

## 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 Territory remained the seventh best performing economy this quarter in terms of overall economic performance, ahead of Western Australia.

The Territory ranked third position for economic growth and construction work done.

The Territory was ranked last for retail spending, population growth, housing finance commitments 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 third in terms of economic growth, with current output 25.6 per cent above the decade average level (Chart 1). In other jurisdictions, the difference in growth compared to the decade average level ranged from 7.6 per cent in Western Australia to 26.5 per cent in Victoria.

## Retail Trade

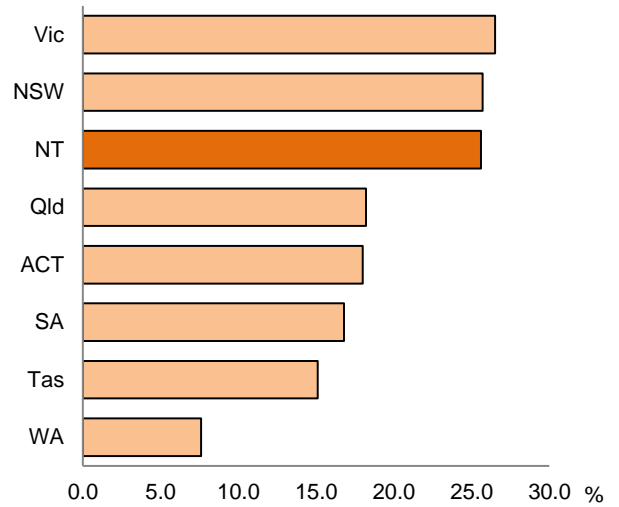
Performance is measured using inflation-adjusted retail trade in trend terms, with March quarter 2018 data the latest available.

The Territory was ranked last for retail spending growth in the March quarter 2018, 3.3 per cent above the decade average (Chart 2). New South Wales remained in first position at 17.04 per cent, continuing to be supported by residential and infrastructure building activity and relatively low unemployment.

## Unemployment

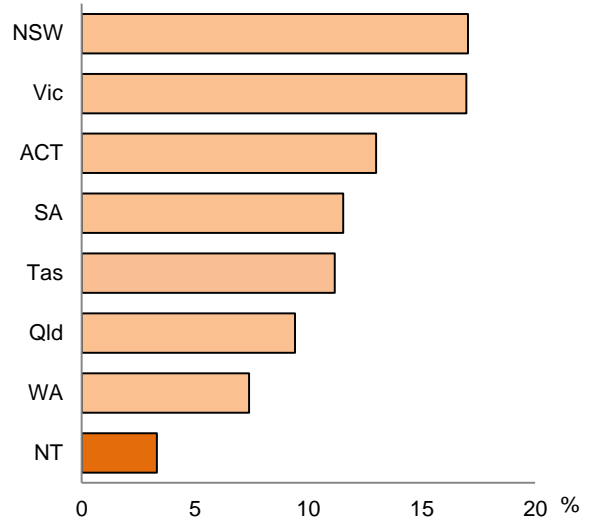
The trend unemployment in the Territory is at 4.1 per cent, and is 6.2 per cent above the Territory's decade average (Chart 3). New South Wales was ranked first, followed by the Australian Capital Territory, both having unemployment rates below their decade averages.

**Chart 1: Trend SFD + Trade Growth Compared to Decade Average<sup>1</sup>**



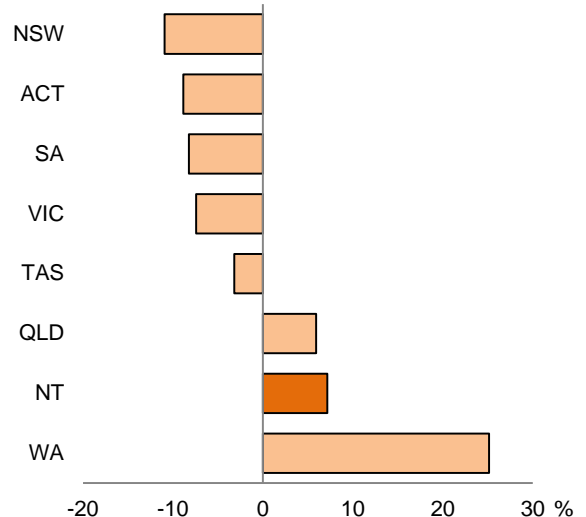
<sup>1</sup> Nominal terms  
Source: CommSec

**Chart 2: Trend Retail Trade Turnover Compared to Decade Average**



Source: ABS and CommSec

**Chart 3: Trend Unemployment Rate Compared to Decade Average**



Source: ABS and CommSec

### 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 2017, the Territory was ranked lowest in terms of annual population growth (Chart 4), up 0.23 per cent. This was 83.7 per cent lower than the Territory's decade average level.

Tasmania was ranked first in this quarter, with its annual population growth of 0.94 per cent, being 65.0 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 2018, compared with the decade average.

The Territory ranked third place in the March quarter 2018 for construction work being 17.9 per cent above the decade average level (Chart 5). Victoria has moved past New South Wales into first position, with construction work done 28.6 per cent above its decade average. Western Australia was the weakest jurisdiction, with construction work done almost 36.7 per cent below the decade average level.

### Equipment Investment

The Territory was ranked second last in equipment investment, with March quarter 2018 equipment investment levels 17.1 per cent lower than the decade average, with completion of investment in major gas projects.

The Australian Capital Territory (up 27.2 per cent), Tasmania (up 24.8 per cent), New South Wales (up 7.2 per cent) and Victoria (up 2.6 per cent) were the four 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.

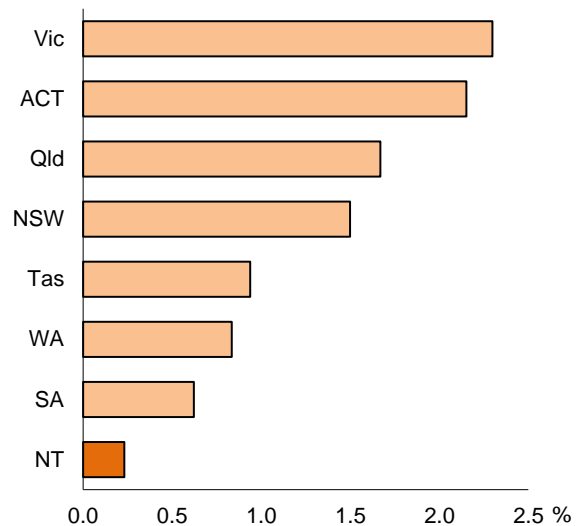
The Territory was ranked last in terms of dwelling commencements in the March quarter 2018. Dwelling commencements in the Territory were 48.6 per cent below the decade average level (Chart 6). Victoria ranked in first position with dwelling commencements 42.5 per cent above decade average levels.

### 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 for each jurisdiction.

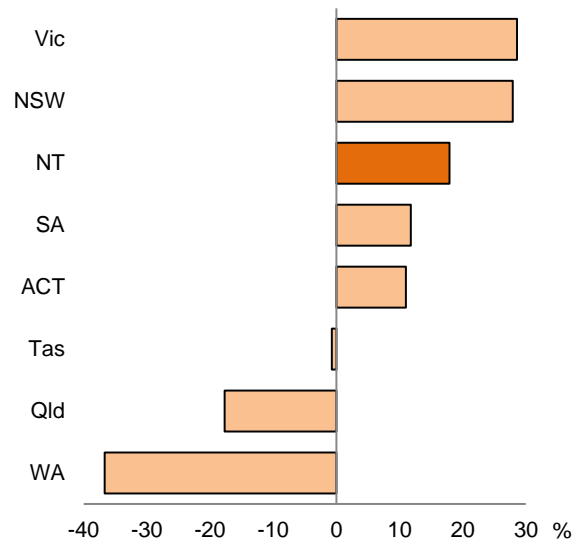
Trend housing finance commitments in the Territory in May 2018 were 26.1 per cent below the decade average, the weakest of the jurisdictions. In other jurisdictions, CommSec rankings ranged from Western Australia (down 23.2 per cent) to the Australian Capital Territory (up 19.8 per cent).

Chart 4: Annual Population Growth



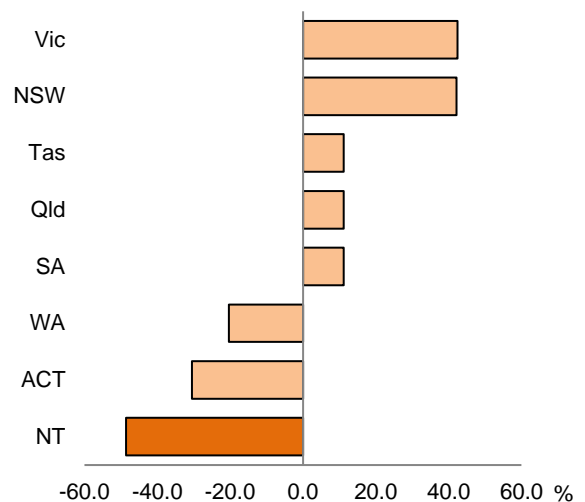
Source: ABS and CommSec

Chart 5: Trend Total Construction Work Done Compared to Decade Average



Source: ABS and CommSec

Chart 6: Number of Trend Dwelling Commencements Compared to Decade Average



Source: ABS and CommSec