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 Northern Territory lowered to the seventh best performing economy this quarter in terms of overall economic performance, above Western Australia. The Territory remained in first position for unemployment, construction work done and economic growth. The Territory was ranked last for retail spending, business (equipment) investment, population growth, housing finance 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 first in terms of economic growth, with current output 29.4 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 10.2 per cent in Tasmania to 25.3 per cent in New South Wales.

Retail Trade
Performance is measured using inflation-adjusted retail trade in trend terms, with March quarter 2017 data the latest available.

The Territory was ranked last for retail spending in the March quarter 2017, 4.9 per cent above the decade average (Chart 2). New South Wales was ranked first, supported by housing activity and lower unemployment and higher home prices.

Unemployment
The Territory was assessed as having the strongest job market, with the lowest trend unemployment rate of 3.1 per cent, almost 22 per cent below the Territory’s decade average (Chart 3). Tasmania and New South Wales were the only other jurisdictions to record an unemployment rate below their decade average.
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 December quarter 2016, the Territory was ranked lowest in terms of annual population growth (Chart 4), up 0.3 per cent. This was over 83 per cent lower than the Northern Territory's decade average level.

Victoria was ranked first this quarter, with its annual population growth of 2.4 per cent being 19.4 per cent higher than decade average levels.

Construction Work
CommSec measures the total amount of residential, commercial and engineering work completed in trend terms during the March quarter 2017, compared with the decade average.

The Territory remains in first place for construction work done with the level of construction work in the March quarter 2017 almost 29 per cent above the decade average level (Chart 5), mainly due to activity associated with major gas projects. However, construction work in the Territory was down 4.2 per cent in the March quarter compared with a year ago. Western Australia was the weakest jurisdiction, with construction work done almost 36 per cent lower than the decade average level.

Equipment Investment
The Territory was ranked last in equipment investment, with March quarter 2017 equipment investment levels 50.6 per cent lower than the decade average level. South Australia (up 7.2 per cent) and New South Wales (up 5.3 per cent) were the only jurisdictions with equipment investment above decade averages.

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 March quarter 2017. Dwelling commencements in the Territory were over 37 per cent below the decade average level (Chart 6). New South Wales remains in first place, with dwelling commencements over 62 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 number of housing finance commitments for each jurisdiction.

Trend housing finance commitments in the Territory in May 2017 were more than 18.3 per cent below the decade average, the weakest of the jurisdictions. CommSec notes that commitments in the Territory are 6.5 per cent lower than a year ago, the smallest decline in 10 months.