDP.

GROSS STATE PRODUCT, Northern Territory—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
			VALUES *($m)*			
GSP(A)	9 899	9 944	10 066	10 170	10 863	11 465
GSP(P)	9 928	9 860	10 080	10 268	11 048	11 454
GSP(I/E)	9 870	10 028	10 051	10 073	10 678	11 476
GDP	784 017	813 542	839 187	873 197	896 568	921 747
			PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*			
GSP(A)	5.4	0.4	1.2	1.0	6.8	5.5
GSP(P)	5.2	–0.7	2.2	1.9	7.6	3.7
GSP(I/E)	5.5	1.6	0.2	0.2	6.0	7.5

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, Northern Territory—Chain volume measures(a): **Percentage changes from previous year**



(a) Reference year for chain volume measures is 2004–05.

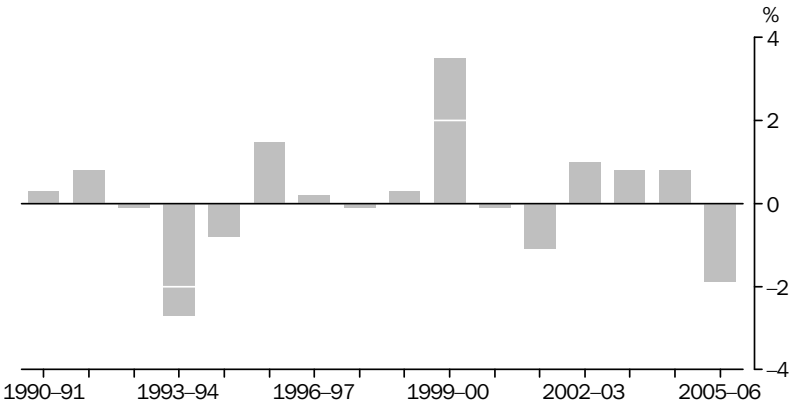
Northern Territory GSP(P) growth has been quite variable throughout the time series as illustrated by the graph.

GSP(P) and GSP(I/E) growth rates have shown similar growth rates over the period. However, there have been some years with significant differences. In 1999–2000 GSP(P) growth was 8.3% compared to 1.1% for GSP(I/E). In 2005–06 GSP(P) growth was 3.7% and GSP(I/E) 7.5%.

NORTHERN TERRITORY

continued

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—Northern Territory: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

In eleven out of the sixteen years in the time series, the differences between GSP(A) and GSP(I/E) growth were less than 1.0 percentage point.

GSP, Northern Territory—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	0.8	0.3	–0.3	–0.7	0.2	–0.2
Mining	9.6	–8.1	–3.8	–4.7	2.1	0.3
Manufacturing	0.6	0.7	0.8	0.3	–0.3	–0.7
Electricity, gas & water supply	–0.1	0.1	–0.1	–0.1	—	0.1
Construction	–0.8	1.2	1.0	0.6	0.7	–0.1
Wholesale trade	–0.4	–0.1	0.2	–0.2	—	0.6
Retail trade	—	0.2	0.1	0.2	0.1	—
Accommodation, cafes & restaurants	0.1	–0.2	–0.1	–0.1	0.3	0.2
Transport & storage	0.1	–0.1	–0.1	0.3	0.5	0.2
Communication services	—	0.1	0.2	0.1	0.1	0.1
Finance & insurance	0.3	0.2	–0.2	–0.2	–0.2	–0.1
Property & business services	–0.8	1.3	0.9	2.0	2.0	2.7
Government administration & defence	–0.8	–0.7	0.5	0.8	0.5	–0.4
Education	–0.1	0.1	–0.1	—	0.1	0.1
Health & community services	0.2	0.4	0.5	0.2	0.3	0.3
Cultural & recreational services	0.1	0.1	0.3	0.2	0.2	—
Personal & other services	0.1	–0.2	–0.3	0.1	0.1	0.4
Ownership of dwellings	0.3	0.3	0.3	0.3	0.4	0.3
Taxes less subsidies on products	–0.2	0.2	0.2	0.2	0.2	0.1
Statistical discrepancy	0.1	1.1	–1.0	–0.8	–0.9	1.7
GSP(A)	5.4	0.4	1.2	1.0	6.8	5.5

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06, Property and business services (2.7 percentage points) and Wholesale trade (0.6 percentage points) were the largest positive contributors to the Northern Territory GSP growth. Conversely, Manufacturing (–0.7 percentage points) and Government administration (–0.4 percentage points) were the largest detractors from growth.

AUSTRALIAN CAPITAL TERRITORY

In 2005–06, the Australian Capital Territory GSP level represented around 2% of Australian GDP.

GROSS STATE PRODUCT, Australian Capital Territory—Chain volume measures(a)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
GSP(A)	17 127	17 466	18 029	18 232	18 740	19 467
GSP(P)	17 170	17 489	18 030	18 356	19 007	19 835
GSP(I/E)	17 083	17 443	18 028	18 108	18 473	19 098
GDP	784 017	813 542	839 187	873 197	896 568	921 747
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
GSP(A)	2.3	2.0	3.2	1.1	2.8	3.9
GSP(P)	2.8	1.9	3.1	1.8	3.5	4.4
GSP(I/E)	1.8	2.1	3.3	0.4	2.0	3.4

(a) Reference year for chain volume measures is 2004–05.

GROSS STATE PRODUCT, Australian Capital Territory—Chain volume measures(a): **Percentage changes from previous year**

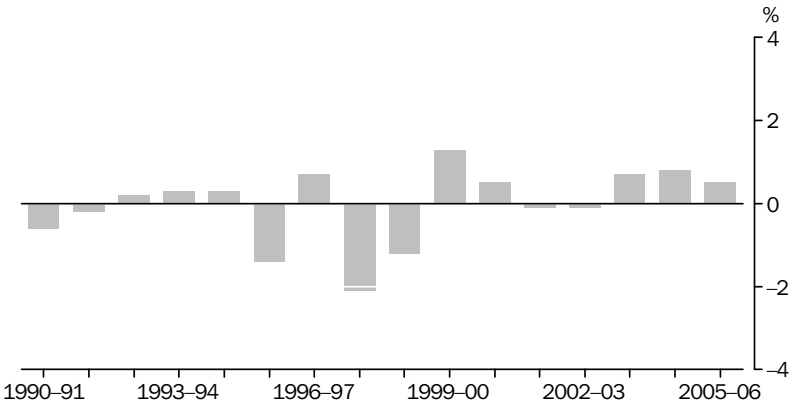
(a) Reference year for chain volume measures is 2004–05.

The Australian Capital Territory recorded strong growth over most of the period with peaks in 1994–95 and 1998–99. GSP growth was negative on two occasions, 1991–92 and 1995–96.

Growth rates for GSP(P) and GSP(I/E) generally display similar movements. Some differences from 1997–98 to 1999–2000 are evident.

AUSTRALIAN CAPITAL TERRITORY *continued*

DIFFERENCE BETWEEN GSP(A) AND GSP(I/E), Percentage changes—Australian Capital Territory: **Chain volume measures(a)**



(a) Reference year for chain volume measures is 2004–05.

Throughout the time series, differences between GSP(A) and GSP(I/E) growth were lower than 1.0 percentage point except in 1995–96 and from 1997–98 to 1999–2000. The largest difference was in 1997–98 when it was 2.1 percentage points.

GSP, Australian Capital Territory—Chain volume measures(a): **Contribution to growth**

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	% pts	% pts	% pts	% pts	% pts	% pts
Agriculture, forestry & fishing	—	—	—	—	—	—
Mining	—	—	—	—	—	—
Manufacturing	0.1	0.1	0.1	0.1	0.1	0.2
Electricity, gas & water supply	—	—	–0.2	0.2	–0.1	–0.2
Construction	–1.3	0.6	1.1	0.2	0.2	1.0
Wholesale trade	0.2	–0.1	—	—	0.2	—
Retail trade	0.3	0.3	0.1	0.1	0.1	0.2
Accommodation, cafes & restaurants	0.3	—	0.1	–0.1	–0.1	–0.1
Transport & storage	—	—	–0.1	0.1	0.1	0.2
Communication services	—	0.1	0.2	0.2	0.1	0.3
Finance & insurance	0.5	–0.1	–0.8	–0.3	0.2	0.7
Property & business services	1.4	0.5	–0.6	–0.2	0.9	1.9
Government administration & defence	0.8	–0.8	1.7	0.6	1.4	0.1
Education	0.1	—	0.3	0.1	0.1	–0.1
Health & community services	0.2	0.2	0.3	0.3	0.2	0.3
Cultural & recreational services	0.3	—	0.2	0.2	0.2	0.2
Personal & other services	0.2	0.4	0.1	—	–0.3	0.1
Ownership of dwellings	0.3	0.3	0.3	0.3	0.3	0.3
Taxes less subsidies on products	–0.8	0.2	0.1	—	–0.1	–0.3
Statistical discrepancy	–0.5	0.1	0.1	–0.7	–0.8	–0.6
GSP(A)	2.3	2.0	3.2	1.1	2.8	3.9

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2004–05.

In 2005–06, the largest positive contributors to GSP growth in the Australian Capital Territory were Property and business services (1.9 percentage points), Construction (1.0 percentage point) and Finance and insurance (0.7 percentage points). The largest negative contributor was Electricity, gas and water (–0.2 percentage points).

SECTION 2 GSP USING THE PRODUCTION APPROACH – INDUSTRY GROSS VALUE ADDED

INTRODUCTION

This section presents the scope, method and results used to produce GVA for each ANZSIC93 industry division plus Ownership of dwellings and Taxes less subsidies on products. ANZSIC93 breaks down each industry division into sub-divisions, groups and classes. The estimates in this section are provided at division level. For some industries, the compilation of GVA and its indicators are done at sub-division level, group or class level and then aggregated to the division level. For further information about ANZSIC93, please refer to ABS publication *Australian and New Zealand Standard Industrial Classification, 1993* (ANZSIC93) (cat. no. 1292.0.15.001).

For each industry the following information is provided:

- a definition and scope of the industry
- a description of the methods and data sources used to compile the estimates of GVA
- tables, graphs and analysis of volume GVA values and growth rates
- table and analysis of current price state shares of GVA.

The primary focus is on presenting the results, however, some analysis is also provided for each industry.

AGRICULTURE, FORESTRY AND FISHING

Definition and scope

The Agriculture, forestry and fishing industry engages in activities such as breeding, keeping and cultivation of plants and animals; afforestation, harvesting and gathering of forestry products; and catching, gathering and breeding of marine life.

ANZSIC93 Division A, Agriculture, forestry and fishing, consists of four sub-divisions:

- Agriculture (sub-division 01)
- Services to agriculture (sub-division 02)
- Forestry and logging (sub-division 03)
- Commercial fishing (sub-division 04).

Summary of GSP(P) sources and methods

The methodology for Agriculture, forestry and fishing uses a combination of double deflation and quantity revaluation.

The sub-divisions Agriculture and Services to agriculture are compiled together using the double deflation approach. That is, the volume measures of intermediate input are subtracted from volume measures of output, both valued in the prices of the previous year, to derive volume measures of GVA.

The sub-divisions Forestry and logging and Commercial fishing are compiled separately using the quantity revaluation approach.

The main source of data on state Agriculture outputs and most inputs is the ABS collection, Value of Agricultural Commodities Produced, Australia (VACP) (cat. no. 7503.0). For Forestry and fishing and some of the Agriculture inputs, Australian Bureau of Agricultural and Resource Economics (ABARE) data are used.

The double deflation method is used for all but the latest year for Agriculture and Services to agriculture as the VACP collection is released with a lag of one year. For the latest year, the method for all of Agriculture, forestry and fishing sub-divisions is an output indicator approach. ABARE forecasts of production, of the major agricultural commodities in each state, are used as the output indicator. The volume movements in the major commodities in each individual state are obtained using quantity revaluation.

These are used to extrapolate reference year volume estimates of GVA by state for Agriculture, forestry and fishing. The state volume GVAs are benchmarked to the annual national industry volume GVA.

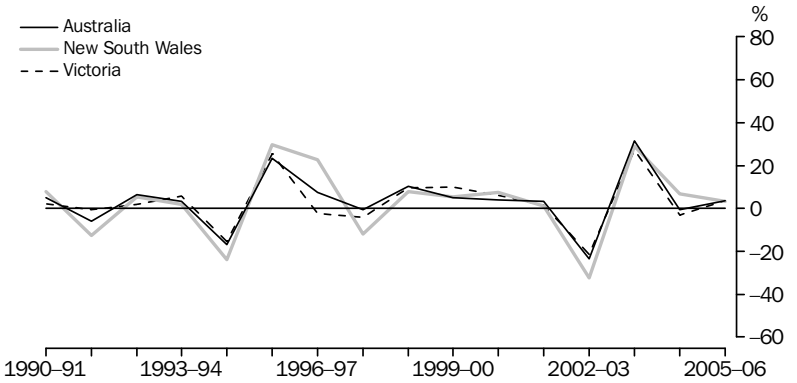
Results for Agriculture, forestry and fishing

AGRICULTURE, FORESTRY AND FISHING GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	6 512	6 586	4 457	5 751	6 147	6 339
Victoria	6 647	6 751	5 309	6 749	6 544	6 785
Queensland	5 755	5 608	4 830	5 705	5 930	5 778
South Australia	3 454	3 684	2 733	3 572	3 343	3 773
Western Australia	2 902	3 321	2 354	4 116	3 777	4 068
Tasmania	997	1 011	984	1 066	1 065	1 088
Northern Territory	388	414	381	312	327	302
Australian Capital Territory	17	15	15	19	19	19
Australia	26 363	27 194	20 807	27 340	27 153	28 151
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	7.5	1.1	–32.3	29.0	6.9	3.1
Victoria	5.9	1.6	–21.4	27.1	–3.0	3.7
Queensland	–0.4	–2.6	–13.9	18.1	3.9	–2.6
South Australia	26.7	6.7	–25.8	30.7	–6.4	12.9
Western Australia	–18.6	14.4	–29.1	74.9	–8.2	7.7
Tasmania	1.2	1.4	–2.7	8.3	–0.1	2.1
Northern Territory	23.4	6.6	–8.1	–18.0	4.7	–7.7
Australian Capital Territory	20.6	–10.1	–0.7	26.1	0.3	1.4
Australia	4.0	3.2	–23.5	31.4	–0.7	3.7

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

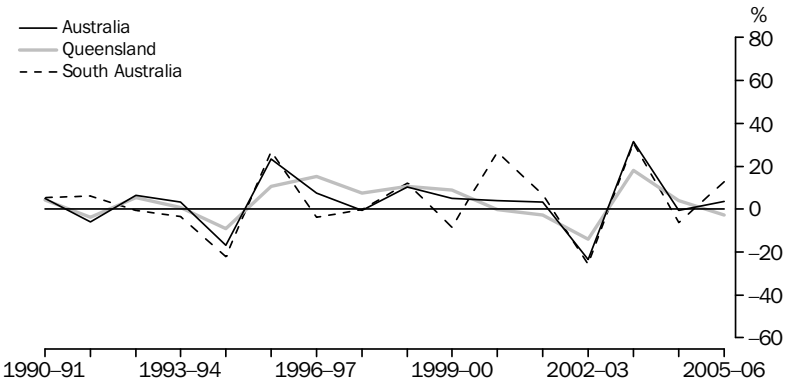
AGRICULTURE, FORESTRY AND FISHING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices
(b) Reference year for chain volume measures is 2004–05.

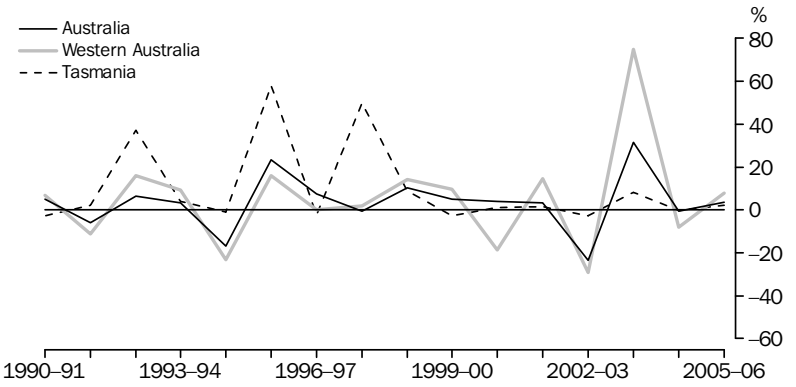
Results for Agriculture, forestry and fishing continued

AGRICULTURE, FORESTRY AND FISHING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



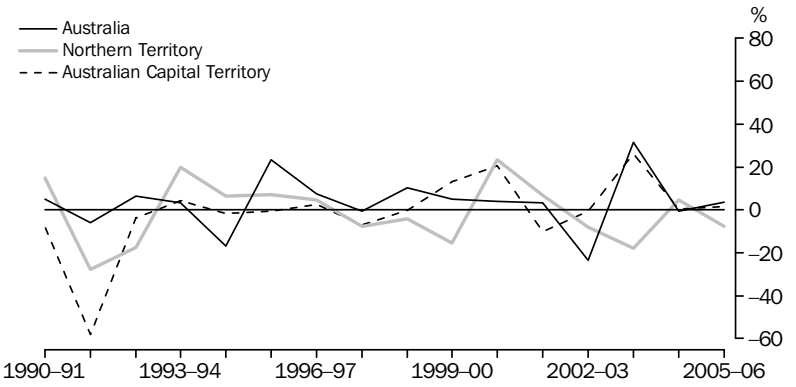
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

AGRICULTURE, FORESTRY AND FISHING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume mesaures is 2004–05.

AGRICULTURE, FORESTRY AND FISHING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Throughout the time series, all states except Tasmania, the Northern Territory and the Australian Capital Territory exhibited a similar growth pattern to the Australia series. Overall, the growth in the agricultural industry is variable due to the impact of weather patterns on the industry. The two droughts in 1994–95 and 2002–03 had strong negative

Results for Agriculture, forestry and fishing continued

impacts on growth. During the 1994–95 drought all states except the Northern Territory experienced negative growth. The 2002–03 drought saw all states having negative growth with New South Wales, Western Australia, South Australia and Victoria showing the largest negative growth. Most states showed large positive growth in the years following the droughts.

AGRICULTURE, FORESTRY AND FISHING GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	29.6	24.1	24.9	22.2	22.6	21.7
Victoria	21.5	21.5	21.8	23.4	24.1	24.1
Queensland	20.1	22.2	21.4	18.7	21.8	22.1
South Australia	11.1	11.0	12.1	14.5	12.3	12.8
Western Australia	13.4	15.4	14.4	16.5	13.9	14.0
Tasmania	3.8	4.7	3.7	3.5	3.9	4.1
Northern Territory	0.5	1.1	1.5	1.1	1.2	1.1
Australian Capital Territory	0.1	0.1	0.1	0.1	0.1	0.1
Australia	100.0	100.0	100.0	100.0	100.0	100.0

Victoria, Queensland and New South Wales accounted for around 68% of Australian Agriculture, forestry and fishing GVA in 2005–06. New South Wales share of the industry has gradually decreased throughout the time series from 29.6% in 1989–90 to 20.6% in 2005–06. All other states increased their share over this period except for the Australian Capital Territory which recorded stable industry shares throughout the time series.

MINING

Definition and scope

The Mining industry comprises units mainly engaged in mining, in exploration for minerals, and in the provision of a wide variety of services to mining and mineral exploration.

ANZSIC93 Division B, Mining, consists of five sub-divisions:

- Coal mining (sub-division 11)
- Oil and gas extraction (sub-division 12)
- Metal ore mining (sub-division 13)
- Other mining (sub-division 14)
- Services to mining (sub-division 15).

Summary of GSP(P) sources and methods

Sub-divisions 11, 12 and 13 are compiled together, while sub-division 15, Services to mining is compiled separately. Sub-division 14, Other mining, is not compiled for each state due to a lack of consistent state level data. Instead the national total for Sub-division 14 is allocated across states based on Mining GVA movements for all other sub-divisions.

The methodology for Mining uses an output indicator approach to compile state by industry GVA estimates. Mining output volumes are derived by the quantity revaluation method except for Services to mining, which is derived by price deflation. State level value added is compiled for individual mineral groups before being aggregated to division level.

Sub-divisions 11, 12 and 13 use quantity revaluation compiled at the mineral group level (e.g. coal, gold, iron etc.). State production values of each mineral, sourced from the ABS collection *Mining Operations, Australia* (cat. no. 8415.0), are quantity revalued using production quantities from the same collection. The volume estimates are then used to allocate national value added by mineral across the states. In the most recent year, *Mining Operations* data are not available. Data from ABARE are used to provide the latest year estimate for each mineral group.

Estimates of sub-division 15, Services to mining, are derived by splitting the national Services to mining value added estimates using state quarterly *Business Indicators, Australia* (QBIS) (cat. no. 5676.0) turnover data for Services to mining. The estimates are then price deflated using the same deflator used in the quarterly national estimates. This deflator is a combination of seven price indexes. Six components are from ABS *Producer Price Indexes, Australia* (PPI) (cat. no. 6427.0), and the seventh component, which receives the highest weight, is the wage cost index for the hourly wage rate in the mining industry, obtained from the ABS collection *Labour Price Index, Australia* (cat. no. 6345.0).

The value added estimates for each state, by each mineral plus Services to mining, are summed to Mining division level and used to derive volume measures of GVA for Mining. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Mining

MINING GROSS VALUE ADDED(a), Chain volume measures(b)

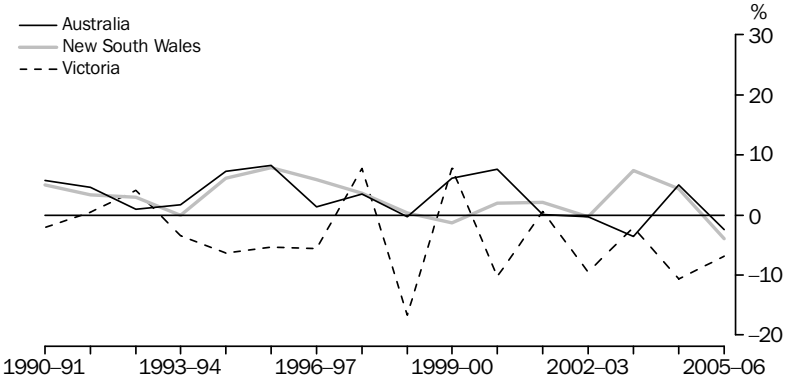
	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	4 918	5 019	5 004	5 373	5 603	5 386
Victoria	3 487	3 506	3 174	3 110	2 777	2 585
Queensland	10 757	11 390	11 241	11 631	12 571	12 437
South Australia	1 387	1 203	1 123	1 170	1 356	1 192
Western Australia	21 096	21 428	22 306	20 195	21 320	20 887
Tasmania	267	267	271	286	271	232
Northern Territory	3 682	2 881	2 505	2 034	2 251	2 279
Australian Capital Territory	—	—	—	—	—	—
Australia	45 704	45 734	45 596	43 948	46 152	45 000
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	2.0	2.1	–0.3	7.4	4.3	–3.9
Victoria	–10.2	0.6	–9.5	–2.0	–10.7	–6.9
Queensland	16.4	5.9	–1.3	3.5	8.1	–1.1
South Australia	12.8	–13.3	–6.6	4.2	15.9	–12.1
Western Australia	6.7	1.6	4.1	–9.5	5.6	–2.0
Tasmania	–22.7	0.1	1.7	5.3	–5.2	–14.2
Northern Territory	32.2	–21.8	–13.0	–18.8	10.7	1.2
Australian Capital Territory	—	—	—	—	—	—
Australia	7.6	0.1	–0.3	–3.6	5.0	–2.5

— nil or rounded to zero (including null cells)

(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

MINING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

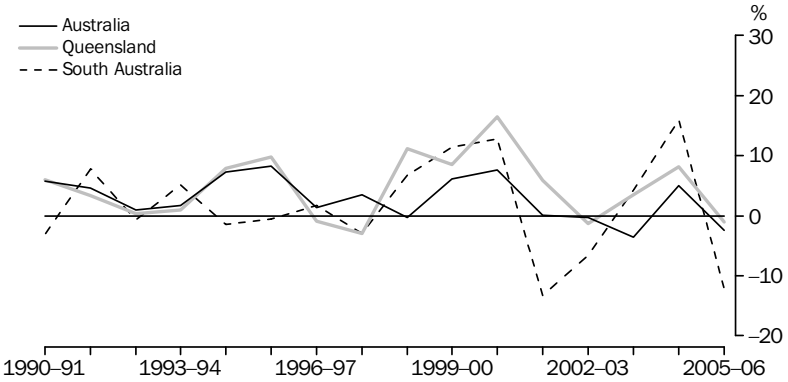


(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

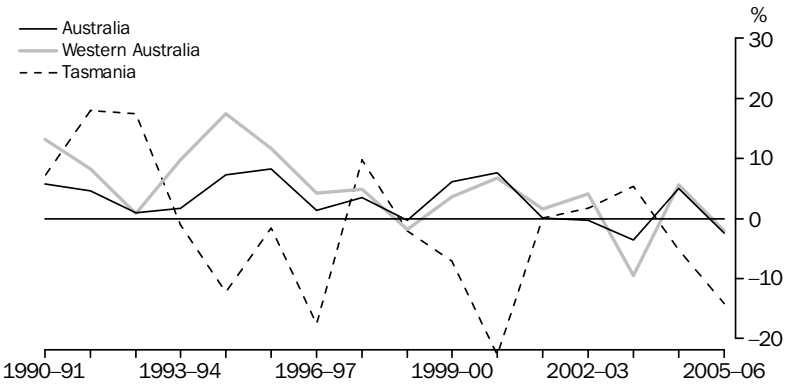
Results for Mining continued

MINING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



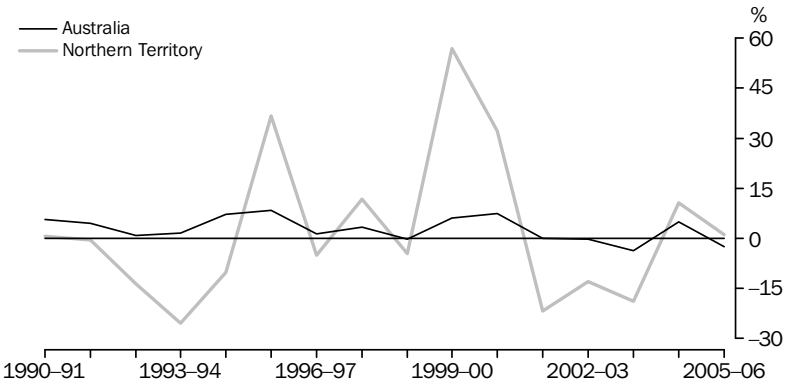
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

MINING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

MINING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Mining continued

Western Australia has shown the strongest growth throughout the time series. Queensland has also shown strong growth over the time series with positive growth in seven of the last eight years. Victoria and Tasmania are characterised by an overall decrease in growth while South Australia has displayed variable growth. New South Wales has had fairly flat growth throughout the time series.

The Northern Territory had extremely high growth in 1999–2000 and 2000–01 following the completion of a major mining project, but experienced strong decreases in the following three years due to falling offshore oil production. In 2005–06, Mining decreased in all states except the Northern Territory (up 1.2%) reflecting the overall decrease in Australian GVA for Mining of 2.5%.

MINING GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	17.4	14.7	13.1	12.7	12.1	10.9
Victoria	19.2	16.3	11.2	9.3	6.0	5.3
Queensland	21.8	18.3	20.7	24.5	27.2	30.8
South Australia	4.6	4.1	4.0	2.9	2.9	2.7
Western Australia	29.6	41.6	44.6	44.8	46.2	45.2
Tasmania	1.6	1.3	0.8	0.6	0.6	0.5
Northern Territory	5.8	3.7	5.5	5.1	4.9	4.6
Australian Capital Territory	—	—	—	—	—	—
Australia	100.0	100.0	100.0	100.0	100.0	100.0

— nil or rounded to zero (including null cells)

Western Australia and Queensland together accounted for around 76% of Australian Mining GVA in 2005–06. Western Australia has significantly increased its share from 29.6% in 1989–90 to 45.2% in 2005–06 while Queensland increased its share from 21.8% in 1989–90 to 30.8% in 2005–06. Victoria has gradually lost industry share throughout the period, falling from 19.2% in 1989–90 to 5.3% in 2005–06 as a result of falling oil production from the Bass Strait oil fields.

MANUFACTURING

Definition and scope

In a broad sense manufacturing activity relates to the physical or chemical transformation of materials or components into new products, whether the work is performed by power driven machines or by hand.

ANZSIC Division C, Manufacturing, consists of nine sub-divisions:

- Food, beverage and tobacco manufacturing (sub-division 21)
- Textile, clothing, footwear and leather manufacturing (sub-division 22)
- Wood and paper product manufacturing (sub-division 23)
- Printing, publishing and recorded media (sub-division 24)
- Petroleum, coal, chemical and associated product manufacturing (sub-division 25)
- Non-metallic mineral product manufacturing (sub-division 26)
- Metal product manufacturing (sub-division 27)
- Machinery and equipment manufacturing (sub-division 28)
- Other manufacturing (sub-division 29).

Summary of GSP(P) sources and methods

The methodology for Manufacturing uses an output indicator approach to compile state by industry GVA estimates. Manufacturing output volumes are derived by deflating sales estimates for the various manufacturing activities at a sub-division level. The output indicators form the basis upon which volume measures of value added are derived at the division level.

The current price state estimates of Manufacturing output are obtained from the annual ABS *Manufacturing Industry, Australia* (cat. no. 8221.0) for all but the latest two years. Since the survey is released approximately two years after the reference period, QBIS data are used to extrapolate the current price Manufacturing output data for the latest two years. Therefore, estimates for the most recent two years have the potential to be subject to considerable revision when the Manufacturing Survey data become available.

The current price output estimates are price deflated using Manufacturing sub-division price indexes, obtained from ABS PPI. National level price indexes are used as no state level indexes are available.

This method is used for each Manufacturing sub-division except for 'Petroleum, coal, chemical and associated product manufacturing' which is quantity revalued using quantities of automotive gasoline, aviation turbine and automotive diesel obtained from the Department of Industry, Tourism and Resources (DITR) publication *Australian Petroleum Statistics*. The volume estimates of output by Manufacturing sub-division for each state are then summed to the Manufacturing division level.

The state output indicators are used to derive volume measures of GVA for Manufacturing. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Manufacturing

MANUFACTURING GROSS VALUE ADDED(a), Chain volume measures(b)

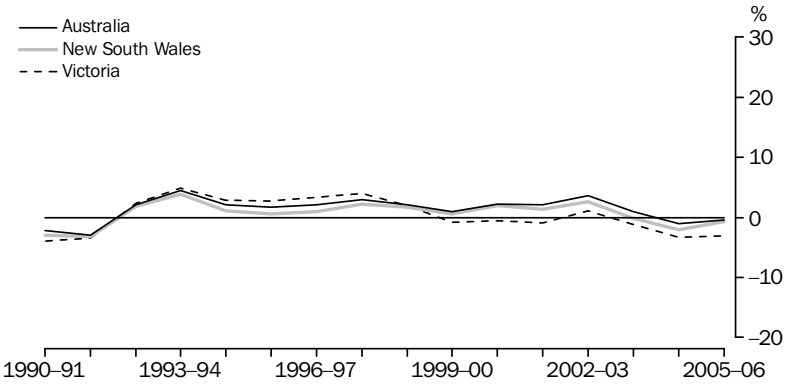
	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	31 674	32 106	32 931	32 875	32 224	31 989
Victoria	30 699	30 423	30 751	30 377	29 365	28 453
Queensland	12 381	13 109	13 948	14 381	14 612	15 106
South Australia	7 917	8 006	8 285	8 413	8 409	8 422
Western Australia	6 095	6 731	7 544	8 102	8 380	8 610
Tasmania	2 184	2 102	2 151	2 223	2 298	2 399
Northern Territory	563	634	712	739	705	630
Australian Capital Territory	284	304	329	350	373	402
Australia	91 195	93 133	96 528	97 422	96 366	96 012
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	2.0	1.4	2.6	–0.2	–2.0	–0.7
Victoria	–0.5	–0.9	1.1	–1.2	–3.3	–3.1
Queensland	6.6	5.9	6.4	3.1	1.6	3.4
South Australia	1.4	1.1	3.5	1.5	—	0.1
Western Australia	8.2	10.4	12.1	7.4	3.4	2.8
Tasmania	–5.7	–3.8	2.3	3.4	3.4	4.4
Northern Territory	10.1	12.6	12.2	3.8	–4.5	–10.6
Australian Capital Territory	8.6	6.8	8.2	6.6	6.4	7.7
Australia	2.2	2.1	3.6	0.9	–1.1	–0.4

— nil or rounded to zero (including null cells)

(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

MANUFACTURING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

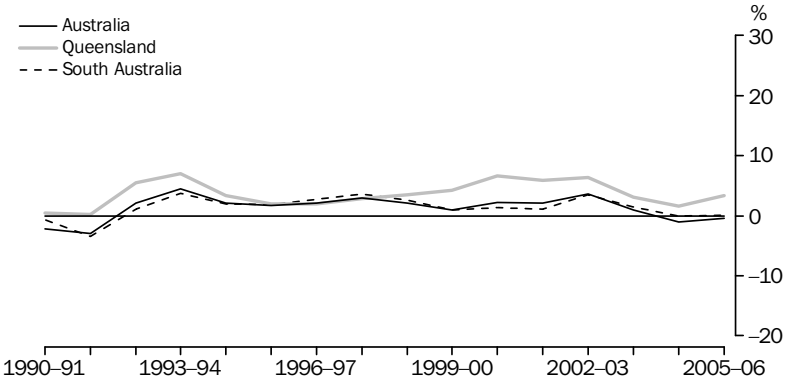


(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

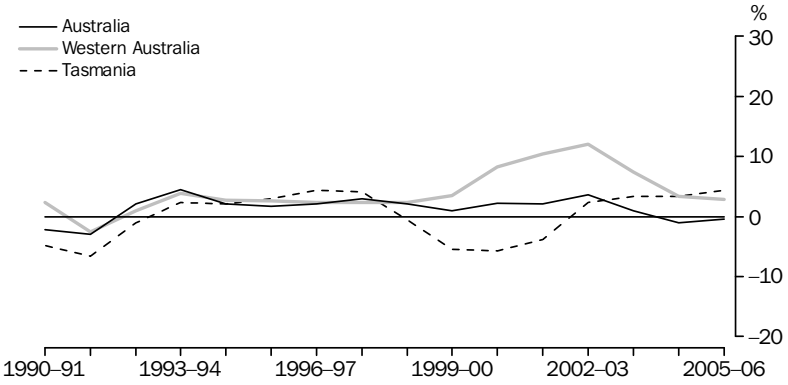
Results for Manufacturing continued

MANUFACTURING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



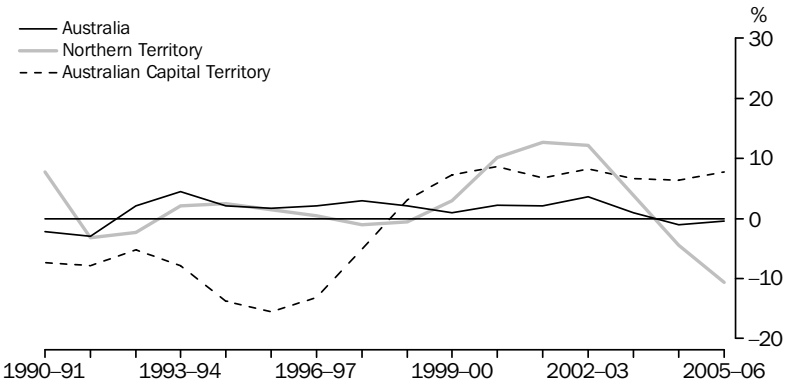
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

MANUFACTURING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

MANUFACTURING GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Manufacturing continued

Throughout the time series, New South Wales, Victoria, Queensland and South Australia have exhibited a similar growth pattern to the overall Australia series, while Western Australia, Tasmania and the Northern Territory followed the Australian pattern until 1998–99 and then diverged. Queensland recorded positive Manufacturing growth throughout the time series with a peak recorded in 1993–94.

MANUFACTURING GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	32.1	33.8	34.3	33.6	33.4	33.1
Victoria	33.4	32.0	31.3	30.5	30.5	30.0
Queensland	12.3	13.7	13.8	14.8	15.2	15.5
South Australia	10.0	9.1	8.5	8.9	8.7	8.9
Western Australia	8.6	8.0	8.9	8.6	8.7	9.0
Tasmania	2.6	2.3	2.3	2.4	2.4	2.4
Northern Territory	0.6	0.7	0.7	0.8	0.7	0.7
Australian Capital Territory	0.4	0.4	0.3	0.4	0.4	0.4
Australia	100.0	100.0	100.0	100.0	100.0	100.0

The Australian Manufacturing industry is dominated by New South Wales and Victoria which together accounted for 63.1% of Australian Manufacturing GVA in 2005–06. New South Wales has slightly increased its share from 32.1% in 1989–90 to 33.1% in 2005–06 but the share has been stable at around 33% for most of the time series. Victoria and South Australia have decreased their shares throughout the time series. Victoria's share went from 33.4% to 30.0% and South Australia went from 10.0% to 8.9%. Queensland has gradually increased its share throughout the time series from 12.3% in 1989–90 to 15.5% in 2005–06. The other states shares have remained stable.

ELECTRICITY, GAS AND WATER SUPPLY

Definition and scope

The Electricity, gas and water supply industry includes all units mainly engaged in the generation, transmission or distribution of electricity; manufacture of town gas from coal and/or petroleum or the distribution of the manufactured town gas, natural gas or liquefied petroleum gas through a mains reticulation system; the storage, purification or supply of water; or the operation of sewerage or drainage systems including sewerage treatment plants.

ANZSIC93 Division D, Electricity, gas and water supply, consists of two sub-divisions:

- Electricity and gas supply (sub-division 36)
- Water supply, sewerage and drainage services (sub-division 37).

Summary of GSP(P) sources and methods

The methodology for Electricity, gas and water uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived using quantity revaluation of the state output indicators. The output volumes then form the basis upon which volume measures of GVA are derived at the division level.

Quantity data by state for the Electricity class are sourced from the quarterly ABS *Manufacturing Industry*.

Price data for the Electricity class are obtained from a number of sources including the National Electricity Market Management Company (NEMMCO) and the Electricity Supply Association of Australia (prior to 1999–2000). The NEMMCO price data are not available for Western Australia and the Northern Territory. The average price for all other states has been used for these two states.

The quantity of gas produced by state is sourced from the quarterly ABS *Manufacturing Industry*. State gas price data were previously sourced from the Australian Gas Association. As these data are not available after 1997–98, *Consumer Price Index, Australia* (CPI) (cat. no. 6401.0) gas data have been used to extrapolate data from 1997–98.

Water and sewerage current price data and volumes are sourced from various water authorities in New South Wales, Victoria, Queensland and South Australia.

For the remaining states, the average consumption per head of population of New South Wales, Victoria, Queensland and South Australia was used with population estimates to obtain current price and volume data.

The component level output estimates are summed and then chained to form a total Electricity, gas and water volume output indicator by state. The state output indicators are used to derive volume measures of GVA for Electricity, gas and water. The state volume GVAs are then benchmarked to the annual national industry volume GVA.

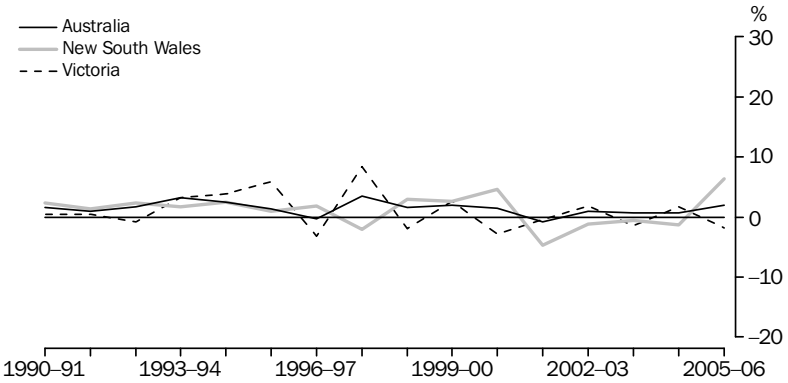
Results for Electricity, gas and water

ELECTRICITY, GAS AND WATER GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	6 181	5 890	5 822	5 791	5 714	6 079
Victoria	5 635	5 614	5 714	5 626	5 723	5 619
Queensland	2 803	2 916	2 864	2 995	2 928	3 202
South Australia	1 476	1 455	1 540	1 609	1 656	1 580
Western Australia	2 443	2 480	2 591	2 630	2 732	2 728
Tasmania	730	727	738	712	765	733
Northern Territory	180	186	182	176	180	186
Australian Capital Territory	463	468	436	469	451	422
Australia	19 840	19 690	19 867	20 000	20 147	20 549
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	4.6	–4.7	–1.2	–0.5	–1.3	6.4
Victoria	–2.8	–0.4	1.8	–1.5	1.7	–1.8
Queensland	7.1	4.0	–1.8	4.6	–2.3	9.4
South Australia	0.4	–1.4	5.8	4.5	2.9	–4.5
Western Australia	1.1	1.5	4.5	1.5	3.8	–0.1
Tasmania	–0.9	–0.4	1.5	–3.4	7.4	–4.1
Northern Territory	–2.7	3.7	–2.5	–3.0	2.0	3.5
Australian Capital Territory	1.5	1.1	–6.9	7.5	–3.8	–6.4
Australia	1.5	–0.8	0.9	0.7	0.7	2.0

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

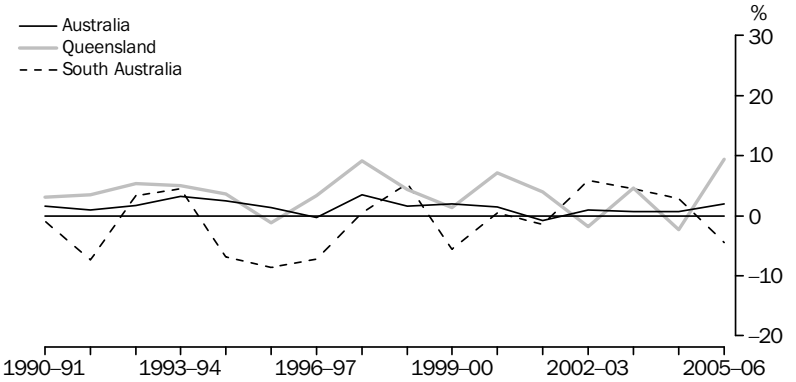
ELECTRICITY, GAS AND WATER GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

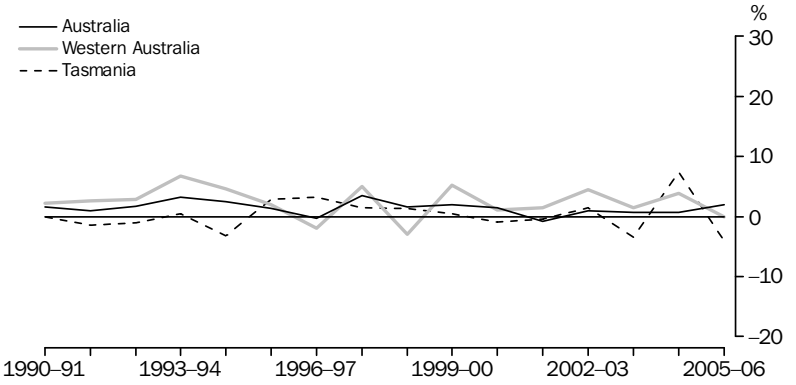
Results for Electricity, gas and water continued

ELECTRICITY, GAS AND WATER GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



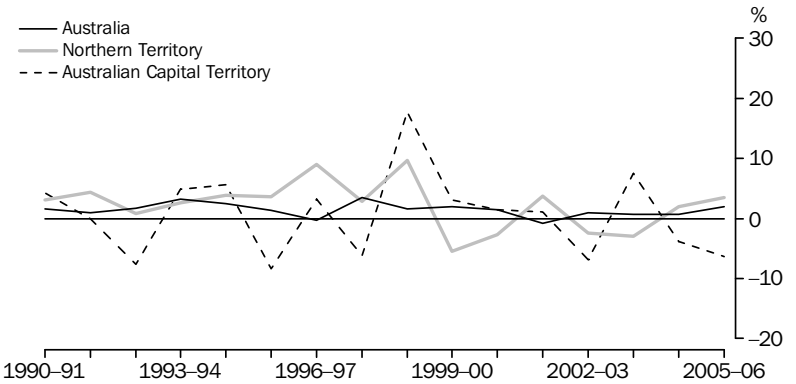
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

ELECTRICITY, GAS AND WATER GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

ELECTRICITY, GAS AND WATER GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Electricity, gas and water continued

New South Wales had a period of relatively sustained growth between 1990–91 and 2000–01, which was followed by a four year period of negative growth. Victoria, Queensland, Western Australia and Tasmania have shown variability in growth rates throughout the time series. Throughout the time series, none of the states exhibited the growth pattern exhibited by Australia as a whole.

In the last six years, peak positive growth has occurred in 2002–03 (Victoria and Western Australia), 2004–05 (Tasmania) and 2005–06 (Queensland). A number of these increases are the result of new power stations commencing operation in these states. In South Australia, the Northern Territory and the Australian Capital Territory growth has been quite variable throughout the time series.

In 2005–06, New South Wales, Queensland and the Northern Territory experienced positive growth of 6.4%, 9.4% and 3.5% respectively with a major portion of this growth due to state implementation of the federal government Mandatory Renewable Energy Target that commenced on 1st April 2001. This has seen significant increases in power generation from renewable sources such as wind, solar and biomass.

ELECTRICITY, GAS AND WATER GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	35.0	37.8	27.5	28.5	28.4	28.3
Victoria	30.3	26.8	30.1	28.3	28.4	28.5
Queensland	13.5	13.8	13.9	14.7	14.5	15.4
South Australia	6.6	6.7	8.3	8.1	8.2	8.2
Western Australia	9.1	9.0	13.7	13.4	13.6	13.2
Tasmania	3.0	3.4	3.7	3.8	3.8	3.5
Northern Territory	1.1	0.7	0.9	0.9	0.9	0.8
Australian Capital Territory	1.3	1.8	2.0	2.3	2.2	2.1
Australia	100.0	100.0	100.0	100.0	100.0	100.0

Victoria and New South Wales together accounted for 56.8% of Australian Electricity, gas and water GVA in 2005–06, while Queensland contributed a further 15.4% and Western Australia 13.2%. The state shares for New South Wales, Victoria and Northern Territory have decreased throughout the time series, with New South Wales moving from 35.0% in 1989–90 to 28.3% in 2005–06. All other states increased to varying extents with Western Australia's share rising the most, moving from 9.1% in 1989–90 to 13.2% in 2005–06.

CONSTRUCTION

Definition and scope

The Construction industry includes all units mainly engaged in constructing buildings, roads, railroads, aerodromes, irrigation projects, harbour or river works, water, gas, sewerage or stormwater drains or mains, electricity or other transmission lines or towers, pipelines, oil refineries or other specified civil engineering projects. Units mainly engaged in the repair of buildings or of other structures are also included as are those engaged in the alteration or renovation of buildings, preparation of mine sites, demolition and excavation.

ANZSIC Division E, Construction, consists of two sub-divisions:

- General construction (sub-division 41)
- Construction trade services (sub-division 42).

Summary of GSP(P) sources and methods

The methodology for Construction uses an output indicator approach to compile state by industry GVA estimates. Construction output volumes are derived by the price deflation method.

An output indicator method is used to construct volume measures of the value of work done for residential house construction, alterations and additions to dwellings, non-house dwelling construction, non-dwelling building and non-building construction.The current price output estimates are sourced from the ABS, *Building Activity, Australia* (BACS) (cat. no. 8752.0), and *Engineering Construction Activity, Australia* (cat. no. 8762.0), at a detailed level.

The state deflators for residential house construction and alterations and additions to dwellings are sourced from the ABS collection, *House Price Index, Eight Capital Cities* (cat. no. 6416.0), specifically the state project home price index. Other dwelling price index and non-dwelling building price indexes are sourced from the ABS PPI. Non-building construction national deflators are constructed by the ABS using the activity and work done, and are applied to states as no separate state level indexes are available.

The current price and deflator data are used to derive state output volume estimates. The output volumes are weighted together using interpolated value added data from the ABS 1988–89 and 2002–03 *Private Sector Construction Industry, Australia* (cat. no.s 8771.0 and 8772.0 respectively). The resultant estimates are then summed to division level to derive output volume estimates.

The state output volume indicators are used to derive volume measures of GVA for Construction. The state volume GVAs are benchmarked to the annual national industry volume GVA.

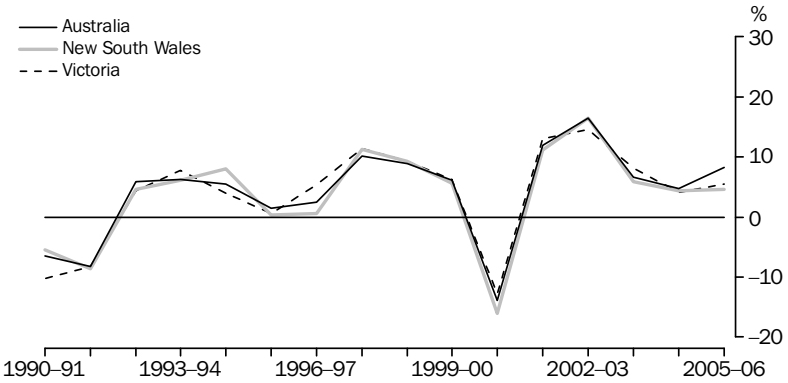
Results for Construction

CONSTRUCTION GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	13 883	15 433	17 984	19 044	19 883	20 806
Victoria	8 615	9 732	11 153	12 057	12 550	13 241
Queensland	8 094	8 907	10 215	11 062	11 625	12 784
South Australia	2 278	2 520	3 008	3 191	3 359	3 475
Western Australia	4 466	5 066	6 171	6 353	6 740	8 287
Tasmania	504	628	629	739	763	856
Northern Territory	443	564	665	720	791	780
Australian Capital Territory	855	962	1 162	1 189	1 229	1 414
Australia	39 106	43 777	50 973	54 353	56 940	61 644
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	–16.1	11.2	16.5	5.9	4.4	4.6
Victoria	–12.8	13.0	14.6	8.1	4.1	5.5
Queensland	–11.1	10.0	14.7	8.3	5.1	10.0
South Australia	–12.6	10.7	19.4	6.1	5.3	3.5
Western Australia	–13.4	13.4	21.8	3.0	6.1	23.0
Tasmania	–10.2	24.5	0.2	17.5	3.3	12.1
Northern Territory	–15.1	27.3	17.9	8.3	9.8	–1.3
Australian Capital Territory	–20.3	12.6	20.7	2.4	3.4	15.0
Australia	–13.9	11.9	16.4	6.6	4.8	8.3

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

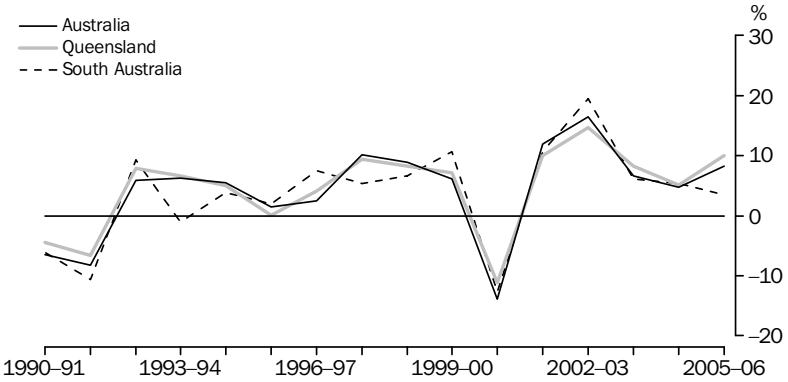
CONSTRUCTION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

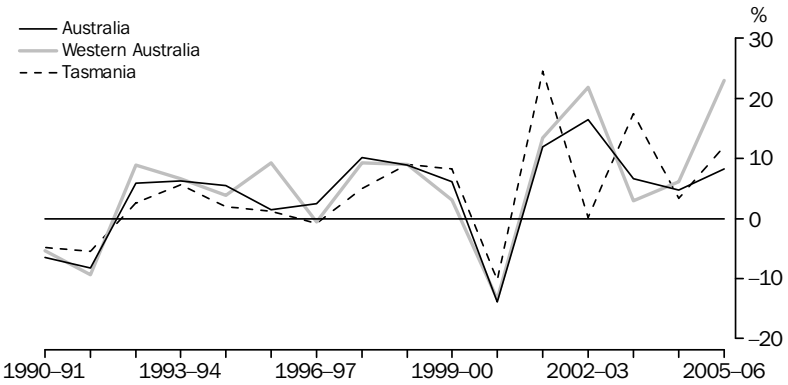
Results for Construction continued

CONSTRUCTION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

CONSTRUCTION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

CONSTRUCTION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Construction industry growth rates for the states have generally followed that of Australia, except for Tasmania, since 2002–03. Reflecting continuous positive growth in the national level of Construction value added since 2001–02, all states, except for the Northern Territory, recorded positive value added growth in 2005–06.

Results for Construction continued

A large amount of construction work was brought forward into 1999–2000 preceding the introduction of the GST. This resulted in a large decline in the Construction industry across all states in 2000–01. This was followed by two years of strong growth across all states except Tasmania, which only increased by 0.2% in 2002–03. The unusual growth in Tasmania in 2001–02 and 2003–04 compared to other states and Australia is due to the Devonport natural gas pipeline project which strongly increased the building and engineering construction in these years. In 2005–06, Western Australia (23.0%), the Australian Capital Territory (15.0%), Tasmania (12.1%), and Queensland (10.0%) all had growth rates above the national growth of 8.3%.

CONSTRUCTION GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	33.0	35.5	36.7	35.2	34.9	31.8
Victoria	25.5	20.7	21.5	22.4	22.0	21.9
Queensland	17.8	19.2	19.2	20.2	20.4	21.5
South Australia	7.5	6.6	6.0	5.9	5.9	5.4
Western Australia	11.5	12.4	12.0	11.5	11.8	14.3
Tasmania	1.8	2.1	1.2	1.3	1.3	1.4
Northern Territory	1.2	1.2	1.1	1.4	1.4	1.3
Australian Capital Territory	1.8	2.2	2.3	2.1	2.2	2.3
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Victoria and Queensland together accounted for around 75% of Australian Construction GVA in 2005–06. From 1989–90 to 2005–06, New South Wales share fell from 33.0% to 31.8%, although during this time its share peaked in 1999–2000 at 36.7%. Victoria fell from 25.5% in 1989–90 to 21.9% in 2005–06. Queensland, Western Australia and the Australian Capital Territory have had increased shares while the Tasmanian and Northern Territory shares have remained relatively stable.

WHOLESALE TRADE

Definition and scope

The Wholesale trade industry includes those units mainly engaged in the resale (as agents or principals) of new or used goods to businesses or to institutional (including Government) users.

ANZSIC Division F, Wholesale trade, consists of three sub-divisions:

- Basic material wholesaling (sub-division 45)
- Machinery and motor vehicle wholesaling (sub-division 46)
- Personal and household good wholesaling (sub-division 47).

Summary of GSP(P) sources and methods

The methodology for Wholesale trade uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived by deflating total Wholesale trade output by state at a division level. The output volumes then form the basis upon which volume measures of value added are derived at the division level.

The current price estimates of Wholesale trade output are obtained from QBIS. Since QBIS data are only available from 2000–01, Retail sales output (turnover) from ABS *Retail Trade, Australia* (cat. no. 8501.0) has been used as a proxy to compile historical estimates. Quarterly state output estimates are summed to derive annual output estimates.

The current price output estimates are priced deflated using the national Wholesale trade deflator from 2000–01. Prior to that, the Retail trade deflator by state is used.

The state output indicators are used to derive volume measures of GVA for Wholesale Trade. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Wholesale trade

WHOLESALE TRADE GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	15 806	15 911	15 637	15 250	15 859	15 939
Victoria	9 371	9 390	10 858	12 057	12 276	12 171
Queensland	6 504	7 069	7 131	7 488	7 793	8 101
South Australia	2 013	2 285	2 354	2 458	2 480	2 528
Western Australia	2 949	3 190	3 407	3 899	4 083	4 815
Tasmania	503	458	500	523	557	611
Northern Territory	243	229	250	233	232	292
Australian Capital Territory	324	312	309	313	345	352
Australia	37 435	38 433	40 260	42 174	43 625	44 886
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	–0.6	0.7	–1.7	–2.5	4.0	0.5
Victoria	–5.3	0.2	15.6	11.0	1.8	–0.9
Queensland	7.0	8.7	0.9	5.0	4.1	4.0
South Australia	–5.7	13.5	3.1	4.4	0.9	2.0
Western Australia	6.4	8.2	6.8	14.5	4.7	17.9
Tasmania	–11.1	–8.9	9.3	4.5	6.5	9.7
Northern Territory	–14.1	–5.8	8.8	–6.6	–0.5	25.9
Australian Capital Territory	14.1	–3.8	–0.8	1.1	10.3	2.0
Australia	–0.4	2.7	4.8	4.8	3.4	2.9

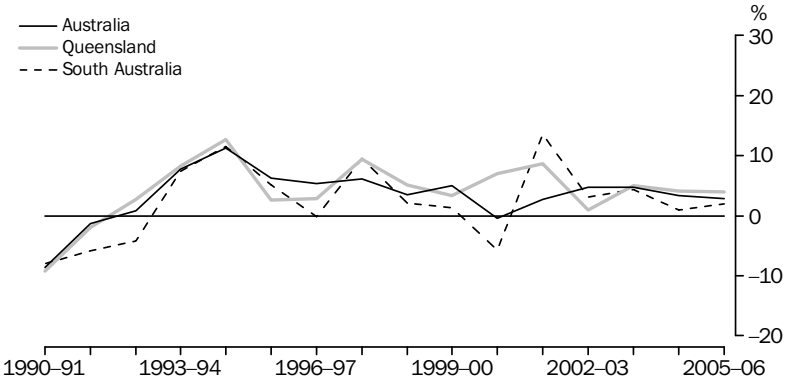
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

WHOLESALE TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

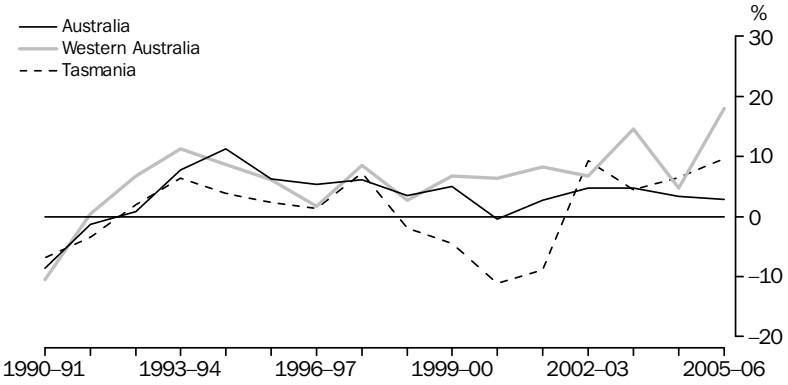
Results for Wholesale trade continued

WHOLESALE TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



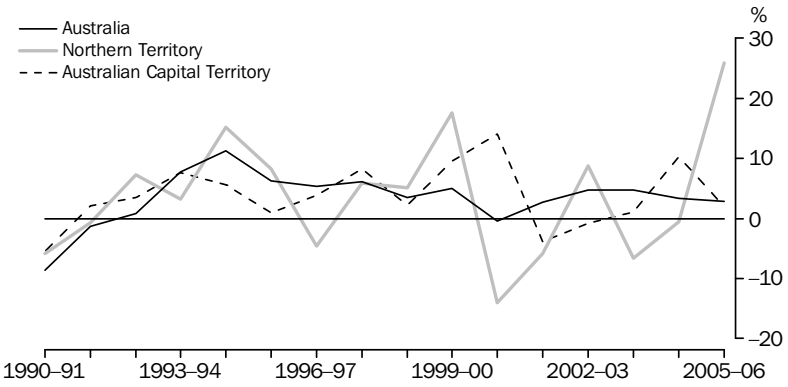
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

WHOLESALE TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

WHOLESALE TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

From 2002–03 to 2004–05, most states exhibited positive growth rates of varying degrees except for New South Wales, the Northern Territory and the Australian Capital Territory. In 2005–06, Victoria had negative growth whereas all other states had positive growth. Western Australia and the Northern Territory recorded growth rates of 17.9% and 25.9%

Results for Wholesale trade continued

respectively which reflected the strong demand for commodities in mining and industrial materials in these states.

WHOLESALE TRADE GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	37.1	38.1	38.1	36.6	36.4	35.8
Victoria	29.7	26.7	27.5	28.2	28.1	28.8
Queensland	14.8	15.6	17.1	17.8	17.9	17.8
South Australia	6.6	6.2	5.9	5.7	5.7	5.6
Western Australia	8.7	10.3	8.7	9.3	9.4	9.3
Tasmania	1.6	1.6	1.3	1.3	1.3	1.3
Northern Territory	0.6	0.6	0.6	0.5	0.5	0.5
Australian Capital Territory	1.0	0.8	0.9	0.8	0.8	0.8
Australia	100.0	100.0	100.0	100.0	100.0	100.0

The three largest states, New South Wales, Victoria and Queensland, accounted for over 80% of Australian Wholesale trade GVA in 2005–06. The state shares have been fairly stable throughout the time series.

RETAIL TRADE

Definition and scope

The Retail trade industry includes all units mainly engaged in the resale (as agents or principals) of new or used goods to final consumers for personal or household consumption or in selected repair activities such as repair of household equipment or motor vehicles.

ANZSIC Division G, Retail trade, consists of three sub-divisions:

- Food retailing (sub-division 51)
- Personal and household good retailing (sub-division 52)
- Motor vehicle retailing and services (sub-division 53).

Summary of GSP(P) sources and methods

The methodology for Retail trade uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived by deflating total Retail Trade output by state at a division level, except for new car sales which are quantity revalued. The output volumes then form the basis upon which volume measures of value added are derived at the division level.

Current price turnover data is sourced from ABS *Retail Trade, Australia* (cat. no. 8501.0) and current price Household final consumption expenditure (HFCE) data for consumption outside the scope of *Retail Trade, Australia*. Price information is sourced from the CPI and used to deflate the current price turnover data to derive a set of turnover volume measures.

For new car sales the quantity indicator is sourced from VFACTS which contains national statistics for sales of new motor vehicles, produced and published on a monthly basis by the Federal Chamber of Automotive Industries.

The volume output measures are weighted together using class level GVA weights to obtain the division GVA volume output measure. The class level GVA weights are derived by multiplying current price turnover data by annual value added to turnover ratios derived from the current price data in the ABS 1998–99 Retail Census and Economy Wide Surveys.

The state output indicators are used to derive volume measures of GVA for Retail trade. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Retail trade

RETAIL TRADE GROSS VALUE ADDED(a), Chain volume measures(b)

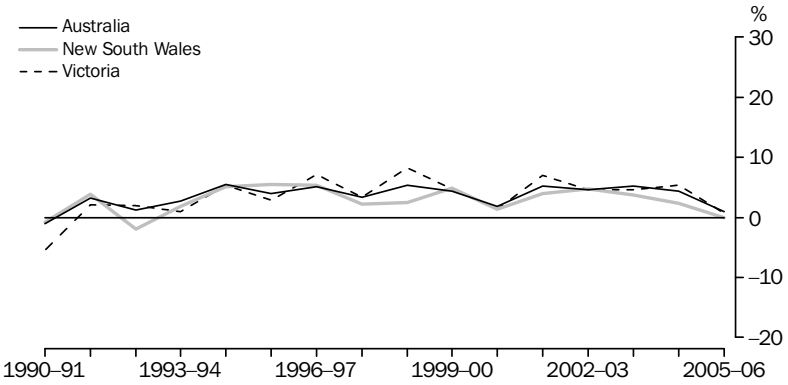
	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	14 815	15 413	16 142	16 741	17 145	17 139
Victoria	10 345	11 066	11 570	12 099	12 740	12 828
Queensland	9 064	9 487	10 090	11 038	11 613	11 750
South Australia	2 914	3 124	3 268	3 302	3 432	3 429
Western Australia	4 344	4 569	4 664	4 918	5 271	5 484
Tasmania	925	954	983	1 067	1 123	1 191
Northern Territory	433	452	465	484	496	493
Australian Capital Territory	812	857	869	884	901	928
Australia	43 646	45 921	48 048	50 525	52 720	53 242
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	1.3	4.0	4.7	3.7	2.4	—
Victoria	1.4	7.0	4.6	4.6	5.3	0.7
Queensland	2.7	4.7	6.4	9.4	5.2	1.2
South Australia	3.0	7.2	4.6	1.1	3.9	–0.1
Western Australia	1.1	5.2	2.1	5.5	7.2	4.0
Tasmania	2.9	3.1	3.0	8.5	5.2	6.1
Northern Territory	–0.1	4.4	2.9	4.1	2.5	–0.6
Australian Capital Territory	7.0	5.5	1.4	1.8	1.8	3.0
Australia	1.8	5.2	4.6	5.2	4.3	1.0

— nil or rounded to zero (including null cells)

(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

RETAIL TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

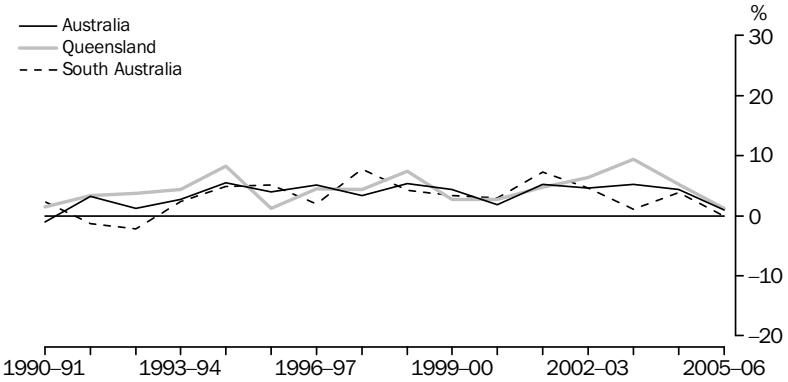


(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

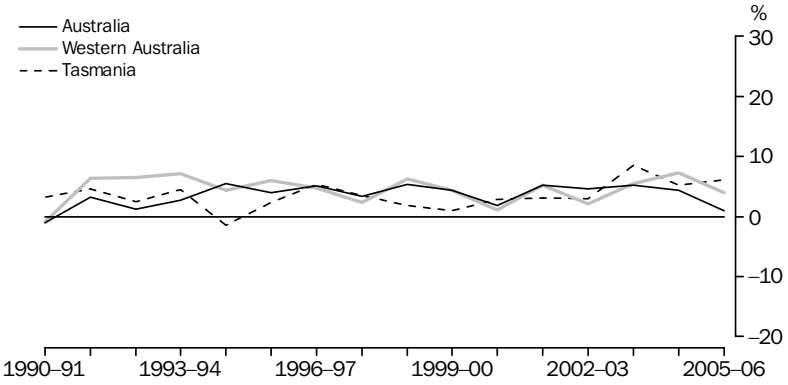
Results for Retail trade continued

RETAIL TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



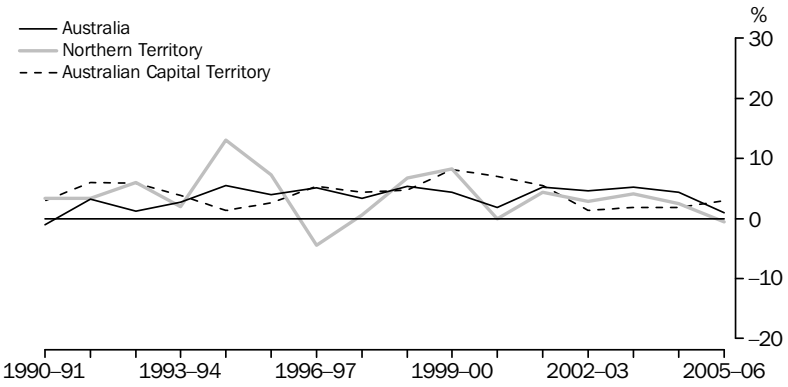
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

RETAIL TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

RETAIL TRADE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Retail trade continued

From 2001–02 to 2004–05, all states exhibited positive growth rates of varying degrees with Queensland and Tasmania recording peak growth rates of 9.4% and 8.5% respectively in 2003–04. In 2005–06 there was a significant slow down in growth from the previous year for all states except Tasmania and the Australian Capital Territory, which both increased to 6.1% and 3.0% respectively.

RETAIL TRADE GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	35.2	34.5	33.8	32.7	32.5	32.3
Victoria	25.3	23.0	23.9	24.3	24.2	23.7
Queensland	17.2	19.1	20.2	21.4	22.0	22.6
South Australia	8.2	7.8	7.2	6.6	6.5	6.6
Western Australia	8.9	10.1	10.0	10.1	10.0	10.0
Tasmania	2.4	2.6	2.2	2.2	2.1	2.2
Northern Territory	1.1	1.1	1.0	0.9	0.9	1.0
Australian Capital Territory	1.6	1.8	1.8	1.8	1.7	1.7
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Victoria and Queensland together accounted for 78.6% of Australian Retail trade value added in 2005–06. New South Wales, Victoria and South Australia's shares decreased slightly throughout the time series whereas shares in Tasmania, the Northern Territory and the Australian Capital Territory were quite stable. Western Australia's share increased from 8.9% in 1989–90 to 10.1% in 1994–95 and has stabilised around that level. Queensland gradually increased its share throughout the time series from 17.2% in 1989–90 to 22.6% in 2005–06.

ACCOMMODATION, CAFES AND RESTAURANTS

Definition and scope

The Accommodation, cafes and restaurants industry includes all units mainly engaged in providing hospitality services in the form of accommodation, meals and drinks.

ANZSIC Division G, Accommodation, cafes and restaurants, consists of one sub-division:

- Accommodation, cafes and restaurants (sub-division 57).

Summary of GSP(P) sources and methods

The methodology for Accommodation, cafes and restaurants uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived using quantity revaluation for the state output of Accommodation and price deflation for Cafes and restaurants. The output volumes then form the basis upon which volume measures of value added are derived at the division level.

For accommodation, quantity data (guest nights) and turnover data for hotels, motels, serviced apartments, caravan parks and holiday flats are sourced from the ABS *Tourist Accommodation, Australia* (cat. no. 8635.0).

Cafes and restaurants current price estimates are sourced from the ABS publication *Retail Trade, Australia* by state. Price deflators are sourced from the ABS CPI by capital city.

The state output indicators are used to derive volume measures of GVA for Accommodation, cafes and restaurants. The state volume GVAs are benchmarked to the annual national industry volume GVA.

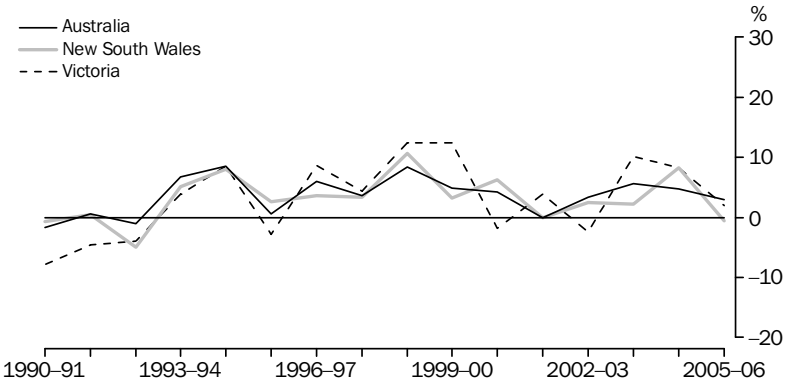
Results for Accommodation, cafes and restaurants

ACCOMMODATION, CAFES AND RESTAURANTS GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	6 569	6 562	6 727	6 873	7 439	7 400
Victoria	3 051	3 171	3 091	3 407	3 686	3 755
Queensland	4 221	3 979	4 209	4 683	4 682	5 187
South Australia	1 043	1 104	1 230	1 262	1 218	1 238
Western Australia	1 300	1 368	1 469	1 507	1 492	1 528
Tasmania	359	337	363	397	417	416
Northern Territory	275	259	246	235	269	287
Australian Capital Territory	416	418	438	414	405	393
Australia	17 166	17 158	17 735	18 732	19 608	20 204
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	6.3	–0.1	2.5	2.2	8.2	–0.5
Victoria	–1.8	3.9	–2.5	10.2	8.2	1.9
Queensland	5.4	–5.7	5.8	11.3	—	10.8
South Australia	10.4	5.8	11.4	2.6	–3.4	1.6
Western Australia	–1.6	5.3	7.4	2.6	–1.0	2.4
Tasmania	–4.5	–6.2	7.8	9.4	5.0	–0.2
Northern Territory	2.9	–5.7	–5.0	–4.7	14.7	6.6
Australian Capital Territory	13.3	0.3	4.9	–5.5	–2.2	–2.9
Australia	4.2	–0.1	3.4	5.6	4.7	3.0

— nil or rounded to zero (including null cells)
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

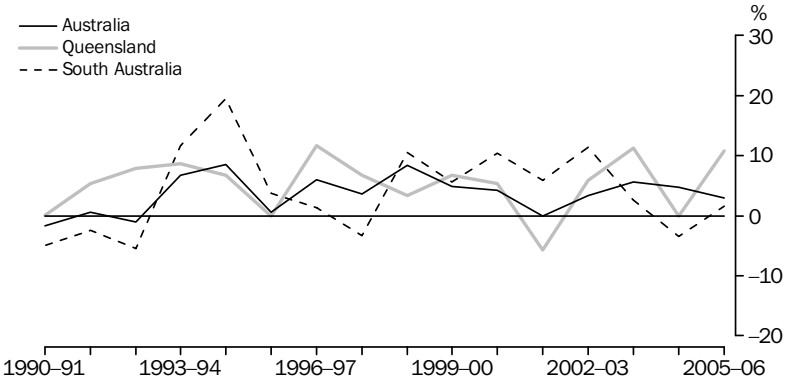
ACCOMMODATION, CAFES AND RESTAURANTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

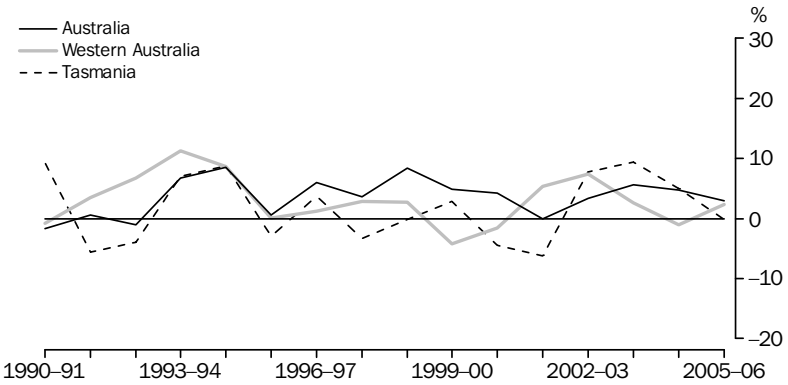
Results for Accommodation, cafes and restaurants continued

ACCOMMODATION, CAFES AND RESTAURANTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



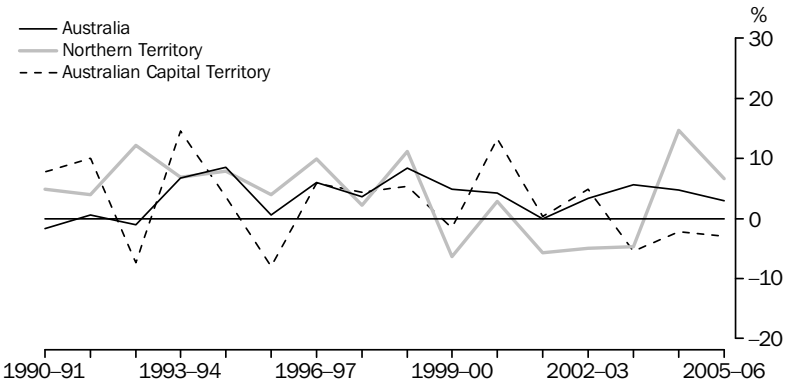
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

ACCOMMODATION, CAFES AND RESTAURANTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

ACCOMMODATION, CAFES AND RESTAURANTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

New South Wales had a long period of growth from 1993–94 to 2004–05 with only one year of minor negative growth in 2001–02. Victoria experienced strong growth in the late 1990's followed by a period of low or negative growth. Queensland has shown continual growth throughout the time series, with only one year of negative growth in 2001–02.

Results for Accommodation, cafes and restaurants continued

South Australia and Tasmania experienced strong growth in 1993–94 and 1994–95 which coincided with the introduction of gaming machines in clubs and hotels in these states. Western Australia and the Northern Territory maintained continuous growth between 1989–90 and 1998–99. The Australian Capital Territory's growth rate has been variable throughout the time series, with the latest three years all showing negative growth. In 2005–06, all states had positive growth except New South Wales, Tasmania and the Australian Capital Territory. Queensland and the Northern Territory were the only states to have growth above the national growth of 3.0%, at 10.8% and 6.6% respectively.

ACCOMMODATION, CAFES AND RESTAURANTS GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	42.1	40.7	39.9	38.8	37.9	36.9
Victoria	18.1	18.4	18.1	18.5	18.8	18.7
Queensland	19.7	21.6	22.2	23.0	23.9	24.7
South Australia	7.5	6.2	6.7	6.3	6.2	6.4
Western Australia	7.7	7.3	7.7	7.6	7.6	7.8
Tasmania	2.2	2.4	2.0	2.1	2.1	2.1
Northern Territory	1.3	1.5	1.5	1.4	1.4	1.5
Australian Capital Territory	1.6	1.9	1.9	2.2	2.1	1.9
Australia	100.0	100.0	100.0	100.0	100.0	100.0

The share for New South Wales has decreased over the time series from 42.1% in 1989–90 to 36.9% in 2005–06. Queensland has been the main state to increase its share, rising from 19.7% in 1989–90 to 24.7% in 2005–06.

TRANSPORT AND STORAGE

Definition and scope

The Transport and storage industry includes all units mainly engaged in passenger or freight transport by road, rail, water or air; terminal facilities of passengers or freight; services related to transport such as car parking, stevedoring, harbour services, navigation services, airport operation or space port operation; booking, travel, freight forwarding, crating and customs agency services; and storage facilities.

ANZSIC Division I, Transport and storage, consists of seven sub-divisions:

- Road transport (sub-division 61)
- Rail transport (sub-division 62)
- Water transport (sub-division 63)
- Air and space transport (sub-division 64)
- Other transport (sub-division 65)
- Services to transport (sub-division 66)
- Storage (sub-division 67).

Summary of GSP(P) sources and methods

The methodology for Transport and storage uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived by either price deflation or quantity revaluation. These output volumes then form the basis upon which volume measures of value added are derived at the division level.

Output indicators are drawn from a number of different sources for each sub-division.

- For road freight the quantity indicator is 'tonne/kilometres' from the *Survey of Motor Vehicle Use, Data Cubes, Australia* (cat. no. 9210.0.55.001).
- For road passenger transport HFCE estimates are deflated by CPI components by capital city.
- For public passenger rail transport HFCE estimates are price deflated by CPI components by capital city.
- For private rail transport QBIS turnover estimates are price deflated using national level price indexes from PPI as no separate state level indexes are available.
- For water transport the quantity indicator is 'kilotonnes loaded and unloaded' from the Bureau of Transport and Regional Economics (BTRE) publication *Australian Sea Freight*.
- For air transport data the quantity indicator is 'passenger numbers' at major airports from the BTRE *Airport Traffic* publication.
- For other transport, services to transport and storage QBIS turnover estimates are price deflated using national level price indexes from PPI as no separate state level indexes are available.

For those sub-divisions that include QBIS as an indicator, the total hours worked by state for each sub-division from the *Labour Force, Australia, Detailed, Quarterly* (cat. no. 6291.0.55.003) has been used to extrapolate back the state estimates prior to 2000–01.

The state output indicators for each sub-division are then summed together to produce a total for the Transport and storage industry. This total output indicator is used to derive volume measures to derive state GVA for Transport and storage.

The state volume GVAs are benchmarked to the annual national industry volume GVA.

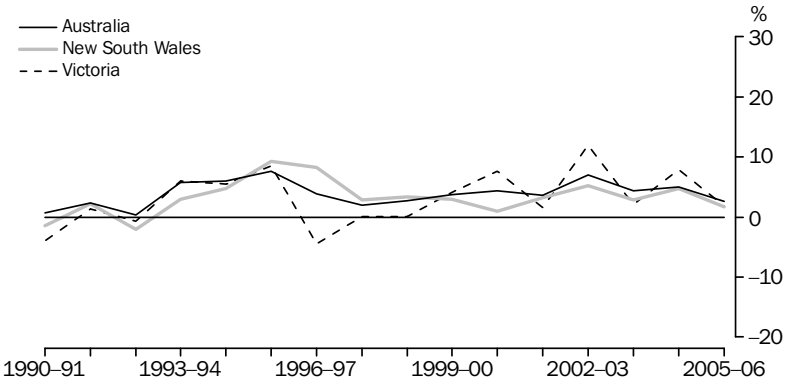
Results for Transport and storage

TRANSPORT AND STORAGE GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	11 556	11 924	12 544	12 894	13 498	13 722
Victoria	7 449	7 566	8 464	8 640	9 323	9 494
Queensland	6 858	7 325	7 476	7 932	8 443	8 738
South Australia	2 388	2 450	2 661	2 866	2 910	2 863
Western Australia	4 023	4 234	4 722	5 053	5 065	5 417
Tasmania	608	641	704	782	777	799
Northern Territory	410	404	396	426	478	503
Australian Capital Territory	445	443	429	454	472	501
Australia	33 717	34 947	37 385	39 028	40 966	42 037
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	0.9	3.2	5.2	2.8	4.7	1.7
Victoria	7.6	1.6	11.9	2.1	7.9	1.8
Queensland	6.8	6.8	2.1	6.1	6.4	3.5
South Australia	2.5	2.6	8.6	7.7	1.5	–1.6
Western Australia	4.7	5.3	11.5	7.0	0.2	6.9
Tasmania	7.5	5.4	9.8	11.2	–0.6	2.8
Northern Territory	2.3	–1.6	–1.9	7.5	12.2	5.2
Australian Capital Territory	1.3	–0.3	–3.2	5.9	3.9	6.1
Australia	4.3	3.6	7.0	4.4	5.0	2.6

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

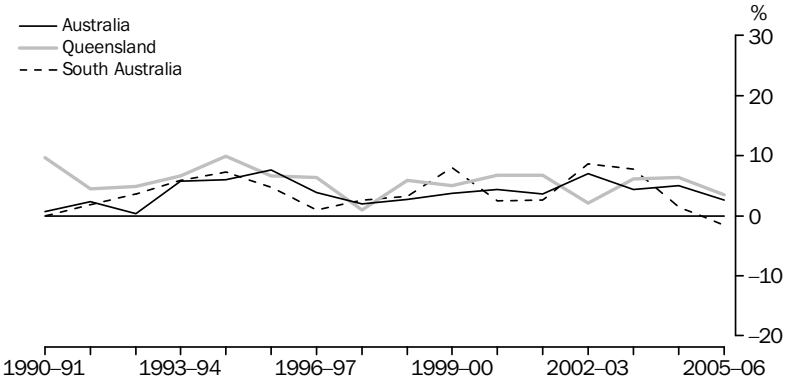
TRANSPORT AND STORAGE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

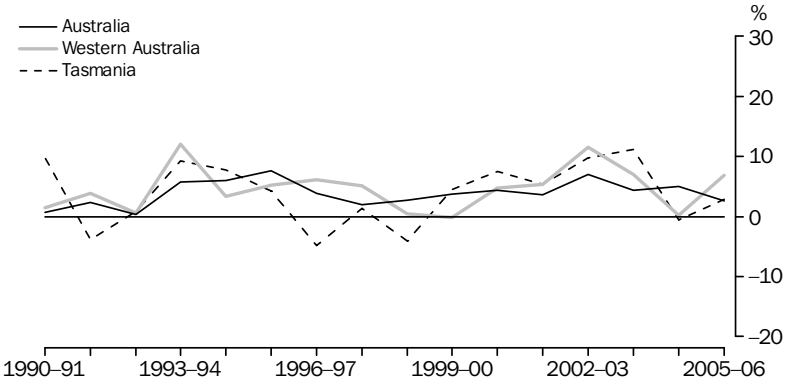
Results for Transport and storage continued

TRANSPORT AND STORAGE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



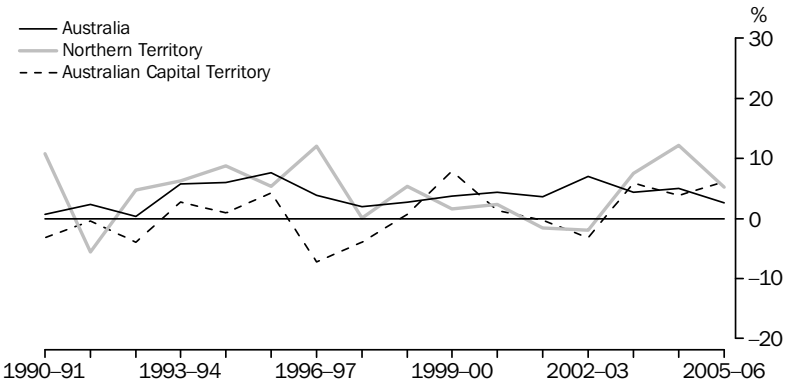
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

TRANSPORT AND STORAGE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

TRANSPORT AND STORAGE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Transport and storage continued

Queensland has shown growth throughout the whole of the time series. Western Australia has grown in all years except 1999–2000 when there was a small fall. In 2005–06, South Australia was the only state to show negative growth of –1.6%. All other states had growth rates higher than the national rate of 2.6% except for New South Wales and Victoria.

TRANSPORT AND STORAGE GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	36.8	36.7	35.4	33.9	32.9	32.9
Victoria	23.2	21.9	23.3	22.2	22.8	23.5
Queensland	18.5	20.0	19.1	20.5	20.6	20.8
South Australia	7.0	7.2	6.1	6.8	7.1	6.6
Western Australia	10.0	10.0	12.1	12.5	12.4	12.3
Tasmania	2.1	1.8	1.6	1.8	1.9	1.8
Northern Territory	0.9	1.0	1.1	1.1	1.2	1.1
Australian Capital Territory	1.6	1.4	1.3	1.1	1.2	1.1
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Victoria and Queensland together accounted for around 77% of Australian Transport and storage GVA in 2005–06. Most state shares for the Transport and storage industry have been fairly stable throughout the time series, although New South Wales lost share from 36.8% in 1989–90 to 32.9% in 2005–06, Queensland increased its share from 18.5% in 1989–90 to 20.8% in 2005–06 and Western Australia increased from 10.0% in 1989–90 to 12.3% in 2005–06.

COMMUNICATION SERVICES

Definition and scope

The Communication services industry includes all units mainly engaged in providing postal, courier and telecommunication services.

ANZSIC93 Division J, Communication services, consists of one sub-division:

- Communication services (sub-division 71).

This sub-division is made up of two groups:

- Postal and courier services (group 711)
- Telecommunication services (group 712).

Summary of GSP(P) sources and methods

The methodology for Communication services uses an output indicator approach to compile state by industry GVA estimates. Turnover volume measures are estimated using revenue data and price indexes from the ABS CPI. The output volumes then form the basis upon which volume measures of value added are derived at the division level.

For postage services, state revenue data from Australia Post (2000–01 onwards) and private postal and courier turnover data from QBIS (2001–02 onwards) is used. Australia Post revenue has been extrapolated back to 1989–90 based on state population estimates. State private postal and courier revenue has been extrapolated back based on national private postal and courier revenue.

Estimates of public telecommunications services are based on national revenue data for Telstra and has been split to state using population data. State private telecommunication revenue data are available from QBIS for each state back to 2001-02. The state private telecommunication revenue has been backcast based on national private telecommunication revenue.

The output indicators are price deflated to produce state turnover volume measures. Australia Post and private postal and courier current price turnover are both deflated using the ABS CPI postal services data for the eight capital cities. The Telstra and private telecommunication turnover are deflated using the ABS CPI telecommunication services data for the eight capital cities.

These state turnover volume measures are aggregated and used to produce volume measures of GVA for state Communication services. The state volume GVAs are benchmarked to the annual national industry volume GVA.

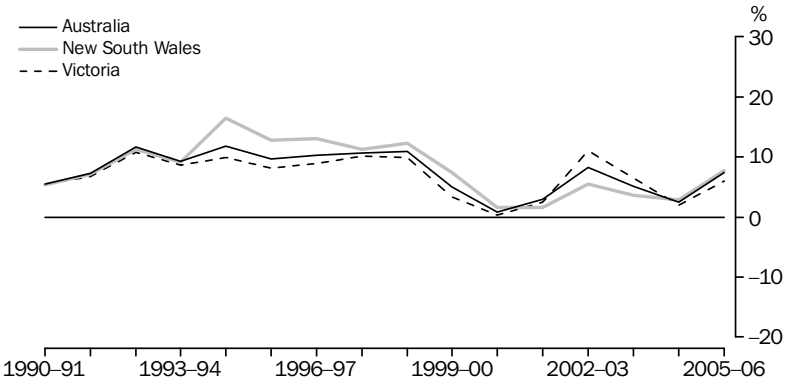
Results for Communication services

COMMUNICATION SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	6 821	6 931	7 310	7 574	7 791	8 389
Victoria	5 765	5 911	6 560	6 984	7 119	7 548
Queensland	3 141	3 284	3 574	3 734	3 826	4 146
South Australia	1 147	1 191	1 271	1 334	1 372	1 484
Western Australia	1 822	1 929	2 137	2 272	2 333	2 521
Tasmania	321	336	365	388	393	421
Northern Territory	213	224	244	256	260	274
Australian Capital Territory	407	427	454	482	494	549
Australia	19 637	20 230	21 915	23 022	23 588	25 331
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	1.6	1.6	5.5	3.6	2.9	7.7
Victoria	0.3	2.5	11.0	6.5	1.9	6.0
Queensland	0.4	4.5	8.8	4.5	2.5	8.4
South Australia	0.4	3.8	6.7	4.9	2.9	8.1
Western Australia	1.1	5.9	10.8	6.3	2.7	8.1
Tasmania	–1.3	4.5	8.7	6.3	1.2	7.3
Northern Territory	0.5	5.1	8.7	5.0	1.8	5.3
Australian Capital Territory	0.6	4.9	6.3	6.3	2.5	11.0
Australia	0.8	3.0	8.3	5.1	2.5	7.4

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

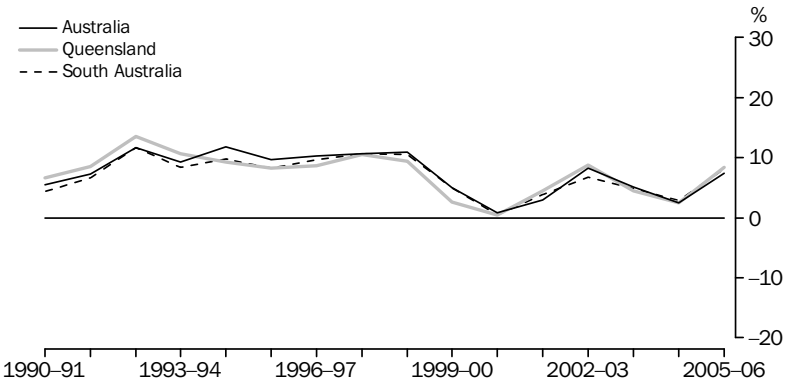
COMMUNICATION SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

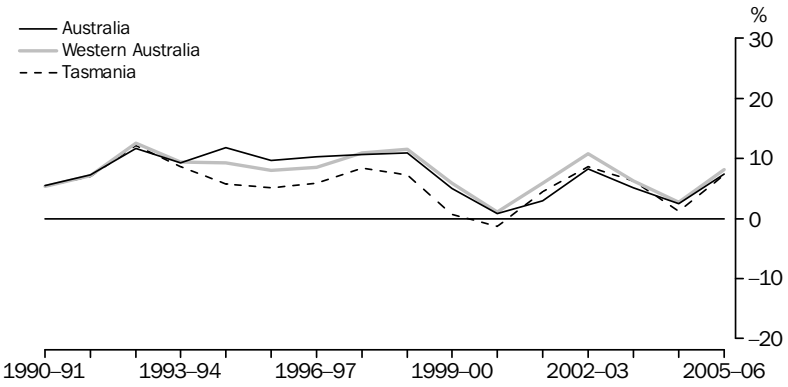
Results for Communication services continued

COMMUNICATION SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



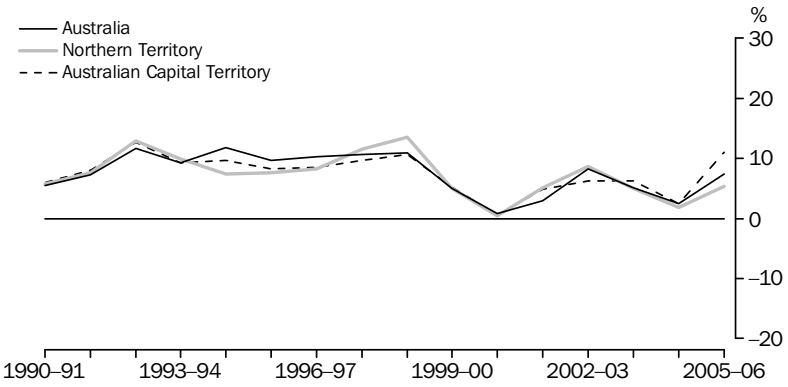
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

COMMUNICATION SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

COMMUNICATION SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Communication services continued

New South Wales, Tasmania and the Northern Territory diverged slightly from the Australian growth pattern during the 1990s. From 2001–02, all states increased their growth, with quite large growth in 2002–03, especially in Victoria (11.0%) and Western Australia (10.8%). In 2005–06, all states experienced high growth ranging from 5.3% in the Northern Territory to 11.0% in the Australian Capital Territory.

COMMUNICATION SERVICES GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	37.1	33.9	34.8	33.4	33.0	33.0
Victoria	27.3	28.5	28.1	29.6	30.2	30.3
Queensland	15.2	16.5	16.4	16.4	16.2	16.1
South Australia	7.1	6.3	6.0	6.0	5.8	6.0
Western Australia	9.1	9.9	10.0	10.0	9.9	9.8
Tasmania	1.8	1.7	1.7	1.6	1.7	1.6
Northern Territory	0.9	1.1	1.2	1.1	1.1	1.1
Australian Capital Territory	1.6	2.1	1.8	2.0	2.1	2.0
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales and Victoria together accounted for over 63% of Australian Communication services GVA in 2005–06. New South Wales, South Australia and Tasmania have decreased their shares over the time series, with New South Wales declining from 37.1% in 1989–90 to 33.0% in 2005–06. Victoria, Queensland, Western Australia and the Australian Capital Territory all increased their share. Victoria increased its share from 27.3% in 1989–90 to 30.3% in 2005–06.

FINANCE AND INSURANCE

Definition and scope

The Finance and insurance industry includes all units mainly engaged in the provision of finance, in investing money in predominantly financial assets, in providing services to lenders, borrowers and investors, in providing insurance cover of all types, and in providing services to insurance underwriters and to people or organisations seeking insurance.

ANZSIC Division K, Finance and insurance, consists of three sub-divisions:

- Finance (sub-division 73)
- Insurance (sub-division 74)
- Services to finance and insurance (sub-division 75).

Summary of GSP(P) sources and methods

The methodology for Finance and insurance uses an output indicator approach to compile national GVA estimates. The output volumes then form the basis upon which volume measures of value added are derived at the division level.

Component national current price and volume data are collected at the industry sub-division level. These are sourced from the Australian Prudential Regulatory Authority (APRA) for Finance and Insurance and from the Economic Activity Survey for Services to finance and insurance.

These national data are allocated to state using hours worked, by state, by industry group from the ABS *Labour Force, Australia*. Both current price and volume measure output values are split by state and by industry sub-division.

Industry sub-division volume output data are then summed to derive a total for the industry which is then chained to compile the state volume output.

These state output indicators are used to derive volume measures of GVA for Finance and insurance. The state volume GVAs are benchmarked to the annual national industry volume GVA.

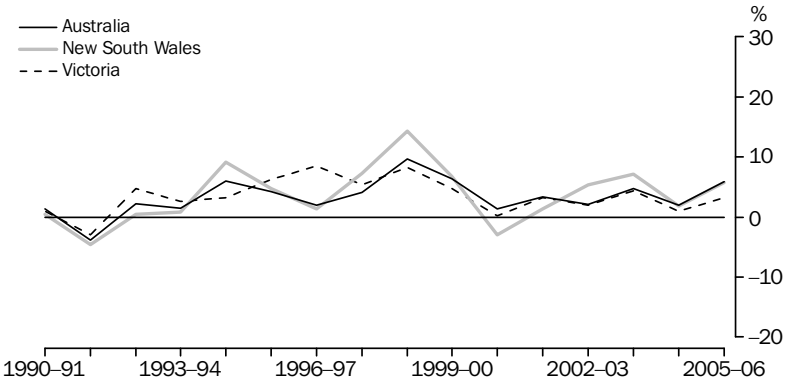
Results for Finance and insurance

FINANCE AND INSURANCE GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	24 411	24 728	26 035	27 895	28 401	30 030
Victoria	15 974	16 482	16 816	17 532	17 714	18 289
Queensland	5 748	6 397	6 457	6 886	7 474	8 264
South Australia	3 472	3 645	3 365	3 224	3 179	3 468
Western Australia	3 945	4 055	3 845	3 762	3 734	3 892
Tasmania	919	978	967	934	888	911
Northern Territory	310	326	306	287	270	262
Australian Capital Territory	804	780	649	594	638	767
Australia	55 339	57 144	58 349	61 101	62 299	65 883
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	–3.0	1.3	5.3	7.1	1.8	5.7
Victoria	0.2	3.2	2.0	4.3	1.0	3.2
Queensland	11.3	11.3	0.9	6.6	8.5	10.6
South Australia	12.7	5.0	–7.7	–4.2	–1.4	9.1
Western Australia	8.0	2.8	–5.2	–2.2	–0.7	4.2
Tasmania	4.4	6.3	–1.1	–3.4	–4.9	2.5
Northern Territory	10.4	5.2	–6.2	–6.1	–6.1	–2.7
Australian Capital Territory	10.5	–3.0	–16.7	–8.5	7.5	20.2
Australia	1.3	3.3	2.1	4.7	2.0	5.8

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

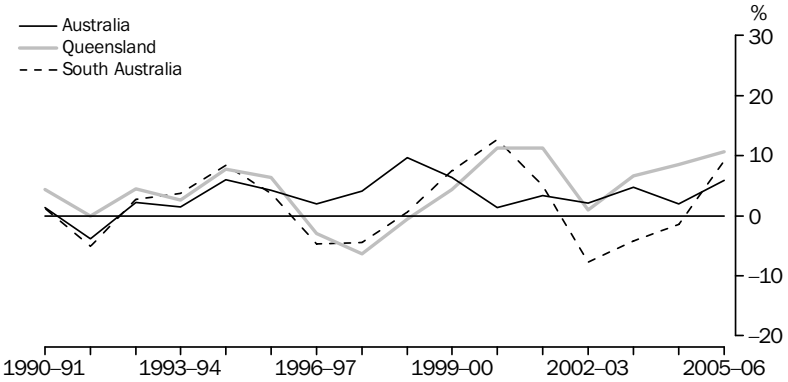
FINANCE AND INSURANCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

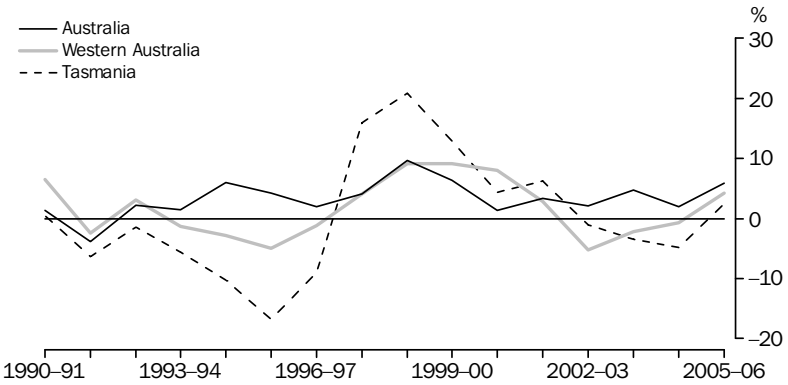
Results for Finance and insurance continued

FINANCE AND INSURANCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



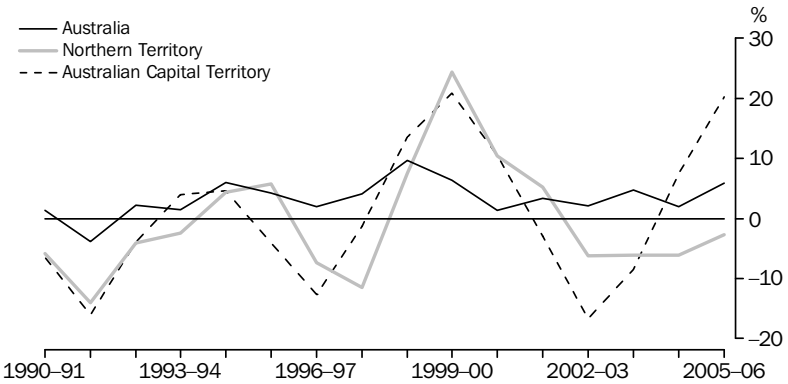
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

FINANCE AND INSURANCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

FINANCE AND INSURANCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

In 2005–06, all states had positive growth except for the Northern Territory. Queensland and the Australian Capital Territory had extremely strong growth at 10.6% and 20.2% respectively due to high increases in hours worked in the banking and general insurance industries relative to the rest of Australia.

Results for Finance and insurance continued

FINANCE AND INSURANCE GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	45.5	44.1	47.3	46.1	45.6	46.3
Victoria	27.5	26.5	27.1	27.9	28.4	26.7
Queensland	10.7	12.9	10.7	11.5	12.0	12.7
South Australia	6.3	6.6	5.7	5.5	5.1	5.3
Western Australia	6.4	6.9	6.0	6.3	6.0	6.2
Tasmania	1.5	1.4	1.3	1.3	1.4	1.4
Northern Territory	0.4	0.4	0.5	0.4	0.4	0.4
Australian Capital Territory	1.6	1.3	1.4	0.9	1.0	1.0
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales accounted for almost half of Australian Finance and insurance GVA throughout the time series. Victoria accounted for 26.7% in 2005–06.

PROPERTY AND BUSINESS SERVICES

Definition and scope

The Property and business services industry includes all units mainly engaged in renting and leasing assets as well as units engaged in providing a wide variety of business services.

ANZSIC Division L, Property and business services, consists of two sub-divisions:

- Property services (sub-division 77)
- Business services (sub-division 78).

Summary of GSP(P) sources and methods

The methodology for Property and business services uses an output indicator approach to compile state by industry GVA estimates. The output volumes then form the basis upon which volume measures of value added are derived.

From 2001–02, Property and business services current price estimates, by state, are sourced from QBIS. The national Property services and business services deflators, sourced from PPI, are used to form output indicators as no state deflators are available. The Property and business services output volume indicators are then used to derive volume estimates at the division level. The volume output measure is then backcast to 1989–90 based on hours worked series from ABS *Labour Force, Australia*. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Property and business services

PROPERTY AND BUSINESS SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	40 622	40 378	41 471	42 837	42 322	41 574
Victoria	25 874	26 829	27 354	27 072	27 385	28 735
Queensland	10 091	11 580	12 357	14 217	15 233	17 500
South Australia	4 736	5 202	5 355	5 633	5 409	5 061
Western Australia	8 378	9 783	10 473	10 120	10 348	10 886
Tasmania	708	656	654	802	874	826
Northern Territory	239	365	459	662	870	1 166
Australian Capital Territory	2 235	2 324	2 214	2 176	2 333	2 686
Australia	91 855	96 518	99 835	103 409	104 773	108 434
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	10.8	–0.6	2.7	3.3	–1.2	–1.8
Victoria	1.0	3.7	2.0	–1.0	1.2	4.9
Queensland	8.9	14.8	6.7	15.1	7.1	14.9
South Australia	4.0	9.8	2.9	5.2	–4.0	–6.4
Western Australia	5.4	16.8	7.1	–3.4	2.3	5.2
Tasmania	6.0	–7.4	–0.3	22.6	8.9	–5.5
Northern Territory	–23.8	52.9	25.7	44.4	31.3	34.0
Australian Capital Territory	11.8	4.0	–4.7	–1.7	7.2	15.1
Australia	6.8	5.1	3.4	3.6	1.3	3.5

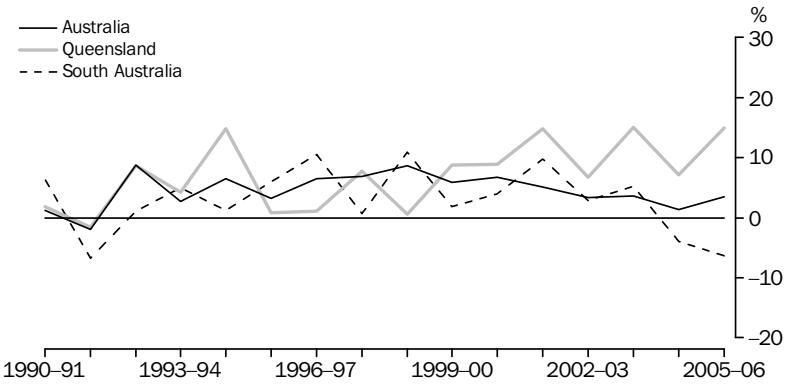
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

PROPERTY AND BUSINESS SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

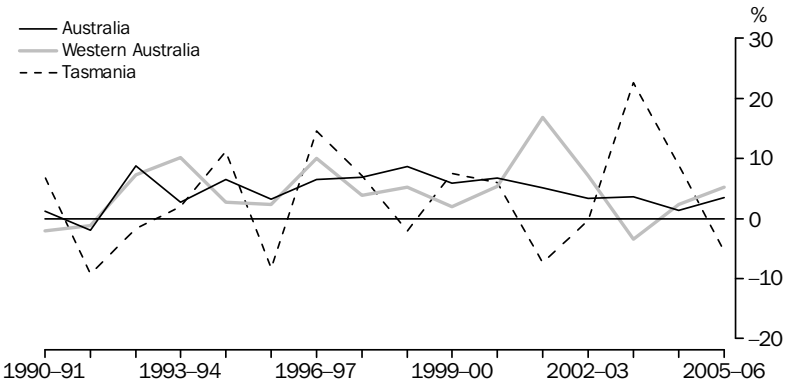
Results for Property and business services continued

PROPERTY AND BUSINESS SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



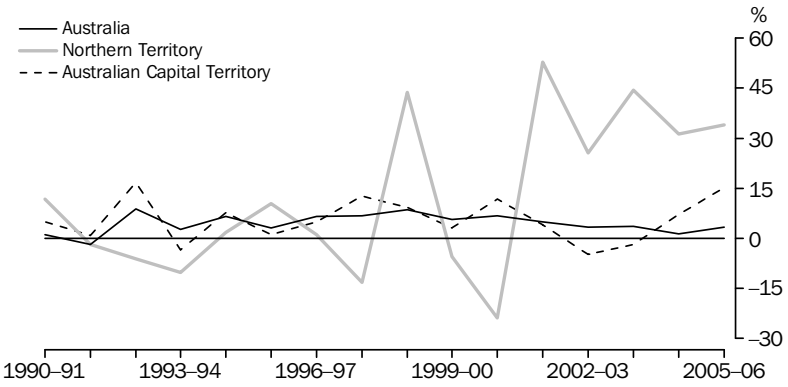
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

PROPERTY AND BUSINESS SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

PROPERTY AND BUSINESS SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

New South Wales exhibited a similar growth pattern to Australia throughout the time series except for 2001–02. The Northern Territory had strong growth in 1998–99 and from 2002–03 onwards, which was due to a number of major construction projects being undertaken. Queensland has had high growth in the last five years. In 2005–06, New

Results for Property and business services continued

South Wales, South Australia and Tasmania all experienced negative growth of –1.8%,–6.4% and –5.5% respectively.

PROPERTY AND BUSINESS SERVICES GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	39.7	40.1	41.8	40.8	40.4	39.0
Victoria	27.6	25.8	26.8	26.5	26.1	26.6
Queensland	13.0	13.7	13.2	14.0	14.5	15.1
South Australia	6.2	6.5	5.4	5.2	5.2	5.0
Western Australia	8.8	9.3	8.9	9.6	9.9	10.5
Tasmania	1.4	1.1	0.8	0.8	0.8	0.9
Northern Territory	0.7	0.8	0.7	0.8	0.8	0.8
Australian Capital Territory	2.6	2.6	2.4	2.3	2.2	2.2
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales and Victoria together accounted for 65.6% of Australian Property and business services GVA in 2005–06. The state shares for these two large states and the Northern Territory were fairly stable throughout the time series. During this period, South Australia, Tasmania and the Australian Capital Territory marginally decreased their shares, while Queensland and Western Australian shares were stable until 1999–2000 and then gradually increased.

GOVERNMENT ADMINISTRATION AND DEFENCE

Definition and scope

The Government administration and defence industry includes central, state and local government units mainly engaged in government administration and regulatory activities, as well as judicial authorities and commissions, representatives of overseas governments, and the Army, Navy and Air defence forces and civilian units mainly engaged in defence administration.

ANZSIC Division M, Government administration and defence, consists of two sub-divisions:

- Government administration (sub-division 81)
- Defence (sub-division 82).

Summary of GSP(P) sources and methods

The methodology for Government administration and defence uses an input indicator approach to compile state by industry GVA estimates. Volume input indicators are derived as the sum of hours worked for both Government administration employees and Defence employees by state.

The state specific input indicators are derived by taking numbers of Government administration and defence employees by state and multiplying them by the average hours worked for Government administration and Defence employees by state. The resultant hours worked by state for Government administration and Defence employees are summed to form total division level hours worked by state.

The data on average hours worked in Government administration and defence by state is from the ABS *Labour Force, Australia*. The number of Government administration employees is from the ABS *Wage and Salary Earners, Public Sector, Australia* (cat. no. 6248.0.55.001). The state ratio of defence force employees (from the Department of Defence annual report) is used to allocate the total number of Defence employees to state.

The state input volume indicators are used to derive volume measures of GVA for Government administration and defence. The state volume GVAs are benchmarked to the annual national industry volume GVA.

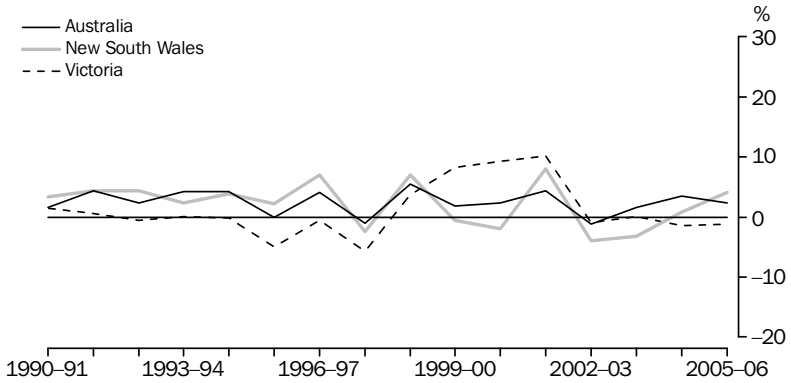
Results for Government administration and defence

GOVERNMENT ADMINISTRATION AND FINANCE GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	10 459	11 297	10 852	10 502	10 586	11 017
Victoria	5 071	5 586	5 536	5 544	5 468	5 403
Queensland	6 352	6 584	6 150	6 380	6 884	7 402
South Australia	1 641	1 778	1 747	1 907	2 032	2 038
Western Australia	2 211	2 045	2 036	2 291	2 445	2 387
Tasmania	762	807	934	865	905	896
Northern Territory	759	691	738	819	869	827
Australian Capital Territory	4 680	4 544	4 848	4 951	5 206	5 226
Australia	31 726	33 087	32 691	33 217	34 394	35 195
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	–1.9	8.0	–3.9	–3.2	0.8	4.1
Victoria	9.3	10.2	–0.9	0.1	–1.4	–1.2
Queensland	3.5	3.7	–6.6	3.7	7.9	7.5
South Australia	3.6	8.4	–1.7	9.2	6.5	0.3
Western Australia	5.4	–7.5	–0.4	12.5	6.7	–2.4
Tasmania	–4.7	5.9	15.8	–7.5	4.6	–1.0
Northern Territory	–9.4	–9.0	6.8	11.1	6.1	–4.8
Australian Capital Territory	3.0	–2.9	6.7	2.1	5.2	0.4
Australia	2.3	4.3	–1.2	1.6	3.5	2.3

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

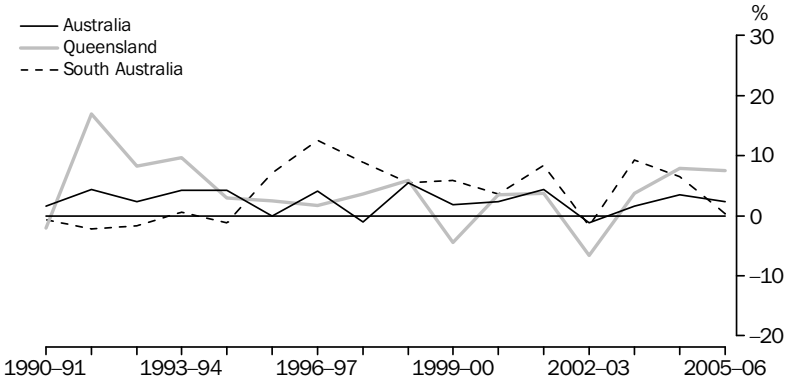
GOVERNMENT ADMINISTRATION AND DEFENCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

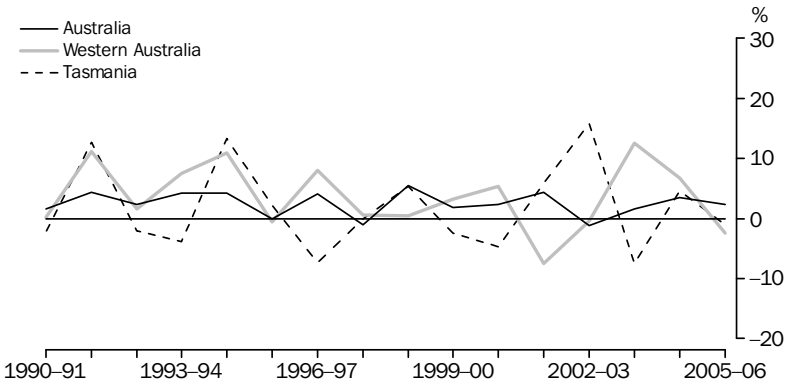
Results for Government administration and defence continued

GOVERNMENT ADMINISTRATION AND DEFENCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



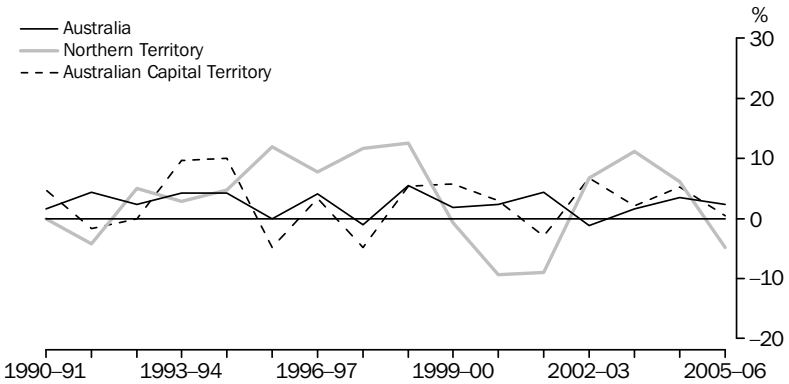
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

GOVERNMENT ADMINISTRATION AND DEFENCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

GOVERNMENT ADMINISTRATION AND DEFENCE GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

In 2005–06, New South Wales, Queensland, South Australia and the Australian Capital Territory all had positive growth, with highest growth being recorded by Queensland at 7.5%.

Results for Government administration and defence continued

GOVERNMENT ADMINISTRATION AND DEFENCE GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	29.5	29.0	31.2	30.1	30.8	30.9
Victoria	23.8	21.3	16.8	16.2	15.9	15.6
Queensland	13.4	16.9	18.0	20.5	20.0	20.5
South Australia	6.9	5.7	6.3	5.9	5.9	5.8
Western Australia	7.3	7.5	7.3	6.9	7.1	7.3
Tasmania	2.6	2.5	2.5	2.6	2.6	2.6
Northern Territory	2.2	2.0	2.7	2.5	2.5	2.5
Australian Capital Territory	14.4	15.1	15.2	15.3	15.1	14.7
Australia	100.0	100.0	100.0	100.0	100.0	100.0

The Australian Capital Territory has a large share (14.7% in 2005–06) of GVA for this industry relative to its population. This is due to the high proportion of Commonwealth government activities in the Australian Capital Territory. Victoria and Queensland experienced a change in their shares throughout the time series. Victoria's share decreased from 23.8% in 1989–90 to 15.6% in 2005–06 while Queensland has increased its share from 13.4% in 1989–90 to 20.5% in 2005–06.

EDUCATION

Definition and scope

The Education industry includes all units mainly engaged in providing education.

ANZSIC Division N, Education, consists of one sub-division:

- Education (sub-division 84).

Sub-division 84 consists of the following groups:

- Group 841 – Preschool education
- Group 842 – School education
- Group 843 – Post school education
- Group 844 – Other education.

Summary of GSP(P) sources and methods

The methodology for Education uses an output indicator approach to compile state by industry GVA estimates. The quantity revaluation method is used to derive state specific education output volumes for all but the latest year when price deflation is used. Education output indicators by state are derived for each level of Education weighted together by the cost of providing those services.

The quantity revalued output indicator uses data on the number of students in preschools, primary and secondary schools obtained from ABS *Schools, Australia* (cat. no. 4221.0), university data from the Department of Education, Science and Training (DEST) annual report and Vocational Education & Training data from the National Centre for Vocational Education Research (NCVER) annual statistics.

In the latest year, the current price expenditure is price deflated using an education specific price index in the latest year. The public sector current price data are sourced from the ABS *Government Finance Statistics, Education, Australia* (cat. no. 5518.0.55.001) and private sector current price data are sourced from DEST.

These state output indicators are used to derive volume measures of GVA for Education. The state volume GVAs are then benchmarked to the annual national industry volume GVA.

Results for Education

EDUCATION GROSS VALUE ADDED(a), Chain volume measures(b)

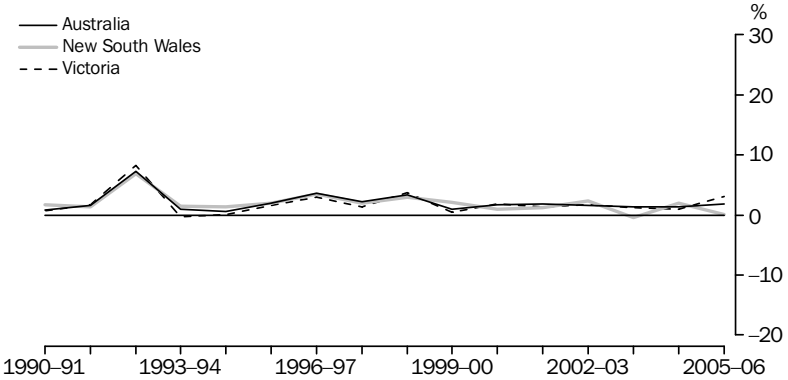
	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	11 730	11 872	12 157	12 103	12 350	12 364
Victoria	9 433	9 566	9 733	9 849	9 949	10 256
Queensland	6 526	6 716	6 830	7 170	7 150	7 416
South Australia	2 554	2 635	2 676	2 677	2 761	2 858
Western Australia	3 239	3 299	3 219	3 264	3 311	3 279
Tasmania	794	801	811	836	850	868
Northern Territory	433	445	437	437	446	455
Australian Capital Territory	987	986	1 029	1 052	1 074	1 061
Australia	35 690	36 315	36 898	37 382	37 891	38 556
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	0.9	1.2	2.4	–0.4	2.0	0.1
Victoria	1.8	1.4	1.7	1.2	1.0	3.1
Queensland	4.0	2.9	1.7	5.0	–0.3	3.7
South Australia	0.7	3.2	1.5	0.1	3.1	3.5
Western Australia	1.3	1.9	–2.4	1.4	1.4	–1.0
Tasmania	1.0	0.9	1.3	3.1	1.8	2.1
Northern Territory	–1.4	2.8	–1.8	—	2.2	2.0
Australian Capital Territory	0.9	–0.1	4.4	2.3	2.1	–1.2
Australia	1.7	1.8	1.6	1.3	1.4	1.8

— nil or rounded to zero (including null cells)

(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

EDUCATION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



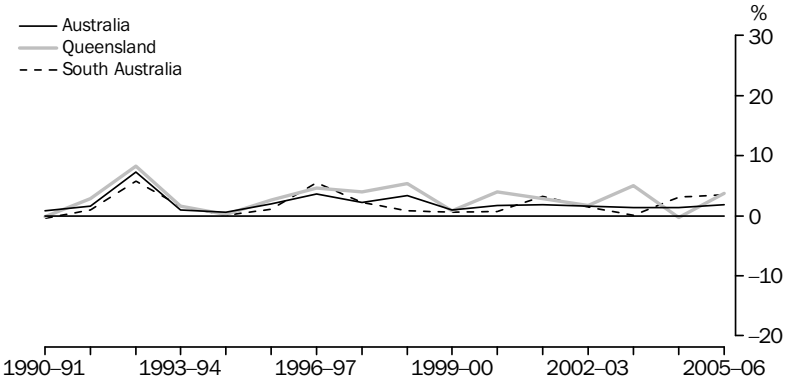
(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

Results for Education

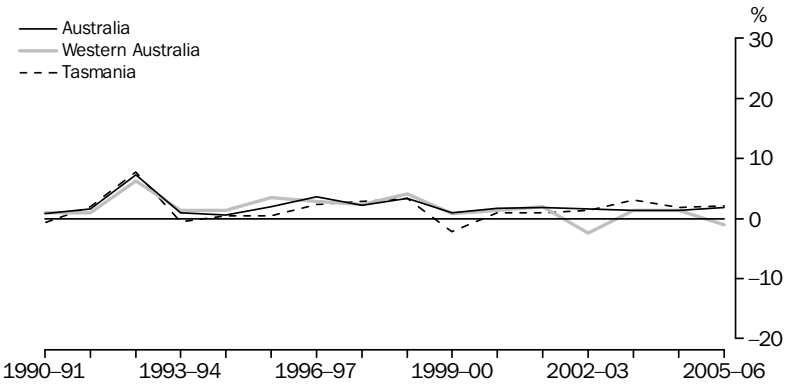
continued

EDUCATION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



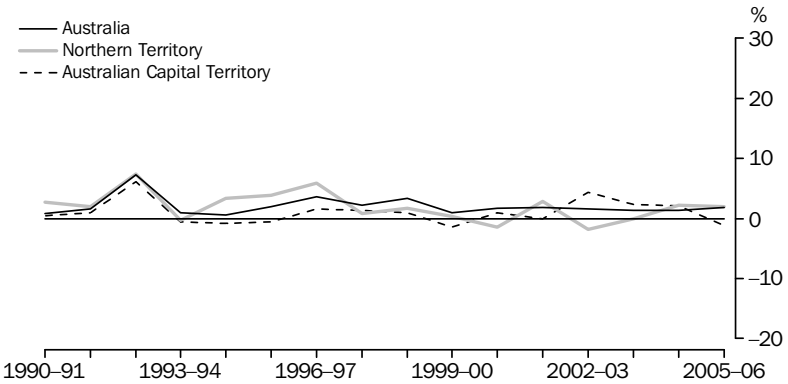
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

EDUCATION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

EDUCATION GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Education continued

EDUCATION GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	33.8	33.5	33.9	32.7	32.6	32.4
Victoria	27.0	26.5	25.7	26.6	26.3	26.5
Queensland	15.0	16.9	17.8	18.4	18.9	18.9
South Australia	8.9	8.1	8.0	7.3	7.3	7.4
Western Australia	8.8	8.9	8.5	8.7	8.7	8.6
Tasmania	2.5	2.3	2.1	2.2	2.2	2.2
Northern Territory	1.1	1.1	1.2	1.1	1.2	1.3
Australian Capital Territory	2.9	2.7	2.8	2.9	2.8	2.7
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Victoria and Queensland together accounted for over three quarters of Australian Education GVA in 2005–06. New South Wales and South Australia have lost a marginal amount of share throughout the time series, whilst Queensland has gradually increased its share from 15.0% in 1989–90 to 18.9% in 2005–06. All other states maintained their shares throughout the time series.

HEALTH AND COMMUNITY SERVICES

Definition and scope

The Health and community services industry includes all units mainly engaged in providing health and community services.

ANZSIC Division O, Health and community services, consists of two sub-divisions:

- Health services (sub-division 86)
- Community services (sub-division 87).

Summary of GSP(P) sources and methods

The methodology for Health and community services uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived using both quantity revaluation and price deflation methods.

The current price output estimates include nine components – public hospitals, private hospitals, public psychiatric hospitals, private psychiatric hospitals, nursing homes, public health insurance, private health insurance, veterinary services and childcare. Output volumes are derived using quantity revaluation of the state output for Health and community services for the first seven components listed above and price deflation for the last two components.

As latest year output data are not available for all components, only the four available components are used to extrapolate the total state current price output. These four components are nursing homes, veterinary services, private health insurance and public health insurance.

Public hospitals, private hospitals and public psychiatric hospitals data are sourced from the Australian Institute of Health and Welfare. Private psychiatric hospitals data are sourced from ABS *Private Hospitals, Australia* (cat. no. 4390.0). Public health insurance data are sourced from Medicare. Private health insurance data are sourced from the Private Health Insurance Administration Council. Nursing homes data are sourced from the Department of Health and Ageing. Veterinary services data are sourced from ABS *Retail Trade, Australia* and childcare data are sourced from the Department of Family and Community Services.

The state output indicators are used to derive volume measures of GVA for Health and community services. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Health and community services

HEALTH AND COMMUNITY SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)

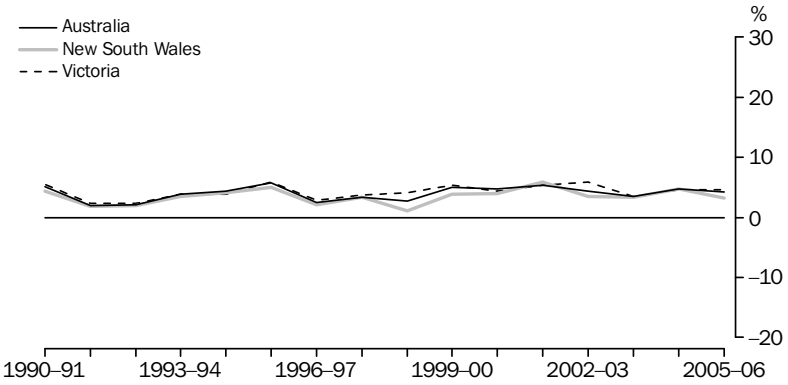
	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	14 868	15 730	16 273	16 829	17 638	18 204
Victoria	11 269	11 879	12 583	13 023	13 618	14 241
Queensland	7 603	8 050	8 317	8 688	9 183	9 716
South Australia	3 627	3 787	3 939	4 066	4 266	4 449
Western Australia	4 674	4 836	5 103	5 209	5 452	5 680
Tasmania	1 170	1 279	1 279	1 309	1 346	1 388
Northern Territory	486	521	566	588	619	655
Australian Capital Territory	880	919	972	1 032	1 076	1 122
Australia	44 582	47 008	49 036	50 745	53 197	55 455
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	4.0	5.8	3.5	3.4	4.8	3.2
Victoria	4.3	5.4	5.9	3.5	4.6	4.6
Queensland	5.7	5.9	3.3	4.5	5.7	5.8
South Australia	6.3	4.4	4.0	3.2	4.9	4.3
Western Australia	5.5	3.5	5.5	2.1	4.7	4.2
Tasmania	2.2	9.3	—	2.3	2.8	3.1
Northern Territory	3.4	7.3	8.6	4.0	5.1	5.9
Australian Capital Territory	4.8	4.4	5.8	6.2	4.2	4.3
Australia	4.7	5.4	4.3	3.5	4.8	4.2

— nil or rounded to zero (including null cells)

(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

HEALTH AND COMMUNITY SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

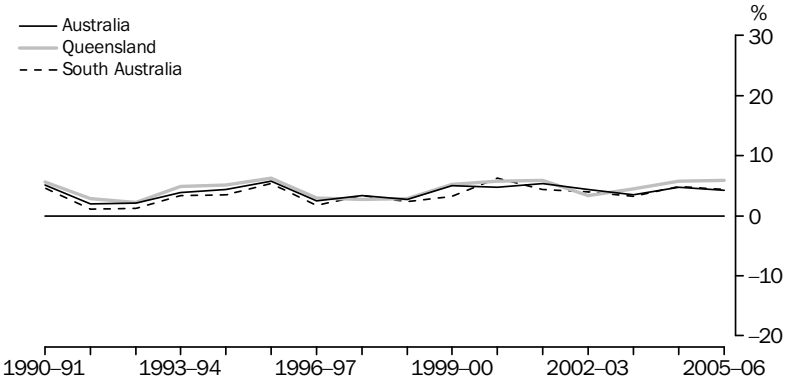


(a) At basic prices.

(b) Reference year for chain volume measures is 2004–05.

Results for Health and community services continued

HEALTH AND COMMUNITY SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

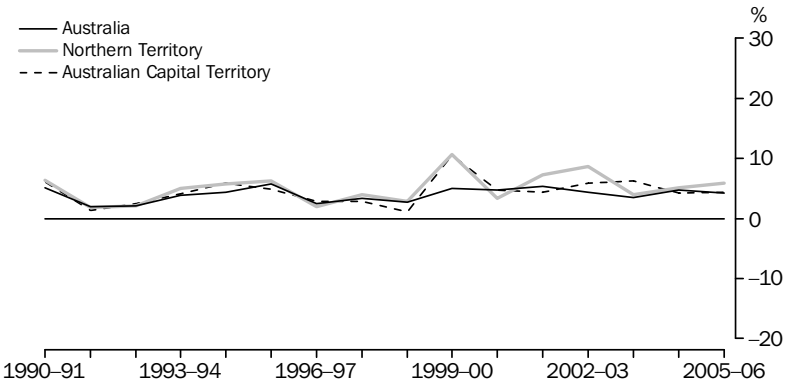


(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

HEALTH AND COMMUNITY SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

HEALTH AND COMMUNITY SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Throughout the time series all states experienced positive growth in the Health and community services industry. New South Wales, Victoria, South Australia and Queensland exhibited a similar growth pattern to Australia throughout the time series. Western Australia and Tasmania exhibited a growth similar to Australia up to 1996–97

Results for Health and community services continued

and the Northern Territory and the Australian Capital Territory up to 1999–2000 after which differences emerged. In 2005–06, Queensland and the Northern Territory had strong growth of 5.8% and 5.9% respectively.

HEALTH AND COMMUNITY SERVICES GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	34.3	32.2	34.2	33.5	33.2	32.5
Victoria	26.9	27.2	25.2	25.3	25.6	25.0
Queensland	14.1	15.9	16.3	16.9	17.3	18.3
South Australia	10.0	9.7	8.5	8.1	8.0	8.0
Western Australia	9.4	9.7	10.2	10.6	10.2	10.4
Tasmania	2.8	2.6	2.6	2.5	2.5	2.6
Northern Territory	1.0	1.0	1.2	1.1	1.2	1.2
Australian Capital Territory	1.6	1.7	2.0	2.0	2.0	1.9
Australia	100.0	100.0	100.0	100.0	100.0	100.0

The Australian Health and community services industry is dominated by New South Wales, Victoria and Queensland, which together accounted for 75.8% of Australian Health and community services GVA in 2005–06. There has not been any significant change in state shares for this industry over the time series, except for Queensland which has had growth from 14.1% in 1989-90 to 18.3% in 2005-06.

CULTURAL AND RECREATIONAL SERVICES

Definition and scope

The Cultural and recreational services industry includes all units mainly engaged in providing cultural and recreational facilities and services.

ANZSIC Division P, Cultural and recreational services, consists of three sub-divisions:

- Motion pictures, radio and television services (sub-division 91)
- Library, museums and the arts (sub-division 92)
- Sport and recreation (sub-division 93).

Summary of GSP(P) sources and methods

The methodology for Cultural and recreational services uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived using price deflation of the state output indicators for Cultural and recreational services. The output volumes then form the basis upon which volume measures of value added are derived.

The private sector output indicators used are current price income from the sales of goods and services by state for the Cultural and recreational services industry collected in QBIS from 2001–02. Prior to QBIS the annual national industry current price GVA is split using state weights based on QBIS. Private sector state deflators for Cultural and recreational services are derived using components of the CPI by capital city and HFCE implicit price deflators.

The public sector output indicators are annual current price estimates of government expenditure on Cultural and recreational services by state, sourced from the ABS *Government Finance Statistics, Australia* (GFS) (cat. no. 5512.0). These estimates are deflated using the implicit price deflators for Government final consumption expenditure (GFCE) (excluding Defence) split into Commonwealth and State and Local Government by state.

The state volume GVAs are then benchmarked to the annual national industry volume GVA.

Results for Cultural and recreational services

CULTURAL AND RECREATIONAL SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	4 465	4 333	4 471	4 715	4 978	5 163
Victoria	3 134	3 236	3 282	3 377	3 530	3 664
Queensland	1 319	1 379	1 495	1 652	1 804	1 829
South Australia	745	751	755	810	843	850
Western Australia	919	905	938	991	1 049	1 045
Tasmania	172	178	188	197	209	210
Northern Territory	122	134	161	182	197	193
Australian Capital Territory	420	423	453	487	522	552
Australia	11 252	11 309	11 733	12 409	13 132	13 506
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	7.1	–3.0	3.2	5.5	5.6	3.7
Victoria	8.9	3.3	1.4	2.9	4.5	3.8
Queensland	4.6	4.5	8.4	10.5	9.2	1.4
South Australia	4.1	0.8	0.5	7.3	4.1	0.8
Western Australia	2.6	–1.6	3.6	5.7	5.8	–0.4
Tasmania	8.2	3.8	5.3	4.9	6.2	0.5
Northern Territory	12.3	10.1	19.8	13.0	8.3	–2.0
Australian Capital Territory	12.3	0.8	7.0	7.5	7.2	5.7
Australia	7.0	0.5	3.7	5.8	5.8	2.8

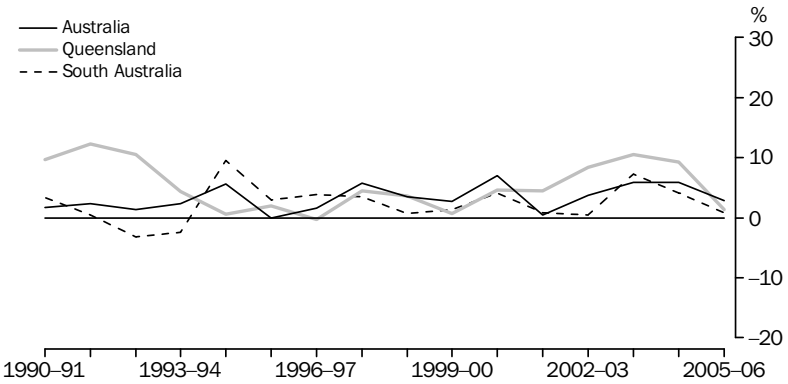
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

CULTURAL AND RECREATIONAL SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

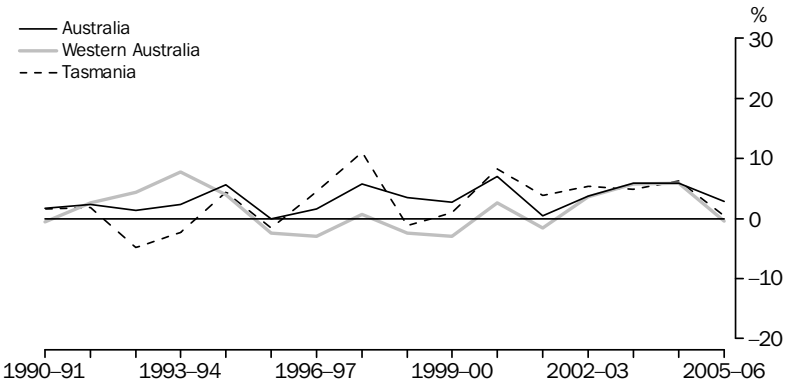
Results for Cultural and recreational services continued

CULTURAL AND RECREATIONAL SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



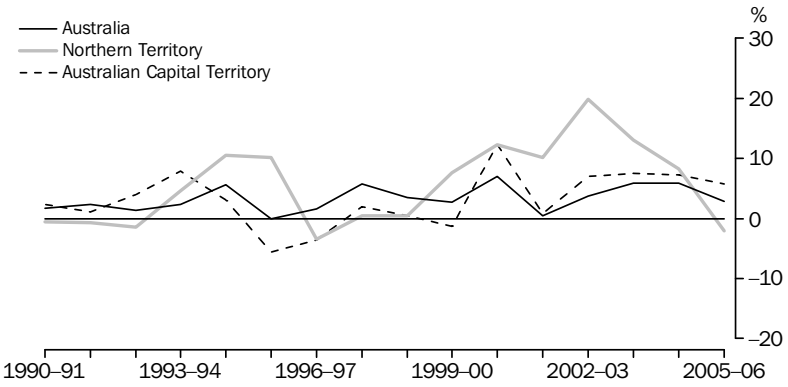
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

CULTURAL AND RECREATIONAL SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

CULTURAL AND RECREATIONAL SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

New South Wales, Victoria, Queensland and South Australia exhibited a similar growth pattern to Australia from 1995–96 to 2005–06, while Western Australia, Tasmania and the Australian Capital Territory followed the Australian growth pattern from 2001–02 onwards. Throughout the time series, Tasmania, the Northern Territory and the

Results for Cultural and recreational services continued

Australian Capital Territory had variable growth patterns while all other states exhibited more consistent growth patterns. All states experienced moderate to high growth during 2000–01, in part due to the impacts of the Sydney Olympics. In 2005–06, all states were coming off the growth peaks experienced in the last three years with Western Australia and the Northern Territory exhibiting negative growth rates.

CULTURAL AND RECREATIONAL SERVICES GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	44.9	37.1	38.0	37.4	37.9	37.1
Victoria	21.4	25.9	26.3	26.9	26.9	27.2
Queensland	11.2	13.8	12.9	13.7	13.7	13.8
South Australia	7.7	7.5	7.3	6.6	6.4	6.3
Western Australia	7.1	7.7	7.9	8.3	8.0	8.5
Tasmania	1.9	1.7	1.5	1.6	1.6	1.8
Northern Territory	1.2	1.7	1.7	1.4	1.5	1.4
Australian Capital Territory	4.6	4.6	4.4	4.1	4.0	3.9
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Victoria and Queensland accounted for around 78% of Australian Cultural and recreational services GVA in 2005–06. New South Wales lost the most share during the time series, from 44.9% in 1989–90 down to 37.1% in 2005–06. During the same period, Victoria, Queensland and Western Australia increased their shares, with Victoria increasing the most, from 21.4% in 1989–90 to 27.2% in 2005–06. Tasmania and the Northern Territory had stable shares throughout the time series.

PERSONAL AND OTHER SERVICES

Definition and scope

The Personal and other services industry includes all units mainly engaged in providing personal services.

ANZSIC93 Division Q, Personal and other services, consists of three sub-divisions:

- Personal services (sub-division 95)
- Other services (sub-division 96)
- Private households employing staff (sub-division 97).

Summary of GSP(P) sources and methods

The methodology for Personal and other services uses an output indicator approach to compile state by industry GVA estimates. Personal and other services are produced by both public and private sectors, consequently, the output indicators are derived as the sum of public and private output. An output indicator method is derived for both the public and private sectors using the price deflation method.

Public sector current price data are sourced from the ABS GFS. A deflator is derived using wage prices from the ABS *Labour Price Index*, and materials prices taken from the PPI and *Import Price Index, Australia* (cat. no. 6414.0). These current price and deflator estimates are used to construct a volume indicator for the public sector.

Private sector current price estimates by state are sourced from QBIS. Prior to QBIS the movements in the national current price private sector turnover are used to backcast the state QBIS estimates. Private sector deflators are constructed using various components of the ABS CPI by capital city, and HFCE implicit price deflators by state. The output volume estimates are then used to derive volume estimates for the private sector.

The state output indicators are used to derive volume measures of GVA for Personal and other services. The state volume GVAs are then benchmarked to the annual national industry volume GVA.

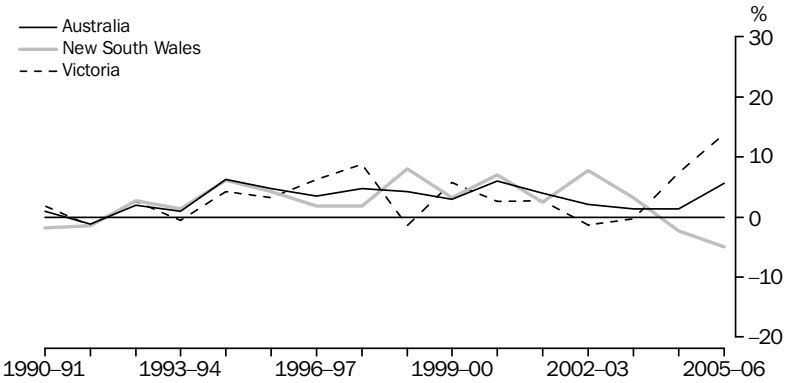
Results for Personal and other services

PERSONAL AND OTHER SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	4 897	5 020	5 414	5 586	5 458	5 184
Victoria	3 575	3 672	3 623	3 611	3 878	4 413
Queensland	2 939	3 269	3 155	3 093	3 199	3 425
South Australia	1 334	1 362	1 395	1 460	1 334	1 353
Western Australia	1 689	1 668	1 706	1 708	1 809	2 185
Tasmania	256	268	276	311	321	320
Northern Territory	262	239	211	222	235	280
Australian Capital Territory	483	553	572	571	509	527
Australia	15 354	15 973	16 307	16 525	16 743	17 686
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	7.0	2.5	7.8	3.2	–2.3	–5.0
Victoria	2.6	2.7	–1.3	–0.3	7.4	13.8
Queensland	10.0	11.2	–3.5	–2.0	3.4	7.1
South Australia	6.7	2.1	2.4	4.7	–8.6	1.5
Western Australia	3.2	–1.3	2.3	0.1	5.9	20.8
Tasmania	4.1	4.9	2.9	12.5	3.1	–0.3
Northern Territory	4.5	–8.7	–11.9	5.3	6.1	18.8
Australian Capital Territory	6.0	14.5	3.3	–0.2	–10.8	3.4
Australia	6.0	4.0	2.1	1.3	1.3	5.6

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

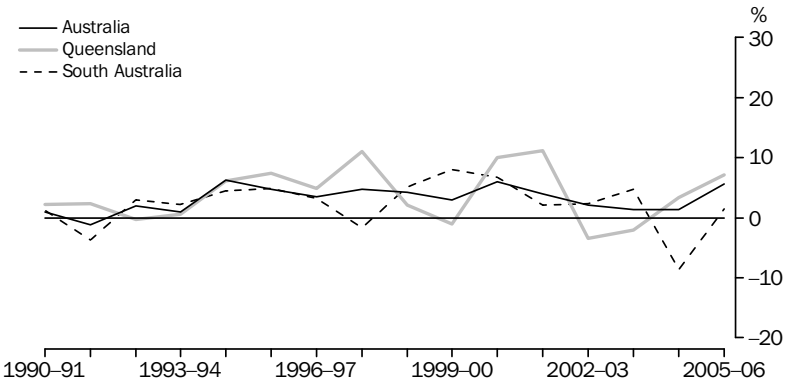
PERSONAL AND OTHER SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Personal and other services continued

PERSONAL AND OTHER SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

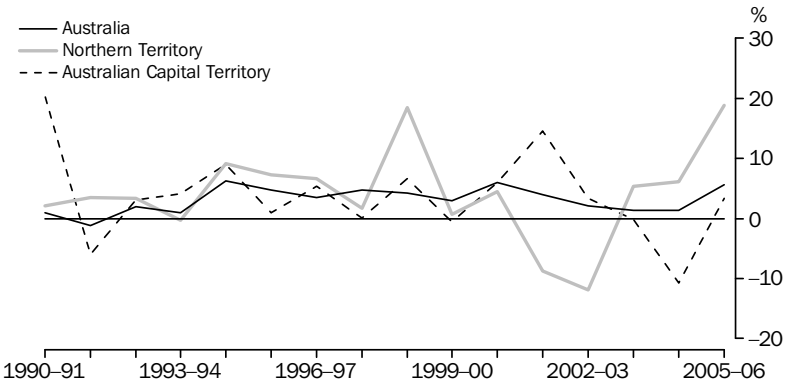


(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

PERSONAL AND OTHER SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

PERSONAL AND OTHER SERVICES GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

In 2005–06, New South Wales and Tasmania experienced negative growth whereas Victoria, Western Australia and the Northern Territory had strong growth of 13.8%, 20.8% and 18.8% respectively, reflecting increases in both private and public expenditure.

Results for Personal and other services continued

PERSONAL AND OTHER SERVICES GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	39.2	34.7	34.1	32.8	32.6	31.9
Victoria	22.5	22.2	22.5	22.6	23.2	21.8
Queensland	12.7	16.1	18.5	19.2	19.1	21.1
South Australia	9.8	9.8	8.2	8.2	8.0	7.8
Western Australia	9.3	10.9	10.3	10.7	10.8	10.9
Tasmania	2.3	2.0	1.9	2.0	1.9	2.1
Northern Territory	1.1	1.3	1.4	1.4	1.4	1.4
Australian Capital Territory	3.1	3.1	3.0	3.1	3.0	3.0
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Victoria and Queensland accounted for almost 75% of total Australian Personal and other services GVA in 2005-06. New South Wales lost share steadily throughout the time series, moving from 39.2% in 1989–90 to 31.9% in 2005–06. Queensland increased its share from 12.7% in 1989–90 to 21.1% in 2005–06. Victoria, Tasmania, the Northern Territory and the Australian Capital Territory had quite stable shares throughout the time series.

OWNERSHIP OF DWELLINGS

Definition and scope

Ownership of dwellings consists of landlords and owner-occupiers of dwellings. Owner-occupiers are regarded as operating a business that generates a gross operating surplus. The imputation of a rent to owner-occupied dwellings enables the services provided by dwellings to their owner-occupiers to be treated consistently with the marketed services provided by rented dwellings to their tenants. Owner-occupiers are regarded as receiving rents (from themselves as consumers), paying expenses, and making a net contribution to the value of production which accrues to them as owners.

Summary of GSP(P) sources and methods

The methodology for Ownership of dwellings uses an output indicator approach to compile state by industry GVA estimates. Output volumes are derived using the HFCE volumes of rent. The state volume GVAs are benchmarked to the annual national industry volume GVA.

Results for Ownership of dwellings

OWNERSHIP OF DWELLINGS GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	22 766	23 627	24 539	25 459	26 531	27 535
Victoria	14 559	15 117	15 716	16 324	17 028	17 686
Queensland	10 557	10 993	11 466	11 945	12 484	12 991
South Australia	4 163	4 316	4 480	4 646	4 839	5 018
Western Australia	5 436	5 646	5 873	6 106	6 376	6 635
Tasmania	965	1 000	1 039	1 079	1 124	1 167
Northern Territory	810	840	871	903	943	980
Australian Capital Territory	1 377	1 429	1 483	1 537	1 600	1 661
Australia	60 647	62 978	65 473	68 002	70 927	73 673
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	3.8	3.8	3.9	3.7	4.2	3.8
Victoria	3.8	3.8	4.0	3.9	4.3	3.9
Queensland	4.0	4.1	4.3	4.2	4.5	4.1
South Australia	3.6	3.7	3.8	3.7	4.2	3.7
Western Australia	3.8	3.9	4.0	4.0	4.4	4.1
Tasmania	3.5	3.6	3.9	3.9	4.2	3.8
Northern Territory	3.8	3.7	3.7	3.8	4.4	4.0
Australian Capital Territory	3.8	3.7	3.8	3.7	4.1	3.8
Australia	3.8	3.8	4.0	3.9	4.3	3.9

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

OWNERSHIP OF DWELLINGS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Results for Ownership of dwellings continued

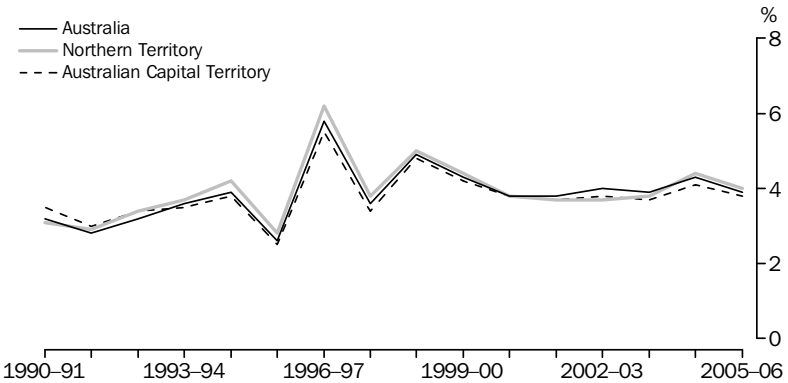
OWNERSHIP OF DWELLINGS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

OWNERSHIP OF DWELLINGS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

OWNERSHIP OF DWELLINGS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices
(b) Reference year for chain volume measures is 2004–05.

All states exhibited a positive growth pattern similar to Australia throughout the time series. The rise in growth in 1996–97 is related to the fall in interest rates from around 10% in 1995–96 to around 7% in 1996–97. Since 2000–01, all states have exhibited growth rates around 4%.

Results for Ownership of dwellings continued

OWNERSHIP OF DWELLINGS GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	41.6	39.9	40.1	38.6	37.4	36.4
Victoria	25.4	23.4	24.2	24.0	24.0	23.6
Queensland	14.0	16.6	16.2	16.8	17.6	18.4
South Australia	7.0	7.3	6.8	6.7	6.8	6.8
Western Australia	7.8	7.9	8.2	8.9	9.0	9.3
Tasmania	1.7	1.9	1.7	1.6	1.6	1.6
Northern Territory	0.6	0.8	1.0	1.1	1.3	1.6
Australian Capital Territory	1.9	2.2	1.8	2.2	2.3	2.2
Australia	100.0	100.0	100.0	100.0	100.0	100.0

New South Wales, Queensland and Victoria accounted for almost 80% of Australian Ownership of dwellings GVA in 2005–06. State shares have fallen in New South Wales and Victoria throughout the time series, with New South Wales falling from 41.6% in 1989–90 to 36.4% in 2005–06. Queensland, Western Australia and the Northern Territory have been the states whose shares have risen, with Queensland rising from 14.0% in 1989–90 to 18.4% in 2005–06. The shares for South Australia, Tasmania and the Australian Capital Territory have remained fairly stable.

TAXES LESS SUBSIDIES ON PRODUCTS

Definition and scope

Taxes on products are levied by both the States and the Commonwealth. Taxes on products include taxes on the provision of goods and services (e.g. sales tax and GST), excises, taxes on international trade, taxes on gambling, taxes on insurance, etc.

Subsidies on products are paid by governments to the producer for the production of a particular product.

Summary of GSP(P) sources and methods

Commonwealth taxes have been allocated to states using HFCE, imports or GVA depending on the type of tax. This allocation of Commonwealth taxes is then combined with the State taxes to produce a total Taxes on products for each state.

Volume estimates of Taxes on products are produced using quantity revaluation. The indicators used for quantity revaluation depend on each individual tax. For example, Sales tax is based around the taxation revenue collected and total wholesale sale volumes. Taxes on crude oil is based on the taxation revenue collected and the quantity of petroleum produced.

Subsidies on products are only a small proportion of Taxes less subsidies on products. State subsidies have been combined with a state share of Commonwealth subsidies which have been allocated to states based on Taxes less subsidies on production and imports shares.

The output indicator (i.e. Total taxes less subsidies on production) is calculated as the difference between total Taxes on products and total Subsidies on products for each state. The state output indicators are used to derive volume measures of Taxes less subsidies on products. The state volume Taxes less subsidies on products estimates are benchmarked to the annual national industry volume Taxes less subsidies on products estimates.

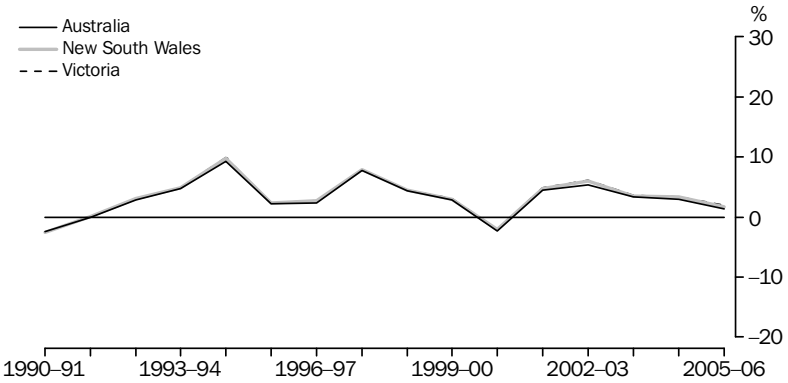
Results for Taxes less subsidies on products

TAXES LESS SUBSIDIES ON PRODUCTS GROSS VALUE ADDED(a), Chain volume measures(b)

	2000–01	*2001–02*	*2002–03*	*2003–04*	*2004–05*	*2005–06*
	VALUES *($m)*					
New South Wales	22 733	23 810	25 239	26 116	26 979	27 441
Victoria	17 407	18 255	19 366	20 054	20 714	21 113
Queensland	11 174	11 633	12 186	12 600	12 968	13 130
South Australia	4 812	5 032	5 272	5 452	5 595	5 660
Western Australia	5 404	5 606	5 845	6 067	6 260	6 324
Tasmania	1 275	1 330	1 383	1 428	1 460	1 470
Northern Territory	533	550	572	593	611	619
Australian Capital Territory	1 336	1 365	1 375	1 379	1 359	1 310
Australia	64 688	67 598	71 268	73 705	75 947	77 042
	PERCENTAGE CHANGES FROM PREVIOUS YEAR *(%)*					
New South Wales	–2.1	4.7	6.0	3.5	3.3	1.7
Victoria	–2.1	4.9	6.1	3.6	3.3	1.9
Queensland	–2.3	4.1	4.8	3.4	2.9	1.2
South Australia	–2.2	4.6	4.8	3.4	2.6	1.2
Western Australia	–2.4	3.7	4.3	3.8	3.2	1.0
Tasmania	–2.1	4.3	3.9	3.3	2.2	0.7
Northern Territory	–2.6	3.3	4.0	3.7	3.0	1.3
Australian Capital Territory	–8.7	2.2	0.7	0.3	–1.4	–3.6
Australia	–2.3	4.5	5.4	3.4	3.0	1.4

(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

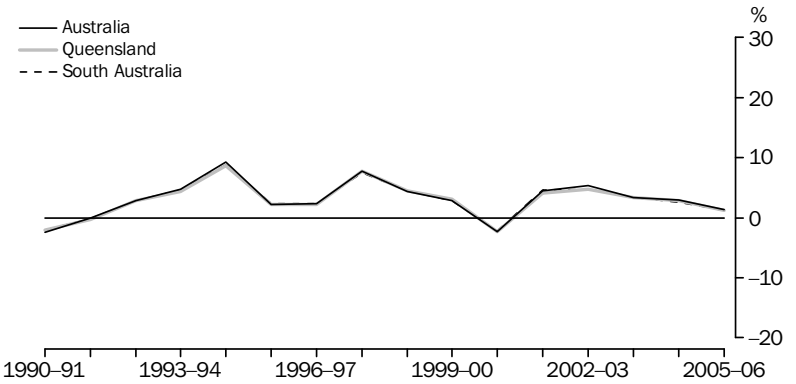
TAXES LESS SUBSIDIES ON PRODUCTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

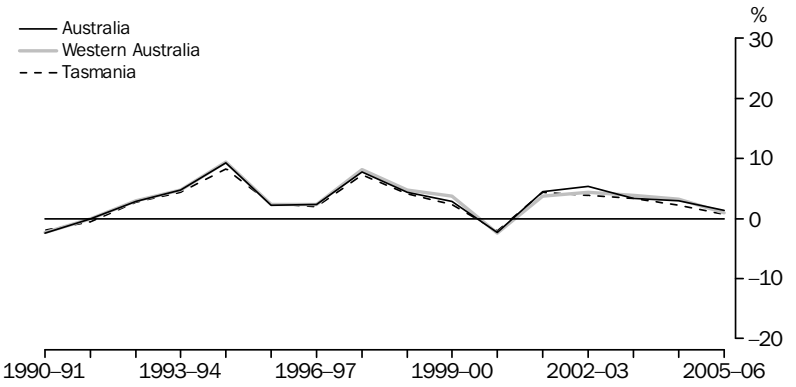
Results for Taxes less subsidies on products continued

TAXES LESS SUBSIDIES ON PRODUCTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



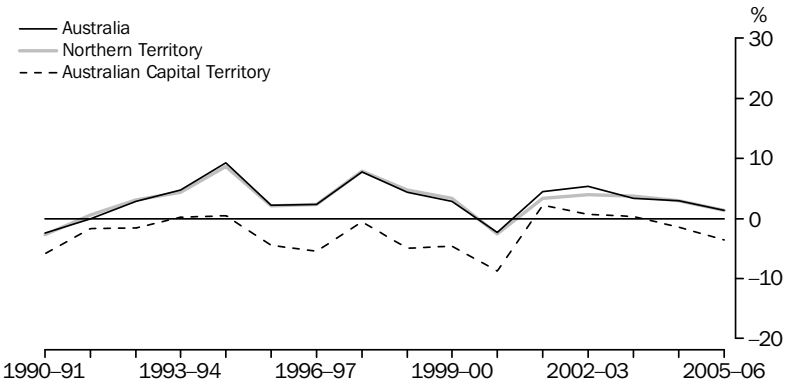
(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

TAXES LESS SUBSIDIES ON PRODUCTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

TAXES LESS SUBSIDIES ON PRODUCTS GROSS VALUE ADDED(a), Chain volume measures(b)–Percentage changes



(a) At basic prices.
(b) Reference year for chain volume measures is 2004–05.

Throughout the time series, all states generally exhibited a similar growth pattern to Australia.

Results for Taxes less subsidies on products continued

TAXES LESS SUBSIDIES ON PRODUCTS GROSS VALUE ADDED, State shares—Current prices

	1989–90	*1994–95*	*1999–00*	*2003–04*	*2004–05*	*2005–06*
	%	%	%	%	%	%
New South Wales	38.3	36.8	38.4	35.7	35.5	34.6
Victoria	27.1	26.6	27.1	27.2	27.3	27.2
Queensland	14.5	15.4	14.5	17.0	17.1	17.1
South Australia	7.1	7.4	7.0	7.3	7.4	7.3
Western Australia	8.8	9.2	8.5	8.4	8.2	9.0
Tasmania	2.1	2.2	2.0	1.9	1.9	1.9
Northern Territory	0.6	0.9	0.8	0.8	0.8	0.9
Australian Capital Territory	1.4	1.6	1.7	1.8	1.8	1.8
Australia	100.0	100.0	100.0	100.0	100.0	100.0

Taxes less subsidies on products shares have remained relatively stable throughout the time series. Between 1989–90 and 2005–06, the New South Wales share decreased whereas the Queensland share increased.

SECTION 3 CONCLUSION AND FUTURE DIRECTIONS

CONCLUSION

As a result of the ongoing program to improve and expand the *Australian National Accounts: State Accounts* (cat. no. 5220.0), GSP(P) estimates will be incorporated from November 2007. GSP(P) estimates are compiled by aggregating GVA estimates, by state, for all industries (including Ownership of Dwellings and Taxes less Subsidies on Products) classified under ANZSIC93. Individual industry estimates were compiled using input or output indicators that are produced using either price deflation or quantity revaluation except the Agriculture sub-division which uses double deflation.

The new headline measure GSP(A) and the industry GVA estimates by state will be introduced in the 2006–07 release of *Australian National Accounts, State Accounts* to be published in November 2007.

CHANGES TO AUSTRALIAN NATIONAL ACCOUNTS: STATE ACCOUNTS

Owing to the inclusion of the GSP(P) and GVA by industry estimates, a number of changes to the layout of 5220.0 will be made:

- Headline GSP, in both current prices and volume terms, will be based on the simple average of available measures.
- A statistical discrepancy (relative to GSP(A)) will be included for both volume and current price tables.
- Tables providing GVA by industry in volume terms and the associated growth rates will be included for each state.
- Tables will be included showing GVA in current prices, the associated growth rates and the state shares of Australian GVA.
- General government GOS will not longer be separately identified in the Total factor income tables but will be allocated to relevant industries.

These changes will impact on the publication and spreadsheets produced as part of the release of *Australian National Accounts: State Accounts*. An information paper detailing the new layout of the publication will be published prior to the release of the *Australian National Accounts: State Accounts* in November 2007.

FUTURE RESEARCH AGENDA

There are a number of areas that require further research in order to be able to maximise the quality of estimates. These areas include:

FUTURE RESEARCH AGENDA *continued*

- Improving the quality of the initial estimates of the current year GSP. *The Australian National Accounts: State Accounts* draw on information from a wide range of statistical sources, some of which are available on a regular and timely basis, some are regular but only available with a delay of several years, and others which are only available on an ad-hoc basis. The quality of these data sources are constrained by many factors, including the purposes which they must serve and respondents ability to provide the information in timeframes required. Therefore, estimates for the most recent year can be subject to considerable revision as firmer data become available. This applies to national estimates of GDP, as well as both the GSP(P) and GSP(I/E) for 2005–06. Understanding how best to use the existing data to estimate the current year will help reduce revisions from the initial estimates when higher quality data become available.
- Understanding the causes of discrepancies between the existing GSP(I/E) estimates and the new GSP(P) estimates.
- Improving the data and methodology for a number of industries, in particular Property and business services, Electricity gas and water and Ownership of dwellings. This research will be combined with the ongoing program to improve the national estimates for these industries.

These areas will be investigated and consultation will continue with SAUG about the results of these investigations prior to any implementation of changes.

An important upcoming change that will affect the State Accounts is the implementation of the new industry classification as published in Australian and New Zealand Standard Industrial Classification, 2006 (ANZSIC06), in 2009. The new classification structure can be found in the ABS publication *Australian and New Zealand Standard Industrial Classification, 2006* (cat. no. 1292.0). The implementation of changes arising from updated international statistical standards, the System of National Accounts 1993 Rev.1 and Balance of Payments Manual 6, will also have an impact on the State Accounts.

These changes will be implemented in the State Accounts release in November 2009. Information papers detailing changes to State Accounts and other National Accounts publications as a result of the new ANZSIC and changed international standards will be provided closer to the implementation date.

The inclusion of the GSP(A) and GSP(P) estimates is a major change in State Accounts and, as such, the ABS would be interested in receiving any feedback on these estimates and their inclusion in *Australian National Accounts: State Accounts*. Please contact Donna Grcman (email donna.grcman@abs.gov.au or telephone (02) 6252 5892) if you have any comments or inquiries about the proposed approach.

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