



CommSec

State of the States

State and Territory
Economic Performance Report

October 2024

Edition 61

Western 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 16th 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.

Western Australia now leads the national performance rankings for the first time in a decade. The state is ranked first on three of the eight indicators. In a closely fought contest, **South Australia** slips to second spot.

The big mover is **Queensland**, which jumps up to third from fifth place. **Victoria** slips off the podium to fourth from third place, with **Tasmania** inching up to fifth from sixth spot.

The **ACT** has tumbled to sixth place from fourth, followed by **NSW**, which is still in seventh place.

The **Northern Territory** remains in eighth spot. We acknowledge that the economic performance ranking criteria disadvantages this small, open economy. 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 now alone in first spot. **Queensland** is second, the **Northern Territory** is third and the **ACT** is fourth. **Tasmania** stays fifth ahead of **South Australia** in sixth spot, followed by **Victoria** and **NSW** in seventh and eighth spots, respectively.

1. WA

Strength

Relative population growth.

Weakness

Dwelling starts.

Western Australia is consistently strong across most indicators.

8. NT

Strength

Relative population growth.

Weakness

Housing finance.

The Northern Territory is ranked eighth on five indicators.

3. QLD

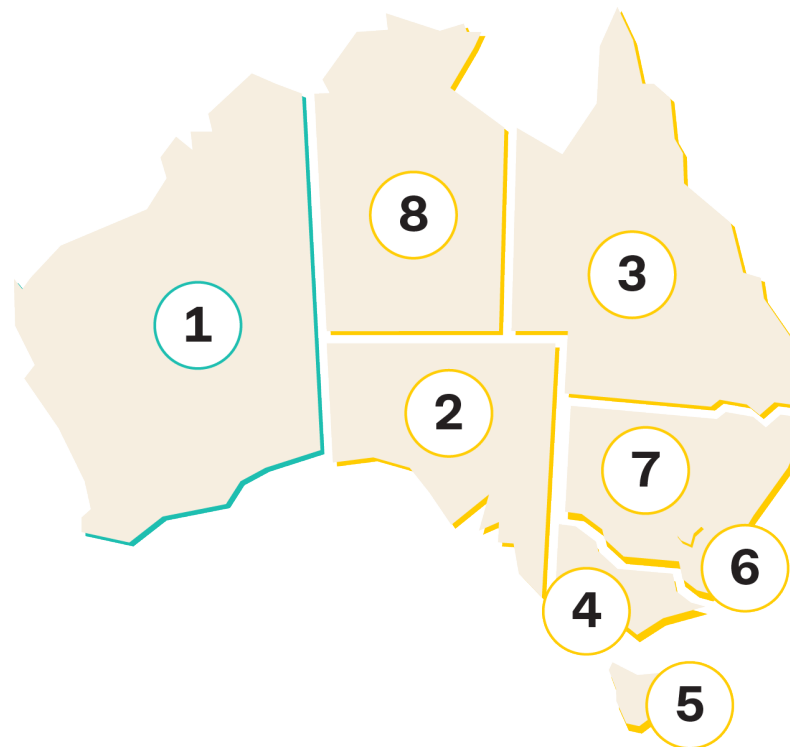
Strength

Housing finance.

Weakness

Construction work.

Queensland is ranked third on two indicators.



7. NSW

Strength

Relative population growth.

Weakness

Retail spending.

NSW is ranked seventh on three indicators.

6. ACT

Strength

The ACT is ranked second on two indicators.

Weakness

Relative unemployment.

The ACT is ranked seventh on three indicators.

2. SA

Strength

Economic growth.

Weakness

Retail spending.

South Australia ranks first on two indicators.

5. TAS

Strength

Equipment spending.

Weakness

Relative population growth.

Tasmania is ranked fourth on two indicators.

4. VIC

Strength

Construction work done.

Weakness

Equipment spending.

Victoria is ranked fourth on two indicators.

Overall *performance*

Western Australia tops the *State of the States'* economic performance rankings for the first time since July 2014.

Western Australia ranks first on retail spending, relative unemployment and relative population growth.

South Australia dips to second place, ranking first on economic growth and dwelling starts.

Queensland is now close behind in third spot, jumping from fifth place, with solid results across the board.

Victoria slips to fourth place—leading on construction work done— and is in fourth spot on two indicators.

Tasmania has moved up to fifth from sixth spot—ranking first on equipment spending—but is held-back by lower rankings on other indicators.

The **ACT** has tumbled to sixth from fourth position, while **NSW** is still in seventh place, both ranking seventh on three indicators.

The **Northern Territory** remains in last place. But we acknowledge that the decade-average method of assessing economic performance disadvantages the 'Top End.' 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.

Resources-focused **Western Australia**, **Queensland** and the **Northern Territory** all have the strongest annual economic momentum, with 'The West' first for a fourth successive survey.

Queensland is now in second spot with the **Northern Territory** jumping into third. The **ACT** is in fourth spot ahead of **Tasmania** in fifth. **South Australia** is sixth, with **Victoria** now seventh and **NSW** in eighth position.

Western Australia leads other states and territories' annual growth rates on three of the eight indicators. **Queensland** is first placed on two economic indicators.



Western Australia is
**Australia's best
performing economy.**

Economic growth



Real economic activity in South Australia in the year to June 2024 was 8.4 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 over 4½ years, the results can be consistently compared for all economies in real terms.

South Australia takes the lead

In the June quarter 2024, economic activity in South Australia was 8.4 per cent above its long-term average level of output. The ACT drops back from first to second spot, with output 8.2 per cent above the long-run average of output.

Victoria remains in third position (up 7.1 per cent) followed by Queensland (up 6.4 per cent) and NSW (up 4.9 per cent).

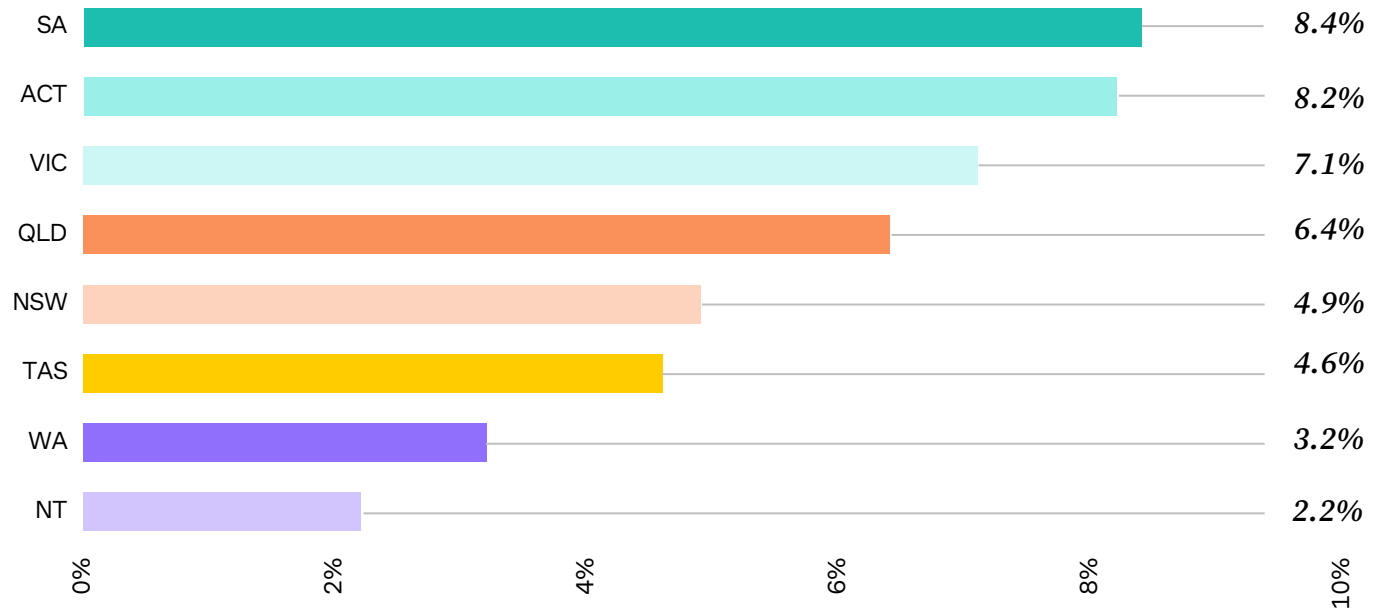
At the other end of the scale, the Northern Territory's June quarter economic activity was 2.2 per cent above its long-run average, behind Western Australia (up 3.2 per cent) and Tasmania (up 4.6 per cent).

South Australia recorded the fastest economic growth, up 3.0 per cent over the year. Next best is Tasmania (up 2.8 per cent), the ACT (up 2.0 per cent), Victoria (up 1.8 per cent) and Queensland (up 0.3 per cent).

Northern Territory records the slowest growth

The weakest performer on annual economic activity in the quarter is Northern Territory (down 1.6 per cent), followed by NSW (down 0.9 per cent) and Western Australia (down 0.8 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. Northern Territory (due to solid export growth) leads from Western Australia and Victoria.



Economic growth (state final demand plus trade) real, seasonally adjusted, percentage change year to June 2024 on a long-run average.

Source: CommSec, ABS

Retail spending



Western Australia leads the retail rankings ahead of the ACT and Queensland.

Western Australia now strongest for retail spending

The measure used was real (inflation-adjusted) retail trade in seasonally adjusted terms with June quarter 2024 data, the latest available.

Western Australia leads on 'real' retail spending

Despite the rising cost of living and higher borrowing costs, retail spending remained above the long-term average in all states and territories in the June quarter.

Western Australia has moved up from third to the first position, with real spending 10.5 per cent higher in the June quarter 2024 on its decade-average levels.

The ACT slips to second spot with spending 10.1 per cent above its 'normal' levels or the decade average.

Queensland lifts to third spot with real spending up 9.1 per cent on decade-average levels. Victoria falls to fourth position, with spending up 9.0 per cent on 'normal' levels.

Tasmania is still in fifth position with spending up 7.4 per cent above the long-term average.

At the other end of the rankings, Northern Territory spending was up 1.2 per cent on the decade average, behind NSW (up 6.3 per cent) and South Australia (up 6.5 per cent).

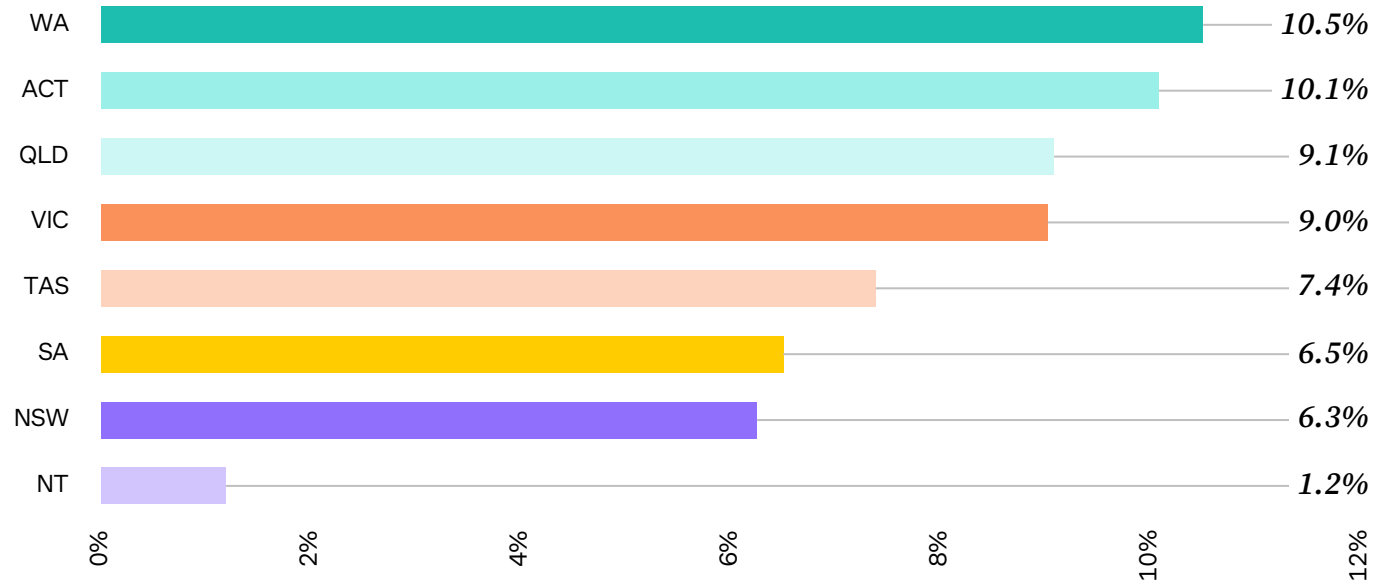
Tasmania has the fastest annual growth

In terms of annual growth of real retail trade, Tasmania is the strongest (up 0.9 per cent), ahead of the Northern Territory and Western Australia (both up 0.5 per cent) and Queensland (up 0.4 per cent).

At the other end of the scale, retail spending in NSW was down 1.2 per cent, behind South Australia and Victoria (both down 1.1 per cent) and the ACT (down 0.5 per cent).

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

In August 2024, annual spending growth was fastest in Northern Territory (up 5.9 per cent) ahead of Western Australia (up 4.5 per cent).



Real retail trade, seasonally adjusted, percentage change June quarter, 2024 on the decade average.

Source: CommSec, ABS

Equipment investment



In the June quarter, equipment investment in Tasmania was 36.4 per cent above the decade average.

Tasmania takes the lead on equipment investment

The measure of equipment investment is real spending on new plant and equipment in trend terms with June quarter of 2024 data compared with decade averages (the 'normal' performance).

In the June quarter, eight states and territories had equipment spending above or in-line with decade-average levels, compared to seven states and territories in the March quarter of 2024.

Tasmania hits the lead

Equipment investment in Tasmania was up by 36.4 per cent on the decade average, ahead of Western Australia (up 25.7 per cent). The ACT drops to third from first position (up 22.8 per cent) with South Australia now fourth (up 22.2 per cent), ahead of Queensland (up 21.8 per cent) and the Northern Territory (up 20.3 per cent).

At the other end of the scale, equipment investment in Victoria was up 12.8 per cent on the decade average with NSW up 17.1 per cent.

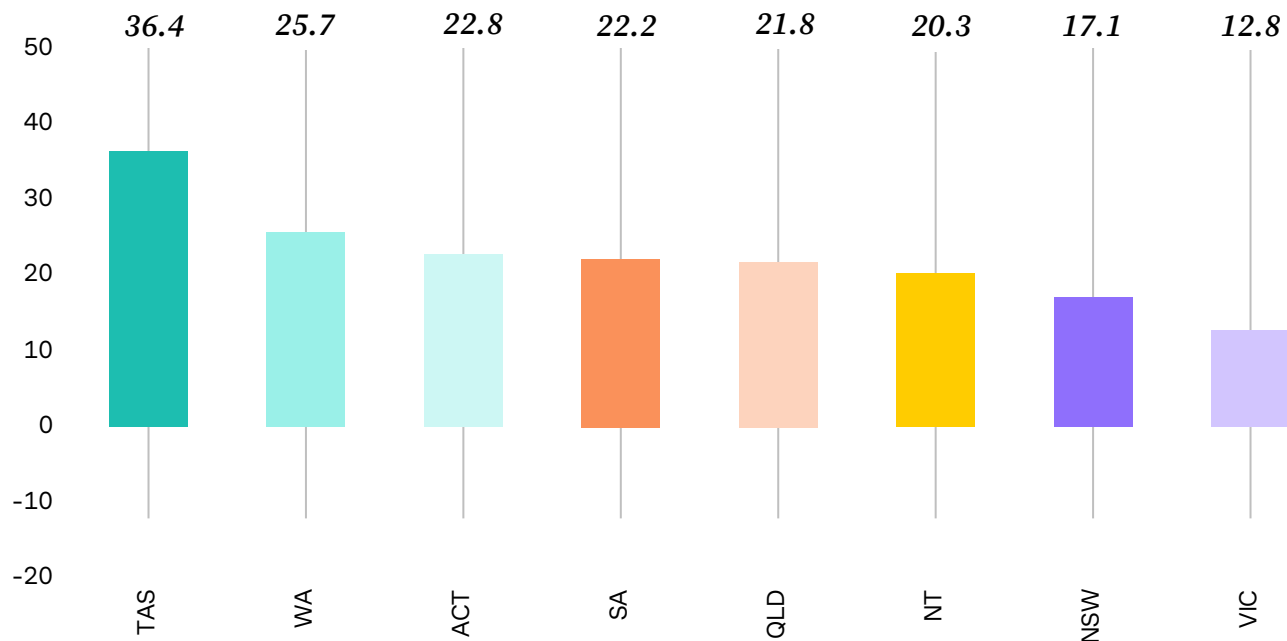
On a shorter-run analysis, real equipment investment in the June quarter of 2024 was up on a year ago in seven of the eight states and territories, up from five in the March quarter.

Equipment investment in the ACT was up 37.0 per cent on the previous year, ahead of the Northern Territory (up 25.1 per cent); Tasmania (up 17.7 per cent); Queensland (up 15.2 per cent) and South Australia (up 14.0 per cent).

Victoria lags on annual comparisons

At the other end of the scale, new equipment investment in Victoria was 3.5 per cent lower than a year ago, behind NSW (up 2.4 per cent) and Western Australia (up 3.8 per cent).

Equipment investment was at a record high in NSW and South Australia in the June quarter of 2024. Equipment investing was at an 11-year high in Queensland in the quarter.



Equipment spending, trend, percent change June quarter, 2024 on the decade average.

Source: CommSec, ABS

Unemployment



With unemployment at 29.5 per cent below its decade-average level, Western Australia has the strongest job market.

Western 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, Western Australia now has the strongest job market. Trend unemployment in Western Australia was at 3.7 per cent in September 2024, 29.5 per cent below the decade-average level.

South Australia now back in second spot

Next best is South Australia, its 4.2 per cent jobless rate is 27.6 per cent below the decade average.

Queensland is now up in third (25.9 per cent below the decade average), ahead of Tasmania (23.4 per cent below the decade average).

At the other end of the scale, the ACT jobless rate of 3.5 per cent is 9.0 per cent below the 3.9 per cent decade average rate.

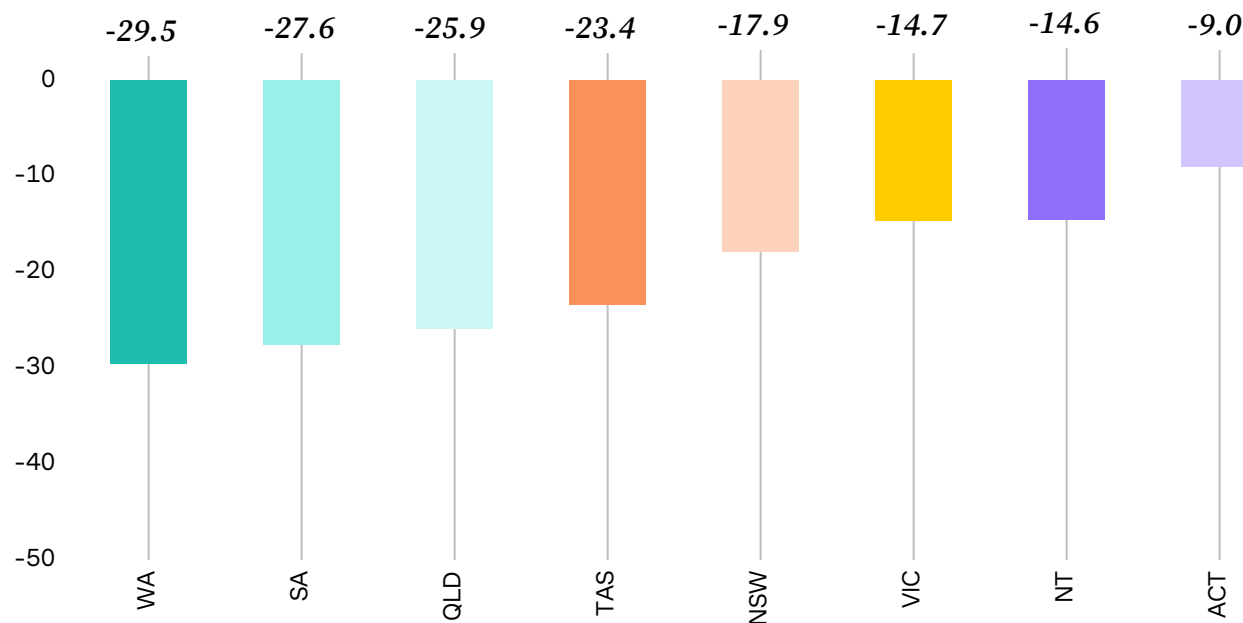
Ahead of the ACT is Northern Territory, its jobless rate of 4.3 per cent is 14.6 per cent below the decade average, Victoria (14.7 per cent below the decade average) and NSW (17.9 per cent below the decade average).

In September 2024, employment in all the states and territories were above decade-average levels. Western Australia was strongest on this measure with employment 15.4 per cent higher than the decade average.

Queensland has the fastest job growth

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

Performing best was Queensland (up 3.8 per cent), ahead of Victoria (up by 3.7 per cent) and Western Australia (up 3.6 per cent). Jobs in NSW were up by 2.22 per cent over the year; Northern Territory (up by 2.20 per cent); the ACT (up 2.18 per cent); South Australia (down 0.3 per cent); and Tasmania (down 1.3 per cent).



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

Source: CommSec, ABS

Construction work



Up 13.5 per cent on the decade-average level, Victoria is strongest for construction work done.

Victoria 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 June quarter 2024.

In seven of the eight states and territories, construction work in the June quarter were higher than the decade average, unchanged from the previous quarter.

Victoria is now on top

Victoria has jumped into the top spot for construction work done, up from third previously. Construction work done is 13.5 per cent above its decade average, ahead of South Australia, 13.1 per cent above the decade average.

Tasmania is next in third place with work done 12.7 per cent above the decade average, ahead of NSW (up 8.5 per cent) and Western Australia (up 7.3 per cent).

At the lower end of the scale, the Northern Territory construction work done in the June quarter was 37.2 per cent below the decade average.

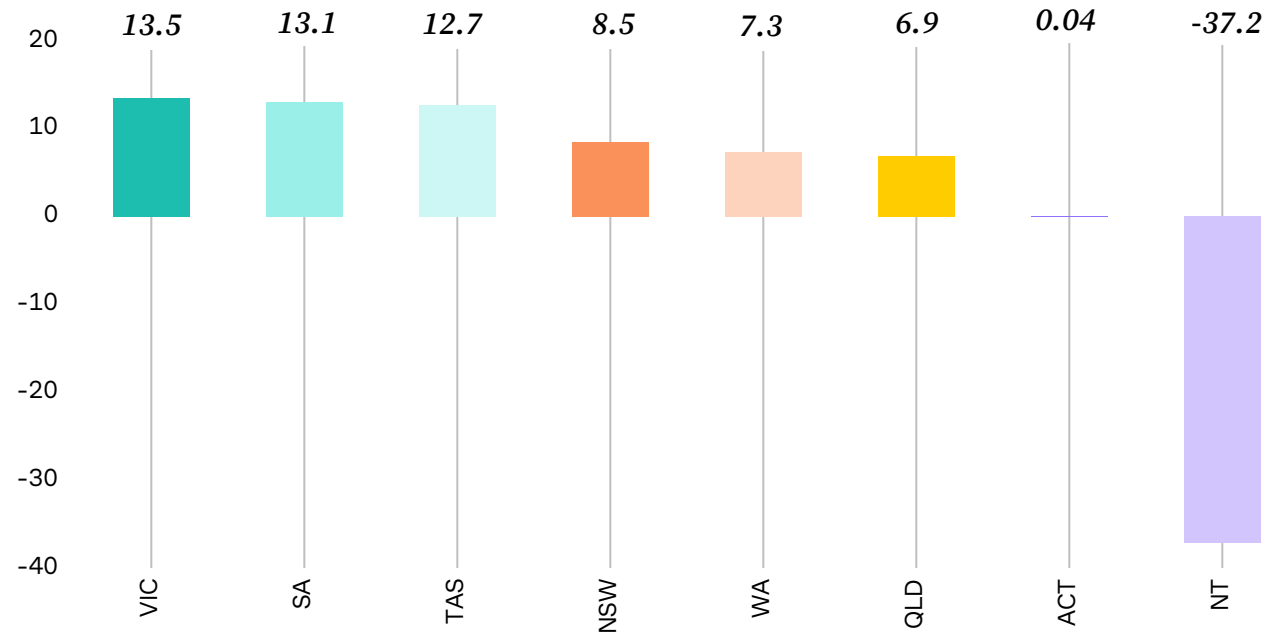
Next lowest was the ACT with construction work up 0.04 per cent on the decade average, behind Queensland (up 6.9 per cent).

The ACT posted the weakest growth in the June quarter (down 3.0 per cent) while Western Australia was strongest (up 2.7 per cent).

Western Australia leads annual growth

In terms of annual growth rates, four economies had construction work higher than a year ago. Western Australia was the strongest performer, up 17.8 per cent, ahead of Queensland (up 5.0 per cent), the Northern Territory (up 4.1 per cent) and Tasmania (up 0.3 per cent).

At the other end of the scale, construction work in NSW was down by 3.5 per cent, followed by South Australia (down 2.7 per cent), Victoria (down 0.9 per cent) and the ACT (down 0.4 per cent).



Construction work done, trend, percent change, June quarter 2024 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 Covid-19 pandemic foreign border closures, annual population growth is strong across states and territories. Six 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 3.11 per cent annual population growth rate 98.9 per cent above the decade average for the year to the March quarter 2024 (latest available).

The Northern Territory is now second on the relative annual population growth measure—the 0.80 per cent annual population growth rate is up 72.1 per cent on the decade average.

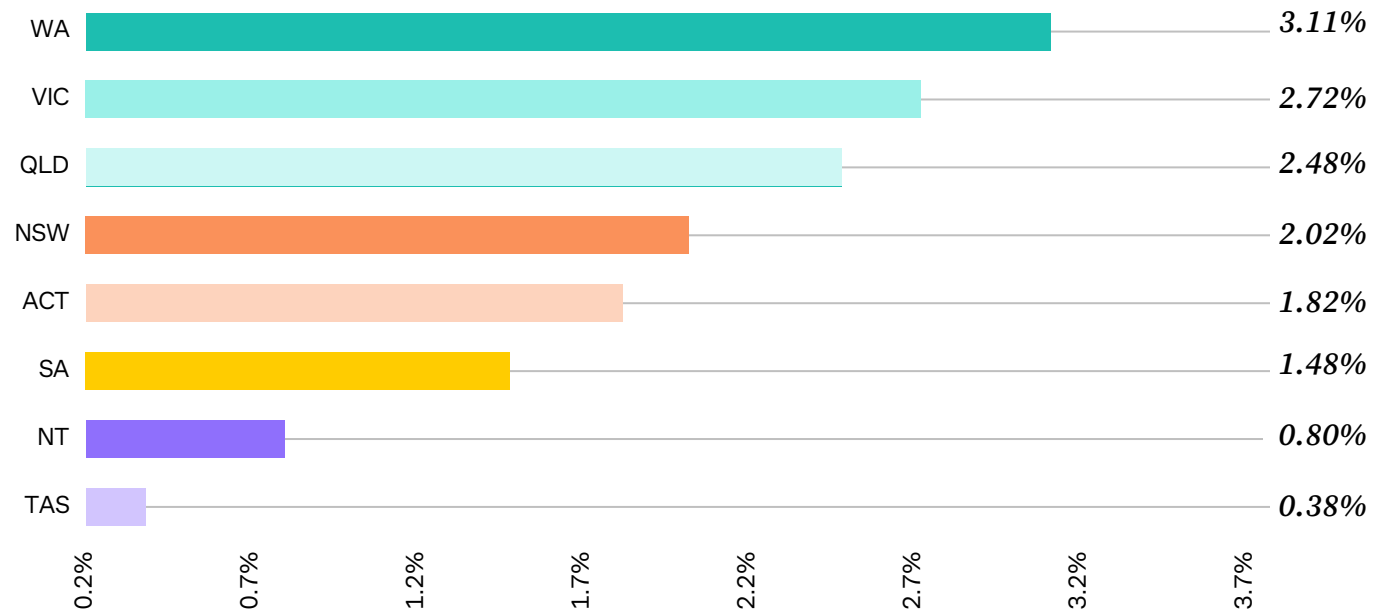
Next strongest was NSW (up 64.7 per cent), Victoria (up 59.5 per cent), followed by Queensland (up 50.1 per cent); South Australia (up 39.3 per cent), the ACT (down 8.6 per cent) and Tasmania (down 67.0 per cent).

The state with the fastest absolute annual population growth is Western Australia (up 3.11 per cent). Next strongest is Victoria (up 2.72 per cent), followed by Queensland (up 2.48 per cent); NSW (up 2.02 per cent); the ACT (up 1.82 per cent); South Australia (up 1.48 per cent); the Northern Territory (up 0.80 per cent) and Tasmania (up 0.38 per cent).

Annual population growth rates in Western Australia and Queensland have eased from the strongest pace in over 14 years.

Population growth rates in both NSW and Victoria continued to slow from record annual highs observed in the September quarter 2023.

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



Population, absolute annual percent change, March quarter 2024 (latest).

Source: CommSec, ABS

Housing Finance



Queensland is in top spot, with the value of home loans up by 39.0 per cent on the long-term average.

Queensland is now in top spot for home lending

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 August 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 are above decade averages. In the previous five reports similar findings were obtained.

Home loans are also still below last year's levels in the Northern Territory (compared with two states or territories last survey).

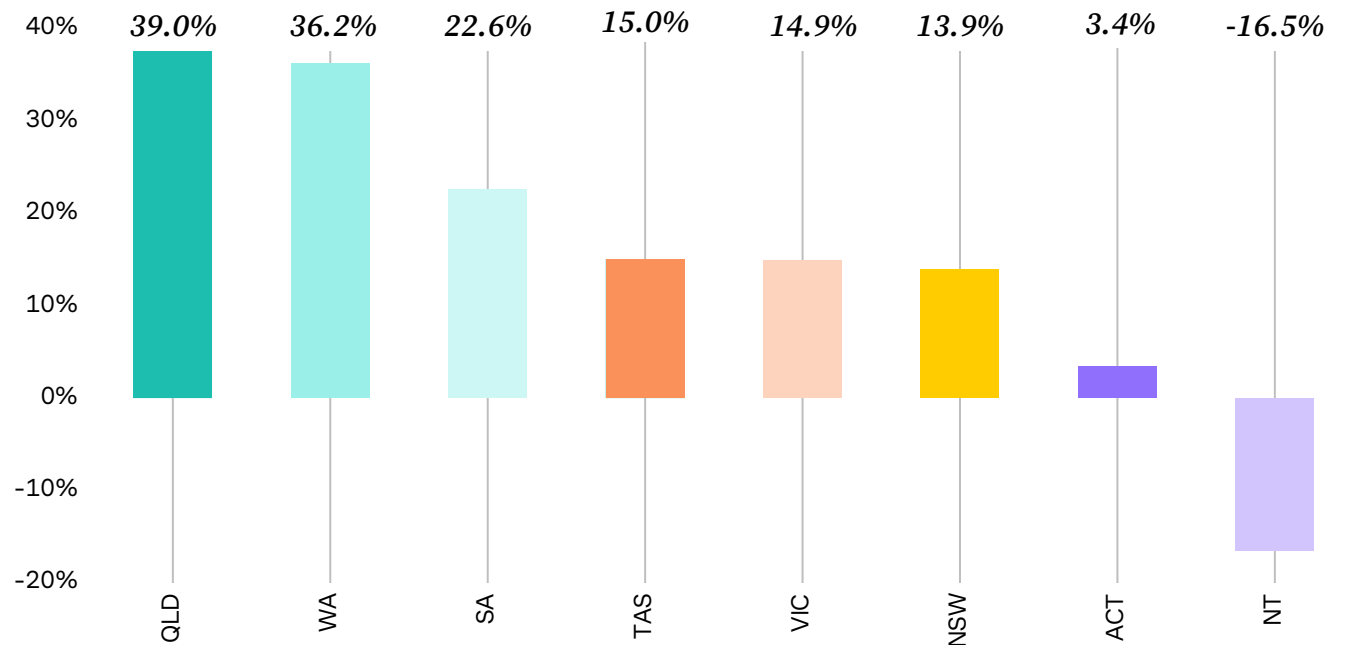
Queensland is now in top spot, with the value of home loans up by 39.0 per cent on the long-term average. The next strongest was Western Australia (up 36.2 per cent), South Australia (up 22.6 per cent) and Tasmania (up 15.0 per cent).

The Northern Territory is the weakest

The Northern Territory is still the weakest for housing finance with commitments 16.5 per cent lower than its decade average. Commitments in the ACT were up 3.4 per cent on the decade average, behind NSW (up 13.9 per cent) and Victoria (up 14.9 per cent).

In annual terms, lending in Queensland is also strongest, up 27.4 per cent, followed by Western Australia (up 21.5 per cent).

Home loans in South Australia were up 12.3 per cent; followed by Tasmania (up 12.1 per cent); NSW (up 9.9 per cent); Victoria (up 8.8 per cent); the ACT (up 3.1 per cent); and the Northern Territory (down 11.2 per cent).



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

Source: CommSec, ABS

Dwelling Starts



Dwelling starts in South Australia in the June quarter of 2024 were down on the decade-average level by 3.9 per cent.

South Australia still 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 remains on top

South Australia still leads other economies on dwelling starts. In the June quarter 2024, starts in South Australia were 3.9 per cent below the decade average.

Queensland is now in second spot, with starts 7.7 per cent below 'normal' (the decade average). The ACT drops back to third place, down 11.4 per cent on 'normal'.

At the other end of the scale, dwelling starts in the Northern Territory were 46.8 per cent below the decade average.

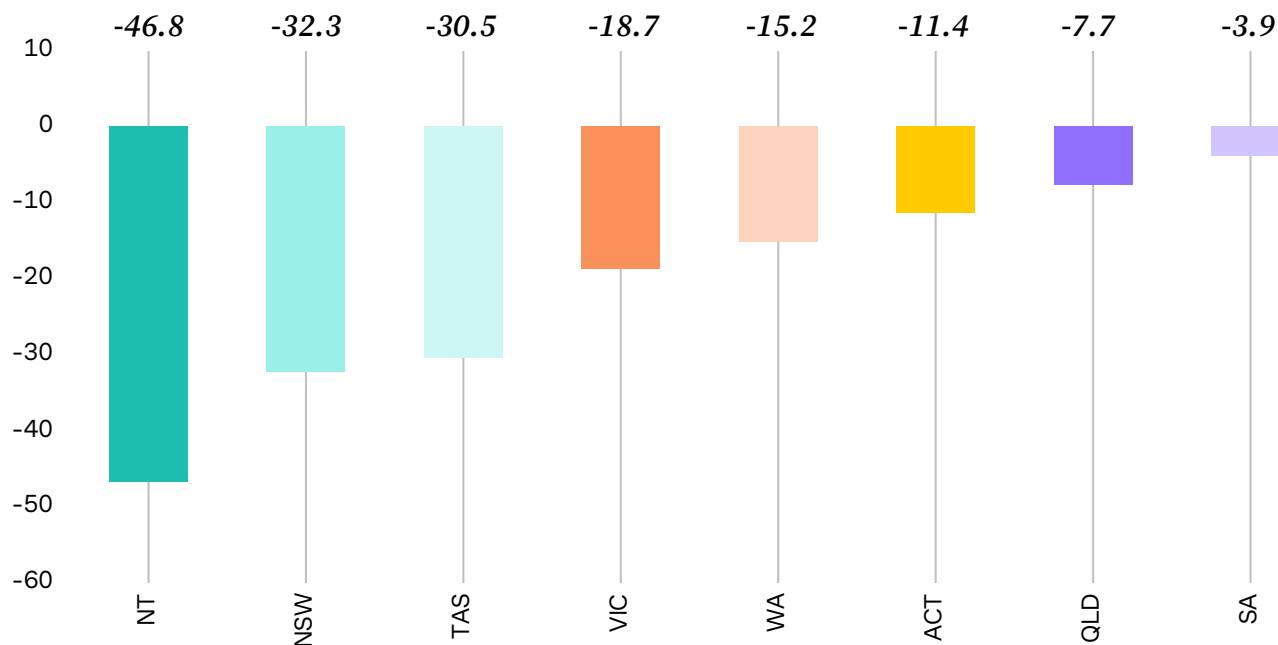
Next weakest was NSW (down 32.3 per cent); below Tasmania (down 30.5 per cent); Victoria (down 18.7 per cent) and Western Australia (down 15.2 per cent).

In terms of changes over the June quarter, four states and territories posted increases in starts. Northern Territory rose the most, up 15.8 per cent; followed by Western Australia (up 9.2 per cent); and Queensland (up 6.7 per cent). But starts fell by 5.4 per cent in Tasmania; followed by Victoria and the ACT (both down 3.0 per cent); and NSW (down 0.3 per cent).

Western Australia strongest; Tassie weakest

In terms of annual changes, starts in Western Australia rose by 24.3 per cent, followed by the ACT (up 20.4 per cent). Next best was Queensland (up 8.0 per cent) ahead of South Australia (up 4.8 per cent).

Starts in Tasmania fell most over the year (down 31.5 per cent); followed by NSW (down 18.3 per cent); Victoria (down 1.1 per cent) and the Northern Territory (up 4.5 per cent).

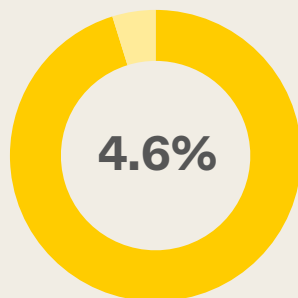


Dwelling starts, trend, percent change, June quarter 2024 on decade average.

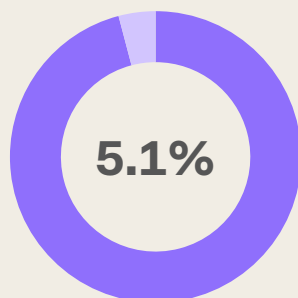
Source: CommSec, ABS

Other indicators

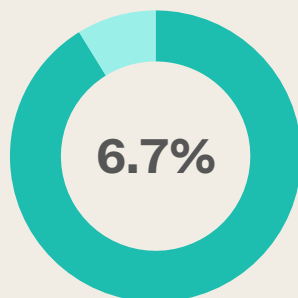
Highest inflation rate in Perth, WA



Fastest wage growth in Tasmania



National home prices rose by



Perth, WA posts the biggest lift in consumer prices

Annual percentage changes of consumer prices eased in three capital cities but accelerated in three cities in the June quarter 2024. Prices were little changed in Brisbane and Sydney.

Perth, Western Australia had the highest annual inflation rate in the June quarter 2024 at 4.6 per cent, ahead of Adelaide, SA (4.5 per cent) and Sydney, NSW (3.8 per cent).

With annual inflation rates generally easing and wage growth rates remaining elevated, five of the states and territories had positive real wage growth in the June quarter 2024 (the gap between wage growth and inflation).

Nationally in the June quarter 2024, headline consumer prices (CPI) rose 1.0 per cent, with the annual growth rate accelerating from 3.6 per cent to 3.8 per cent. The underlying (or trimmed mean) measure rose by 0.8 per cent in the quarter with the annual rate down from 4.0 per cent to 3.9 per cent.

The Wage Price Index (WPI) in the year to the June quarter 2024 was strongest in Tasmania (5.1 per cent), ahead of Queensland (4.6 per cent), NSW and Western Australia (both 4.2 per cent) and the ACT (4.1 per cent).

Wages in South Australia were 3.9 per cent higher, ahead of the Northern Territory (3.8 per cent) and Victoria (3.3 per cent).

Slowing growth of home prices

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

National home prices rose by 6.7 per cent over the year to September, after rising by 8.0 per cent in the year to June.

In September, the strongest annual growth in home prices was in Western Australia (up 24.1 per cent); followed by South Australia (up 14.8 per cent); Queensland (up 14.5 per cent); NSW (up 4.5 per cent); the Northern Territory (up 2.0 per cent); the ACT (up 0.7 per cent); Tasmania (down 1.1 per cent); and Victoria (down 1.4 per cent).

	CPI June Qtr. 2024	Wages June Qtr. 2024	Home Prices September 2024
NSW	3.8	4.2	4.5
VIC	3.7	3.3	-1.4
QLD	3.4	4.6	14.5
SA	4.5	3.9	14.8
WA	4.6	4.2	24.1
TAS	2.7	5.1	-1.1
NT	3.0	3.8	2.0
ACT	3.1	4.1	0.7



Western Australia

The fastest annual lift in home prices was in Western Australia, up **24.1%**.

*Annual % change.

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

Annual growth rates

Western Australia also 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.

Annual growth rates are a better tool of measurement of economic performance for the **Northern Territory** as the small, open economy is hit by big projects (that is, LNG construction over 2012–18 period which inflated decade averages).

Western Australia takes the outright lead

If we focus just on annual growth rates, on an aggregate basis (looking across all indicators), resources-focused states and territories **Western Australia, Queensland** and the **Northern Territory** all have the strongest annual economic momentum.

Western Australia is first for a fourth straight survey, leading other states and territories’ annual growth rates on three of the eight indicators.

Queensland is now in second spot, with first placed rankings for both relative unemployment and housing finance.

Reflecting a big improvement in recent economic performance, the **Northern Territory** jumps up to third place from eighth. The ‘Top End’ now ranks second on three of the key economic indicators.

The **ACT** slips from third to fourth position ahead of **Tasmania** in fifth. **South Australia** lifts from seventh to sixth spot, with **Victoria** slipping from fourth to seventh position. **NSW** is now in eighth place after being sixth in the previous report.



	Economic growth	Retail spending	Equipment investment	Employment growth	Construction work	Population growth	Housing finance	Dwelling starts
NSW	-0.9	-1.2	2.4	2.2	-3.5	2.0	9.9	-18.3
VIC	1.8	-1.1	-3.5	3.7	-0.9	2.7	8.8	-1.1
QLD	0.3	0.4	15.2	3.8	5.0	2.5	27.4	8.0
SA	3.0	-1.1	14.0	-0.3	-2.7	1.5	12.3	4.8
WA	-0.8	0.5	3.8	3.6	17.8	3.1	21.5	24.3
TAS	2.8	0.9	17.7	-1.3	0.3	0.4	12.1	-31.5
NT	-1.6	0.5	25.1	2.2	4.1	0.8	-11.2	4.5
ACT	2.0	-0.5	37.0	2.2	-0.4	1.8	3.1	20.4
Aust	1.0	-0.6	5.2	2.9	1.8	2.3	21.8	-1.6

Source: CommSec

Looking ahead

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

Western Australia leads on new car sales; Looking ahead

Timely data on new vehicle sales is available on a monthly basis. The latest data covers September 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 25.0 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 **South Australia**, up 10.8 per cent on a year ago.

Western Australia edges South Australia

Western Australia has ascended to the top of the economic performance rankings for the first time since July 2014.

South Australia dips to second spot after three straight surveys in top position. But the gap between the top three is narrow with **Queensland** also on the dais in third place.

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

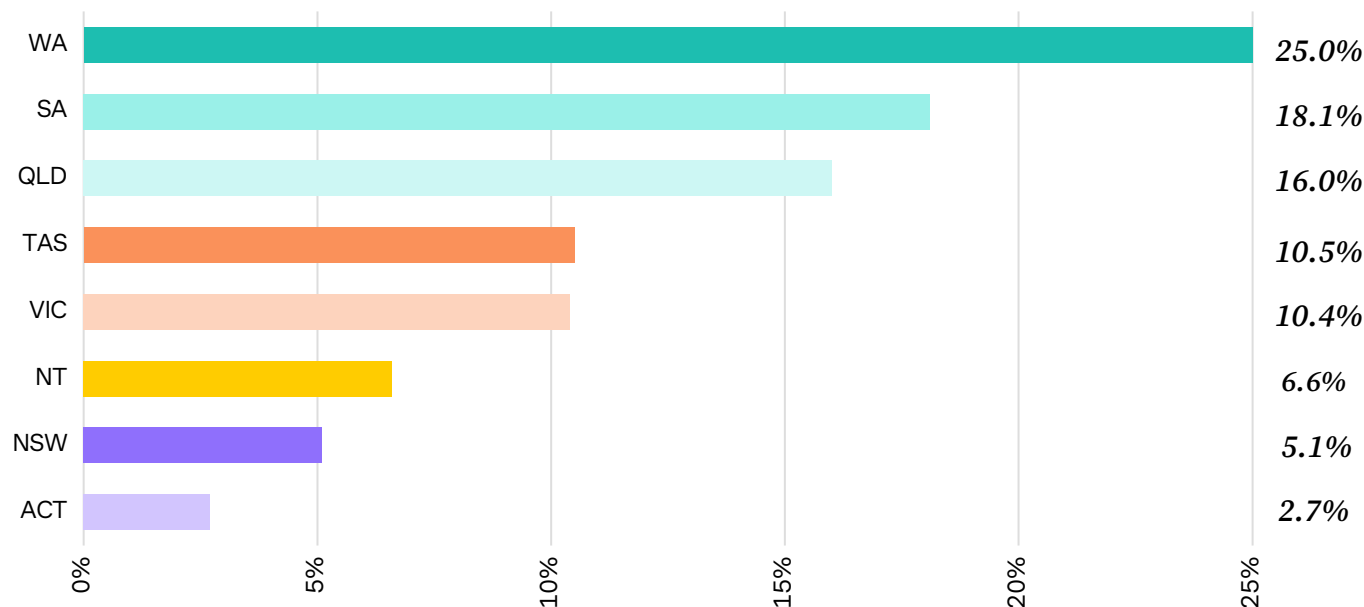
Where to from here?

Last quarter we noted that **Western Australia** was in prime position to take over from **South Australia** in first place. We also said **Victoria**, **Queensland** and the **ACT** were all in striking distance of top spot too with solid annual growth rates.

While **Western Australia** and **Queensland** moved up the leaderboard, as expected, **Victoria** and the **ACT** lost some momentum and are now ranked mid-table in a tight cluster with **Tasmania**.

Looking ahead, **Western Australia** could consolidate its position atop the leaderboard given its strong recent economic performance.

South Australia's economy has lost some momentum recently, but alongside the fast-improving **Queensland** economy, remains in striking distance of top spot.



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

Source: CommSec, ABS, Federal Chamber of Automotive Industries



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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 3.9 per cent in September 2024. But the **NSW** unemployment rate was 17.9 per cent below its decade average, while the **South Australian** jobless rate of 4.2 per cent was 27.6 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.

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State and Territory Economic Performance Report

Contact

Ryan Felsman

Chief CommSec Economist

ryan.felsman@cba.com.au

 **@CommSec**

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