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Government of South Australia  
Department of Trade and Economic  
Development

# South Australia's Economic Performance Update

July 2008

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# Overview

July 2008

## South Australia's economic performance over the past eight years<sup>1</sup>:

- Total employment up by 14% (98,300) and at a record level in absolute terms (~778,400 in June 08);
- Business investment was 129% higher and at a record high in 2006-07;
- Retail sales were 42% higher in the March quarter 2008; and
- Annual merchandise exports were 68% higher in May 2008.<sup>2</sup>

## Strong labour market conditions continue with:

- Employment growth stronger than the national rate over the past year;
- Highest labour force participation in over 17 years; and
- Unemployment rate of 4.9% (June 08)—at a near-record low.
- Annual population growth rate of 1.05% in the December quarter 2007—equal highest since the early 1980s—with a near-record high level of net overseas migration continuing to be the main driver.<sup>3</sup>
- South Australia has recorded the second strongest wage growth over the past year after Western Australia.<sup>4</sup>

## Investment strengths and opportunities:

- Annual retail spending growth has been accelerating since January 2006 and overtook the national growth rate around mid 2007.
- Housing construction recorded strong growth of 8.6% in the 12 months to the March quarter 2008—twice the national annual growth rate of 4.3%. Dwelling approvals have recorded very strong growth of 30% over the past year compared with a fall of 1.4% nationally.<sup>5</sup>
- Annual merchandise exports passed the \$10 billion mark for the first time in the 12 months to May 2008, driven by growth in exports of motor vehicles, wine and wheat.
- Growth in mineral exploration expenditure at new deposits during the 12 months to the March quarter 2008 (152% higher) far exceeded any other state or territory.<sup>6</sup>
- The world has recognised the potential in South Australia for mining with the Fraser Institute in Canada ranking the State as the fourth most prospective place in the world out of 65 jurisdictions, up from 30<sup>th</sup> place a few years ago.
- Private new capital expenditure increased by 4.6% to \$5.0 billion in the 12 months to March 2008, the highest level since records began in September 1989.<sup>7</sup>
- Major projects totaling \$44.8 billion in value are either underway or in the pipeline, many of them related to mining and defence. This highlights investor confidence about the long-term growth of the State's economy.<sup>8</sup>
- The State regained its AAA credit rating in 2004.
- KPMG's 2008 Competitive Alternatives Report confirmed Adelaide's number 1 ranking within Australia, consolidating the position it secured in 2006.

<sup>1</sup> Eight year calculations based on the latest data for each data source.

<sup>2</sup> Australian Bureau of Statistics, Cat. no. 6202.0.55.001 Table 2, Cat. no. 5220.0 Table 5, Cat. no. 8501.0 Table 15, Cat. no. 5368.0 Table 15a

<sup>3</sup> Australian Bureau of Statistics 2006, *Australian Demographic Statistics*, Table 04. Estimated Resident Population Cat. no. 3101.0

<sup>4</sup> Australian Bureau of Statistics, *Labour price Index*, Table 2b.

<sup>5</sup> Australian Bureau of Statistics, *Building Approvals* Cat. no. 8731.0 Table 4 and *Dwelling Unit Commencements* Cat. no. 8750. Table 2

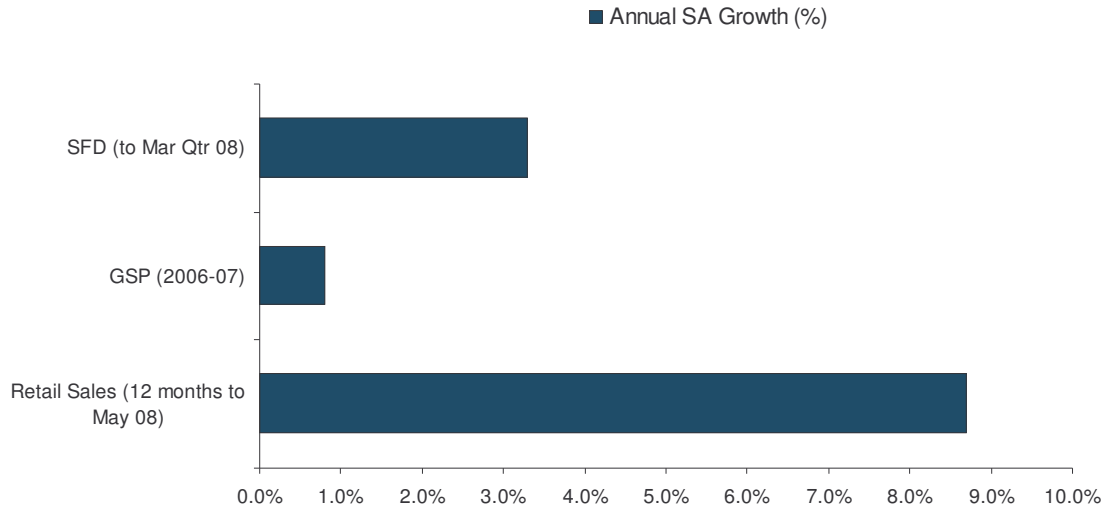
<sup>6</sup> Australian Bureau of Statistics, *Mineral and Petroleum Exploration*, Table 3b, Cat. no. 8412.0

<sup>7</sup> Australian Bureau of Statistics, *Private New Capital Expenditure*, Table 5c. Cat. no. 5625.0

<sup>8</sup> <http://www.southaustralia.biz/Investing-in-SA/Major-Projects-Directory.aspx>

# State Economy

July 2008



## Points of Interest

- South Australia's 2006-07 GSP growth rate of 0.8% was significantly affected by the drought, which is estimated to have detracted 2.1 percentage points (pp) from GSP growth. The non-farm sectors recorded solid growth of 3.1% in 2006-07.
- The outlook beyond 2006-07 is more positive, with the Department of Treasury and Finance (DTF) forecasting a significant recovery in GSP growth to 3.75% in 2007-08—overtaking national growth of 3.5%. *South Australia's Strategic Plan (SASP)* target T1.1 is to exceed the national economic growth rate by 2014. DTF is predicting that growth in the State and nationwide will slow to 2.75% in 2008-09. Access Economics is predicting a strong recovery in GSP growth to 2.4% in 2007-08 and a continued acceleration to 3.2% in 2008-09. Similarly, the ANZ Bank is forecasting a significant recovery in GSP growth to 4.0% in 2007-08 and 2.5% in 2008-09. Access Economics forecasts a significant closing in the gap between South Australian and national growth in 2007-08 and 2008-09. The South Australian Centre for Economic Studies (SACES), contrary to other forecasters, predicts only a modest recovery in 2007-08 and continued weak growth in 2008-09.

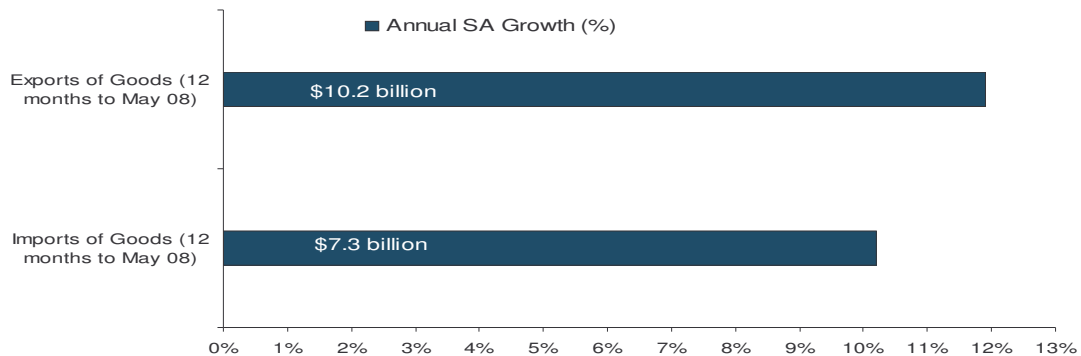
SA growth estimates and forecasts, 2007/08 & 2008/09 <sup>1</sup>								
	2007/08				2008/09			
	SACES	DTF	Access	ANZ	SACES	DTF	Access	ANZ
GSP	1.5%	3.75%	2.4%	4.0%	1.0%	2.75%	3.2%	2.5%
Employment	2.2%	2.25%	2.5%	2.5%	0.5%	1.5%	2.5%	1.5%

- The Business SA 'Survey of South Australian Business Expectations' for the June quarter 2008 reported that South Australian business confidence declined during the quarter due to the high interest rate environment, stock market losses, and increasing costs for businesses. Bank SA's May 2008 'State Monitor' also found that business and consumer confidence recorded a decline in the three months to May 2008, but remained at solid levels. Despite the general downward trend in business confidence, the State's economic performance on a wide range of measures remains strong. In terms of new motor vehicle sales, retail turnover, exports, dwelling approvals, and housing construction, South Australia's performance has exceeded that of Australia as a whole over the past year.
- South Australian retail spending was \$16.7 billion (trend) in the 12 months to May 2008 (8.7% higher than in the previous 12 month period). This growth rate has been accelerating since January 2006 and overtook the national growth rate around mid 2007.

Indicator	South Australia	Annual Chg	Australia	Annual Chg	Period
GSP/GDP <sup>2</sup>	\$65.7bn	0.8%	\$998.5bn	3.2%	2006-07
State <sup>3</sup> /Domestic FD <sup>4</sup>	\$18.0bn	3.3%	\$269.6bn	4.8%	Mar Qtr 08
Retail Sales <sup>5</sup>	\$16.7bn	8.7%	\$239.0bn	6.8%	12 months to May 08

# Trade

July 2008



## Points of Interest

- The value of South Australia’s merchandise exports increased by 11.9% (to \$10.2 billion) in the 12 months to May 2008, well above the 3.9% growth rate for Australia as a whole. Road vehicles, parts and accessories, wine and wheat exports were the major contributors to growth over this period.
- Reflecting the State’s strong competitive advantages, wine (\$1.9 billion), metals & metal manufactures, including minerals (\$1.9 billion), and road vehicles, parts and accessories (\$1.4 billion) remain South Australia’s most important export categories, accounting for 51% of the State’s total merchandise exports. Strong export growth in the year to May 2008 was recorded in the export markets of the US (60%), India (35%), Canada (19%), China (15%), and the European Union (14%). There have been declines in the major export destinations of the ASEAN countries (-2.7%, including a fall of 22% in Malaysia), the Middle East (-8.1%), and New Zealand (-4.2%).
- Favorable terms of trade, as well as the development of the State’s minerals sector, and strong growth in wine and motor vehicle exports will continue to support export growth in South Australia.
- In 2007, the value of South Australia’s service exports increased by 5.8% (to \$1.8 billion), driven predominantly by education.

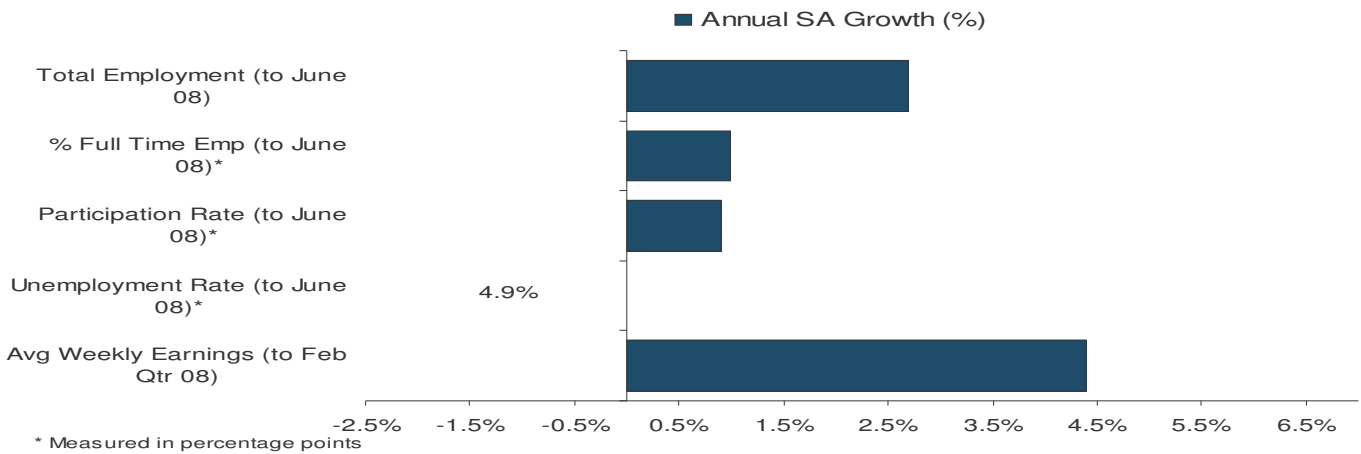
Indicator	South Australia	Annual Chg	Australia	Annual Chg	Period
Exports of Goods <sup>6</sup>	\$10.2bn	11.9%	\$175.5bn	3.9%	12 months to May 08
Imports of Goods <sup>7</sup>	\$7.3bn	10.2%	\$199.5bn	10.6%	12 months to May 08

## South Australian Overseas Exports by Commodity<sup>8</sup>

Commodity Group	12 months to May 2008 (\$m)	Change from previous year (%)	Share of total exports (%)
Other/Confidential (inc uranium and bulk barley)	2,808.1	24.0	27.4
Metals & metal manufactures	1,946.0	-5.0	19.0
Wine	1,914.0	12.4	18.7
Road vehicles, parts & accessories	1,414.5	30.2	13.8
Wheat	546.5	39.4	5.3
Meat & meat preparations	476.0	-4.1	4.6
Machinery	393.5	-3.6	3.8
Fish and crustaceans	337.7	7.3	3.3
Petroleum & petroleum products	243.3	-6.5	2.4
Wool & Sheepskins	168.7	-8.6	1.6
Total	10,248.3	11.9	100.0

# Labour Market

July 2008



## Points of Interest

- In trend terms, South Australian labour market conditions remained strong in June 2008. Total and full-time employment have been increasing since early 2007, and have recorded stronger growth than the national figures over the past year. Total employment increased by 0.1% during June to a record high of 778,400, while full-time employment rose by 0.3% to 541,500 (also a new high). This employment growth has supported labour force participation reaching its highest level in over 17 years. The trend unemployment rate of 4.9% in June is at a near-record low.
- Nationally, labour market conditions also remained strong in June in trend terms. Total and full-time employment both increased, while the unemployment rate (4.2%) remained at a near-record low, and the participation rate remained at the record high of 65.3%.
- Job vacancy numbers remain at solid levels in South Australia despite declining since the second half of 2007. Recent declines in job ads suggest monthly employment growth will continue to slow both nationally and in South Australia.
- Compared with a year earlier, average weekly ordinary time earnings (AWOTE) of full-time adult employees were 4.4% higher in South Australia (the third strongest growth of all the states after Western Australia and Queensland).
- South Australia lost just 0.2 of a working day per 1,000 employees to industrial disputes in the March quarter 2008, the second lowest rate of all the states.

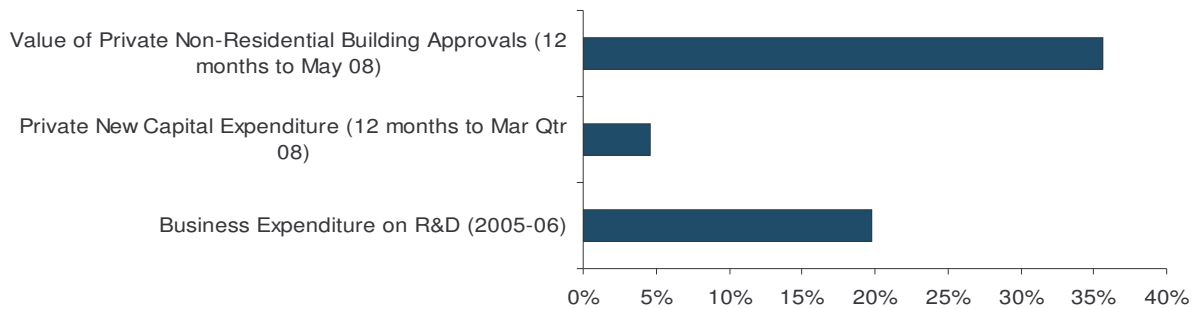
Indicator	SA	Annual Chg	Aus	Annual Chg	Period
Total Employment ('000) <sup>9 10</sup>	778.4	2.7%	10,713.3	2.4%	Jun 08
% Full Time Employment <sup>9 10</sup>	69.6%	1.0pp	71.5%	-0.2pp	Jun 08
Participation Rate <sup>9 10</sup>	63.0%	0.9pp	65.3%	0.4pp	Jun 08
Unemployment Rate (trend) <sup>9 10</sup>	4.9%	0.0pp	4.2%	-0.1pp	Jun 08
Job Vacancies ('000) <sup>11</sup>	9.3	-8.2%	183.6	9.0%	May Qtr 08
Average Weekly Earnings <sup>12 13</sup>	\$1,047.40	4.4%	\$1,123.30	4.5%	Feb Qtr 08
Job Advertisements <sup>14</sup>	1,631	-9.3%	17,143	-15.1%	Jun 08
Industrial Disputes <sup>ix 15</sup>	0.2	na	4.6	na	Mar Qtr 08

<sup>ix</sup> Working days lost per thousand employees

# Finance & Investment

July 2008

■ Annual SA Growth (%)



## Points of Interest

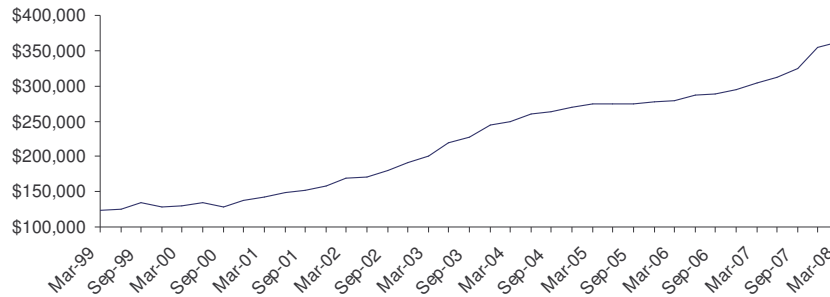
- In real trend terms, South Australian private new capital expenditure increased by 4.6% to \$5.0 billion in the 12 months to the March quarter 2008, the highest level since records began in September 1989. Both the Air Warfare Destroyer contract and Olympic Dam expansion should provide significant stimulus to South Australian private new capital expenditure in coming years.
- Business expenditure on research and development (BERD) data for 2005-06 was released in August 2007, with South Australian BERD increasing by 20% from 2004-05. Mining industry R&D growth was 107%, albeit from a low base, while R&D in the machinery & equipment manufacturing sector grew 20%, reflecting the importance of innovation for local manufacturers if they are to remain internationally competitive. Together, the machinery & equipment manufacturing and property & business services sectors contributed 54% of total BERD in 2005-06. The *SASP* target is to raise the ratio of BERD to GSP to 1.5% by 2010 and 1.9% by 2014; the ratio was 1.04% in 2005-06.
- Nationally, mining industry R&D grew 33% in 2005-06. While strong prices continue to support growth in the industry's output and exports, the potential for productivity improvements is reflected by strong growth in R&D.

Indicator	SA	Annual Chg	Aus	Annual Chg	Period
Private New Capital Expenditure <sup>16</sup>	\$5.0bn	4.6%	\$81.9bn	9.7%	12 months to Mar qtr 08
Value of Private Non-Residential Building Approvals <sup>17 18</sup>	\$1.2bn	35.6%	\$26.6bn	22.3%	12 months to May 08
% of firms receiving Aust venture capital that are based in SA	3.3%	-1.2 pp	na	na	2004-05
Business Expenditure on R&D <sup>19</sup>	\$653.1m	19.8%	\$10.1bn	16.6%	2005-06

# Housing

July 2008

Adelaide Median House Price



## Points of Interest

- The ownership of dwellings accounts for 9.1% of the South Australian economy.<sup>20</sup> Conditions in the housing market can be analysed through leading indicators (new home approvals), other demand data (housing loans, new home sales), supply side indicators (dwelling unit commencements), house price data, and affordability measures that compare income with house prices.
- South Australia has recorded stronger growth in new home approvals and sale activity than nationally over the past year. New home sales in South Australia jumped 35% over the three months to May 2008 compared to the equivalent period to May 2007 – by far the strongest growth of any mainland state and higher than the national average<sup>21</sup>. Approvals for the construction of new homes also recorded very strong growth over the past year to be 30% higher in May 2008 than a year earlier (compared with the national decline of 1.4%). The level of housing construction in South Australia recorded strong growth of 8.6% in the 12 months to the March quarter 2008—twice the national annual growth rate of 4.3%. However, due to the high interest rate environment, home loan activity (finance commitments) has dampened over the past year both nationally (down 17%) and in South Australia (down 14%) in trend terms.
- Strong demand for housing is reflected in housing prices. ABS data shows that Adelaide’s median established house price grew by 2.1% in the March quarter 2008 to be 22% higher than one year ago, providing strong capital appreciation for home owners. Real Estate Institute of Australia (REIA) price data recorded similar strong growth of 19% over the same period, while Housing Industry Association price data recorded solid growth of 8.0%. Strong growth in house prices has continued despite seven interest rate rises in the last two years, including the latest increases in February and March.
- The REIA reports the median house price for Adelaide is \$362,100. All the other mainland major capital cities median house prices are over \$400,000 (Sydney \$554,000, Melbourne \$432,500 Perth \$460,000, Canberra \$445,000, Darwin \$420,000, Brisbane \$416,500).
- Housing in South Australia remains more affordable than in the Eastern States, in terms of the proportion of family income required to meet average home loan repayments. REIA data shows that South Australia is the third most affordable state after Tasmania and Western Australia. From the March quarter 2007 to the March quarter 2008, REIA’s Home Loan Affordability Indicator showed that South Australia’s affordability fell by 15% compared to 8.7% nationally meaning Adelaide’s home loan affordability deteriorated relative to all other states.
- South Australia’s housing market is supported by strong labour market conditions, strong wages growth, low rental vacancies and the equal highest annual rate of population growth since the early 1980s. However, it is expected that the cumulative effect of consecutive interest rate rises will dampen demand for housing.

Indicator	SA	Annual Chg	Aus	Annual Chg	Period
Building Approvals <sup>22 23</sup>	1,135	29.6%	12,636	-1.4%	May 08
New Dwelling Commencements <sup>24</sup>	3,047	8.6%	39,537	4.3%	Mar Qtr 08
Median House Price <sup>25</sup>	\$362,100	19.1%	\$458,500	8.3%	Mar Qtr 08
Housing Finance Commitments <sup>26</sup>	4,590	-14.4%	54,738	-16.7%	May 08

# Other

## July 2008

### Population

- SA's population growth rate has increased markedly, driven by overseas migration and a slight increase in the fertility rate.
- South Australia's population was 1,591,930 as at the December quarter 2007, an increase of 1.05% (or 16,541 people) compared with the December quarter 2006. This is the second year above 1% growth and if the 2006 and 2007 growth rates are sustained, South Australia will reach its 2 million target by 2029.
- Net Overseas Migration (NOM) added 13,061 persons to the State's population in the year to December 2007 (53% above the Strategic Plan target of 8,500 per annum). NOM gain is 16% higher than in the year to December 2006.
- South Australia is experiencing a mini baby boom, with 19,646 births recorded in 2007– the highest number since 1997. This increase in births saw the fertility rate also increase to 1.83 births per woman in 2006-07, which was ahead of the SASP target of 1.7 births per woman. Population growth through fertility results in more sustainable population growth because it creates a younger age profile than can be achieved through migration.
- The population gains through natural increase and overseas migration were partially offset by a continued loss through interstate migration (-3,828 persons in the year to December 2007). This loss was 42% higher than in the year to December 2006. The largest part of this outflow was the continuing loss to Queensland (a net loss of 1,906 persons). The State's net interstate outflow is the highest annual figure since March 2005 but is not as high as the levels of the mid-1990s (approx. 7,000 per annum).

Indicator	SA	Annual Chg	Aus	Annual Chg	Period
Population <sup>27</sup>	1,591,930	1.05%	21,180,632	1.6%	Dec Qtr 07
% of population 55 or over	27.0%	0.4pp	24.2%	0.3pp	2006-07
Net overseas migration	13,061	15.8%	184,438	16.1%	12 months to Dec Qtr 07
Net interstate migration	-3,828	-42.2%	na	na	12 months to Dec Qtr 07

### Overseas Students

- Adelaide attracted 23,300 overseas students in 2007 with the industry now worth \$648 million to the local economy and supporting more than 3,000 full-time jobs. Over the past five years, Adelaide has outstripped the nation in the growth of overseas student numbers. Estimates by Education Australia show South Australia should host 25,500 overseas students in 2008.
- Major sources of overseas students for South Australia are China, India, Malaysia, the Republic of Korea, Hong Kong, Japan, Vietnam and Singapore.

### Competitiveness

- Competitive Alternatives - KPMG's Guide to International Business Location 2008 Edition* ranks Adelaide number 1 within Australia (compared to Sydney, Melbourne and Brisbane) maintaining its ranking as the least costly place to set up and do business in Australia. Of the 102 cities featured in *Competitive Alternatives 2008*, Adelaide was found to have the 33<sup>rd</sup> lowest business costs overall and the 3<sup>rd</sup> lowest business costs in its population bracket of 500,000 to 1.5 million. Adelaide has a 2.1% after-tax business cost advantage over the United States benchmark. Adelaide's international ranking was weaker compared to the 2006 results due to the exchange rate appreciation against the US dollar.
- The report ranks Adelaide in the top 20 international cities in key industry sectors including food processing, precision components, plastics, metal machining, auto parts and web/multi-media operations.
- Internationally, Adelaide ranks ahead of (has lower business costs than):
  - Most cities in the western and Pacific regions of the US and Canada
  - Most cities in the generally higher-cost US Northeast
  - All cities studied in Europe and Japan

# Key Industries

July 2008

South Australian Industry GVA, 2006-07 <sup>28</sup>	\$m	% share of State GVA	Contribution to National GVA
Agriculture, forestry and fishing	\$ 2,206	3.69%	10.36%
Mining	\$ 2,550	4.26%	3.65%
Manufacturing	\$ 8,652	14.46%	8.54%
Electricity, gas and water	\$ 1,858	3.10%	8.52%
Construction	\$ 4,045	6.76%	6.00%
Wholesale trade	\$ 2,604	4.35%	5.66%
Retail trade	\$ 3,881	6.48%	6.83%
Accommodation, cafes and restaurants	\$ 1,418	2.37%	6.93%
Transport and storage	\$ 2,852	4.77%	6.16%
Communication services	\$ 1,499	2.50%	5.93%
Finance and insurance	\$ 4,083	6.82%	5.62%
Property and business services	\$ 6,158	10.29%	5.24%
Government administration and defence	\$ 2,281	3.81%	5.75%
Education	\$ 3,152	5.27%	7.55%
Health and community services	\$ 4,729	7.90%	8.15%
Cultural and recreational services	\$ 999	1.67%	6.73%
Personal and other services	\$ 1,461	2.44%	7.93%
Dwellings owned by persons	\$ 5,422	9.06%	6.93%
All sectors ; Industry gross value added	\$ 59,850	100.00%	6.52%

## Advanced Manufacturing<sup>29 30 31 32</sup>

1. South Australia has built on its strengths in traditional manufacturing sectors to lead Australian innovation in new areas such as electronics, automotive and medical equipment.
2. In the May quarter 2008, 96,700 people were employed in the SA manufacturing industry, or 13% of total SA employment.
3. Manufacturing contributed 14.5% towards GSP in 2006-07.
4. Manufacturing goods exports were \$7.7 billion in the 12 months to May 2008, representing 75% of the total value of SA goods exports.
5. Three major export commodity categories in the 12 months to May 2008 were wine (\$1.9 billion), metals and metal manufactures (\$1.9 billion), and motor vehicles and parts (\$1.4 billion). Key manufacturing export markets include the USA, the UK, South East Asia, China, the Middle East, New Zealand and Canada.

## Minerals and Energy<sup>33 34 35 36 37 38</sup>

6. South Australia has moved from 18<sup>th</sup> to 4<sup>th</sup> place in the world in mining potential, according to Canada's Fraser Institute Annual Survey of Mining Companies 2006-07.
7. In the year to the March quarter 2008, total mineral exploration expenditure in South Australia was \$344 million, up by 48% from the previous year and was the third highest of all the states and territories behind Western Australia and Queensland, accounting for 15.4% of national expenditure. South Australia, together with Western Australia and Tasmania, were the only states to increase their share of total minerals exploration expenditure in this time period. Of the \$344 million in mineral exploration expenditure, \$127 million was invested in searching for new mineral deposits (152% increase), with the remaining \$217 million spent on the expansion and development of South Australia's growing list of known mineral deposits (19% increase).
8. The South Australian mining industry contributed 4.3% to GSP in 2006-07.
9. The main commodities produced are copper, crude oil, natural gas and uranium oxide.
10. Mining related commodities constituted 29% of the value of goods exports from South Australia in 2006-07.

# Key Industries

July 2008

11. In 2006-07, approximately 11,175 people were employed in the SA mining industry, or 1.5% of total SA employment.
12. AWOTE for full time adult employees in the mining industry was \$1,861 nationwide in the February quarter 2008, compared with \$1,047 for South Australia.
13. As at 31st December 2007, 193 licencees held 875 Exploration Licences covering 438,428 km<sup>2</sup> or 45% of the State
14. South Australia has about 53% of Australia's total installed wind power capacity.
15. South Australia has attracted more than 80% of all Geothermal Exploration Licence (GELs) applications in Australia, with 23 companies operating 235 licence areas and more are expected.
16. South Australia's Strategic Plan targets for minerals production and processing are to increase the value of minerals processing to \$1 billion and to increase the value of minerals production to \$3 billion by 2014.

## Food and Wine <sup>39 40 41 42</sup>

17. Employment across the food industry was 133,300 in 2006-07. At the production level, agriculture, forestry and fishing employment was approximately 39,800 in the May quarter 2008.
18. In 2006-07, the value of the State's food industry was only slightly less than the record \$10 billion achieved in 2005-06. The State Food Plan's goal is to reach \$15 billion by 2010.
19. South Australian food and live animals exports were worth \$1.8 billion in 2006-07.
20. Wine exports in the 12 months to May 2008 were \$1.9 billion (excludes sparkling wine).
21. The total crush of South Australian wine grapes in 2006-07 was 605,100 tonnes (the largest of any state), representing over 43% of the total wine grape crush in Australia. In 2006-07, 447.6 million litres of wine was produced, representing 47% of the Australian total.

## Defence <sup>43 44 45</sup>

22. South Australia is Australia's defence state and the high-technology centre for the nation's defence industry.
23. South Australian firms win 30% of the Australian defence capital budget.
24. Direct investment is estimated to have a total contribution towards State GSP in 2002-03 of \$1.08 billion.
25. Investors have the opportunity to participate in more than \$10 billion worth of defence contracts, including the:
  - \$8 billion Air Warfare Destroyer Contract;
  - 10 year, \$1 billion deal to maintain an upgrade the AP-3C Orion aircraft fleet;
  - Multi billion dollar Collins class submarine through-life support contract; and
  - Relocation of Australia's new Mechanised Battalion Group to Adelaide, commencing in 2008.

## Information and Communications Technology (including Electronics)<sup>x</sup>

26. ICT companies in SA currently employ 19,000 people (not including ICT professionals working in other industries).<sup>46</sup>
27. ICT industry output in 2003-04 was \$4.1 billion, generated by 1,100 companies. More than 50% of companies are involved in software and ICT services.<sup>47</sup>
28. In 2003-04, ICT exports were estimated to be \$2.1 billion, with key markets including the USA, UK, Canada, the Middle East and New Zealand.<sup>48</sup>
29. According to the Electronics Industry Association, in 2006-07 the SA electronics industry had approximately 13,000 employees and annual revenue of \$3.6 billion.<sup>49</sup>

<sup>x</sup> The electronics and ICT sectors in South Australia are closely related. Many ICT companies involved in software development for fields such as defence and telecommunications may be counted as being in the electronics sector. Similarly, electronics companies involved in digital content and telecommunications may be counted as being in the electronics sector. Countries including the United States and Korea do not differentiate between electronics and ICT, or simply refer to ICT software and ICT hardware, making data collection simpler.

# Key Industries

July 2008

## Education<sup>50</sup>

30. Education is now South Australia's largest service export sector, accounting for 37% of the State's service exports. Key international student markets are China, India, and Malaysia.
31. Adelaide attracted over 23,300 overseas students in 2007 (up from around 5,600 in 1998), with the industry now worth \$648 million to the local economy and supporting more than 3,000 full-time jobs. For the past five years, Adelaide has outstripped the nation in the growth of overseas student numbers.
32. South Australia accounted for 5.1% of Australia's overseas students (5.4% in 2006, 5.2% in 2005, and 4.8% in 2004).

# Sources

July 2008

## Sources of Commentary on the South Australian Economy

Author	Publication	Frequency
ANZ	State and Territories Economic Update <a href="http://www.anz.com/aus/corporate/EcoComm/StateFocus.asp">http://www.anz.com/aus/corporate/EcoComm/StateFocus.asp</a>	Quarterly
	Australian Property Outlook <a href="http://www.anz.com/aus/corporate/EcoComm.Property.asp">http://www.anz.com/aus/corporate/EcoComm.Property.asp</a>	Annually
Department of Treasury and Finance	State Budget/Mid-Year Budget Review/Final Budget Outcome <a href="http://www.treasury.sa.gov.au/dtf/home_page.jsp">http://www.treasury.sa.gov.au/dtf/home_page.jsp</a>	Each document is released annually

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<sup>1</sup> Note: SACES forecasts from Economic Briefing Report, June 2008, DTF forecasts from 2008-09 State Budget, Access forecasts from Access Economics Business Outlook March Q 2008, ANZ Economics forecasts from State and Territories Economic Update, September Q 2008

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