SUMMARY

During 2025-26:

- South Australia's gross state product (GSP) rose 2.6% in chain volume (real) terms (nationally, gross domestic product (GDP) rose 2.3%).
- This followed GSP growth of 0.7% in the previous financial year (1.6% nationally).
- The non-farm economy grew by 2.4% in South Australia (nationally, non-farm GDP grew by 2.3%).

FURTHER ANALYSIS

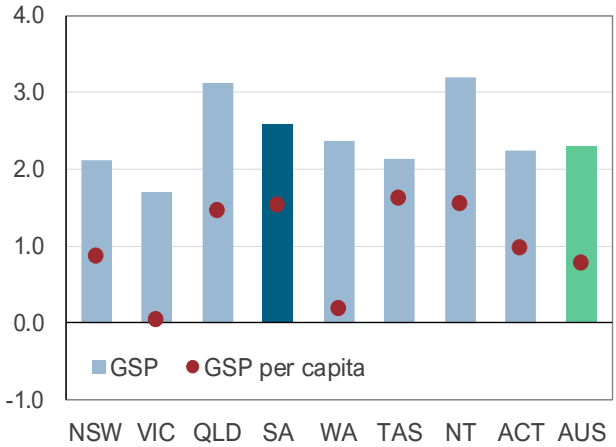
GSP (and national GDP) measures the total value of production in an economy. It is derived in 3 ways:

- summing all final expenditure in the economy – GSP(E);
- summing the value added in production – GSP(P); or
- summing all incomes generated – GSP(I).

South Australia's GSP rose 2.6% in real terms in 2025-26, the third highest rate of growth of the states and territories.

In per capita terms, South Australia's GSP rose 1.5% in 2025-26, the equal third highest rate of the states and territories – see Chart 1.

Chart 1: **Real GSP and GSP per capita growth between 2024-25 and 2025-26** (%)



EXPENDITURE COMPONENTS OF GSP – GSP(E)

Using the expenditure method, the major components of GSP are the same as for state final demand (spending within the state) – while GSP also includes net interstate and overseas exports and changes in inventories (stocks).

State final demand (SFD) in South Australia grew by 3.8% in 2025-26 – see Table 1.

Expenditure components that contributed the most to South Australia's GSP growth in 2025-26 include:

- Government investment, up 19% or $ 1,779m (nationally down 0.2%);
- Government final consumption expenditure, up 4.2% or $1,735m (nationally up 2.7%); and
- Household final consumption expenditure, up 1.7% or $1,665m (nationally up 2.2%).

Table 1: **Real growth in GSP/GDP expenditure components between 2024-25 and 2025-26** (%)

	South Australia	Australia
Household final consumption expenditure	1.7	2.2
Private new business investment	5.9	8.3
Dwelling investment	5.1	5.7
Government final consumption expenditure	4.2	2.7
Government investment	19.4	-0.2
State Final Demand/ Domestic Final Demand	**3.8**	**3.2**
Overseas exports of goods	9.1	3.0
Overseas exports of services	-7.2	5.0
Overseas imports of goods	16.1	8.2
Overseas imports of services	4.4	4.0
GSP/GDP	**2.6**	**2.3**

GSP BREAKDOWN BY INDUSTRY PRODUCTION – GSP(P)

Using the production method, GSP is broken down to the level of gross value added (GVA) by each industry.

In South Australia, total industry GVA grew 2.9% in real terms in 2025-26 (compared to national growth of 2.4%) – see Table 2.

In South Australia, the industries recording the strongest real GVA growth in 2025-26 include:

- Construction (up 7.4%);
- Agriculture, forestry and fishing (up 7.0%);
- Other services (up 6.3%); and
- Electricity, gas, water and waste services (up 5.9%).

Meanwhile, the South Australian industries recording negative real GVA growth in 2025-26 include:

- Mining (down 3.4%); and
- Arts and recreation services (down 1.2%).

Table 2: **Real industry GVA, 2025-26**

	South Australia		Australia
	Industry GVA ($m)	Annual growth (%)	Annual growth (%)
Agriculture, forestry and fishing	6,222	7.0	3.1
Mining	4,840	-3.4	2.1
Manufacturing	9,236	1.1	0.6
Electricity, gas, water and waste services	5,463	5.9	0.8
Construction	12,791	7.4	2.7
Wholesale trade	7,277	4.9	3.1
Retail trade	7,395	2.6	1.5
Accommodation and food services	4,391	1.8	3.2
Transport, postal and warehousing	6,004	3.8	4.9
Information media & telecommunications	2,467	1.4	6.1
Financial and insurance services	11,177	3.7	4.1
Rental, hiring and real estate services	3,504	2.3	2.7
Professional, scientific and technical services	8,461	1.0	0.8
Administrative and support services	4,616	0.7	2.8
Public administration and safety	8,916	3.4	1.3
Education and training	9,732	2.0	2.0
Health care and social assistance	19,913	2.0	2.3
Arts and recreation services	991	-1.2	1.8
Other services	3,201	6.3	4.6
Ownership of dwellings	14,984	1.4	1.6
Total all industries	151,583	2.9	2.4
Taxes less subsidies on products	12,144	2.6	2.7
GSP/GDP	**162,406**	**2.6**	**2.3**

INCOME COMPONENTS OF GSP – GSP(I)

Income components of GSP and GDP are only available in nominal terms. A deflator is used to convert nominal GSP to real GSP.

Compensation of employees in 2025-26 rose 7.2% in South Australia (nationally it was up 6.3%). Gross operating surplus (profits of incorporated entities) and gross mixed income (profits of unincorporated entities which also includes elements of compensation of employees) rose 7.4% in 2025-26 in South Australia (nationally it was up 4.4%) – see Table 3.

Table 3: **Growth in GSP/GDP income components between 2024-25 and 2025-26** (%)

	South Australia	Australia
Compensation of employees	7.2	6.3
Gross operating surplus and gross mixed income	7.4	4.4
Taxes less subsidies on production and imports	5.7	4.5
Nominal GSP/GDP	7.0	5.4
GSP/GDP implicit price deflator	4.3	3.0
Real GSP/GDP	**2.6**	**2.3**

Selected terms used in this brief are explained on the DTF website.

The next release of ABS State Accounts is expected around mid-November 2027.