

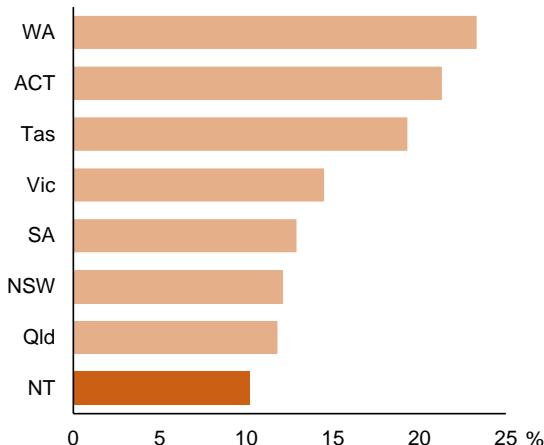
ECONOMIC BRIEF

CommSec state of the states

July 2021

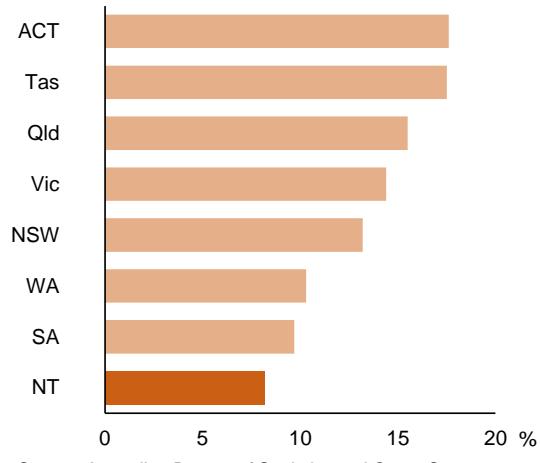
Released: 26 July 2021 | Next release: October 2021 (indicative)

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



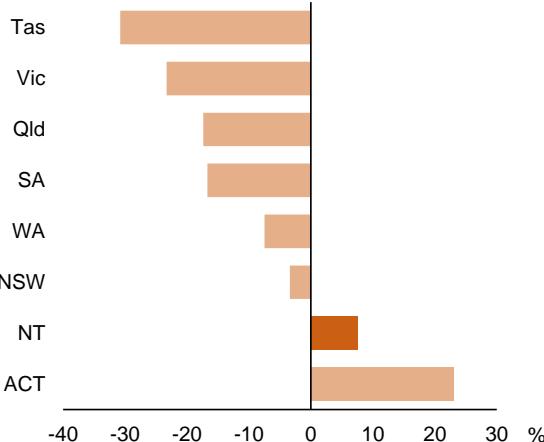
Source: Australian Bureau of Statistics and CommSec

Chart 2: Seasonally adjusted 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 the 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 impacts the assessment of some indicators.

Overall performance

The Territory remained the weakest performing economy of all the jurisdictions in terms of overall economic performance. The Territory ranked fifth for population growth, second last for unemployment and last for the other indicators. The Territory's 10 year average economic performance includes record construction and equipment investment, which will negatively affect the Territory's overall relative performance.

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 last in terms of economic growth, with current output 10.2% above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 11.8% in Queensland to 23.3% in Western Australia.

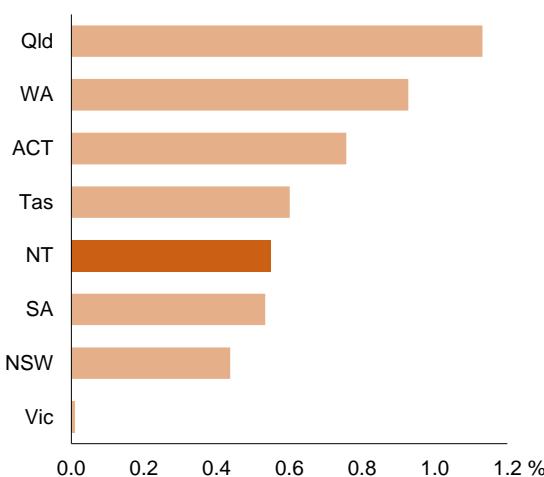
Retail trade

Performance is measured using inflation-adjusted retail trade in seasonally adjusted terms, with March quarter 2021 data being the latest available. The Territory reported the weakest result for retail spending, being 8.2% above the decade average level (Chart 2). The Australian Capital Territory was ranked first for retail spending (17.6% above their decade average).

Unemployment

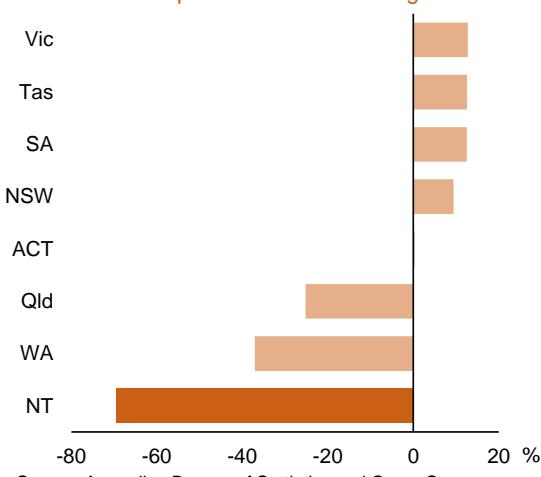
Based on June 2021 data, seasonally adjusted unemployment in the Territory was 7.6% above the decade average level (Chart 3) with a seasonally adjusted unemployment rate at 4.8%. The Tasmania was ranked first at 30.8% below the decade average.

Chart 4: Annual population growth



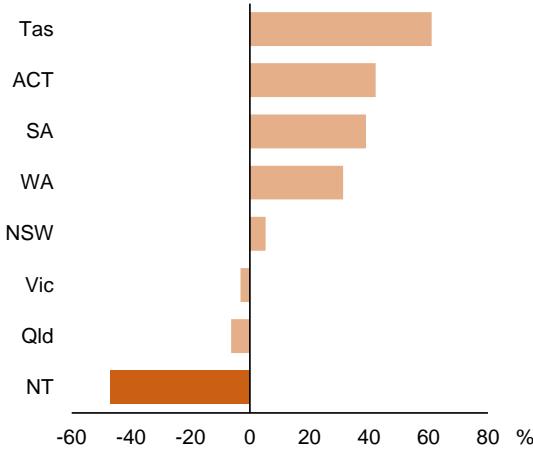
Source: Australian Bureau of Statistics and CommSec

Chart 5: Seasonally adjusted total construction work done compared to decade average



Source: Australian Bureau of Statistics and CommSec

Chart 6: Number of seasonally adjusted dwelling commencements compared to decade average



Source: Australian Bureau of Statistics and CommSec

More information:

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Population growth

CommSec compares each jurisdiction's current annual rate of population growth with the average over the past decade. In the year to December 2020, the Territory had an annual population growth rate of 0.55% (Chart 4), the fastest rate in three years. Queensland was ranked first with an annual population growth rate of 1.13%, but 30% below the decade average level.

Construction work done

CommSec measures the total real value of residential, commercial and engineering work completed in seasonally adjusted terms during the March quarter 2021, compared with the decade average level. The Territory ranked last for construction work done, being 69.6% below the decade average level (Chart 5). Victoria retained first position, with construction work done 12.8% above its decade average level.

Equipment investment

The Territory was ranked last in equipment investment in the March quarter 2021, being 32% below the decade average level. Tasmania was ranked first, being 52.3% above the decade average level.

Dwelling commencements

CommSec measures the seasonally adjusted number of dwelling commencements in the March quarter 2021, compared to the decade average level. The Territory was ranked last in terms of dwelling commencements, being 47% below the decade average level (Chart 6). Tasmania is in first position with the number of commitments being 61.1% above the decade average.

Housing finance commitments

The measure used by CommSec for housing finance is the value of housing finance commitments for owner occupation in the May 2021, compared to the decade average. Housing finance commitments in the Territory were valued at 50.7% above the decade average level, the weakest of the jurisdictions. Victoria is in first position (up by 100.3%) ahead of New South Wales (up by 93.8%) and the Australian Capital Territory (up by 93%) on their respective decade averages.

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