



CommSec

State of the States

State and Territory
Economic Performance Report

April 2024

Edition 59

South Australia leads the nation

How are Australia's states and territories performing?

Each quarter CommSec attempts to find out which state or territory is Australia's economic leader. Now in its 15th year, the report also includes a section comparing annual growth rates for the eight key indicators across the states and territories as well as Australia as a whole, enabling comparisons in terms of economic momentum.

Overall, the economic performances of Australian states and territories are being supported by a solid job market and strong population growth at a time of higher-than-desired price inflation.

Australia's state and territory economies have slowed as consumers respond to higher borrowing costs and price pressures. The future path will depend on the resiliency of the job market and interest rates.

And while it was close, **South Australia** has gone back-to-back to lead the performance rankings. **South Australia** ranked first on four of the eight indicators.

Western Australia is now ranked second with **Victoria** in third position.

NSW, Queensland, the ACT and **Tasmania** couldn't be split for fourth position. And the **Northern Territory** is eighth.

We acknowledge that the economic performance ranking criteria disadvantages the small, open economy of the **Northern Territory**. As a result, we highlight the annual growth rankings—a measure of economic momentum.

Measuring annual growth rates of the eight economic indicators, **Western Australia** is in first spot ahead of **Queensland**. **Victoria** is third and the **ACT** is fourth. **NSW** is fifth ahead of **South Australia** in sixth spot followed by the **Northern Territory** and **Tasmania** in seventh and eighth spots respectively.

2. WA

Strength

Relative population growth.

Weakness

Construction work done.

Western Australia ranks first on relative population growth.

8. NT

Strength

Relative population growth.

Weakness

Housing finance.

The Northern Territory is ranked sixth on relative population growth.

=4. QLD

Strength

Housing finance.

Weakness

Relative economic growth.

Queensland is ranked first on home loans.

=4. NSW

Strength

Relative economic growth.

Weakness

Retail spending.

NSW is ranked second on three indicators.

=4. ACT

Strength

Retail spending.

Weakness

Relative unemployment.

The ACT is ranked first on retail trade.

=4. TAS

Strength

Equipment spending.

Weakness

Relative population growth.

Tasmania is ranked second on equipment spending.

3. VIC

Strength

Retail spending.

Weakness

Housing finance.

Victoria is ranked third on four indicators.

1. SA

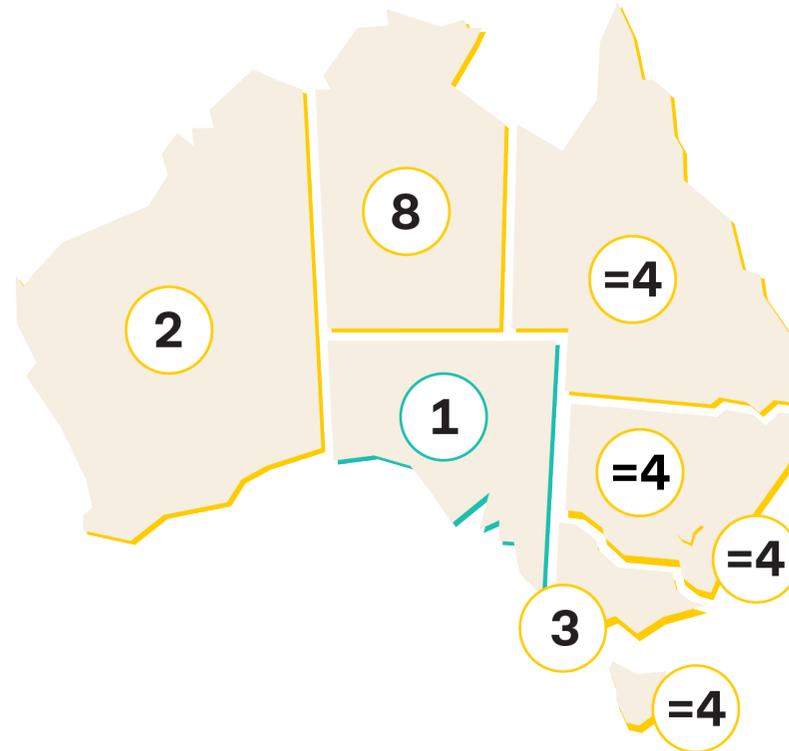
Strength

Ranked first on four indicators.

Weakness

Equipment spending.

South Australia is consistently strong across most indicators.



Source: CommSec

Overall *performance*

South Australia has retained the top spot in the *State of the States'* economic performance rankings after heading the leader-board in the January report.

South Australia ranks first on relative economic growth, relative unemployment, construction work done and dwelling starts.

Western Australia is now in second position with **Victoria** in third. The first three positions were in contention up to the release of the final indicator.

Western Australia ranks first on relative population growth and business investment. **Victoria** was solid across the board.

NSW, Queensland, the ACT and Tasmania can't be split—they all share fourth position.

The **ACT** leads on retail spending.

Tasmania has second rankings on equipment spending and dwelling starts. And the **Northern Territory** sits in eighth position.

We acknowledge that the decade-average method of assessing economic performance disadvantages the **Northern Territory**. Significant LNG construction over 2012–18 inflated a range of economic indicators. So we also compile rankings of economic momentum—that is, the annual growth rates for the eight indicators.

Western Australia has the strongest economic momentum, unchanged for the past two surveys.

Queensland is in second position ahead of **Victoria**, while the **ACT** is in fourth spot.

NSW is in fifth position ahead of **South Australian** in sixth position. The **Northern Territory** is seventh and **Tasmania** is in eighth position.

Western Australia leads other states and territories' annual growth rates on four of the eight indicators.

The **ACT** leads on two indicators. The **Northern Territory** and **Queensland**, each lead on one indicator.

South Australia is Australia's best performing economy.



Economic growth



Real economic activity in South Australia in the year to December 2023 was 9.1 per cent above a long-run average level of output.

South Australia leads on real economic growth

Ideally, Gross State Product (GSP) would be used to assess broad economic growth. But the data isn't available quarterly. To date, we have used nominal state final demand (SFD) plus trade with rolling annual totals used to remove seasonality.

But to keep the results consistent with other indicators being measured in real terms, we now measure economic growth using real state demand plus real net trade in goods and services in seasonally adjusted terms. While the data only extends back 4½ years, the results can be consistently compared for all economies in real terms.

South Australia still leads

In the December quarter 2023, economic activity in South Australia was 9.1 per cent above its long-term average level of output. NSW is in second spot, with output 8.6 per cent above the long-run average of output.

Victoria is now in third position (up 8.5 per cent) followed by the ACT (up 8.3 per cent) and Western Australia (up 6.0 per cent).

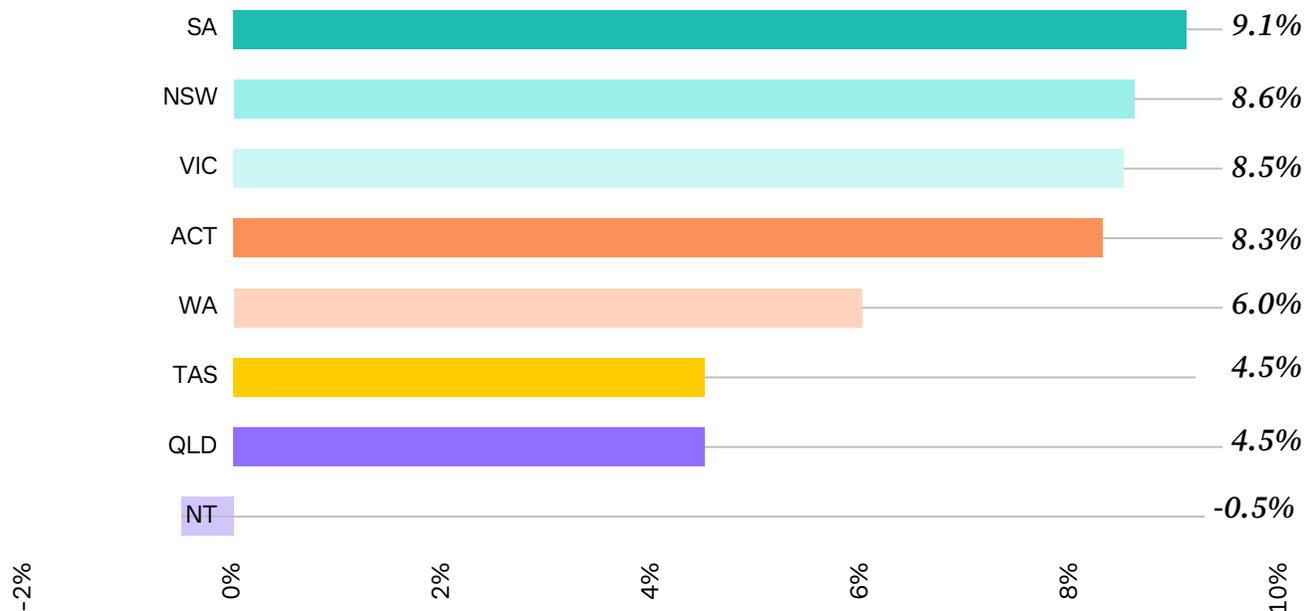
At the other end of the scale, the Northern Territory's December quarter 2023 economic activity was 0.5 per cent below its long-run average, behind Queensland and Tasmania (both up 4.5 per cent).

Queensland recorded the fastest economic growth, up 4.2 per cent over the year. Next best is Victoria (up 3.9 per cent), South Australia (up 3.6 per cent), the ACT (up 3.0 per cent); and Northern Territory (up 2.7 per cent).

Western Australia records the slowest growth

The weakest performer on annual economic activity is Western Australia (broadly unchanged); followed by Tasmania (up 0.7 per cent); and NSW (up 2.0 per cent).

If seasonally adjusted SFD is used in real terms, comparing the latest result with long-run averages reveals notable changes in the rankings. Western Australia leads from the Northern Territory (solid export growth in both economies) followed by Queensland and the ACT.



Economic growth (state final demand plus trade) real, seasonally adjusted, percentage change year to December 2023 on a long-run average.
Source: CommSec, ABS

Retail spending



The ACT still leads the retail rankings ahead of Western Australia and Victoria.

The ACT remains strongest for retail spending

The measure used was real (inflation-adjusted) retail trade in seasonally adjusted terms with December quarter 2023 data, the latest available.

The ACT leads on 'real' retail spending

Despite the rising cost of living and negative real wages, retail spending remained above the long-term average in all states and territories in the December quarter.

The ACT remains in the top position, with real spending 12.2 per cent higher in the December quarter 2023 on its decade-average levels.

Western Australia is now in second spot with spending 11.3 per cent above its 'normal' levels or the decade average.

Victoria slips to third spot with real spending up 11.2 per cent on decade-average levels. Queensland remains in fourth position, with spending 11.1 per cent up on 'normal' levels.

Tasmania is in fifth position with spending up 9.0 per cent above the long-term average.

At the other end of the rankings, Northern Territory spending was up 0.5 per cent on the decade average, behind NSW (up 8.4 per cent) and South Australia (up 8.5 per cent).

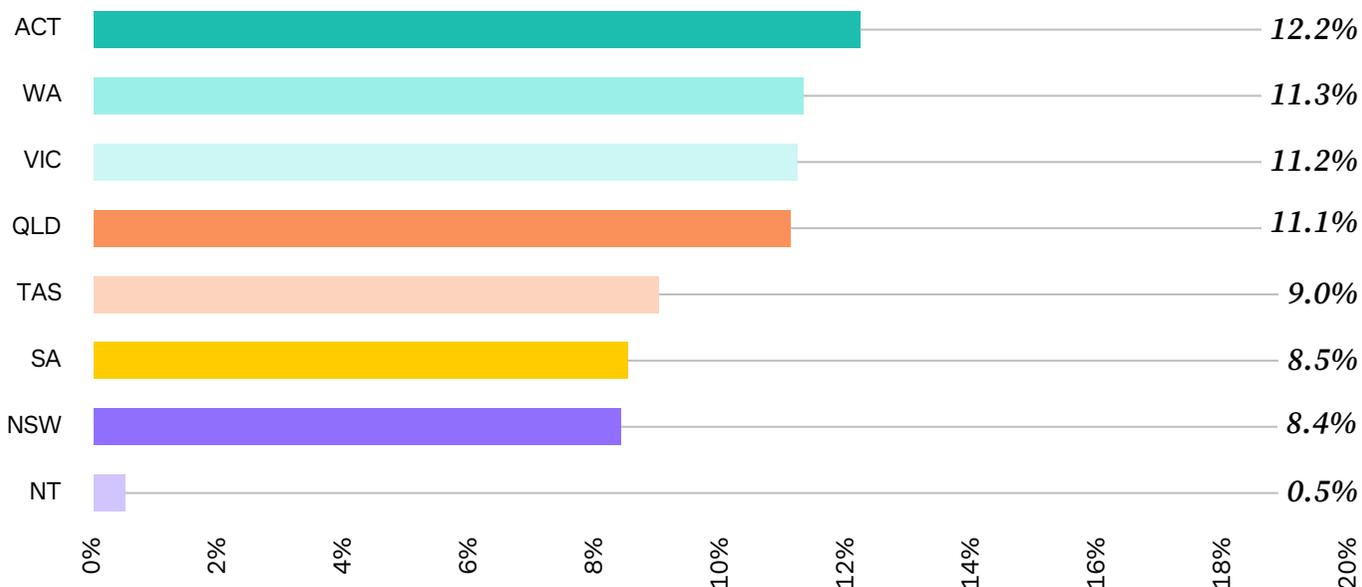
The ACT also has the fastest annual growth

In terms of annual growth of real retail trade, the ACT is the strongest (up 1.3 per cent), ahead of Western Australia (up 0.8 per cent) and South Australia (up 0.3 per cent).

At the other end of the scale, retail spending in NSW was down 1.8 per cent, behind Queensland (down 1.2 per cent), Victoria (down 1.1 per cent), Tasmania (down 0.7 per cent) and Northern Australia (unchanged).

If nominal monthly retail trade was assessed instead to calculate the rankings (February 2024 data is available), Victoria would be in top spot, ahead of the ACT, Western Australia and Queensland.

In February 2024, annual spending growth was fastest in the Northern Territory (up 3.6 per cent) ahead of South Australia and Queensland (both up 2.5 per cent).



Real retail trade, percentage change December quarter, 2023 on the decade average.

Source: CommSec, ABS

Equipment investment



In the December quarter, equipment investment in Western Australia was 34.5 per cent above the decade average.

Western Australia takes the lead on equipment investment

The measure of equipment investment is real spending on new plant and equipment in trend terms with December quarter 2023 data compared with decade averages (the 'normal' performance).

In the December quarter of 2023, seven states and territories had equipment spending above or in line with decade-average levels, up from six in the September quarter 2023 survey.

Western Australia takes the lead

Equipment investment in Western Australia was up by 34.5 per cent on the decade average, ahead of Tasmania (up 28.8 per cent). Victoria is still in third position (up 19.9 per cent) with ACT now fourth (up 14.9 per cent), ahead of NSW (up 11.8 per cent) and Queensland (up 8.6 per cent).

At the other end of the scale, equipment investment in the Northern Territory was down 0.4 per cent on the decade average with South Australia up just 0.6 per cent.

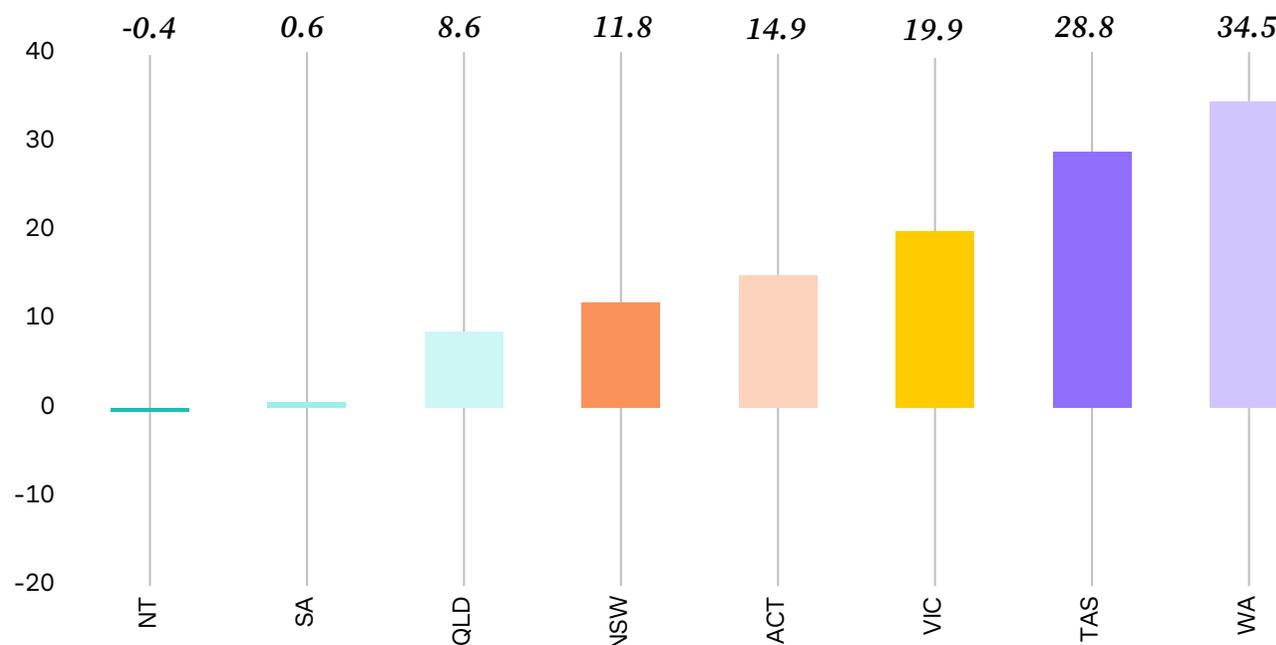
On a shorter-run analysis, real equipment investment in the December quarter 2023 was up on a year ago in four of the eight states and territories, unchanged from the result in the September quarter of 2023.

Equipment investment in the Northern Territory was up 29.3 per cent on the previous year, ahead of Western Australia (up 19.2 per cent); ACT (up 16.7 per cent); Victoria (up 14.2 per cent); NSW (up 0.2 per cent); and Queensland (down 0.4 per cent).

South Australia lags on annual comparisons

At the other end of the scale, new equipment investment in South Australia was 11.6 per cent lower than a year ago, behind Tasmania (down 6.1 per cent).

Equipment investment was at record highs in Victoria in the December quarter 2023 and at 11-year highs in Western Australia. But investment was near 3-year lows in South Australia.



Equipment spending, percent change December quarter, 2023 on the decade average.

Source: CommSec, ABS

Unemployment



With unemployment at 35.8 per cent below its decade-average level, South Australia has the strongest job market.

South Australia has the strongest job market

Which state or territory has the strongest job market in the nation? It is not an easy question to answer. But we have looked at unemployment rates across state and territory economies, comparing the rates with the decade average.

On this measure, South Australia has the strongest job market. Trend unemployment in South Australia was at 3.8 per cent in March 2024, 35.8 per cent below the decade-average level.

Western Australia is now in second spot

Next best is Western Australia, its 3.6 per cent jobless rate is 32.2 per cent below the decade average.

Tasmania comes next (30.6 per cent below the decade average), ahead of Queensland (27.4 per cent below the 10-year average), Victoria (24.1 per cent below the decade average).

At the other end of the scale, the ACT jobless rate of 3.9 per cent is 0.6 per cent above the 3.88 per cent decade average rate.

Ahead of the ACT is the Northern Territory, its jobless rate of 4.3 per cent is 14.3 per cent below the decade average, and NSW (23.5 per cent below the decade average).

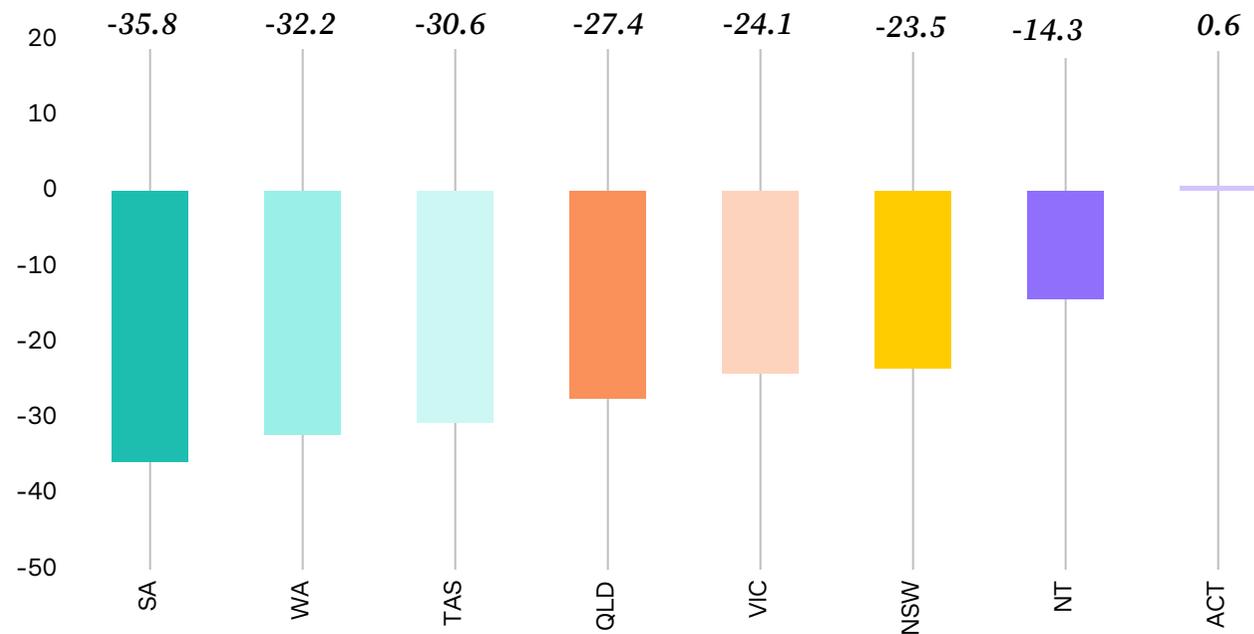
In March 2024, employment in all the states and territories was above decade-average levels. Western Australia was strongest on this measure with employment 15.1 per cent higher than the decade average. Queensland was second.

Western Australia has the fastest job growth

Looking over the year to March 2024, employment in all states and territories recorded annual gains except Tasmania.

Performing best was Western Australia (up 4.1 per cent), ahead of Queensland (up by 3.4 per cent) and Victoria (up 3.0 per cent).

Jobs in NSW were up by 2.3 per cent over the year; the Northern Territory (up by 2.2 per cent); the ACT (up 0.7 per cent); South Australia (up 0.3 per cent); and Tasmania (down 1.8 per cent).



Unemployment, trend, percent change in March 2024 on the decade average.

Source: CommSec, ABS

Construction work



Up 22.2 per cent on the decade-average level, South Australia is strongest for construction work done.

South Australia is strongest for construction work

The measure used for analysis was the total real value of residential, commercial and engineering work completed in trend terms in the December quarter 2023.

In six of the eight states and territories, construction work in the December quarter was higher than the decade average, up from five in the previous quarter.

South Australia still on top

South Australia remains in the top spot for construction work done. In South Australia, construction work done is 22.2 per cent above its decade average, ahead of NSW, 15.9 per cent above the decade average.

Tasmania is next (up from fourth) with work done 15.7 per cent above the decade average, ahead of Victoria (up 14.4 per cent) and the ACT (up 5.6 per cent).

At the lower end of the scale, the Northern Territory construction work done in the December quarter was 40.1 per cent below the decade average.

Next lowest was Western Australia with construction work down 2.2 per cent on the decade average, behind Queensland (up 3.3 per cent).

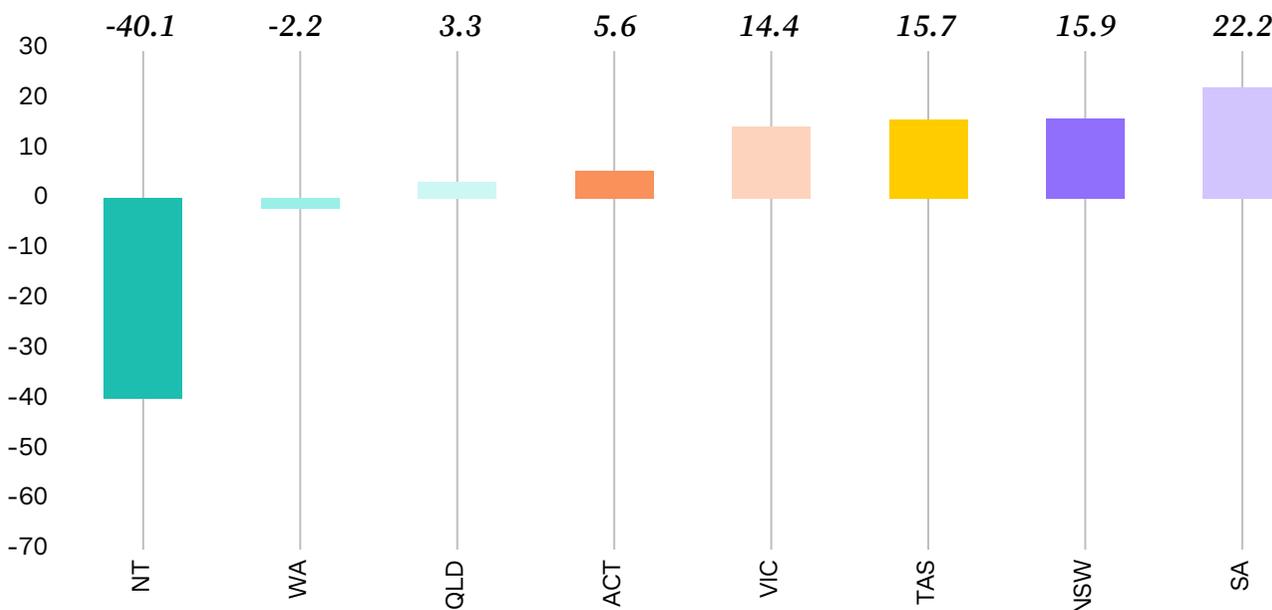
Only Victoria posted weaker growth in the December quarter (down 1.2 per cent) while Western Australia was strongest (up 5.3 per cent).

Western Australia leads annual growth

In terms of annual growth rates, all economies had construction work higher than a year ago. Western Australia was the strongest performer, up 21.4 per cent, ahead of Queensland (up 11.7 per cent); Northern Territory (up 10.1 per cent), and NSW (up 8.5 per cent).

South Australia was next best (up 6.4 per cent); followed by the ACT (up 5.8 per cent) and Tasmania (up 4.0 per cent).

At the other end of the scale, construction work in Victoria was down by 0.4 per cent.



Construction work done, trend, percent change, December quarter 2023 on the decade average.

Source: CommSec, ABS

Population growth



Western Australia has both the highest relative, and absolute population growth.

Western Australia leads relative population growth

We assess relative population performance—that is, we compare the current annual growth rate to each economy's decade average ('normal') growth pace. This is most relevant to the economic performance of each state or territory.

Population growth is clearly an important driver of the broader economy, especially retail spending and housing demand. With the ending of foreign border closures, annual population growth is strong across states and territories. Now seven states or territories have population growth above the decade-average.

Western Australia in top spot

Western Australia is the strongest on relative population growth, with its 3.33 per cent annual population growth rate 125.1 per cent above the decade average for the year to the September quarter 2023 (latest available).

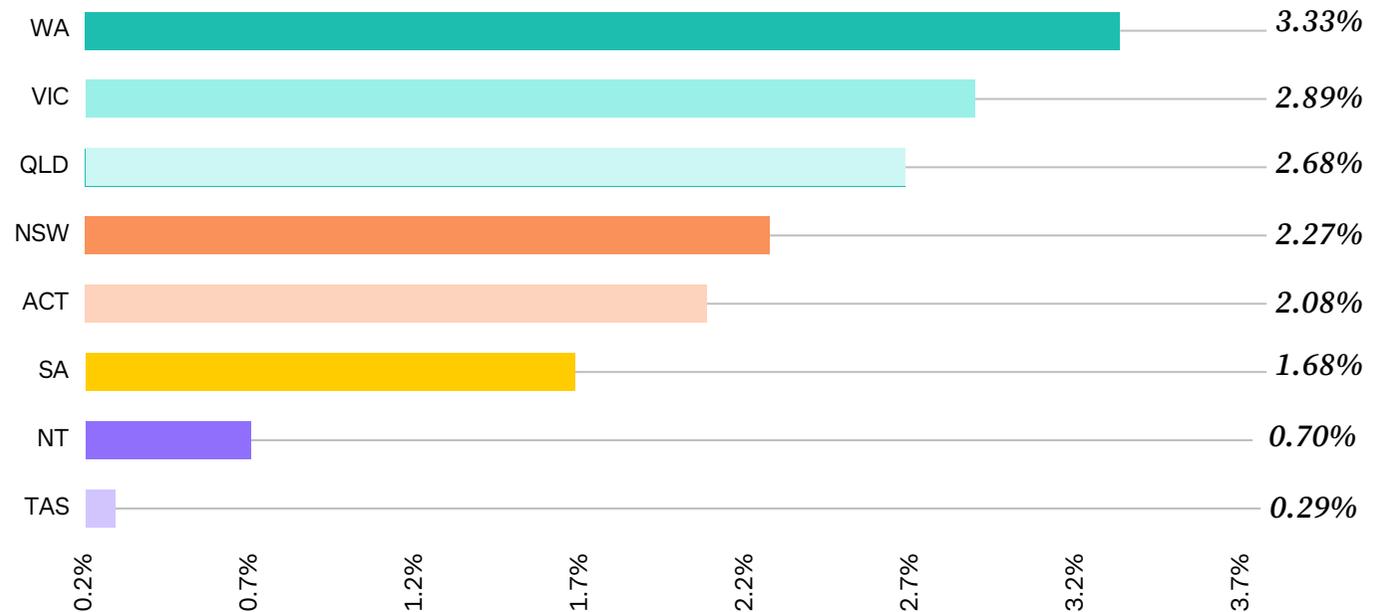
NSW is now second on the relative annual population growth measure—the 2.27 per cent annual population growth rate is up 90.2 per cent on the decade average.

Next strongest was Victoria (up 72.7 per cent), Queensland (up 67.5 per cent), followed by South Australia (up 64 per cent); Northern Territory (up 54.7 per cent); the ACT (up 5.1 per cent); and Tasmania (down 74.6 per cent).

The state with the fastest absolute annual population growth is Western Australia (up 3.33 per cent). Next strongest is Victoria (up 2.89 per cent), followed by Queensland (up 2.68 per cent); NSW (up 2.27 per cent); the ACT (up 2.08 per cent); South Australia (up 1.68 per cent); the Northern Territory (up 0.70 per cent) and Tasmania (up 0.29 per cent).

The 3.33 per cent annual population growth in Western Australia and the 2.68 per cent annual population growth in Queensland are respectively the strongest growth rates for around 14 years. The 2.27 per cent annual population growth in NSW and the Victorian population growth of 2.89 per cent are respectively record highs.

In Tasmania, annual population growth is the weakest in around eight years.



Population, absolute annual percent change, September quarter 2023 (latest).

Source: CommSec, ABS

Housing *finance*



Queensland is in top spot, with the value of home loans up by 21.1 per cent on the long-term average.

Queensland retains top spot for home loans

The measure used was the trend value of owner-occupier housing finance commitments (home loans) excluding refinancing and this was compared with the decade average for each respective state and territory. Data for February 2024 is the latest available.

Housing finance is not just a leading indicator for real estate activity and housing construction, but it is also a useful indicator of activity in the financial sector.

It would be useful to compare figures on commercial, personal and lease finance, but long-term data is not yet available.

Housing finance is above decade averages

In all states and territories except the Northern Territory, housing finance commitments remain above decade averages. In the previous three reports similar findings were obtained.

But home loans are still below last year's levels in two states and territories (compared with three states last survey).

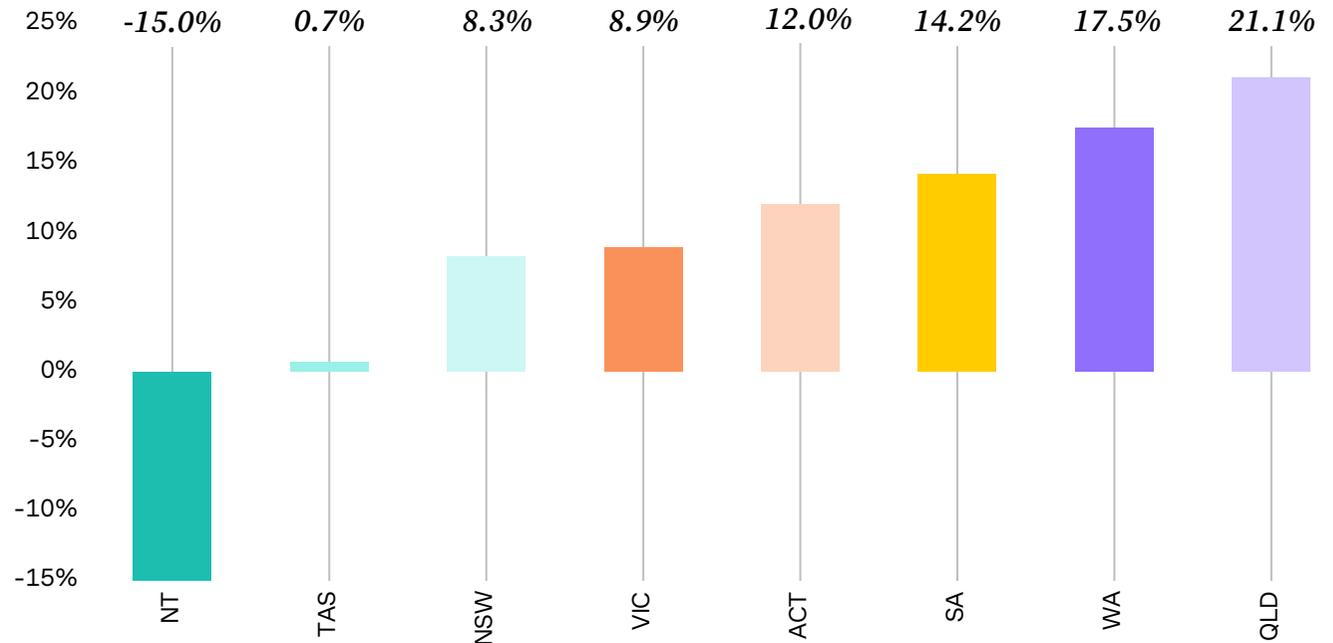
Queensland remains in the top spot, with the value of home loans up by 21.1 per cent on the long-term average. The next strongest Western Australia (up 17.5 per cent), South Australia (up 14.2 per cent) and the ACT (up 12 per cent).

The Northern Territory is the weakest

The Northern Territory is still the weakest for housing finance with commitments 15 per cent lower than its decade average. Commitments in Tasmania were up 0.7 per cent on the decade average, behind NSW (up 8.3 per cent) and Victoria (up 8.9 per cent).

In annual terms, lending in Western Australia is strongest, up 12.1 per cent, followed by Queensland (up 10.1 per cent).

Home loans in Victoria were up 8.8 per cent; followed by NSW (up 7.4 per cent); South Australia (up 4.7 per cent); the ACT (up 1.6 per cent); Tasmania (down 7.7 per cent); and Northern Territory (down 14.9 per cent).



Housing finance commitments, percent change February 2024 on the decade average.

Source: CommSec, ABS

Dwelling starts



Dwelling starts in South Australia in the December quarter of 2023 were down on the decade-average level by 8.6 per cent.

South Australia leads on dwelling starts

The measure used is the trend number of dwelling commencements (starts), compared to the decade-average level of starts. Housing starts are driven in part by population growth and housing finance, and can affect retail trade, unemployment and overall economic growth. However, any over-building or under-building in previous years can affect the current level of starts.

South Australia on top

South Australia still leads other economies on dwelling starts. In the December quarter 2023, starts in South Australia were 8.6 per cent below the decade average. Tasmania remains in second spot, with starts 17.6 per cent below 'normal' (the decade average).

The ACT is in third spot with starts down 19.5 per cent on the decade average, from Victoria (down 21 per cent on 'normal').

At the other end of the scale, dwelling starts in the Northern Territory were 60.9 per cent below the decade average.

Next weakest was Western Australia (down 38.6 per cent); below NSW (down 31.2 per cent); and Queensland (down 27.5 per cent).

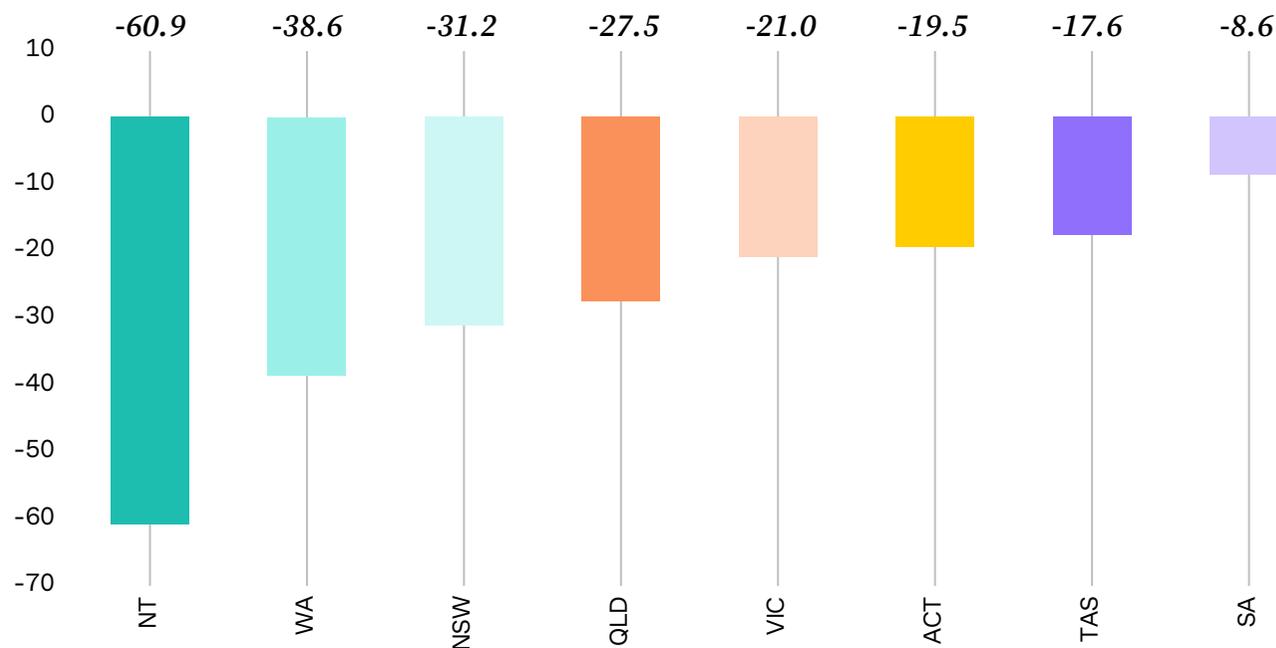
In terms of changes over the December quarter, all states posted declines.

Tasmania fell the most, down 9.6 per cent, while starts in Queensland fell 9.4 per cent. Starts in the ACT fell only 1.0 per cent. And in Victoria, starts fell by 1.4 per cent.

All economies post annual declines

In terms of annual changes, starts in the ACT fell 3.1 per cent followed by South Australia (down 8.9 per cent). Next 'best' was Victoria (down 10.4 per cent) ahead of NSW (down 16.7 per cent); Western Australia (down 18.4 per cent); and Queensland (down 18.9 per cent).

Starts in the Northern Territory fell most over the year (down 42 per cent); followed by Tasmania (down 23.5 per cent).

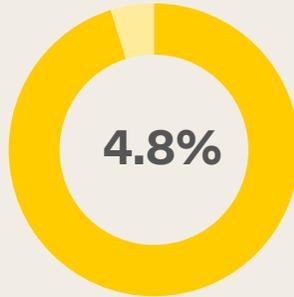


Dwelling starts, trend, percent change, December quarter 2023 on decade average.

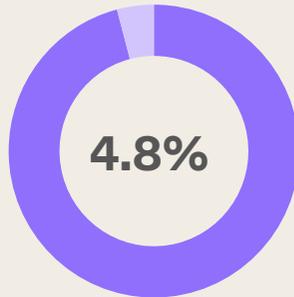
Source: CommSec, ABS

Other indicators

Highest inflation rate in Adelaide, SA



Fastest wage growth in Queensland



National home prices rose by



Adelaide, SA posts the biggest lift in consumer prices

Annual percentage changes of consumer prices eased across all capital cities in the December quarter of 2023.

Adelaide, SA had the highest annual inflation rate in the December quarter 2023 at 4.8 per cent, ahead of Sydney, NSW and Brisbane, Queensland (both 4.2 per cent).

With annual inflation rates easing and wage growth rates remaining high or lifting further, six of the states and territories had positive real wage growth in the December quarter 2023 (the gap between wage growth and inflation).

Nationally in the December quarter 2023, consumer prices rose 0.6 per cent, with the annual rate falling from 5.6 per cent to 4.1 per cent. The underlying (or trimmed mean) measure rose by 0.8 per cent in the quarter with the annual rate down from 5.2 per cent to 4.2 per cent.

The Wage Price Index in the year to the December quarter 2023 was strongest in Queensland (4.8 per cent), ahead of Western Australia (4.7 per cent); Tasmania, NSW and the Northern Territory (all 4.3 per cent).

Wages in South Australia were up by 4.0 per cent, ahead of the ACT (up 3.9 per cent) and Victoria (up 3.7 per cent).

Firmer growth of home prices

Turning to home prices, in March 2024 seven of the states and territories posted annual increases in home prices. Also, the annual price changes of homes were higher in all of the economies except Victoria in the latest month compared with three months earlier.

National home prices rose by 8.8 per cent over the year to March, after rising by 8.2 per cent in the year to December.

The strongest annual growth in home prices was in Western Australia (up 18.7 per cent); followed by Queensland (up 13.4 per cent); South Australia (up 12.8 per cent); NSW (up 8.3 per cent); Victoria (up 2.6 per cent); the ACT (up 1.9 per cent); and Tasmania (up 0.3 per cent).

Home prices fell in the Northern Territory over the past year (down 0.4 per cent).

	CPI Dec Qtr. 2023	Wages Dec Qtr. 2023	Home Prices March 2024
NSW	4.2	4.3	8.3
VIC	3.8	3.7	2.6
QLD	4.2	4.8	13.4
SA	4.8	4.0	12.8
WA	3.6	4.7	18.7
TAS	3.3	4.3	0.3
NT	3.9	4.3	-0.4
ACT	3.7	3.9	1.9



Western Australia

The fastest annual lift in home prices was in Western Australia, up **18.7%**.

*Annual % change.

Source: ABS, CoreLogic, CommSec. CPI—Consumer Price Index. Wages—Wage Price Index.

Annual growth rates

Western Australia heads the leaderboard when annual growth rates are assessed for the eight economic indicators.

Growth leaders

The *State of the States* report assesses economic performance by looking at the most recent results—such as retail trade or construction—and compares that with the ‘normal experience’. And by ‘normal experience’, we define this as the decade average.

A resident of the state or territory can therefore assess whether they are experiencing relatively better economic times. Comparing states or territories on the same criteria determines which state or territory is performing the best on a certain indicator.

In addition to relative economic performance, some are also interested in economic momentum. That is, annual changes to the key indicators. A state or territory may have been under-performing, but if annual growth is strengthening, then this suggests that performance has scope to improve.

As noted above, annual growth rates are a better tool of measurement of economic performance for the Northern Territory as the small, open economy is buffeted by big projects (such as LNG construction over 2012–18 period which inflated decade averages).

Western Australia leads on annual growth

If we focus just on annual growth rates, the top of the leader-board changes markedly.

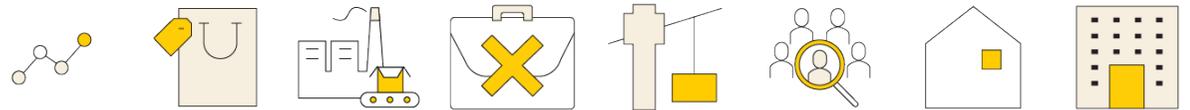
On an aggregate basis (looking across all indicators), **Western Australia** has the strongest economic momentum, unchanged from the January 2024 survey ranking.

Queensland is in second position ahead of **Victoria** while the **ACT** is in fourth spot.

NSW is in fifth position ahead of **South Australia** in sixth position, the **Northern Territory** is seventh and **Tasmania** is in eighth position.

Western Australia leads other states and territories on annual growth rates on four of the eight indicators.

The **ACT** leads on two indicators. The **Northern Territory and Queensland**, each lead on one indicator.



	Economic growth	Retail spending	Equipment investment	Employment growth	Construction work	Population growth	Housing finance	Dwelling starts
NSW	2.0	-1.8	0.2	2.3	8.5	2.27	7.4	-16.7
VIC	3.9	-1.1	14.2	3.0	-0.4	2.89	8.8	-10.4
QLD	4.2	-1.2	-0.4	3.4	11.7	2.68	10.1	-18.9
SA	3.6	0.3	-11.6	0.3	6.4	1.68	4.7	-8.9
WA	0.0	0.8	19.2	4.1	21.4	3.33	12.1	-18.4
TAS	0.7	-0.7	-6.1	-1.8	4.0	0.29	-7.7	-23.5
NT	2.7	0.0	29.3	2.2	10.1	0.70	-14.9	-42.0
ACT	3.0	1.3	16.7	0.7	5.8	2.08	1.6	-3.1
Aust	2.6	-1.0	5.8	2.6	8.5	2.52	8.1	-15.0

Source: CommSec

Looking ahead

There is little to separate three states in terms of economic performance.

New auto sales; Looking ahead

Timely data on new vehicle sales is available on a monthly basis. The latest data covers March 2024. We don't include vehicle sales in assessing overall economic performance as we look at broader data on consumer spending. But the vehicle sales figures are worth noting.

In all the states and territories, rolling annual new vehicle sales are above 'normal'. Western Australia is doing best with vehicle sales up by 24.8 per cent on the decade average. Looking at the yearly change of the rolling annual sum of new vehicle sales, all economies recorded growth. Doing best is Western Australia, up 19.8 per cent on a year ago.

South Australia still to the top...just

South Australia remains at the top of the economic performance rankings after vaulting to top position for the first time in the previous survey. South Australia is just ahead of Western Australia (up from fourth) and Victoria (down from second position).

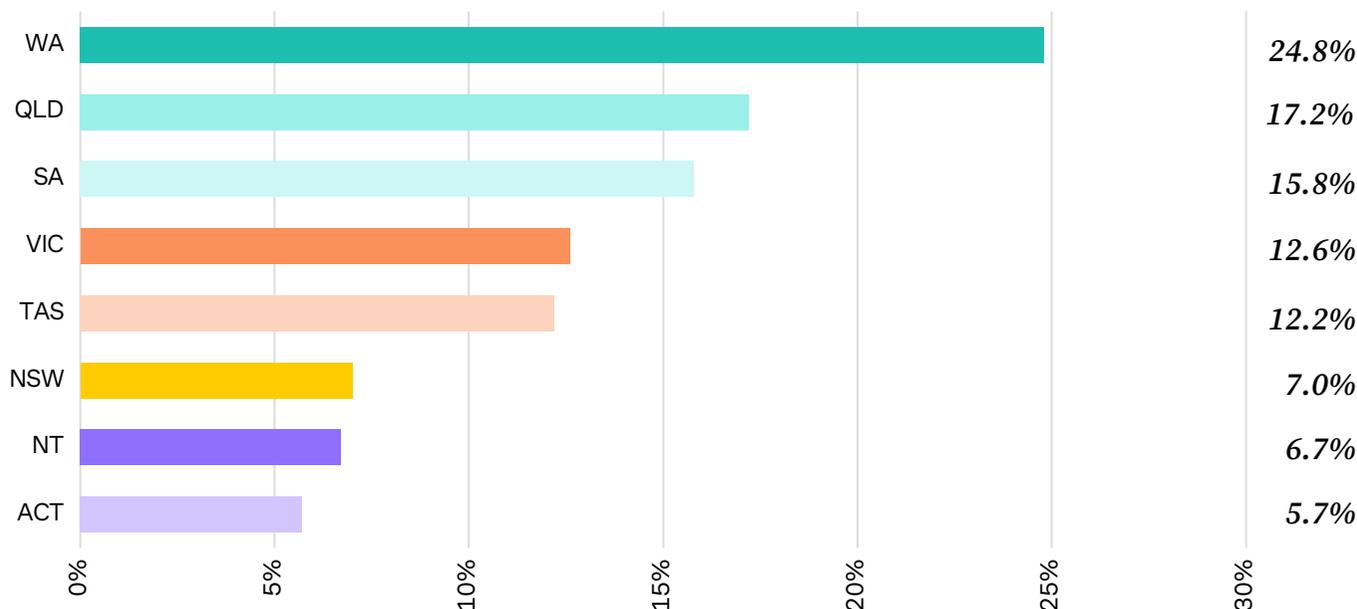
Overall, economies have slowed in response to higher interest rates, but have generally remained resilient, underpinned by firm population growth and low unemployment.

Where to from here?

Last quarter we noted that **South Australia, NSW** and **Victoria** "are most likely to challenge for top spot". While we were right about **South Australia, Western Australia** was the surprise, up from fourth to second.

Western Australia gained ground in five indicators, especially economic growth.

Looking ahead, **South Australia, Western Australia** and **Victoria** could conceivably take top spot in the next quarterly survey. But apart from the **Northern Territory**, none of the other states and territory can be ruled out given solid population growth and firm job markets.



Motor vehicle registrations, percent change in the twelve months to March 2024 on the decade average.

Source: CommSec, ABS, Federal Chamber of Automotive Industries



CommSec

State of the States

Methodology

Each of the state and territory economies were assessed on eight key indicators: economic growth; retail spending; equipment investment; unemployment, construction work done; population growth; housing finance and dwelling commencements.

The aim is to find how each economy is performing compared with 'normal'. Similar to what the Reserve Bank does with interest rates, we used decade averages to judge the 'normal' state of affairs. For each economy, the latest level of the indicator—such as retail spending or economic growth—was compared with the decade average.

While we also looked at the current pace of growth to assess economic momentum, it may yield perverse results to judge performance. For instance, retail spending may be up sharply on a year ago but from depressed levels. Overall spending may still be well below 'normal'.

And clearly some states, such as Queensland and Western Australia, traditionally have had faster economic growth rates due to historically faster population growth. So the best way to assess economic performance is to look at each indicator in relation to what would be considered 'normal' for that state or territory.

For instance, the trend jobless rate in NSW stood at 3.7 per cent in March 2024. But the NSW unemployment rate was 23.5 per cent below its decade average, while the South Australian jobless rate of 3.8 per cent was 35.8 per cent below its decade average. So South Australia ranks above NSW on this indicator.

Seasonally adjusted or trend measures of the economic indicators were used to assess performance on all measures. The preference was for the less volatile trend measures. Original data is used to assess population growth.

We now measure economic growth using real state demand plus real net trade in goods and services in seasonally adjusted terms. While the data only extends back four years, the results can be consistently compared for all economies in real terms.

State of the States



State and Territory Economic Performance Report

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