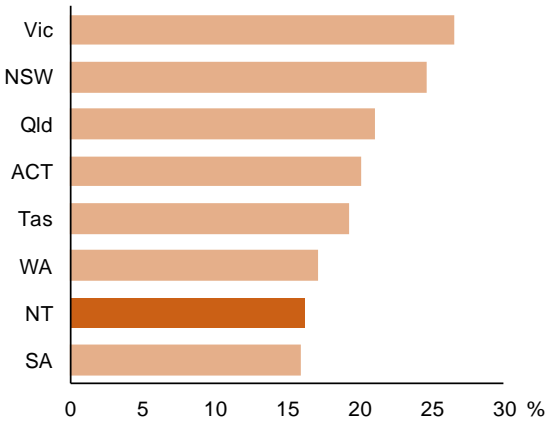


CommSec state of the states

October 2019

Released: 28 October 2019 | Next release: January 2020 (indicative)

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



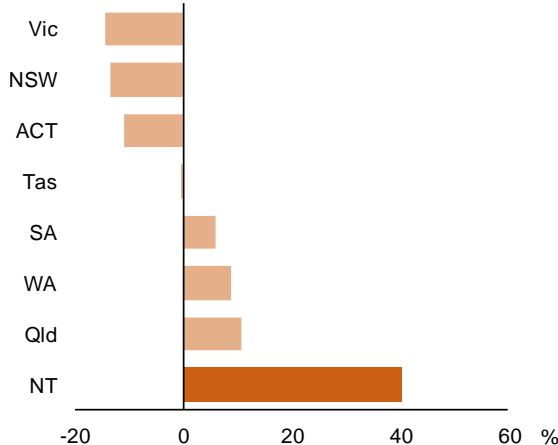
Source: Australian Bureau of Statistics and CommSec

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: Australia 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 of all the jurisdictions in terms of overall economic performance. The Territory ranked seventh for economic growth, however was ranked last on the other seven indicators. The Territory economy continues to face challenges as resource projects transition into the export phase.

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 16.2 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 16.0 per cent in South Australia to 26.6 per cent in Victoria.

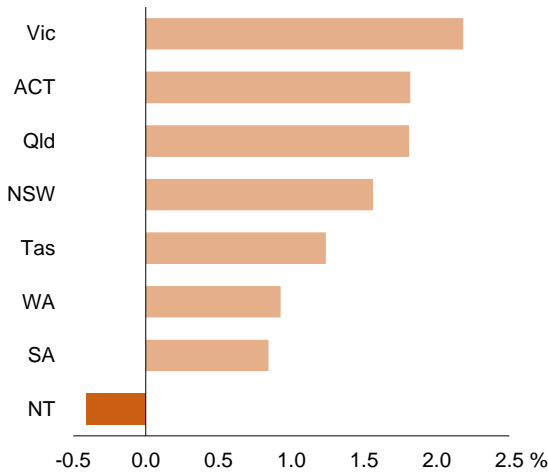
Retail trade

Performance is measured using inflation-adjusted retail trade in trend terms, with June quarter 2019 data being the latest available. The Territory reported the weakest result for retail spending in the June quarter 2019, 1.9 per cent below the decade average level (Chart 2). Victoria was ranked first for retail spending (15.8 per cent above their decade average), supported by population growth, job security, infrastructure building and low unemployment.

Unemployment

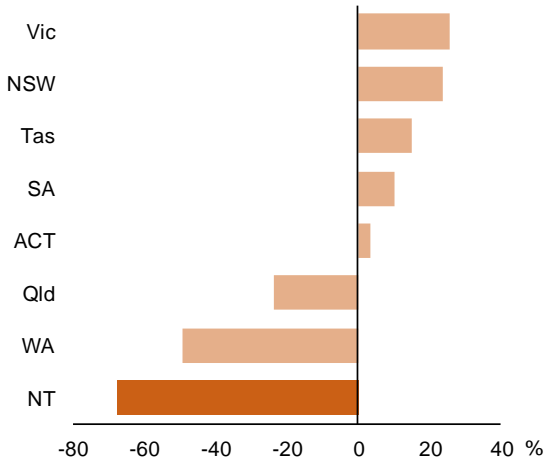
Based on September 2019 data, trend unemployment in the Territory was 40.2 per cent above the decade average level (Chart 3). Victoria was ranked first at 14.4 per cent below the decade average level with trend unemployment at 4.8 per cent.

Chart 4: Annual population growth



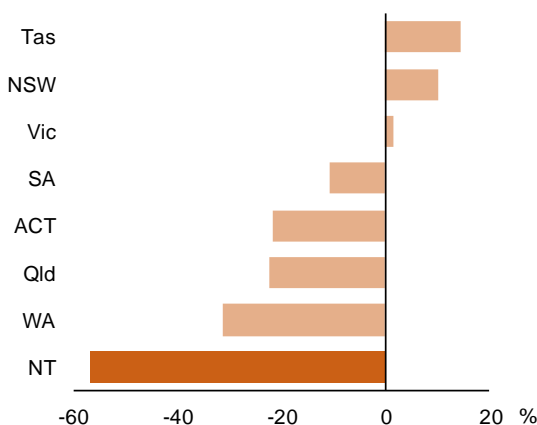
Source: Australian Bureau of Statistics and CommSec

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 March quarter 2019, the Territory was the only jurisdiction to record an annual decline (ranked last), down 0.43 per cent, and 140.9 per cent below the decade average level. Tasmania was ranked first with an annual population growth 109.3 per cent above the decade average level (Chart 4).

Construction work done

CommSec measures the total amount of residential, commercial and engineering work completed in trend terms during the June quarter 2019, compared with the decade average level. In all jurisdictions, construction spending contracted in the quarter. The Territory ranked last for construction work done, being 67.6 per cent below the decade average level (Chart 5). Victoria retained first position, with construction work done 25.6 per cent above its decade average level.

Equipment investment

The Territory was ranked last in equipment investment in the June quarter 2019, 17.8 per cent lower than the decade average level. Tasmania was ranked first, being 28.3 per cent above the decade average level.

Dwelling commencements

CommSec measures the trend number of dwelling commencements in the June quarter 2019, compared to the decade average level. The Territory was ranked last in terms of dwelling commencements, 56.8 per cent below decade average level (Chart 6). Tasmania is now in first position with the number of commitments being 14.5 per cent above the decade average.

Housing finance commitments

The measure used by CommSec for housing finance is the trend number of housing finance commitments for owner occupation in August 2019, compared to the decade average. Trend housing finance commitments in the Territory in August 2019 were 31.1 per cent below the decade average level, the weakest of the jurisdictions. The Australian Capital Territory is in first position (up 17.0 per cent) ahead of Tasmania (up 12.9 per cent) and Victoria (up 7.3 per cent) 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.

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