

GLOSSARY OF REGIONAL PROFILE TERMINOLOGY

Changes in inventories (stocks) "consist of stocks of outputs that are held at the end of a period by the units that produced them prior to their being further processed, sold, delivered to other units or used in other ways and stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing" (ABS 2016a).

Employment is a measure of the number of working proprietors, managers, directors and other employees, in terms of the number of full-time equivalents and total (i.e. full-time and part-time) jobs. Employment is measured by place of remuneration rather than place of residence.

Exports (other) are a measure of the value of goods and services sold from the region/state of interest to consumers in other regions, interstate and overseas, net of sales to visitors to the region.

Final demand quadrant (components of) includes household and government consumption expenditure, gross fixed capital formation, changes in inventories (stocks), tourism expenditure and 'other' exports.

Government consumption expenditure includes "net expenditure on goods and services by public authorities, other than those classified as public corporations, which does not result in the creation of fixed assets or inventories or in the acquisition of land and existing buildings or second-hand assets. It comprises expenditure on compensation of employees (other than those charged to capital works, etc.), goods and services (other than fixed assets and inventories) and consumption of fixed capital. Expenditure on repair and maintenance of roads is included. Fees, etc., charged by general government bodies for goods sold and services rendered are offset against purchases. Net expenditure overseas by general government bodies and purchases from public corporations are included. Expenditure on defence assets that are used in a fashion similar to civilian assets is classified as gross fixed capital formation; expenditure on weapons of destruction and weapon delivery systems is classified as final consumption expenditure" (ABS 2016a).

Gross fixed capital formation (GFCF) includes government, private and public corporation expenditure on new fixed assets plus net expenditure on second-hand fixed assets, including both additions and replacements (see ABS 2009a for further detail).

Gross operating surplus and gross mixed income. Gross operating surplus (GOS) is a measure of the operating surplus accruing to all enterprises, except unincorporated enterprises. It is the excess of gross output over the sum of intermediate consumption, household income and taxes less subsidies on production and imports. Gross mixed income (GMI) is a measure of the surplus or deficit accruing from production by unincorporated enterprises (ABS 2016a). The National Accounts definition of this indicator, as specified in the 2013/14 National I-O table (ABS 2015b), includes drawings by owner operators (or managers). In the SA state and regional I-O models constructed for this project, drawings by owner operators have been included in household income.

Gross state product (GSP) is a measure of the net contribution of an activity to the state economy. GSP is measured as value of output less the cost of goods and services (including imports) used in producing the output. In other words, it can be measured as the sum of household income, gross operating surplus and gross mixed income net of payments to owner managers and taxes less subsidies on products and production. It represents payments to the

primary inputs of production (labour, capital and land). Using GSP as a measure of economic impact avoids the problem of double counting that may arise from using value of output for this purpose.

Household consumption expenditure includes "net expenditure on goods and services by persons and expenditure of a current nature by private non-profit institutions serving households. This item excludes expenditures by unincorporated businesses and expenditures on assets by non-profit institutions (included in gross fixed capital formation). Also excluded is expenditure on maintenance of dwellings (treated as intermediate expenses of private enterprises), but personal expenditure on motor vehicles and other durable goods and the imputed rent of owner-occupied dwellings are included. The value of 'backyard' production (including food produced and consumed on farms) is included in household final consumption expenditure and the payment of wages and salaries in kind (e.g. food and lodging supplied free to employees) is counted in both household income and household final consumption expenditure" (ABS 2016a).

Household income is a component of GSP and is a measure of wages and salaries paid in cash and in kind, drawings by owner operators and other payments to labour including overtime payments, employer's superannuation contributions and income tax, but excluding payroll tax.

Imports are a measure of the value of goods and services purchased by intermediate sectors and by components of final demand in the region/state of interest from other regions, interstate and overseas.

Output (Value of) is a measure of the gross revenue of goods and services produced by commercial organisations (e.g. farm-gate value of production) and gross expenditure by government agencies. Total output needs to be used with care as it can include elements of double counting when the output of integrated industries is added together (e.g. the value of winery output includes the farm-gate value of grapes). For sectors where superior regional data are not available, value of output by industry is allocated across regions on an employment basis, rather than in terms of the location of other factors of production such as land and capital.

Primary input quadrant (components of) includes household income, gross operating surplus and gross mixed income net of payments to owner managers, taxes less subsidies on products and production and imports.

Taxes less subsidies on products and production (TLSP) is defined as 'taxes on products' plus 'other taxes on production' less 'subsidies on products' less 'other subsidies on production'. Taxes on products are taxes payable per unit of some good or service. Other taxes on production consist of all taxes that enterprises incur as a result of engaging in production, except taxes on products. Subsidies on products are subsidies payable per unit of a good or service. Other subsidies on production consist of all subsidies, except subsidies on products, which resident enterprises may receive as a consequence of engaging in production (ABS 2016a).

Tourism expenditure is a measure of the value of sales of goods and services to visitors to the state or region.