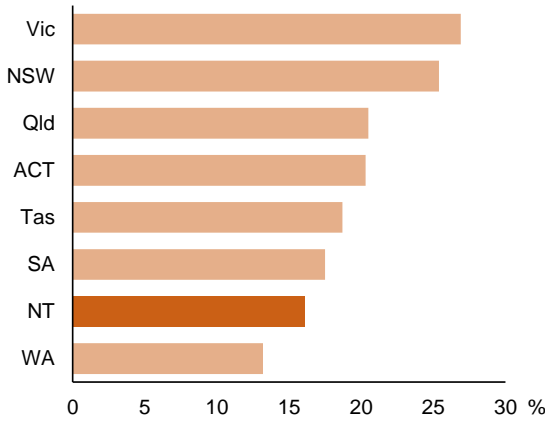


CommSec state of the states

April 2019

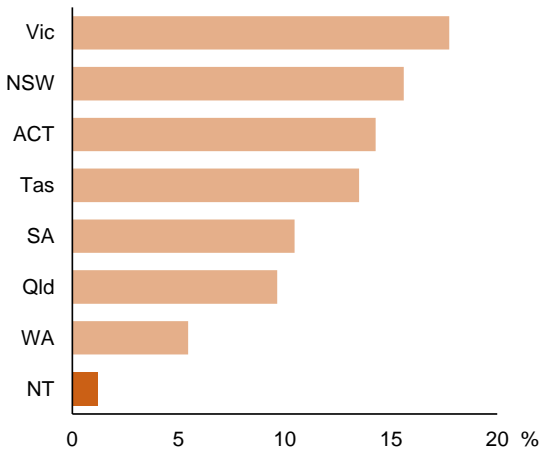
Released: 29 April 2019 | Next release: July 2019 (indicative)

Chart 1: Trend SFD + trade growth compared to decade average (nominal terms)



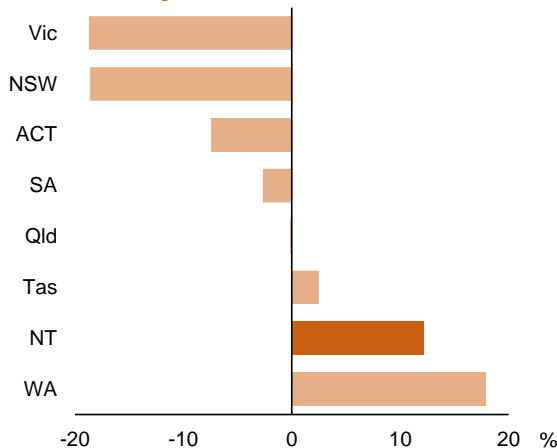
Source: Australian Bureau of Statistics and CommSec

Chart 2: Trend retail trade turnover compared to decade average



Source: Australian Bureau of Statistics and CommSec

Chart 3: Trend unemployment rate compared to decade average



Source: Australian Bureau of Statistics and CommSec

CommSec State of the States is a quarterly publication that assesses the overall economic performance of each jurisdiction based on eight key indicators. Economic performance is measured in terms of each jurisdiction’s change relative to their respective 10 year average (or ‘normal’) level for each economic indicator, rather than comparing economic performance across jurisdictions. The Territory’s 10 year average includes record levels of construction and investment activity, which may affect the assessment of some indicators.

Overall performance

The Territory remained the weakest performing economy in terms of overall economic performance. The Territory ranked seventh for economic growth and unemployment, however was ranked last for retail spending, equipment investment, population growth, housing finance commitments, dwelling commencements and construction work done.

Economic growth

Gross state product (GSP) is the preferred measure of a state’s economic growth. However, GSP data is not available on a quarterly basis and therefore state final demand (SFD) plus trade statistics in nominal terms are used, which may not produce an accurate or comparable measure of overall economic performance compared to GSP. The Territory was ranked seventh in terms of economic growth, with current output 16.1 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 13.2 per cent in Western Australia to 26.9 per cent in Victoria.

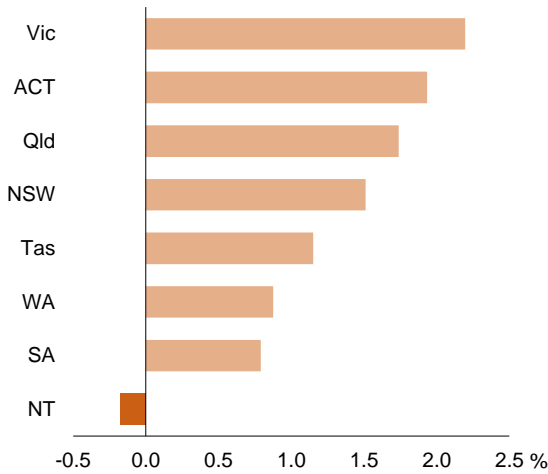
Retail trade

Performance is measured using inflation-adjusted retail trade in trend terms, with December quarter 2018 data being the latest available. The Territory ranked last for retail spending growth in the December quarter 2018, 1.2 per cent above the decade average level (Chart 2). Victoria was ranked first for retail spending (17.7 per cent), supported by population growth, job security, infrastructure building and low unemployment.

Unemployment

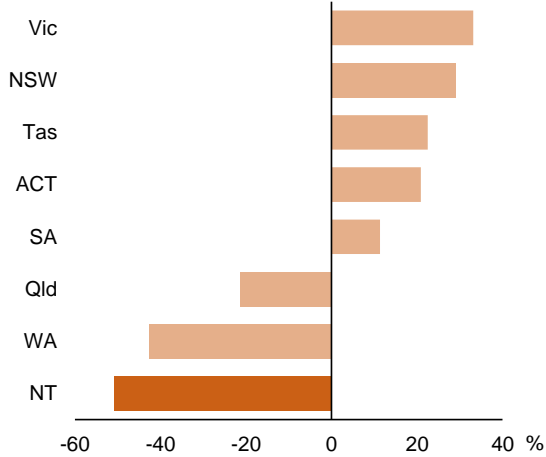
Based on March 2018 data, the trend unemployment in the Territory was at 4.4 per cent, 12.2 per cent above the decade average level (Chart 3). Victoria was ranked first at 18.7 per cent below the decade average level.

Chart 4: Annual population growth



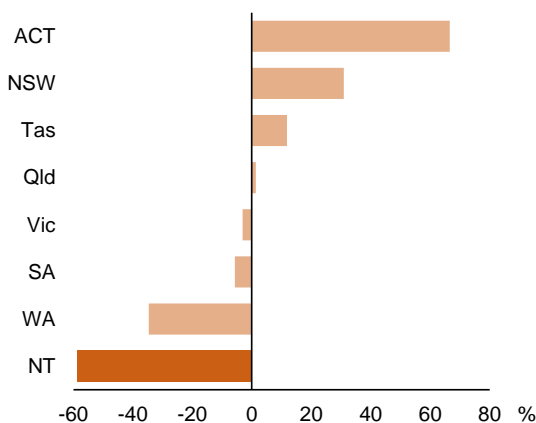
Source: Australian Bureau of Statistics and CommSec

Chart 5: Trend total construction work done compared to decade average



Source: Australian Bureau of Statistics and CommSec

Chart 6: Number of trend dwelling commencements compared to decade average



Source: Australian Bureau of Statistics and CommSec

Population growth

CommSec compares each jurisdictions' current annual rate of population growth with the average over the past decade. In the September quarter 2018, the Territory was the only jurisdiction to record an annual shrinkage of 0.2 per cent, the largest decline in 15 years and 114.8 per cent below the decade average level. Tasmania was ranked first in this quarter, with an annual population growth almost 100 per cent above the decade average level. Victoria had the highest annual absolute growth rate (up 2.20 per cent) (Chart 4).

Construction work done

CommSec measures the total amount of residential, commercial and engineering work completed in trend terms during the December quarter 2018, compared with the decade average level. The Territory ranked last in the December quarter 2018 for construction work done, being 51.0 per cent below the decade average level (Chart 5). Victoria retains first position, with construction work done 33.1 per cent above its decade average level.

Equipment investment

The Territory was ranked last in equipment investment in the December quarter 2018, 35.8 per cent lower than the decade average level, with completion of the investment stage for several major gas projects. Tasmania was ranked first, being 27.8 per cent above on the decade average level.

Dwelling commencements

CommSec measures the trend number of dwelling commencements in the December quarter 2018, compared to the decade average level. The Territory was ranked last in terms of dwelling commencements in the December quarter 2018, 58.8 per cent below decade average level (Chart 6). The Australian Capital Territory remains in first position, being 66.6 per cent above the decade average level.

Housing finance commitments

The measure used by CommSec for housing finance is the trend number of housing finance commitments for owner occupation in February 2019, compared to the decade average. Trend housing finance commitments in the Territory in February 2019 were 32.1 per cent below the decade average level, the weakest of the jurisdictions. The Australian Capital Territory (up 17.0 per cent) remains first followed by Tasmania (up 16.4 per cent).

Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omission.

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