

## Overview

CommSec assess the overall economic performance of each jurisdiction on eight key indicators: economic growth; retail spending; equipment investment; unemployment; construction work done; population growth; housing finance; and dwelling commencements.

It should be noted that the CommSec report measures economic performance in terms of each jurisdiction's change relative to their respective 10 year average 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.

The Northern Territory was ranked the fourth best performing economy, in terms of overall economic performance, above Queensland, South Australia Western Australia and Tasmania.

The Territory was ranked first for unemployment and construction work done.

The Territory was ranked last for population growth, business (equipment) investment and housing finance, due in part to near record levels experienced in some indicators over the last decade.

## State Final Demand

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) is used as a proxy for GSP. This may not always produce an accurate measure of overall economic performance, as it excludes trade.

Based on this method, the Territory was ranked fourth in terms of economic growth, with growth in trend SFD 8.8 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 New South Wales to 4.3 per cent in Tasmania.

## Retail Trade

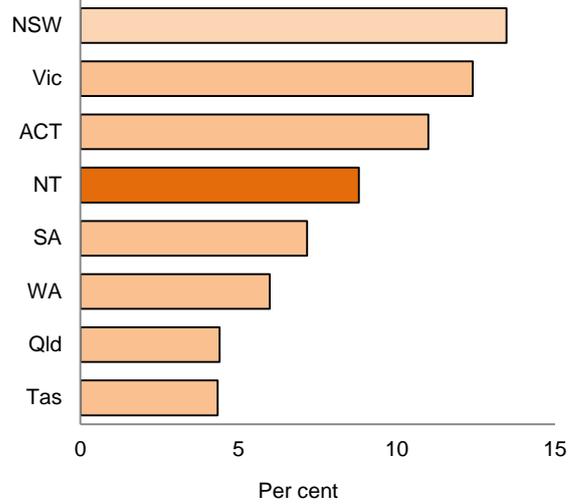
The measure used by CommSec to rank retail trade performance is inflation-adjusted retail trade in trend terms, with March quarter 2016 data the latest available.

The Territory was ranked sixth for retail spending in the March quarter 2016, 8.6 per cent above the decade average (Chart 2). New South Wales was ranked first, supported by housing activity and lower unemployment, while South Australia was the lowest ranked jurisdiction.

## Unemployment

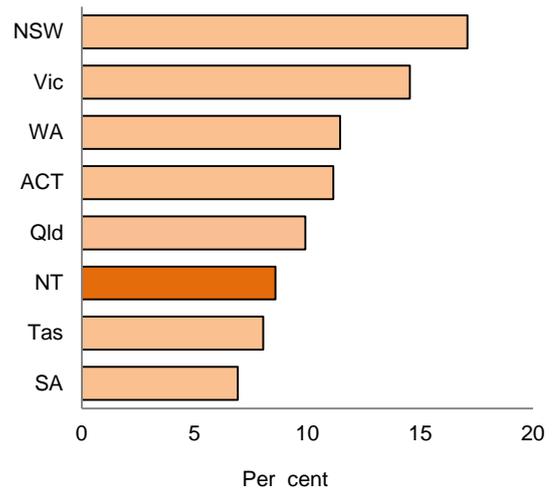
The Territory is assessed as having the strongest job market, with its unemployment rate of 3.7 per cent 7.6 per cent below the Territory's decade average (Chart 3). New South Wales and the Australian Capital Territory were the only other jurisdictions to record an unemployment rate below their decade average.

**Chart 1: Trend SFD Growth Compared to Decade Average**



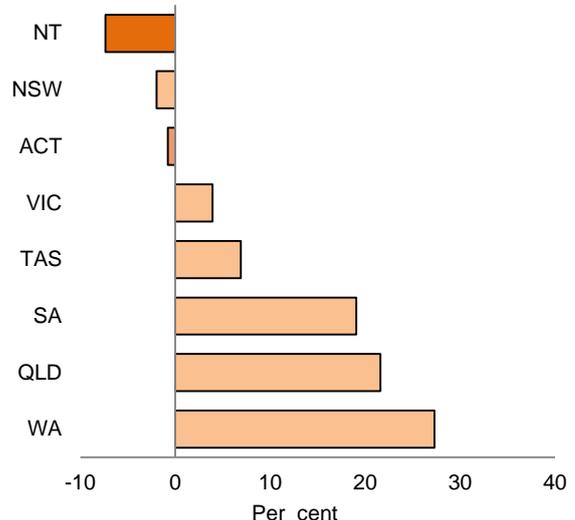
Source: Australian Bureau of Statistics and CommSec

**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: Australian Bureau of Statistics 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 2015, the Territory was ranked lowest in terms of annual population growth (Chart 4). The Territory's annual population growth of 0.3 per cent was 79.7 per cent lower than the decade average level of 1.7 per cent.

New South Wales was ranked first, with its annual population growth of 1.4 per cent being 7.0 per cent higher than decade average levels.

### Construction Work

The measure used by CommSec for construction work done is the total amount of residential, commercial and engineering work completed in trend terms during the March quarter 2016, 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 2016 being 42.8 per cent above the decade average level (Chart 5). Queensland was the weakest jurisdiction, with construction work done being 18.1 per cent lower than the decade average level.

### Equipment Investment

The Territory was ranked last in equipment investment, with March quarter 2016 equipment investment levels 47.2 per cent lower than the decade average level. New South Wales (up 12.2 per cent) and the Victoria (up 1 per cent) were the only jurisdictions with equipment investment above decade averages.

### Dwelling Commencements

The measure used by CommSec is the trend number of dwelling commencements in comparison with the decade-average level of commencements.

The Territory was ranked fifth in terms of dwelling commencements in the March quarter 2016. Dwelling commencements in the Territory were 11.1 per cent above the decade average level (Chart 6).

New South Wales remains in first place, with dwelling commencements almost 77 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.

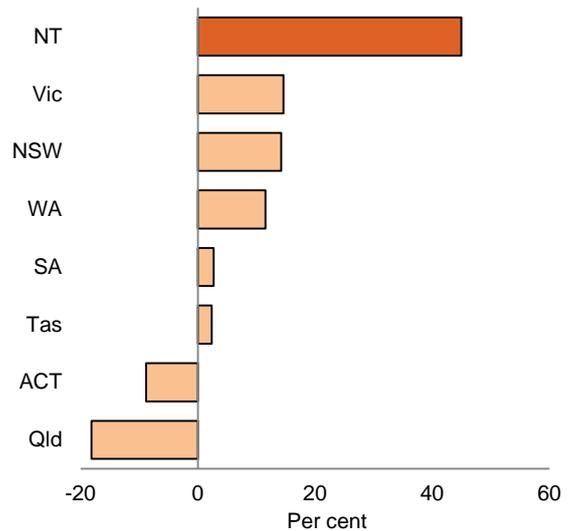
Housing finance commitments in the Territory in May 2016 were 21.0 per cent below the decade average, the weakest of the jurisdictions. The Australian Capital Territory was ranked the highest, with housing finance commitments 26.2 per cent above the decade average level.

Chart 4: Annual Population Growth



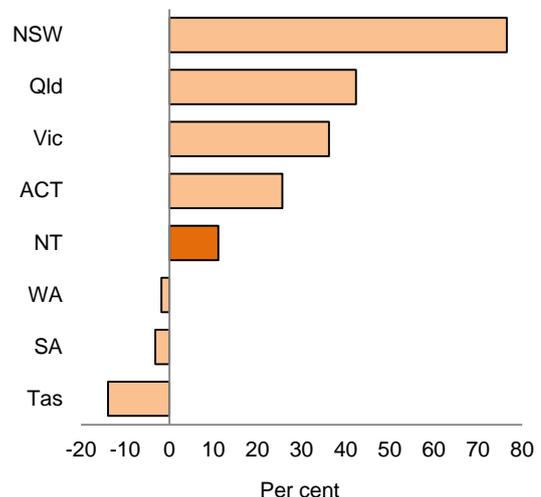
Source: Australian Bureau of Statistics and CommSec

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