

Overview

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 this quarter in terms of overall economic performance.

The Territory ranked third for economic growth.

The Territory was ranked last for retail spending, equipment investment, population growth, unemployment, housing finance commitments and dwelling commencements.

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. This measure may not always produce an accurate or comparable measure of overall economic performance compared to GSP.

The Territory was ranked third in terms of economic growth, with current output 23.5 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 7.8 per cent in Western Australia to 26.6 per cent in Victoria.

Retail Trade

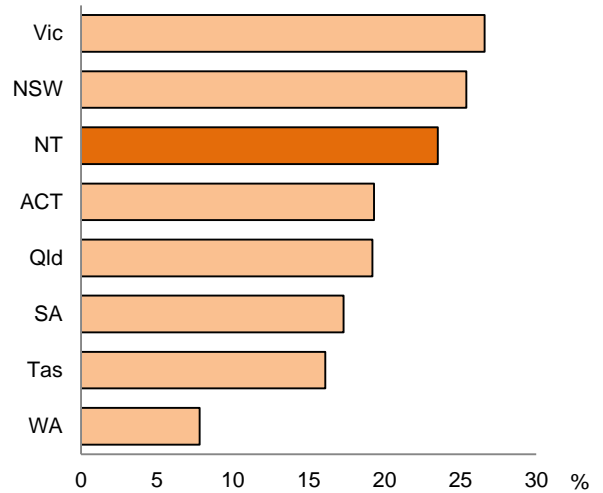
Performance is measured using inflation-adjusted retail trade in trend terms, with September quarter 2018 data the latest available.

The Territory was ranked last for retail spending growth in the September quarter 2018, 4.0 per cent above the decade average (Chart 2). Victoria was ranked first position for retail spending growth 18.1 per cent above the decade average, supported by strong population growth, increased job security, low unemployment and strong infrastructure building.

Unemployment

Based on December 2018 data, the trend unemployment in the Territory is at 5.0 per cent, and is 27.8 per cent above the Territory's decade average (Chart 3). Victoria was ranked first, at 22.6 per cent below the average.

Chart 1: Trend SFD + Trade Growth Compared to Decade Average¹



¹ Nominal terms
Source: CommSec

Chart 2: Trend Retail Trade Turnover Compared to Decade Average



Source: ABS and CommSec

Chart 3: Trend Unemployment Rate Compared to Decade Average



Source: ABS and CommSec

Population Growth

To rank each jurisdiction's population growth, CommSec compares each state and territory's current annual rate of population growth with the average annual growth over the past decade.

In the June quarter 2018, the Territory was the only jurisdiction to record an annual shrinkage of 0.1 per cent, the first time to occur in 15 years. This is 107.4 per cent below the decade average.

Tasmania was ranked first on the relative population measure in this quarter, with its annual population growth of 1.09 per cent, being 90 per cent higher than decade average levels. The state with the fastest absolute annual population growth is still Victoria (up 2.19 per cent)

Construction Work

CommSec measures the total amount of residential, commercial and engineering work completed in trend terms during the September quarter 2018, compared with the decade average.

The Territory ranked second lowest place in the September quarter 2018 for construction work being 32.7 per cent below the decade average level (Chart 5). Victoria retains first position, with construction work done 38.2 per cent above its decade average. Western Australia was the weakest jurisdiction, with construction work done 40.6 per cent below the decade average level.

Equipment Investment

The Territory was ranked last in equipment investment, with September quarter 2018 equipment investment levels 32.9 per cent lower than the decade average, with completion of investment in major gas projects.

Tasmania was ranked first, being up 35.7 per cent on the decade average followed by New South Wales (up 9.9 per cent).

Dwelling Commencements

CommSec measures the trend number of dwelling commencements in comparison with the decade average level of commencements.

The Territory was ranked last in terms of dwelling commencements in the September quarter 2018. Dwelling commencements in the Territory were 46.4 per cent below the decade average level (Chart 6). Australian Capital Territory has overtaken New South Wales for first position with dwelling commencements 88.5 per cent above decade average levels.

Housing Finance Commitments

The measure used by CommSec for the housing finance rankings is the trend number of housing finance commitments for owner occupation, compared to the decade average for each jurisdiction.

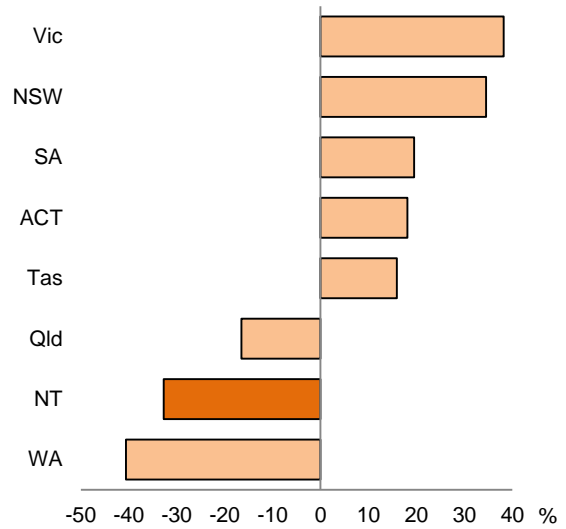
Trend housing finance commitments in the Territory in November 2018 were 27.7 per cent below the decade average, the weakest of the jurisdictions. In other jurisdictions. The Australian Capital Territory (up 38.2 per cent) was ranked first followed by Tasmania (up 22 per cent).

Chart 4: Annual Population Growth



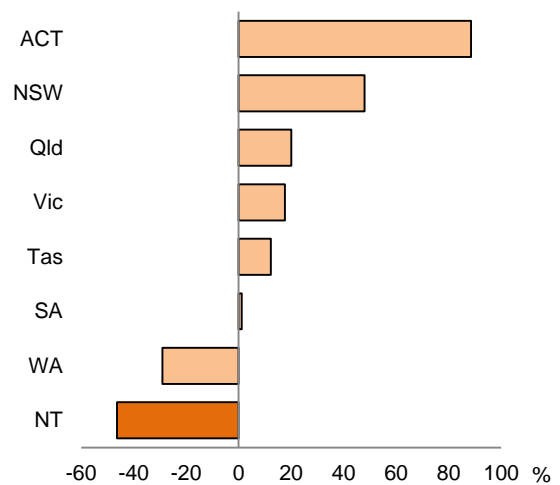
Source: ABS and CommSec

Chart 5: Trend Total Construction Work Done Compared to Decade Average



Source: ABS and CommSec

Chart 6: Number of Trend Dwelling Commencements Compared to Decade Average



Source: ABS and CommSec