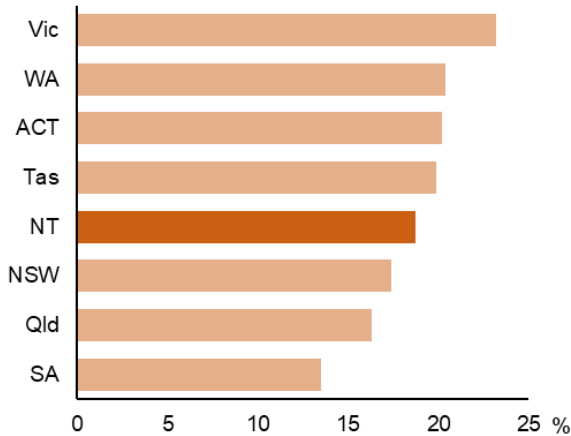


# CommSec state of the states

October 2020

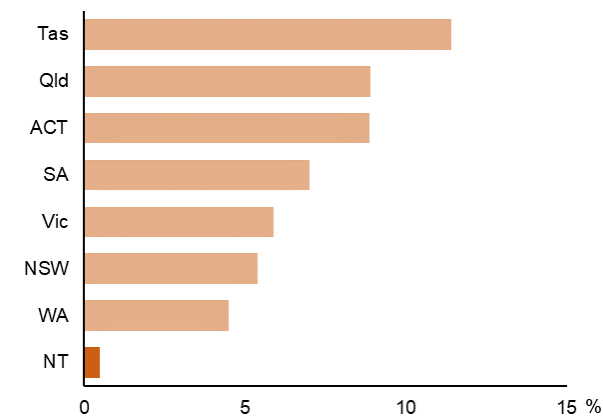
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Chart 1: Trend SFD + trade growth compared to decade average (nominal terms)



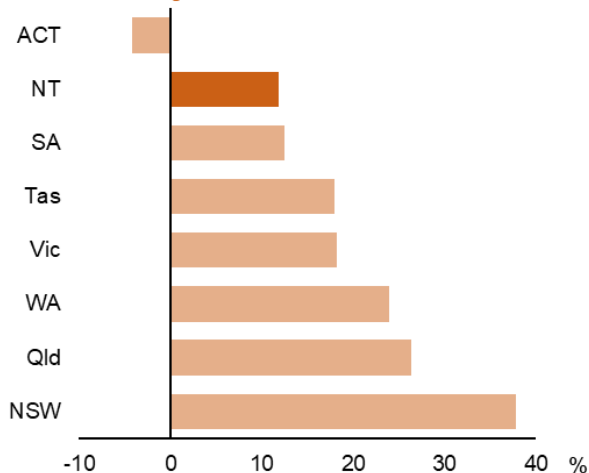
Source: Australian Bureau of Statistics and CommSec

Chart 2: 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: 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 second for unemployment and ranked fifth for economic growth, however was ranked last for the other six 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 fifth in terms of economic growth, with current output 18.7 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 13.5 per cent in South Australia to 23.2 per cent in Victoria.

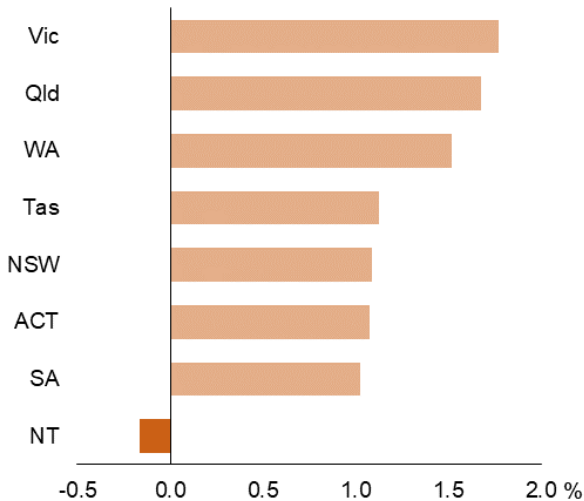
## Retail trade

Performance is measured using inflation-adjusted retail trade in seasonally adjusted terms, with June quarter 2020 data being the latest available. The Territory reported the weakest result for retail spending in the June quarter 2020, 0.5 per cent above the decade average level (Chart 2). Tasmania was ranked first for retail spending (11.4 per cent above their decade average), reflecting success in suppressing the virus, and higher home prices.

## Unemployment

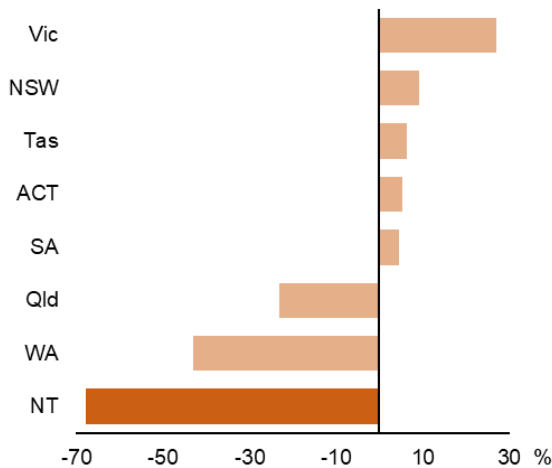
Based on September 2020 data, seasonally adjusted unemployment in the Territory was 11.8 per cent above the decade average level (Chart 3) with seasonally adjusted unemployment at 4.8 per cent. The Australian Capital Territory was ranked first at 4.2 per cent below the decade average level.

Chart 4: Annual population growth



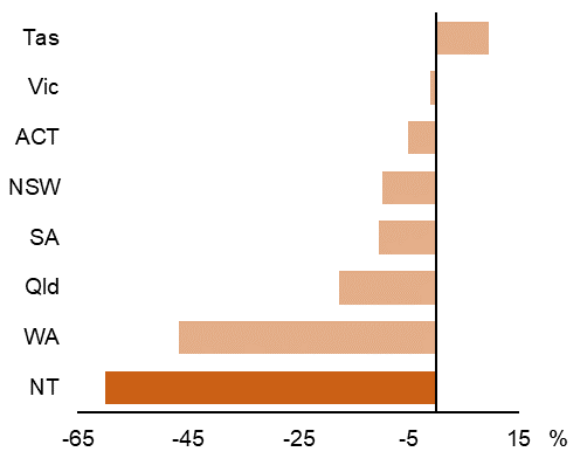
Source: Australian Bureau of Statistics and CommSec

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 jurisdiction's current annual rate of population growth with the average over the past decade. In the year to March, the Territory was the only jurisdiction to record an annual decline, down by 0.17 per cent (Chart 4), and 121.4 per cent below the decade average level (ranked last). Tasmania was ranked first with an annual population growth rate of 1.12 per cent, 89.1 per cent above 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 June quarter 2020, compared with the decade average level. 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 27.0 per cent above its decade average level.

## Equipment investment

The Territory was ranked last in equipment investment in the June quarter 2020, 53.4 per cent lower than the decade average level. Tasmania was ranked first, being 15.2 per cent above the decade average level.

## Dwelling commencements

CommSec measures the seasonally adjusted number of dwelling commencements in the June quarter 2020, compared to the decade average level. The Territory was ranked last in terms of dwelling commencements, 60.0 per cent below the decade average level (Chart 6). Tasmania is in first position with the number of commitments being 9.5 per cent 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 August quarter 2020, compared to the decade average. Housing finance commitments in the Territory were valued at 9.5 per cent below the decade average level, the weakest of the jurisdictions. Tasmania is in first position (up by 75.2 per cent) ahead of the Australian Capital Territory (up by 67.3 per cent) and New South Wales (up by 43.1 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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