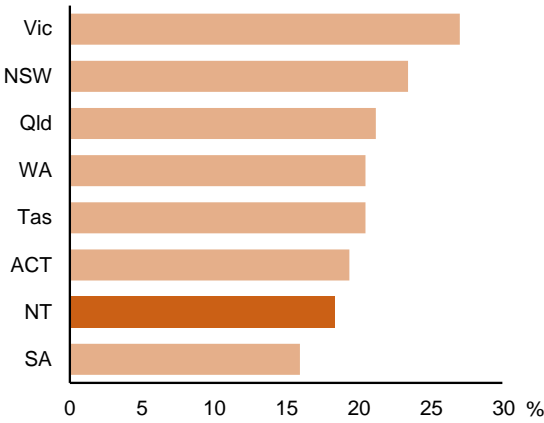


# CommSec state of the states

January 2020

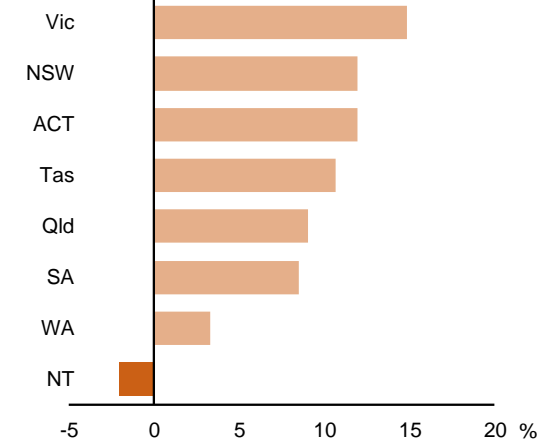
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Chart 1: Trend SFD + trade growth compared to decade average (nominal terms)



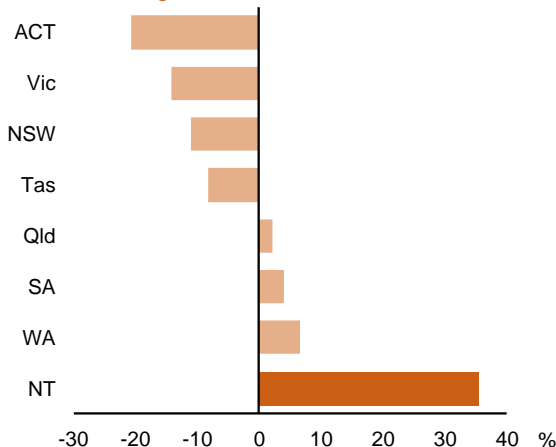
Source: Australian Bureau of Statistics and CommSec

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 for 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 18.3 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 15.9 per cent in South Australia to 27.0 per cent in Victoria.

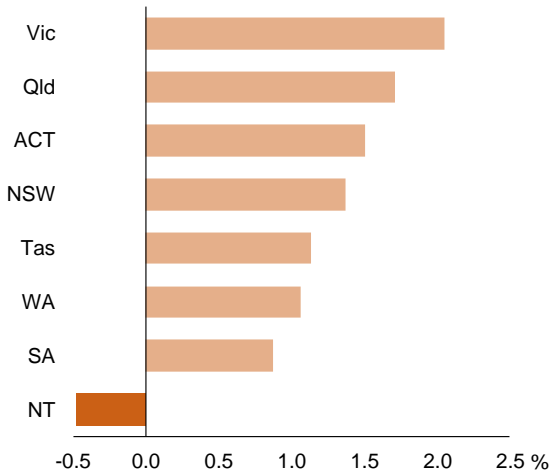
## Retail trade

Performance is measured using inflation-adjusted retail trade in trend terms, with September quarter 2019 data being the latest available. The Territory reported the weakest result for retail spending in the September quarter 2019, 2.1 per cent below the decade average level (Chart 2). Victoria was ranked first for retail spending (14.9 per cent above their decade average), supported by population growth, low unemployment, rising home prices and infrastructure building.

## Unemployment

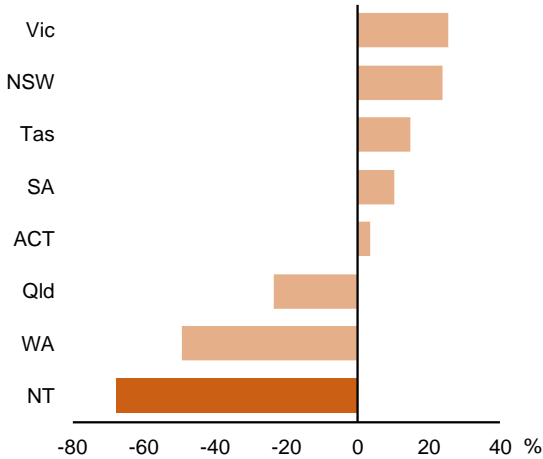
Based on December 2019 data, trend unemployment in the Territory was 35.6 per cent above the decade average level (Chart 3). The Australian Capital Territory was ranked first at 20.7 per cent below the decade average level with trend unemployment at 3.1 per cent.

Chart 4: Annual population growth



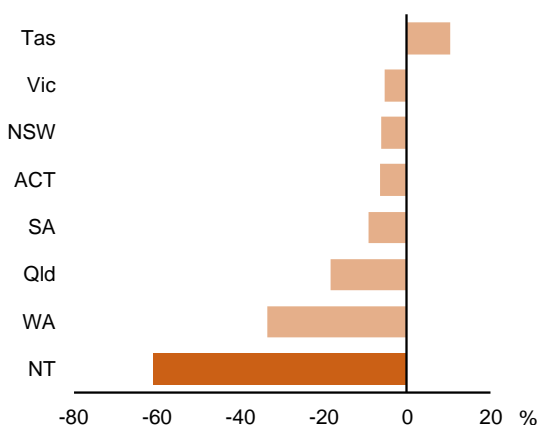
Source: Australian Bureau of Statistics and CommSec

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 June quarter 2019, the Territory was the only jurisdiction to record an annual decline (ranked last), down 0.48 per cent (Chart 4), and 149.8 per cent below the decade average level. Tasmania was ranked first with an annual population growth 94.8 per cent above the decade average level.

## Construction work done

CommSec measures the total amount of residential, commercial and engineering work completed in trend terms during the September quarter 2019, compared with the decade average level. The Territory ranked last for construction work done, being 69.6 per cent below the decade average level (Chart 5). Victoria retained first position, with construction work done 26.2 per cent above its decade average level.

## Equipment investment

The Territory was ranked last in equipment investment in the September quarter 2019, 8.1 per cent lower than the decade average level. Victoria was ranked first, being 10.2 per cent above the decade average level.

## Dwelling commencements

CommSec measures the trend number of dwelling commencements in the September quarter 2019, compared to the decade average level. The Territory was ranked last in terms of dwelling commencements, 60.8 per cent below decade average level (Chart 6). Tasmania retained first position with the number of commitments being 10.3 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 November 2019, compared to the decade average. Trend housing finance commitments in the Territory in November 2019 were 36.0 per cent below the decade average level, the weakest of the jurisdictions. The Australian Capital Territory is in first position (up 33.8 per cent) ahead of Tasmania (up 33.0 per cent) and New South Wales (up 32.3 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.

## More information:

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