

A woman with long brown hair, wearing a teal and black wetsuit, is carrying a blue and yellow surfboard through a white-capped wave. She is looking back over her shoulder. The background shows a coastal town with buildings on a hillside under a hazy sky.

# States and territories snapshot

**August 2023**

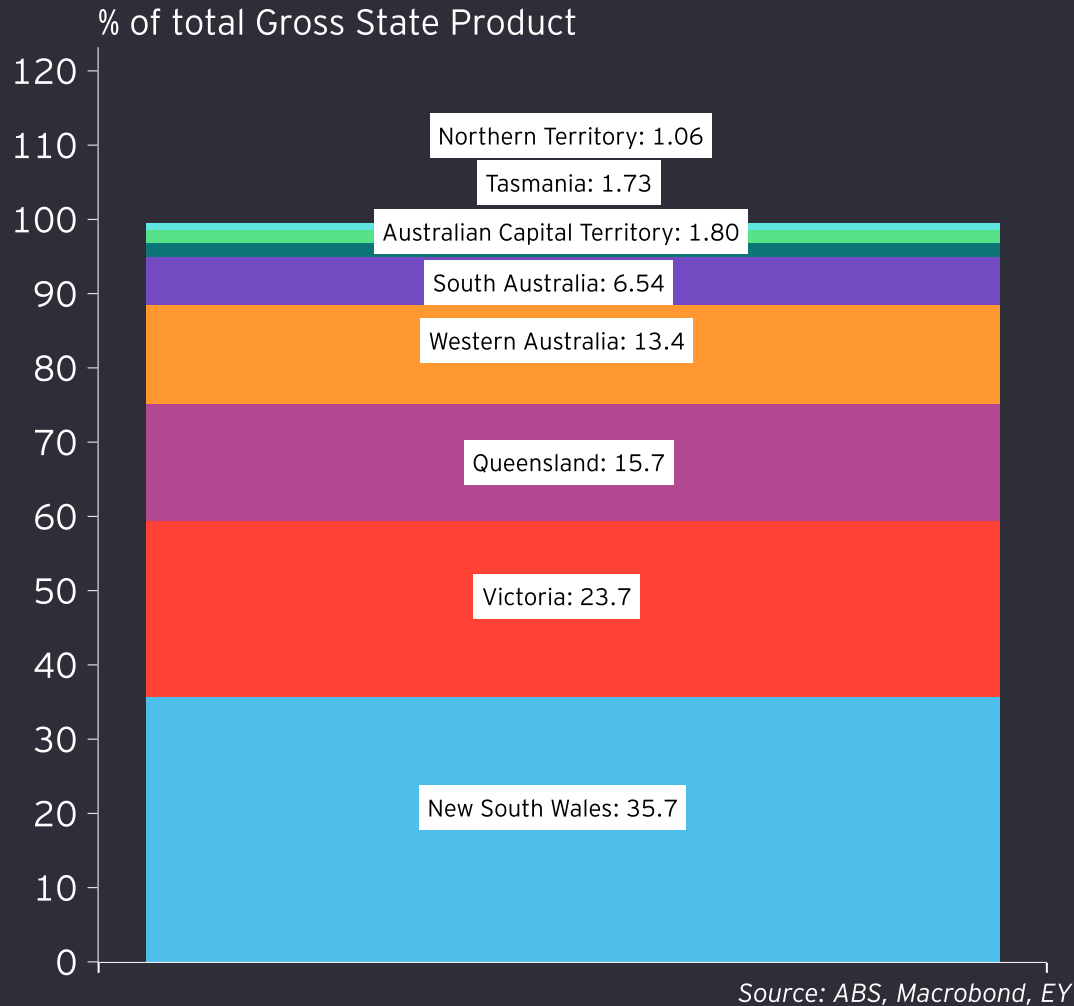
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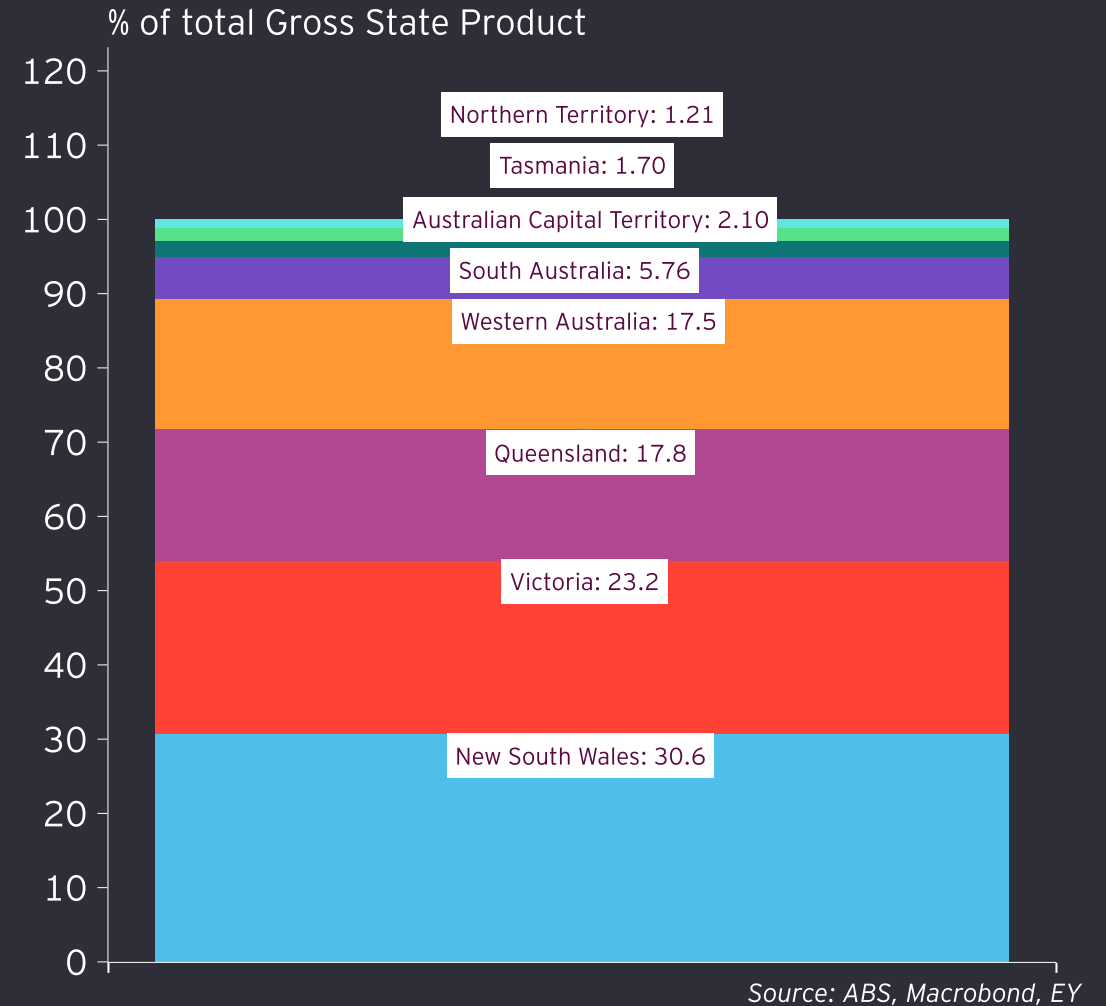
- 1 States and territories snapshot
- 2 New South Wales
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- 4 Queensland
- 5 Western Australia
- 6 South Australia
- 7 Australian Capital Territory
- 8 Tasmania
- 9 Northern Territory

# WA and Qld have grown their share of the economy over the past 20 years

## FY 2000: Gross State Product by jurisdiction

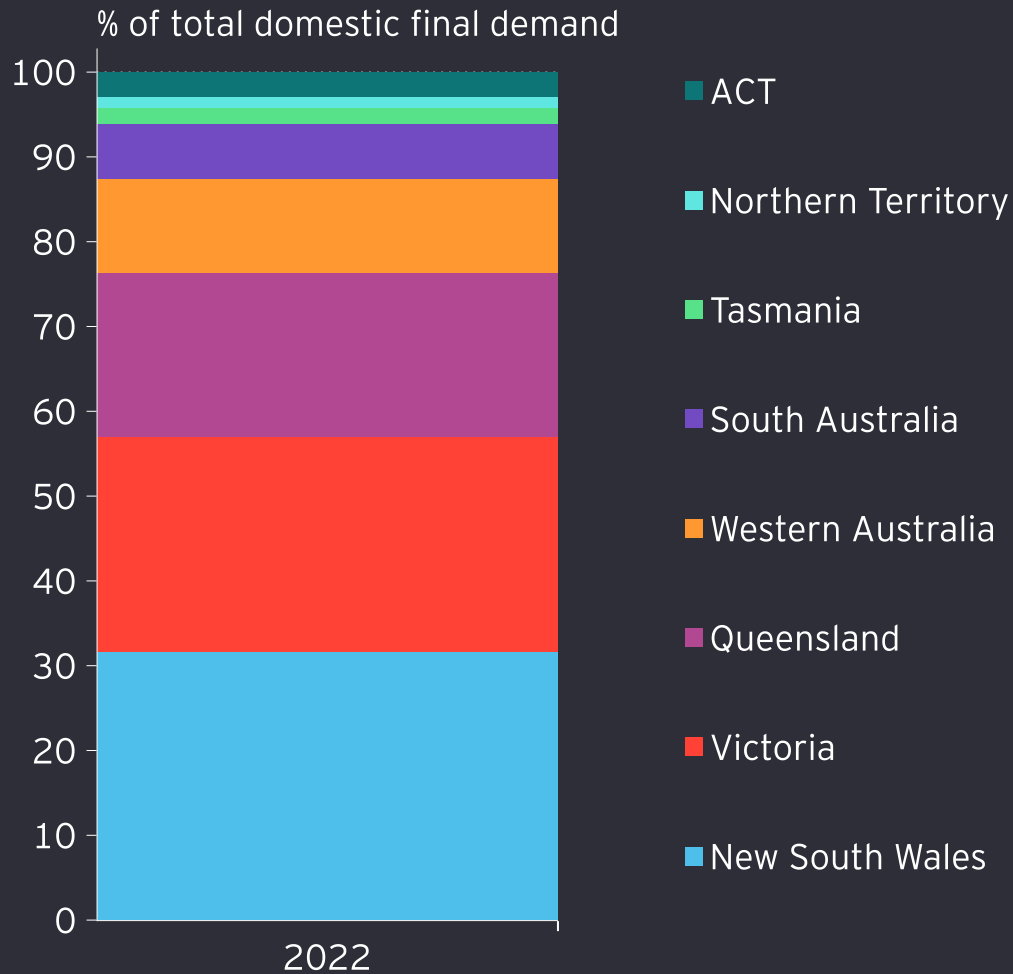


## FY 2022: Gross State Product by jurisdiction



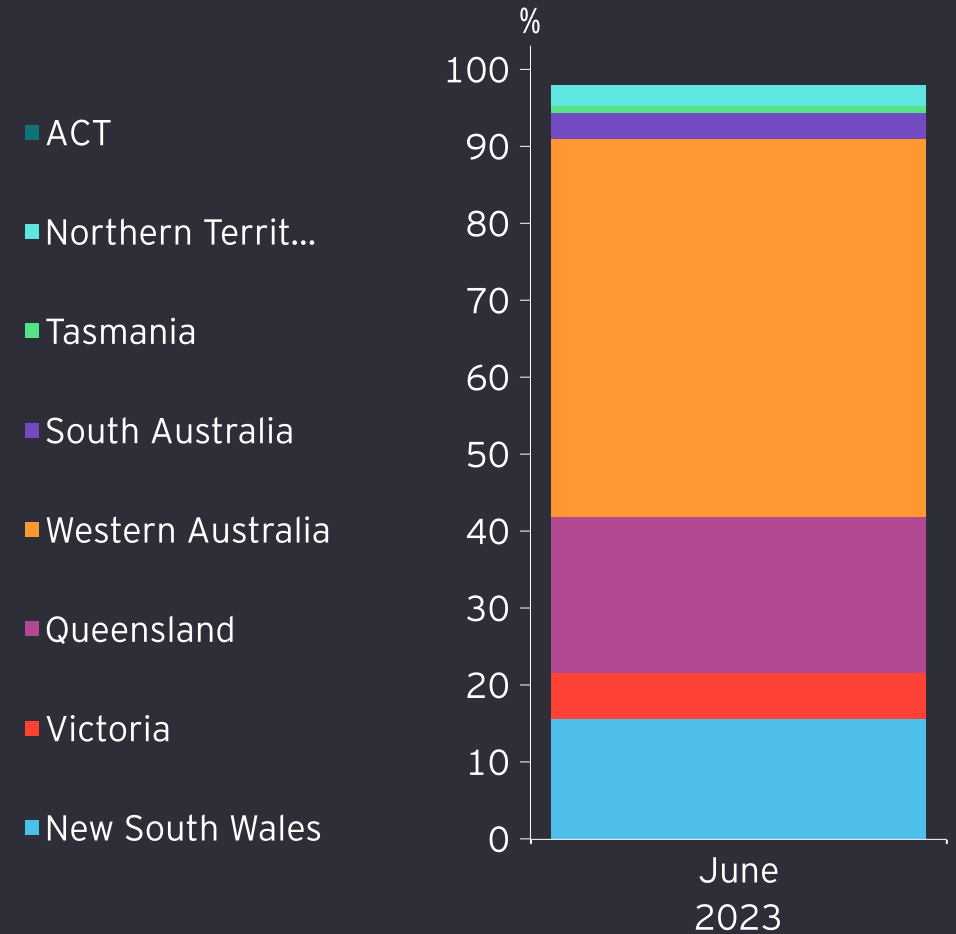
# WA exports make up 50 per cent of all Australian exports

## Domestic Final Demand by jurisdiction



Source: ABS, Macrobond, EY

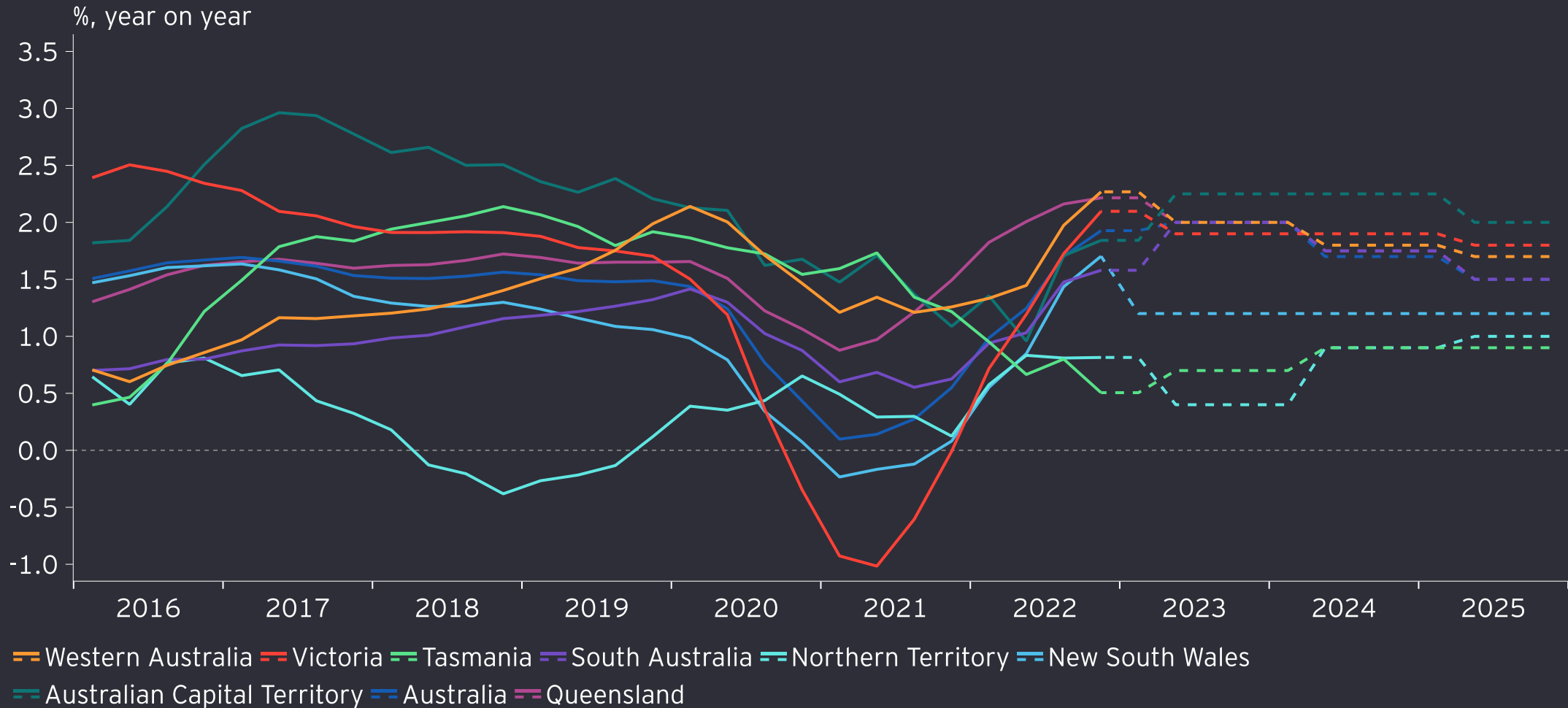
## Proportion of Australian exports by state



Source: ABS, Macrobond, EY  
\*may not add to 100% due to exclusion of re-exports

# Population growth has been strongest in WA and Qld, driven by both interstate and overseas net migration

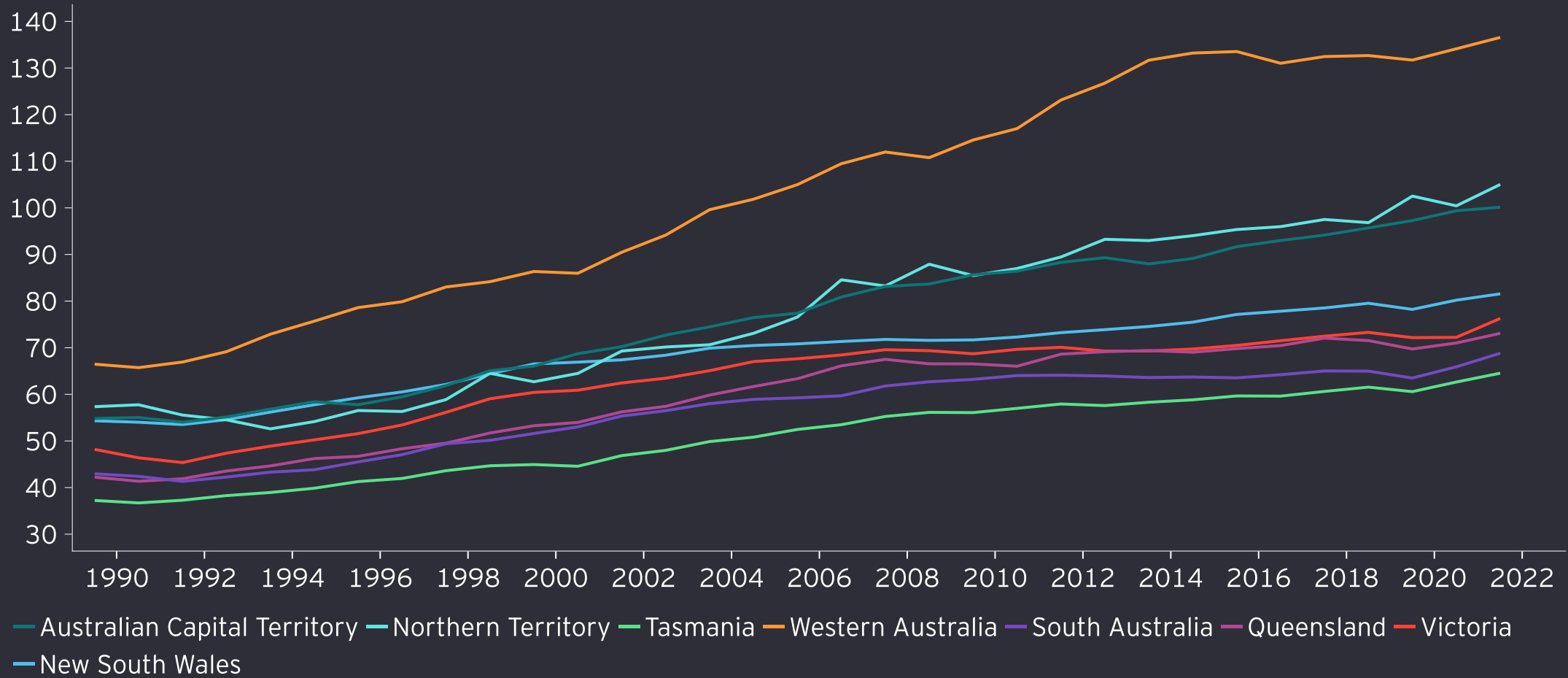
Estimated resident population, including state budget forecasts



Source: ABS, Macrobond, State Budgets, EY

# WA is leading GSP per capita

Gross State Product per capita  
thousand

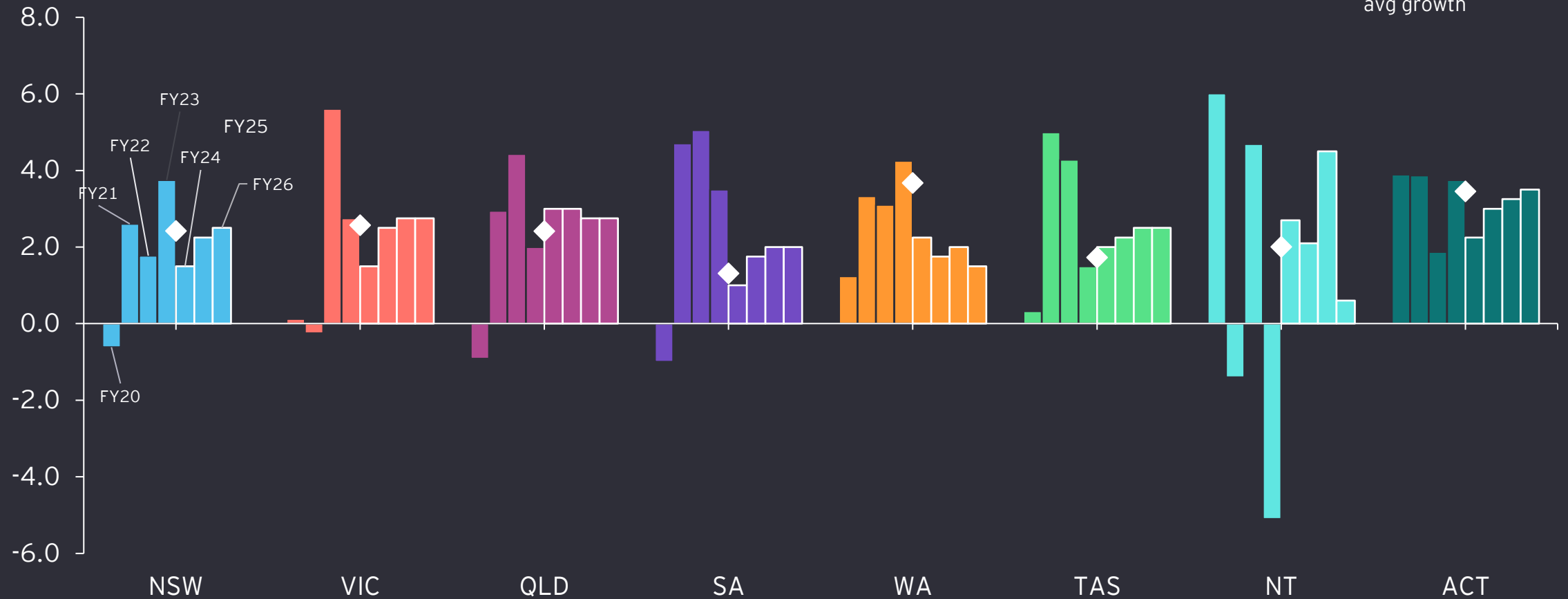


Source: ABS, Macrobond, EY

# State governments expect growth in line with pre-COVID growth rates over FY24 and FY25

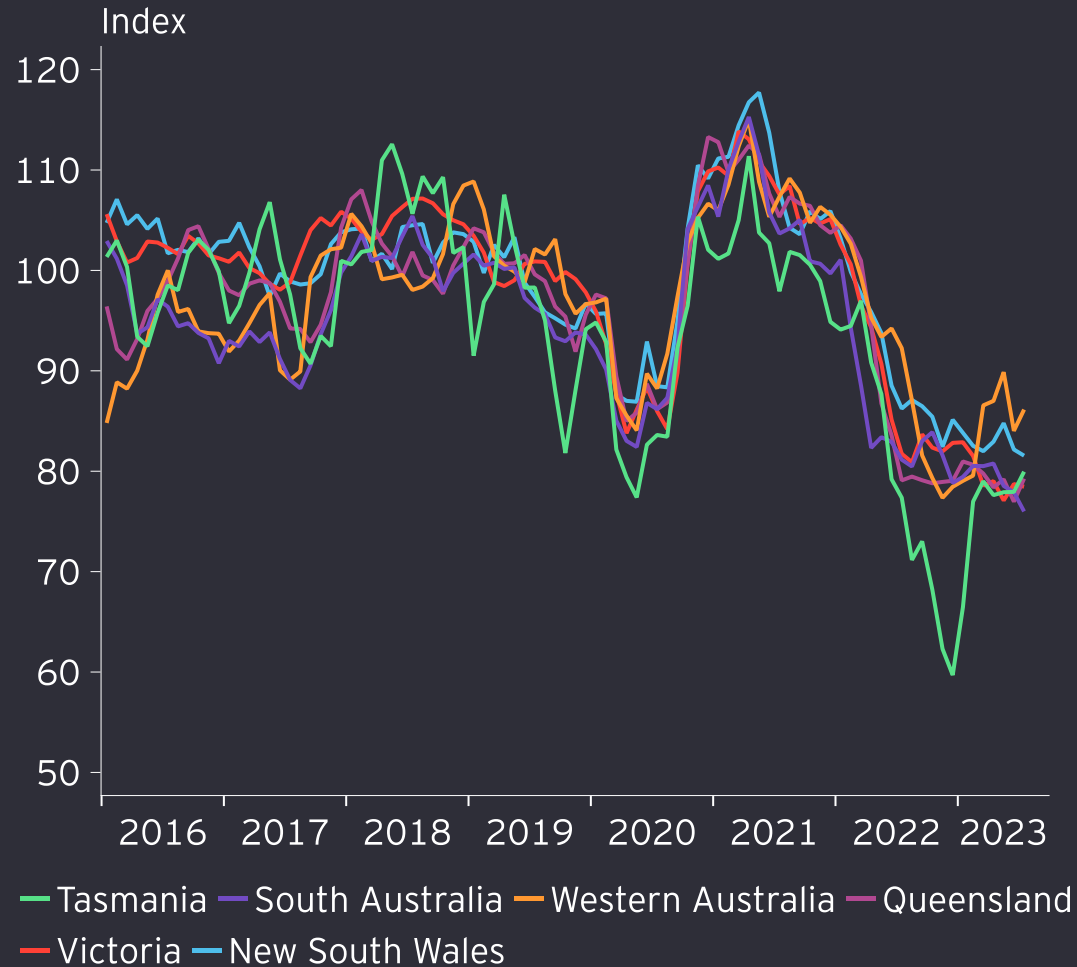
## Gross State Product

% y/y, FY20 (actuals) - FY27 (forecasts)



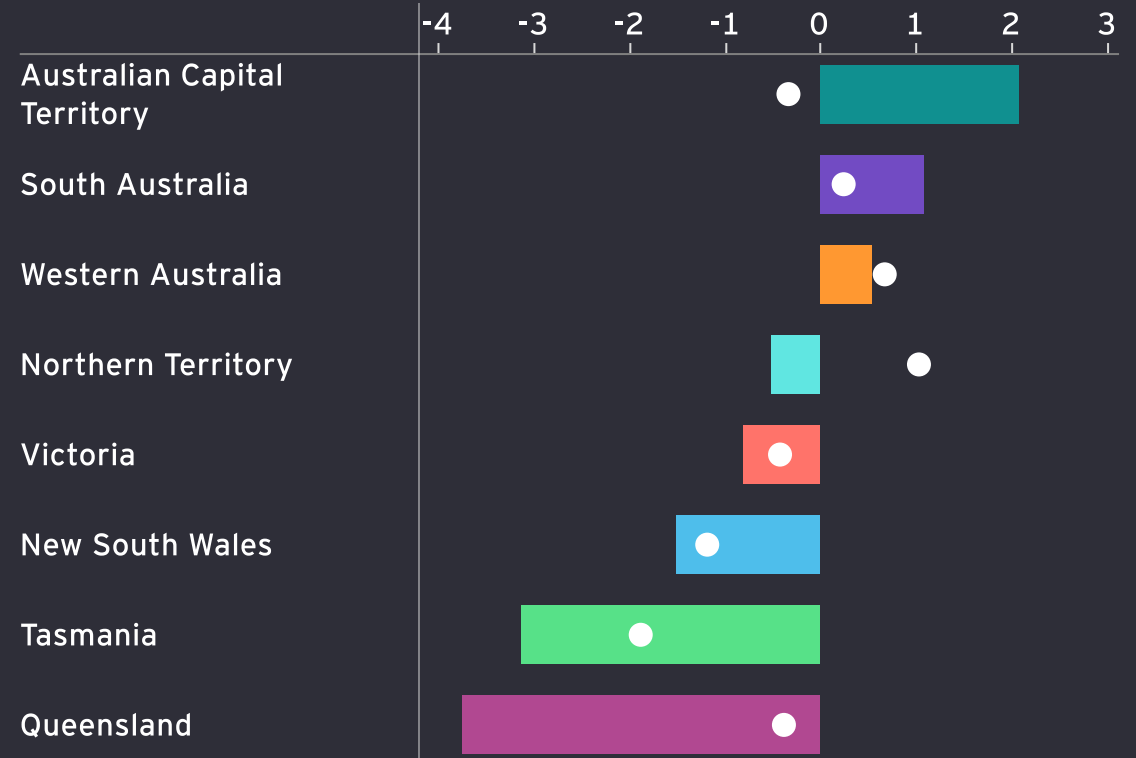
# Consumer sentiment is very low and retail trade has fallen in most states

Melbourne Institute Consumer Sentiment Index



Source: Melbourne Institute, Macrobond, EY

Retail Trade, Constant Prices; June 2023  
y/y, % (bar); q/q, % (dot)

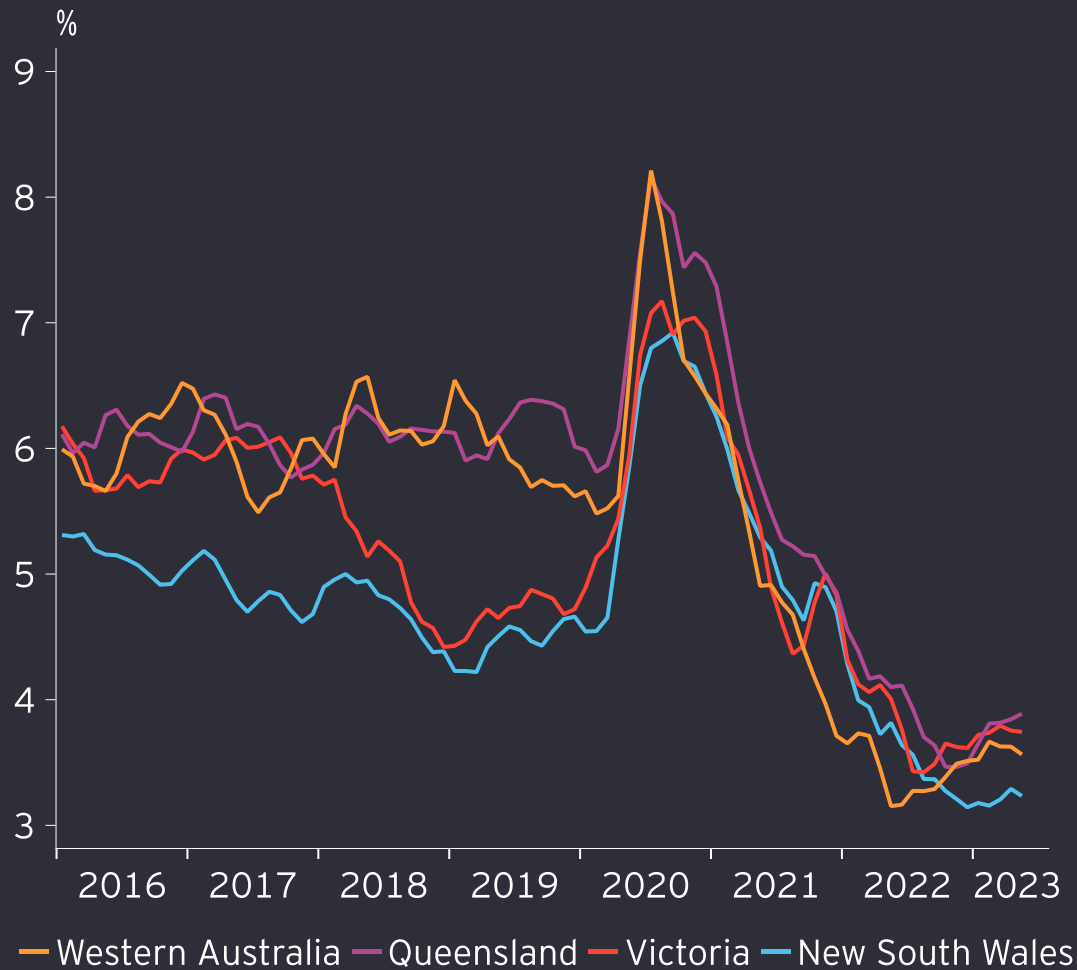


Source: ABS, Macrobond, EY



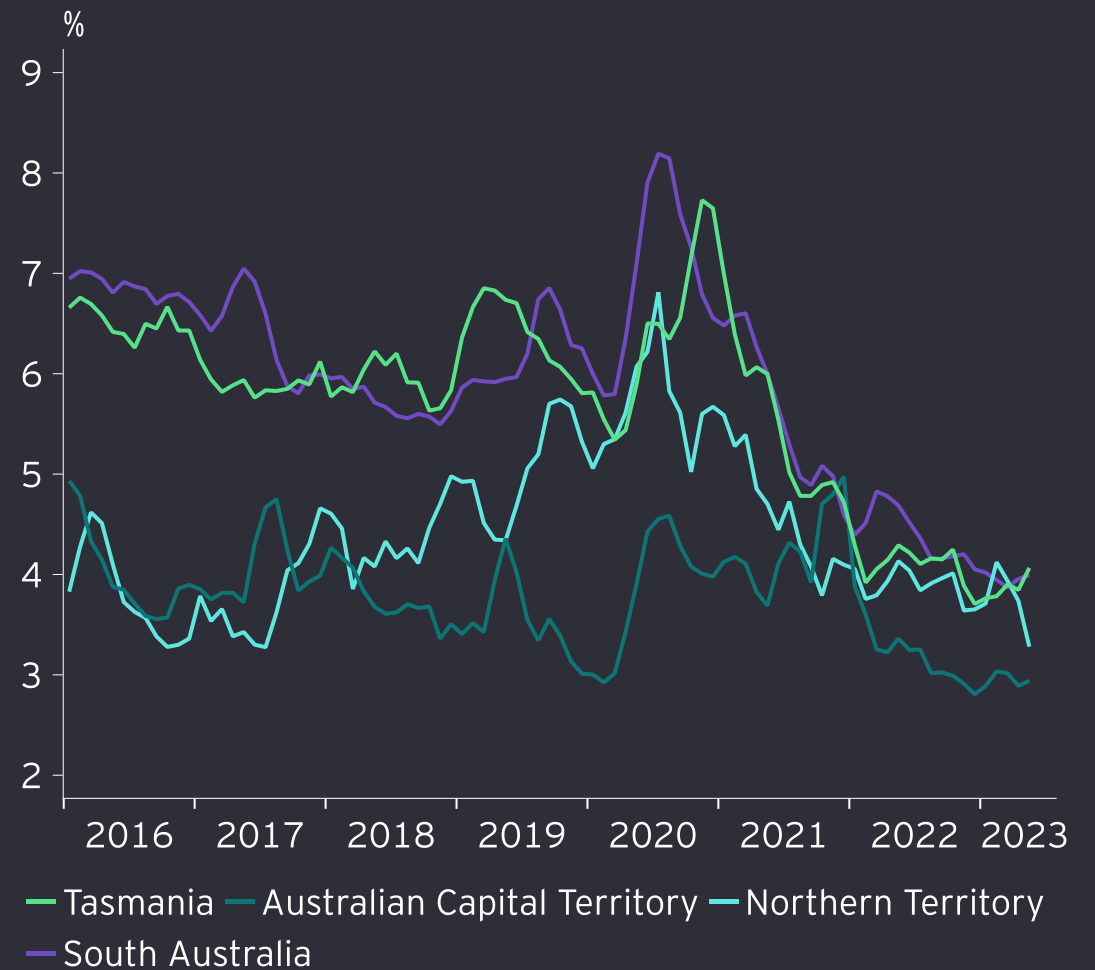
# All states and territories have record low unemployment rates of 4 per cent or below

Unemployment Rate, 3-month moving average



Source: ABS, Macrobond, EY

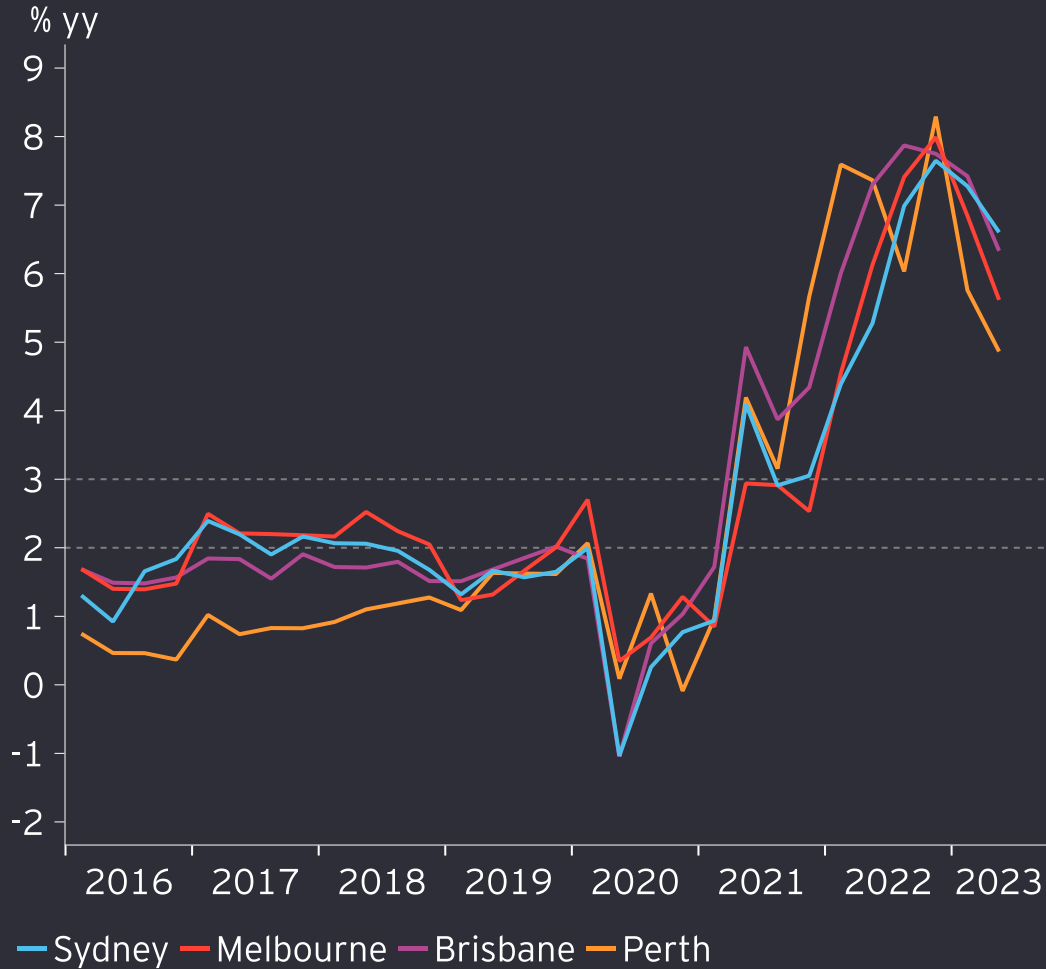
Unemployment Rate, 3-month moving average



Source: ABS, Macrobond, EY

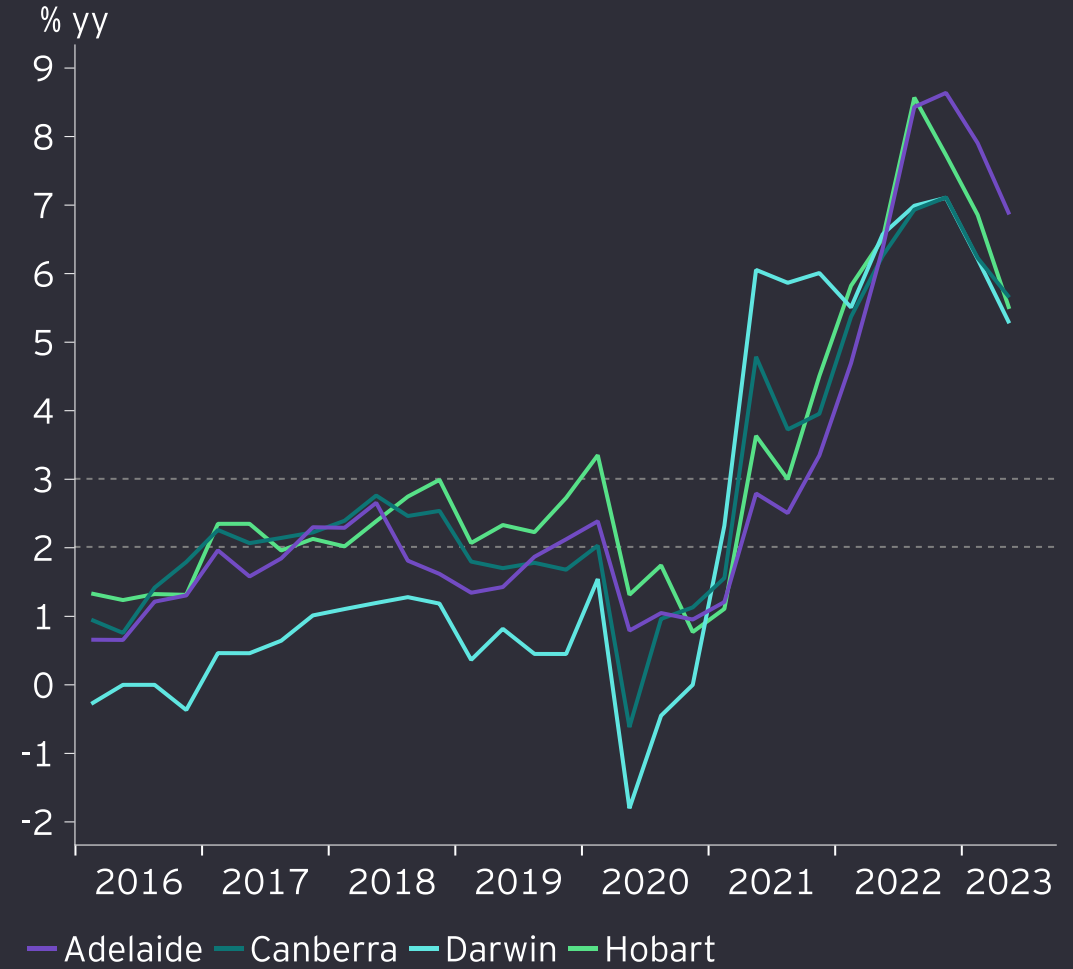
# Inflation pressures are moderating simultaneously, given the common sources of disinflation

## Consumer Price Index



Source: ABS, Macrobond, EY

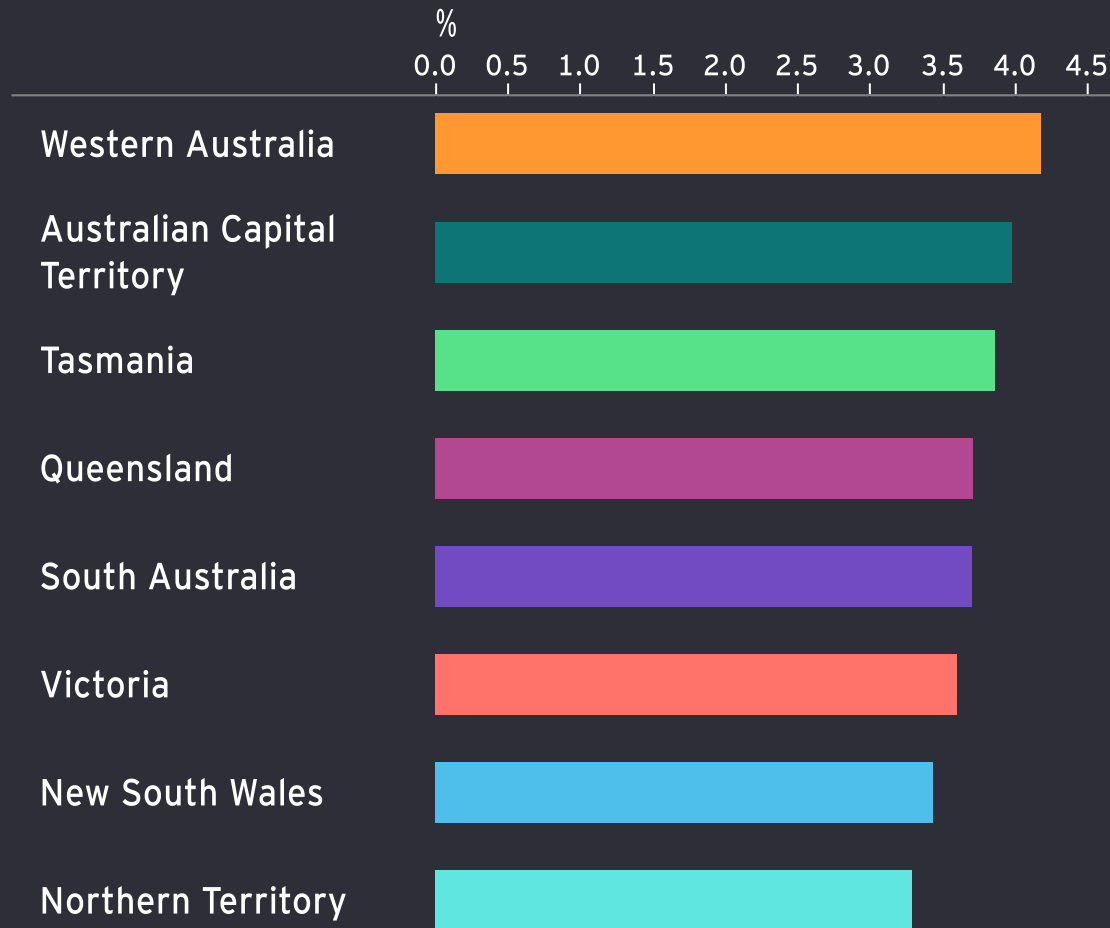
## Consumer Price Index



Source: ABS, Macrobond, EY

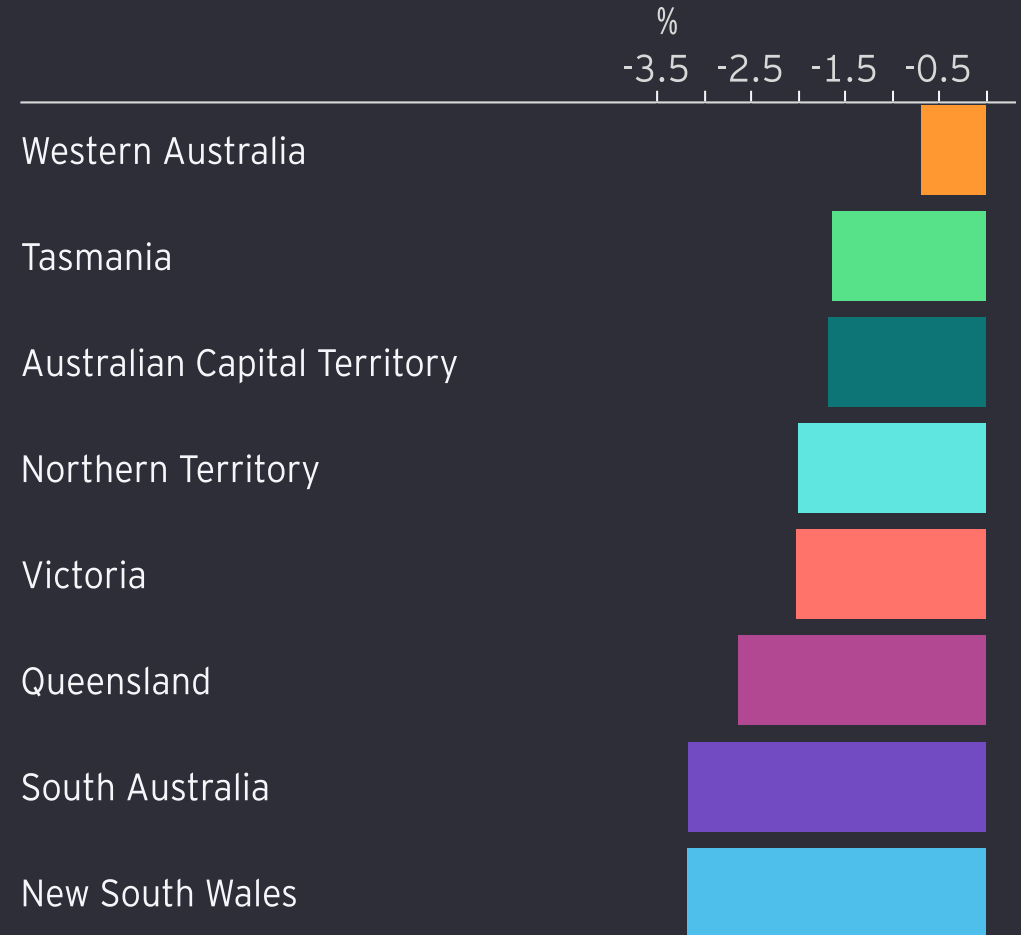
# Real wages have fallen in all states and territories in the year to June

Wage Price Index, y/y, June 2023



Source: ABS, Macrobond, EY

Real wages, y/y, June 2023



Source: ABS, Macrobond, EY

# The household expenditure to income ratio is highest in Tasmania, suggesting this is where households have the lowest opportunity to save

Average annual expenditure to annual median gross income ratio, 2015-16

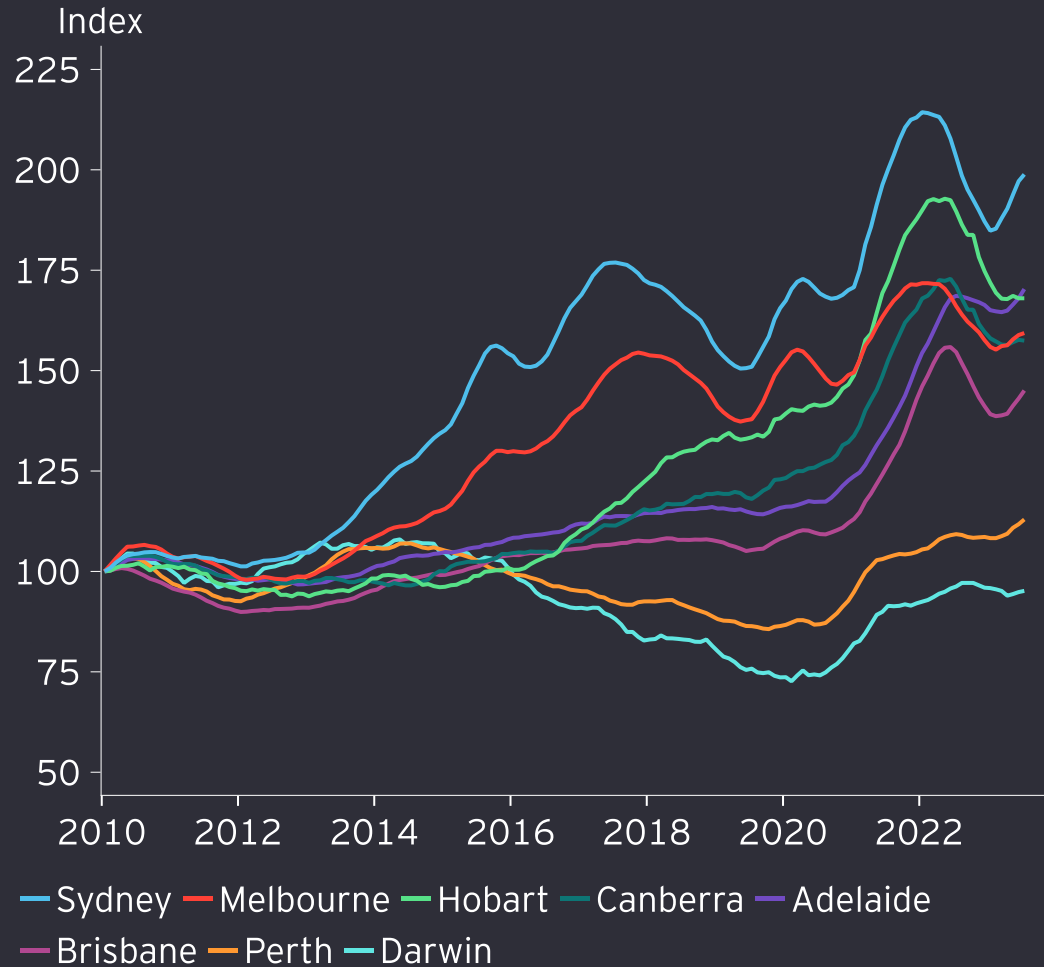


Source: ABS, EY



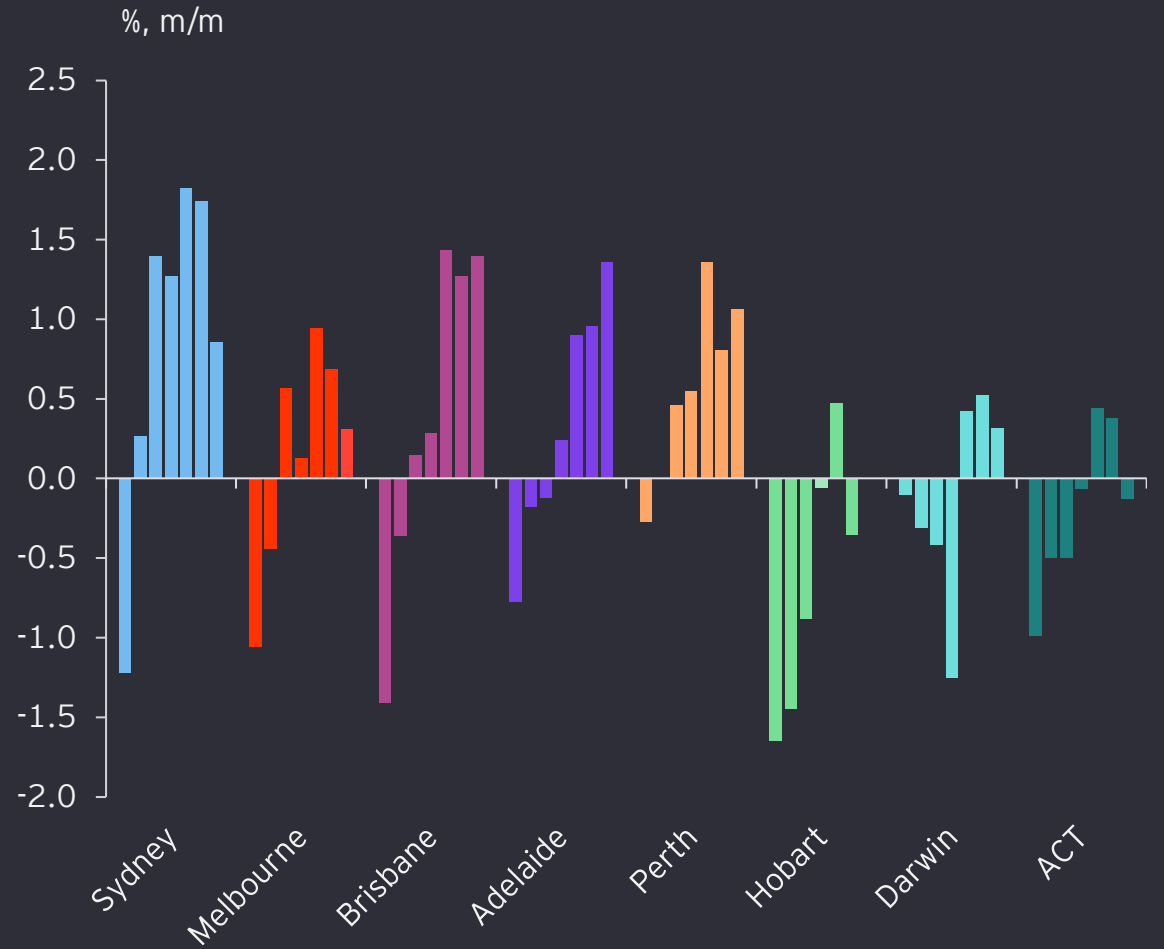
# July marked the fifth consecutive month that house prices rose

## Hedonic Home Value Index



Source: CoreLogic, Macrobond, EY

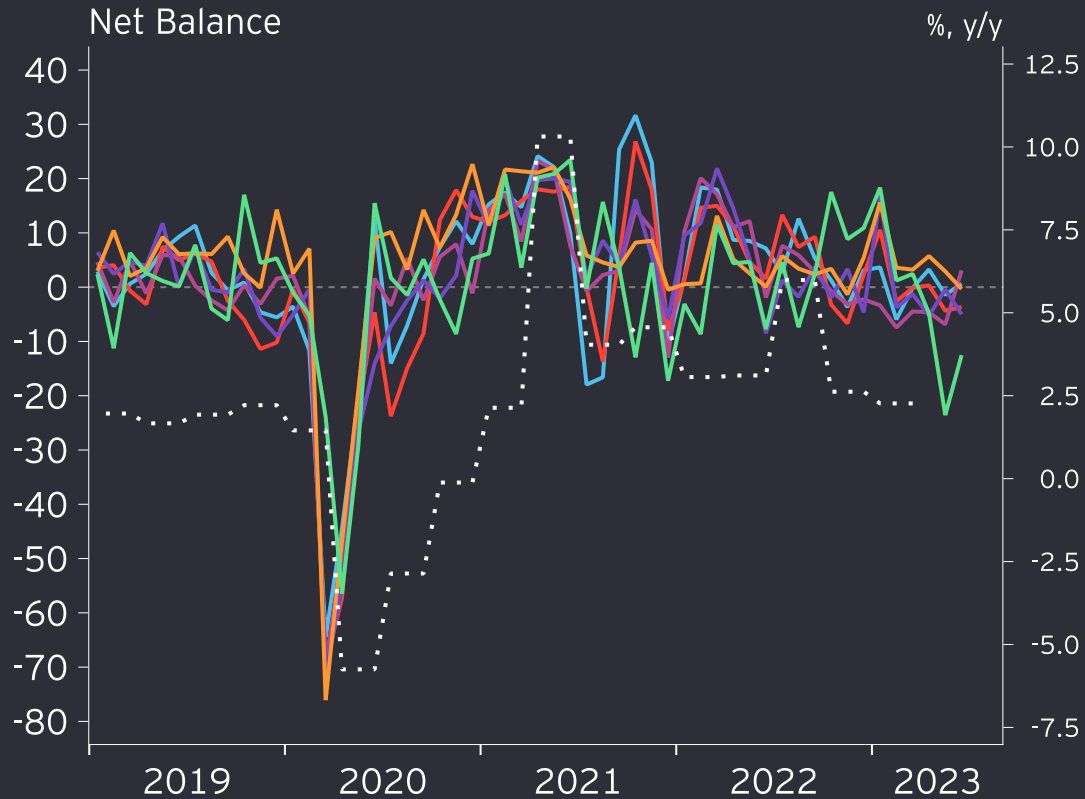
## Hedonic Home Value Index - Dwellings, Jan-23 to Jul-23



Source: Core Logic, EY

# Business conditions remain in positive territory for most states while confidence is more pessimistic

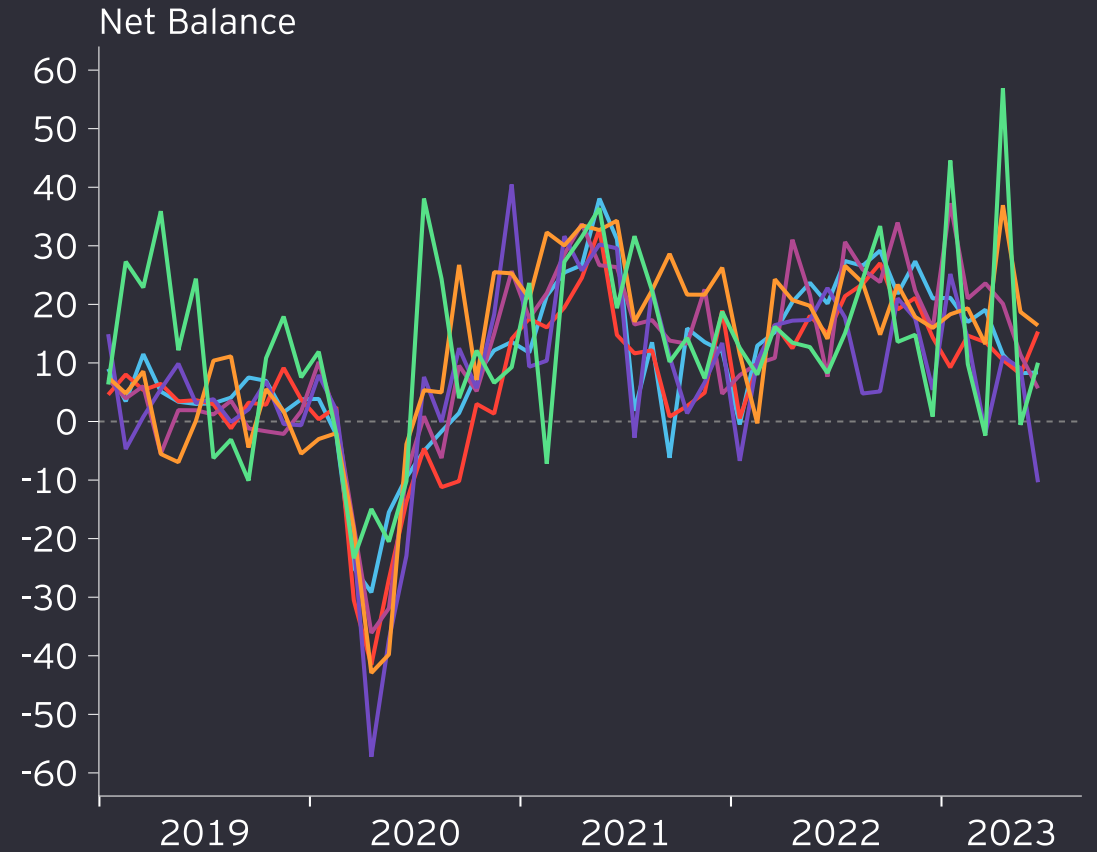
## NAB Business Confidence



··· GDP , rhs  
 — Tasmania, lhs  
 — Western Australia, lhs  
 — South Australia, lhs  
 — Queensland, lhs  
 — Victoria, lhs  
 — New South Wales, lhs

Source: NAB, ABS, Macrobond, EY

## NAB Business Conditions



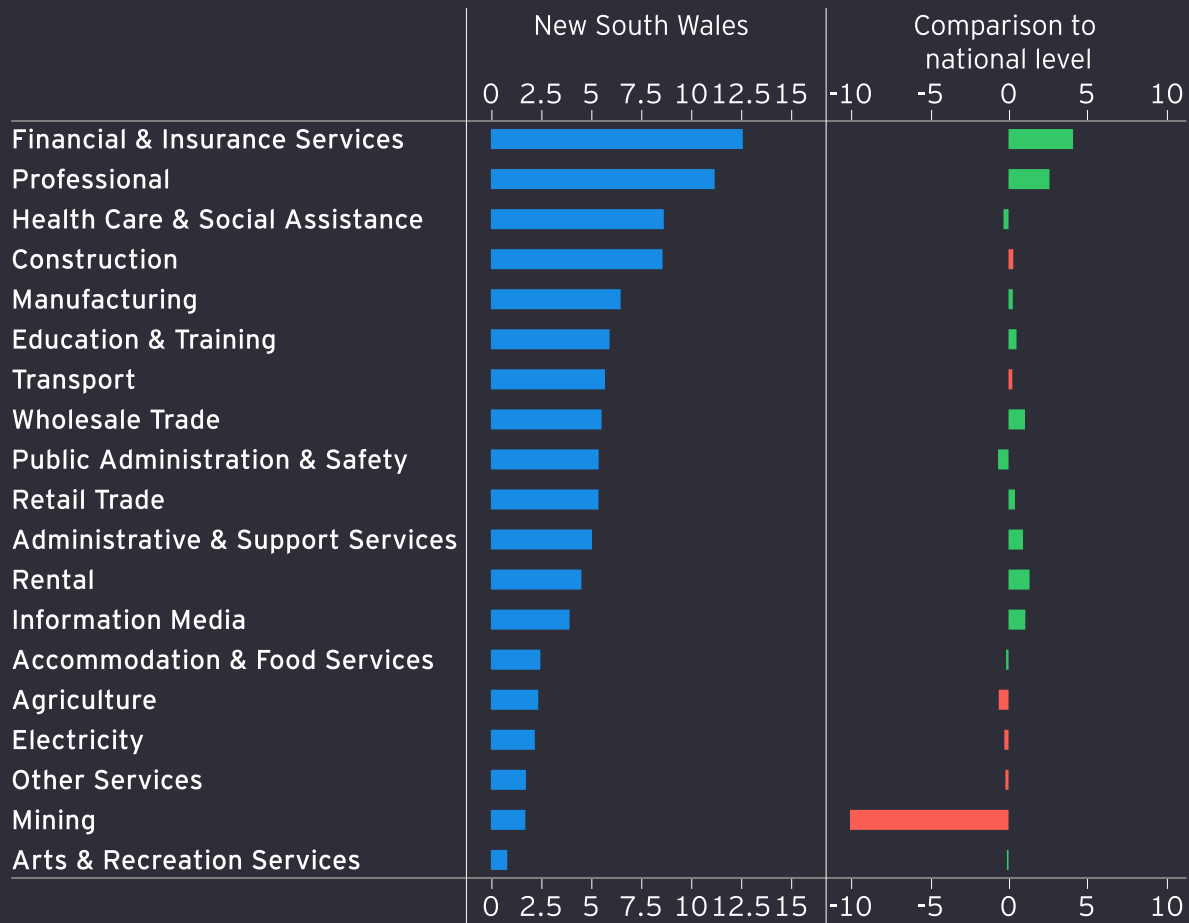
— Tasmania  
 — Western Australia  
 — South Australia  
 — Queensland  
 — Victoria  
 — New South Wales

Source: NAB, Macrobond, EY

# New South Wales

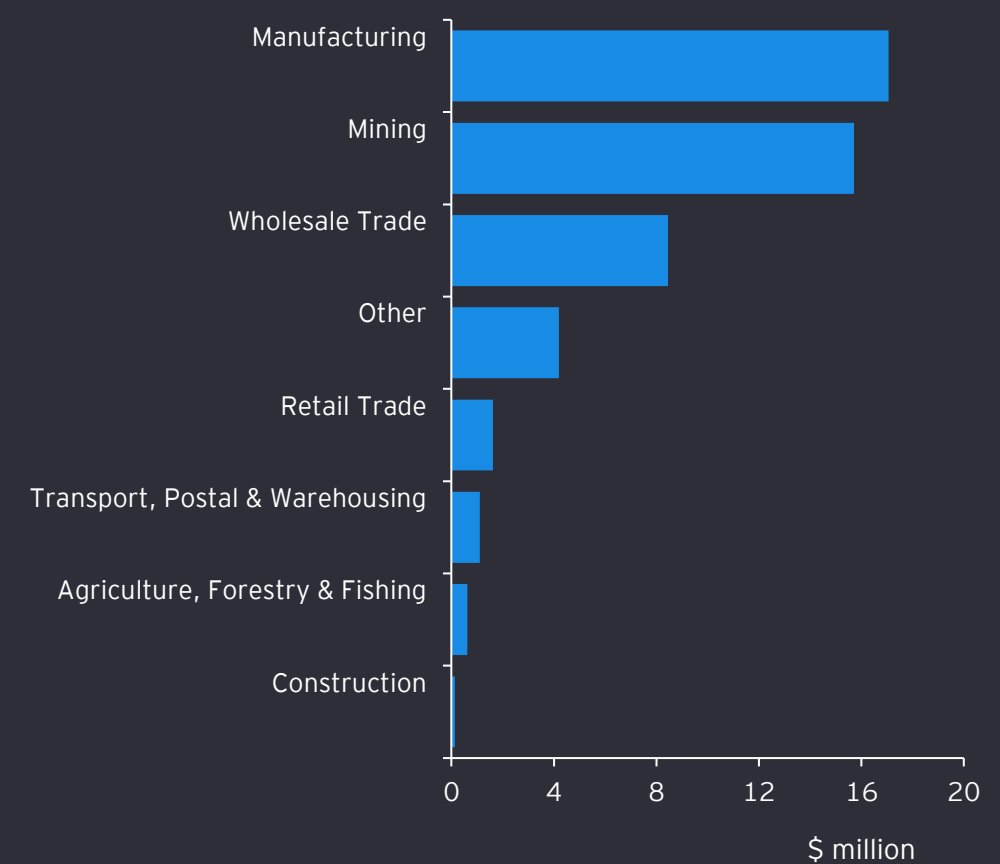
# Financial & Insurance Services is the biggest industry in NSW

NSW industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

Value of merchandise exports by industry of exporter (NSW, FY20)

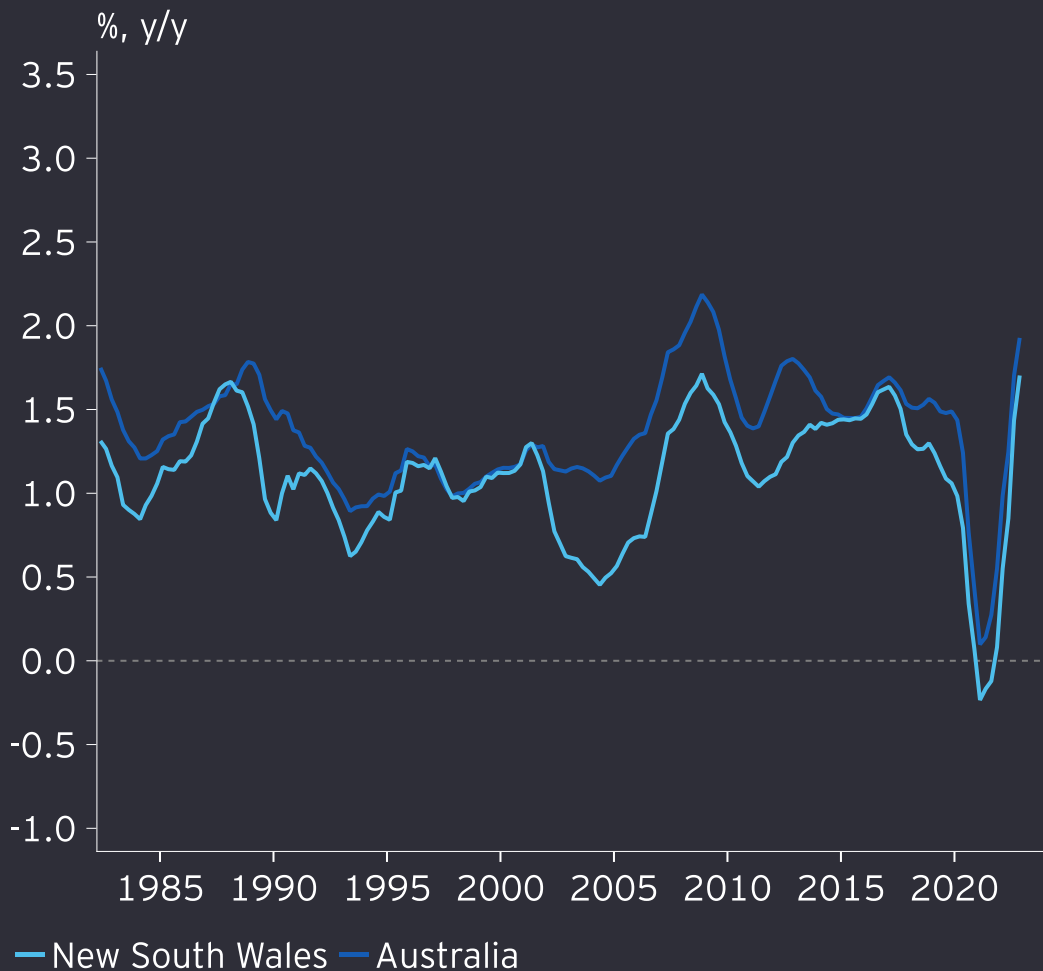


Source: ABS, EY



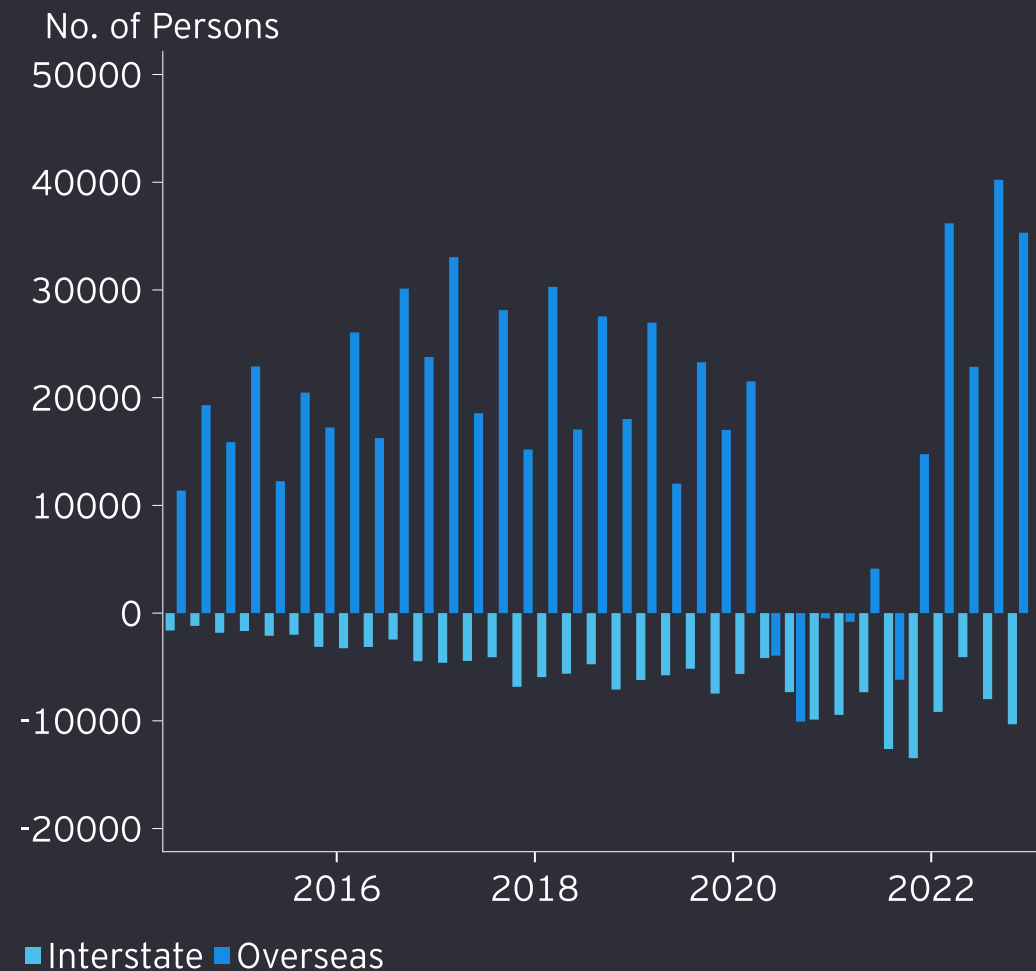
# Population growth is strong as overseas migrants return, but net interstate migration is negative

Estimated resident population



Source: ABS, Macrobond, EY

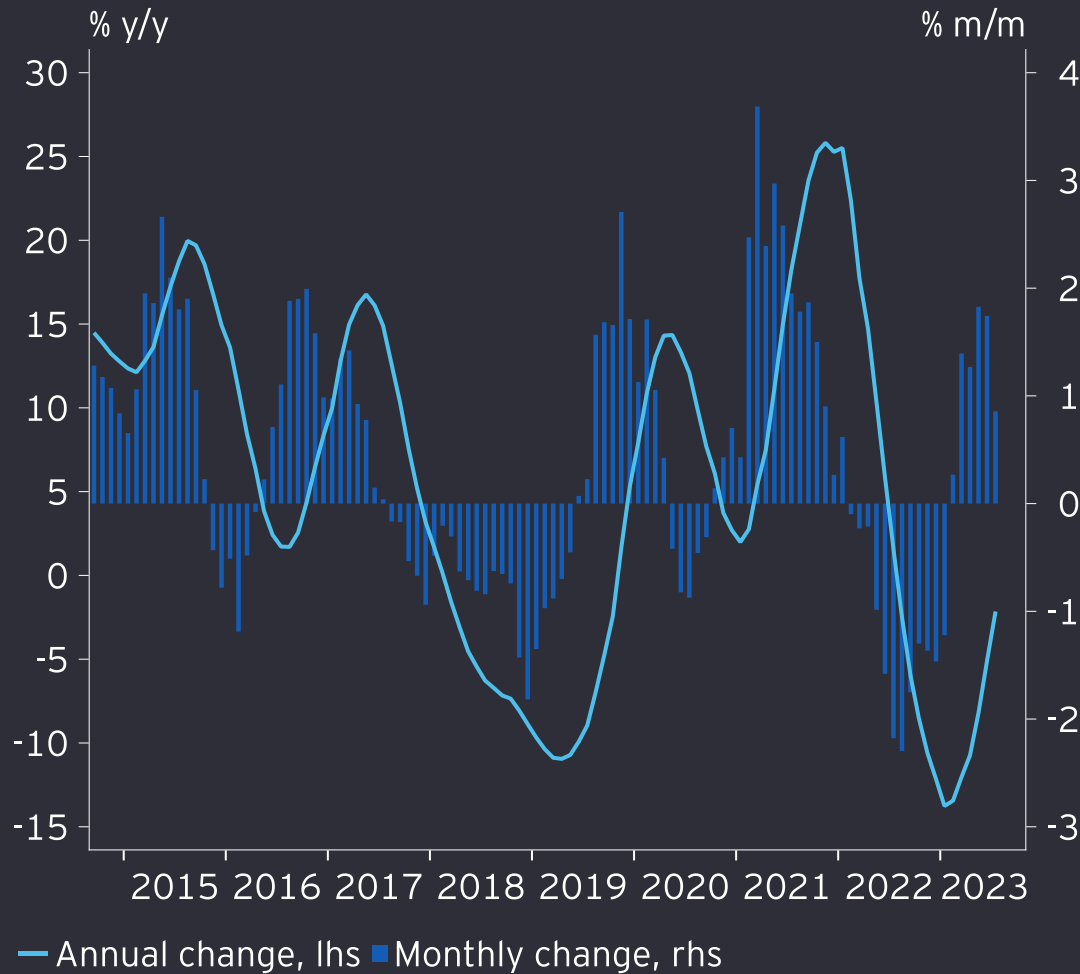
Net Migration, New South Wales



Source: ABS, Macrobond, EY

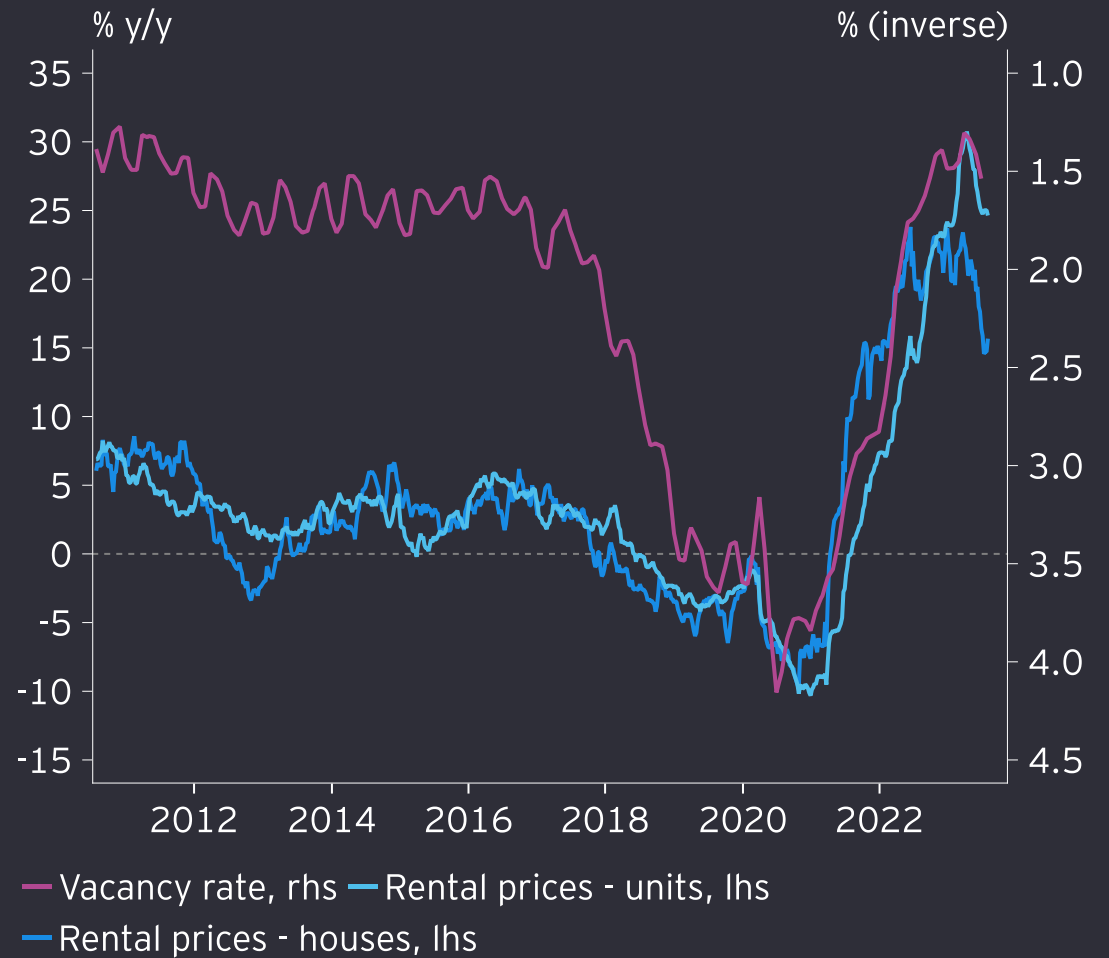
# Sydney is leading the recovery in the real estate market, with dwelling prices up by 8 per cent since January

## Greater Sydney dwelling prices



Source: CoreLogic, Macrobond, EY

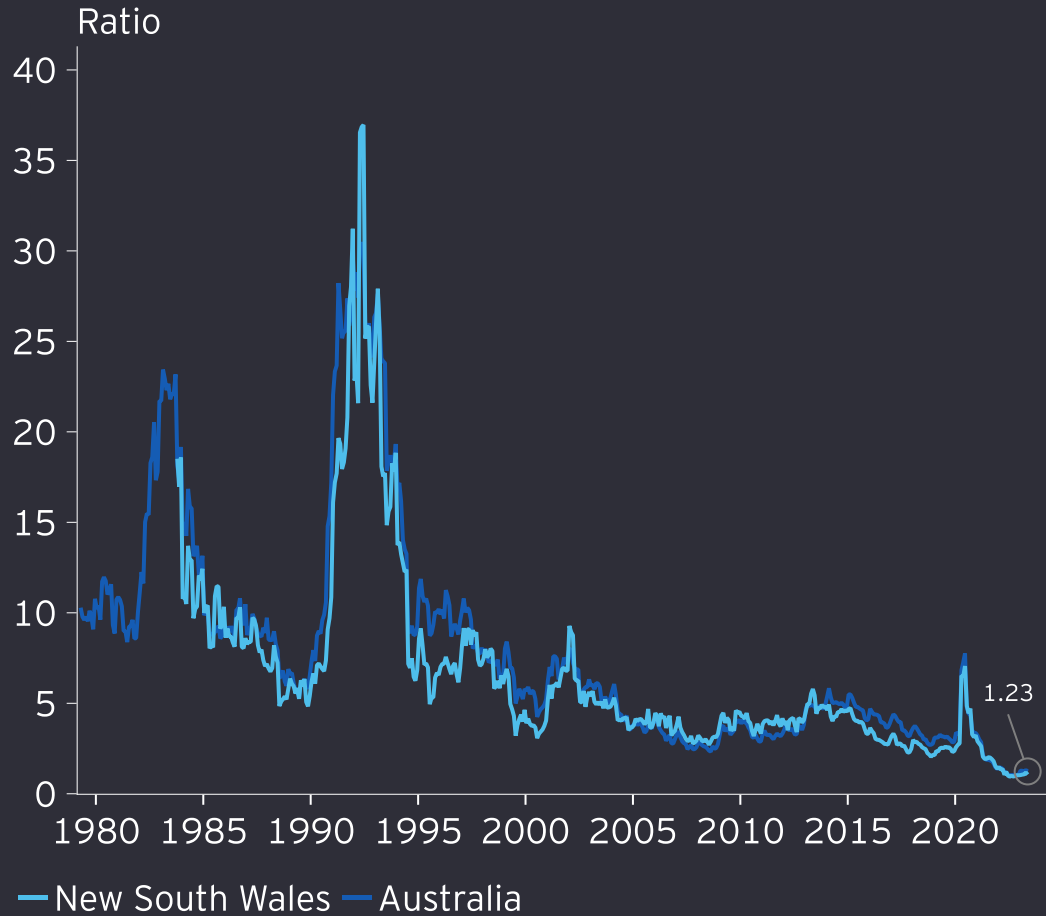
## Sydney asking rents and vacancy rate



Source: SQM, Macrobond

# Wages growth is strong, mainly driven by the private sector. But public sector wages are also accelerating

## Number of unemployed people for each job vacancy, New South Wales



Source: ABS, Macrobond, EY

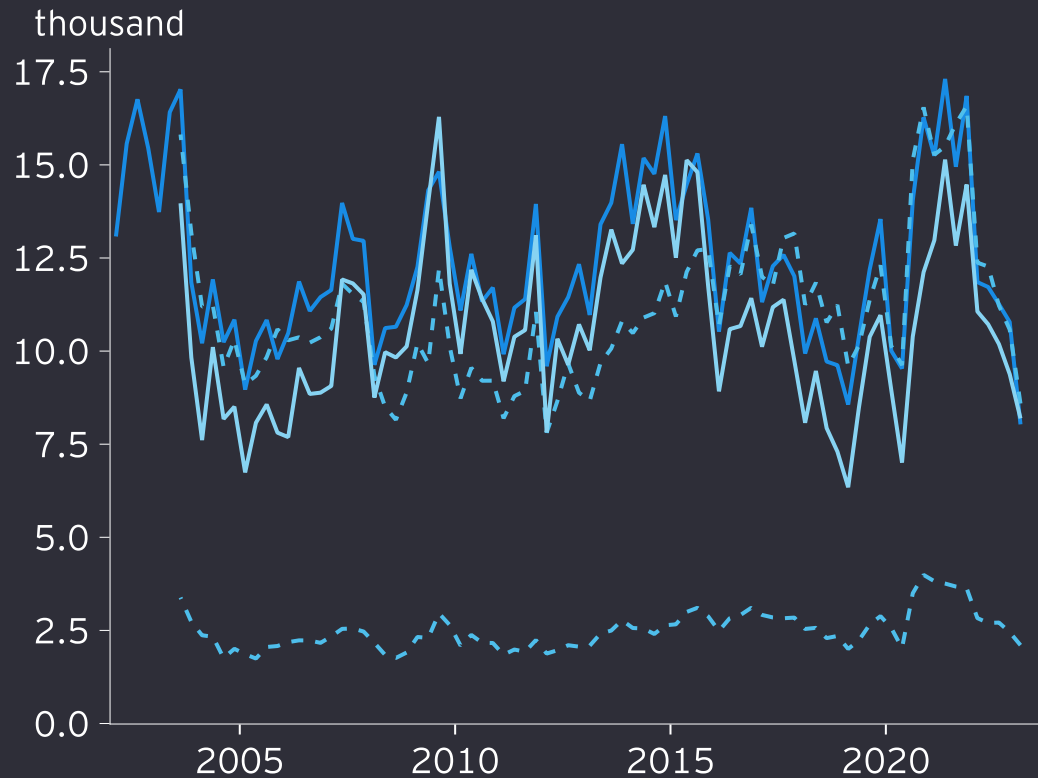
## NSW Wage Price Index



Source: ABS, Macrobond, EY

# Dwelling transfers still falling and completions lagging, as disruptions persist and demand for housing is impacted by higher interest rates

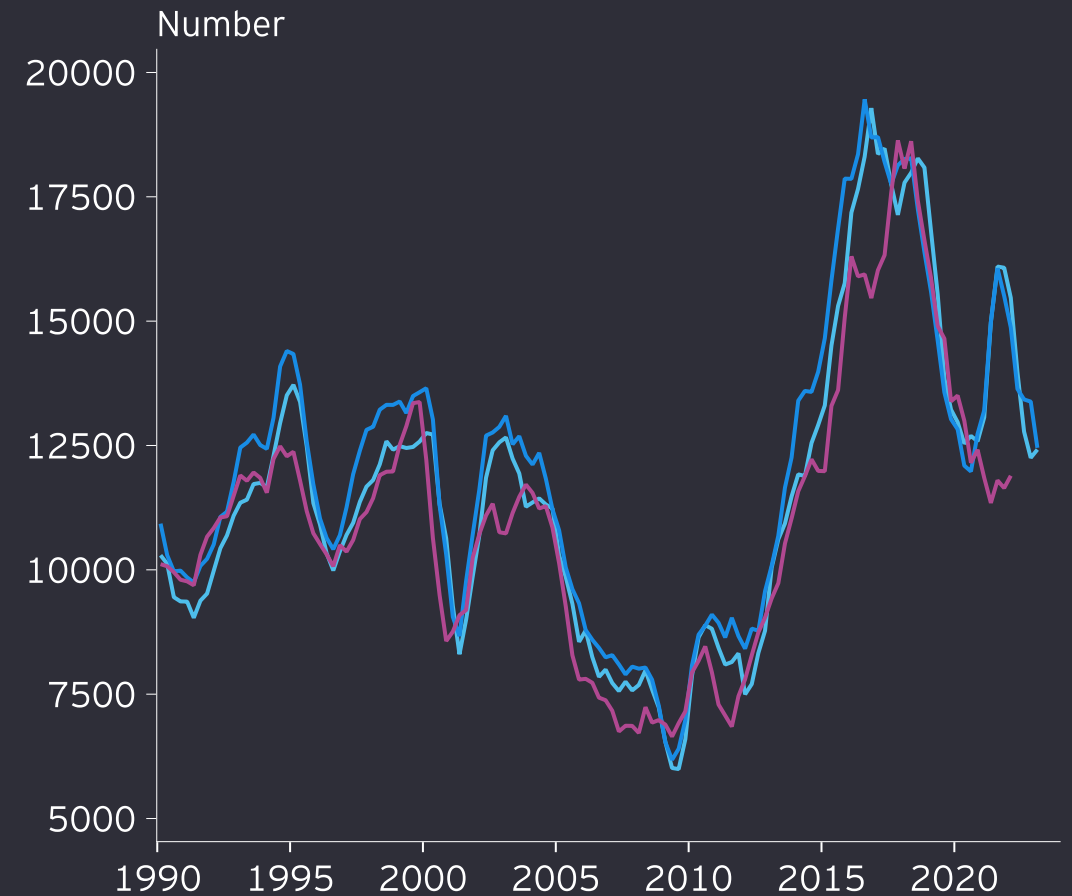
House and attached dwelling transfers, NSW



- Apartments - Rest of NSW
- Apartments - Sydney
- Established Houses - Rest of NSW
- Established Houses - Sydney

Source: ABS, Macrobond, EY

Dwelling approvals, starts and completions - NSW



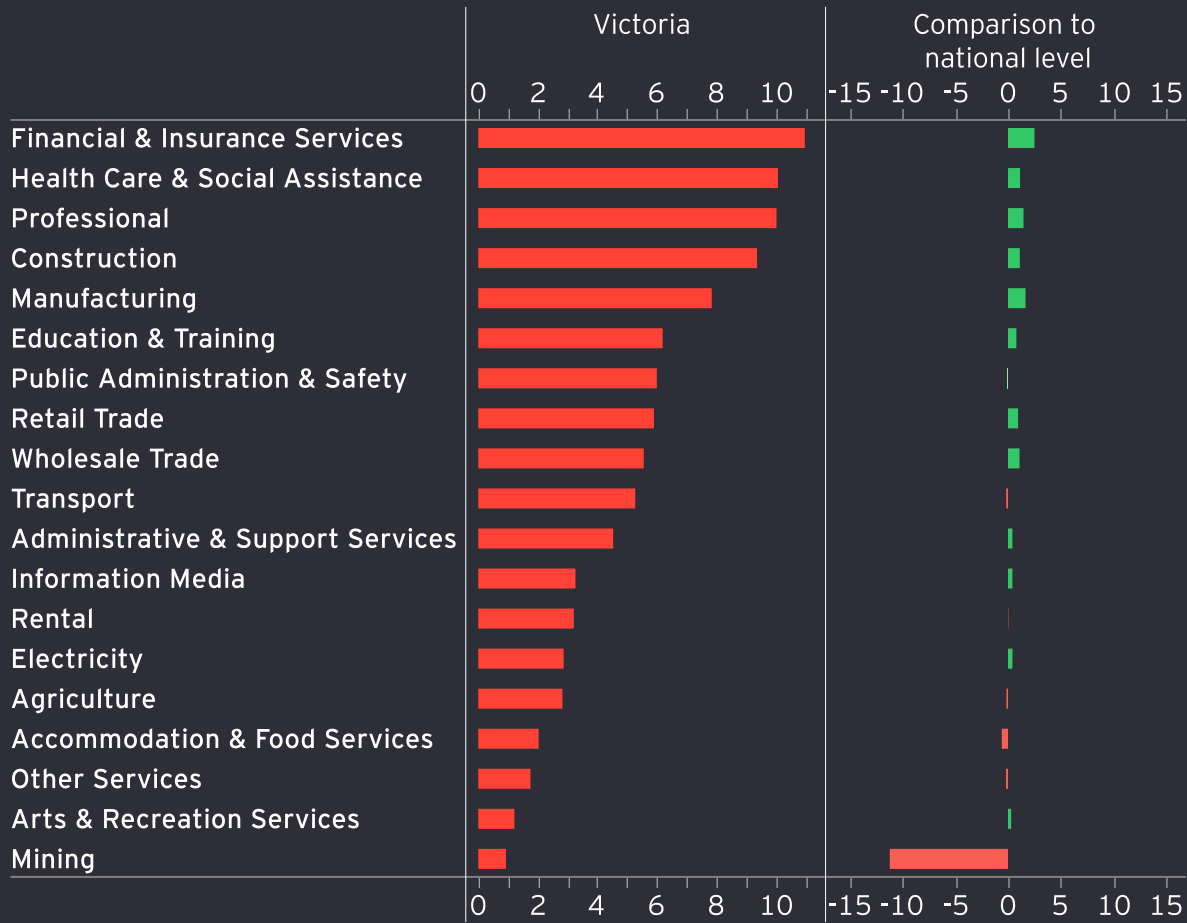
- Total completions (1y lag)
- Total approvals
- Total starts

Source: ABS, Macrobond, EY

# Victoria

# Victoria's industry structure is broadly based

VIC industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

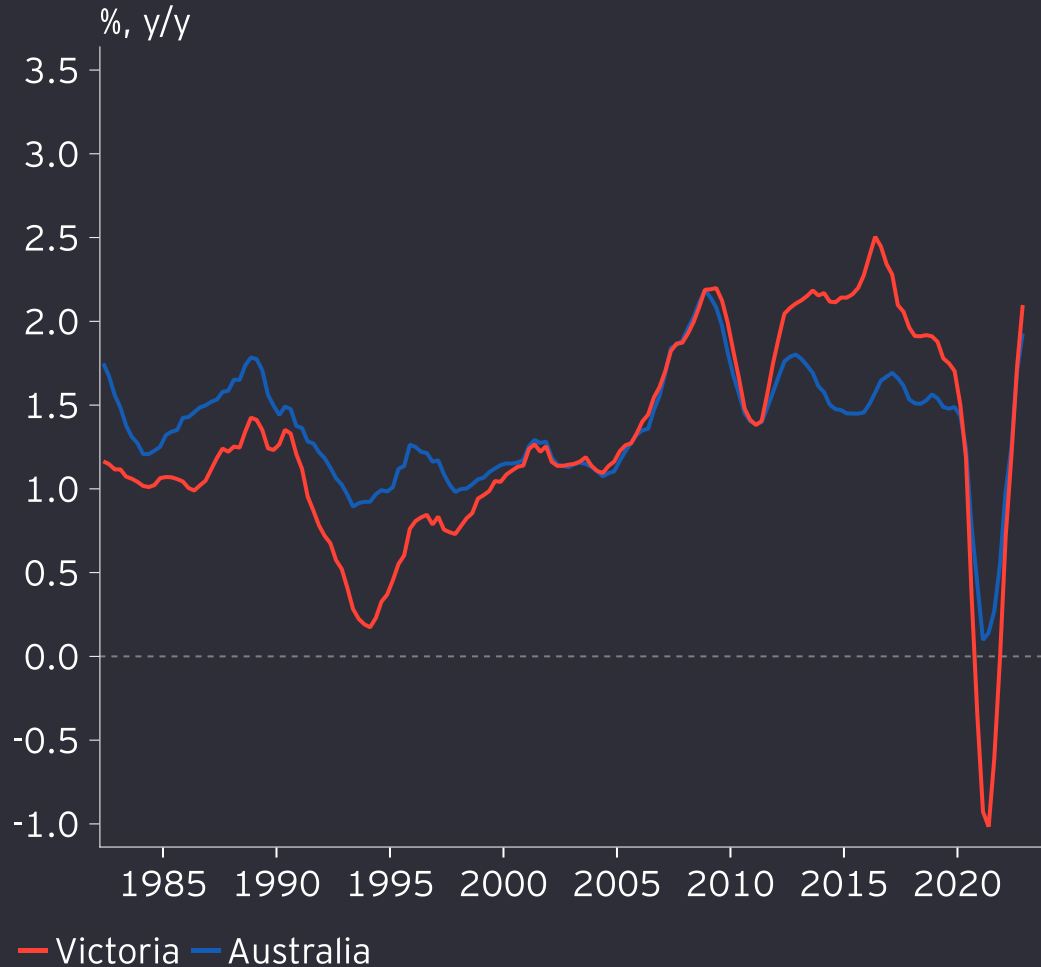
Value of merchandise exports by industry of exporter (Victoria, FY20)



Source: ABS, EY

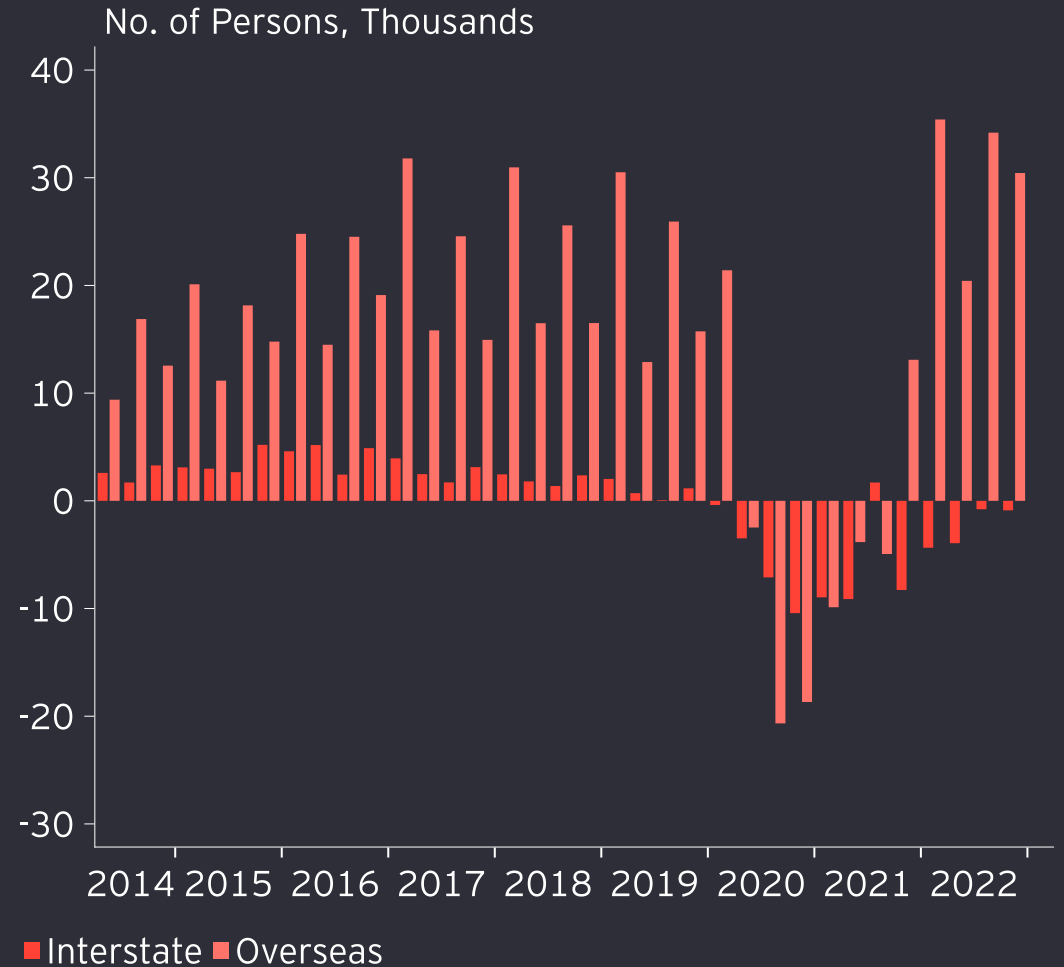
# Victoria's population declined over the past two years but is now recovering as international migrants return enthusiastically

Estimated resident population



Source: ABS, Macrobond, EY

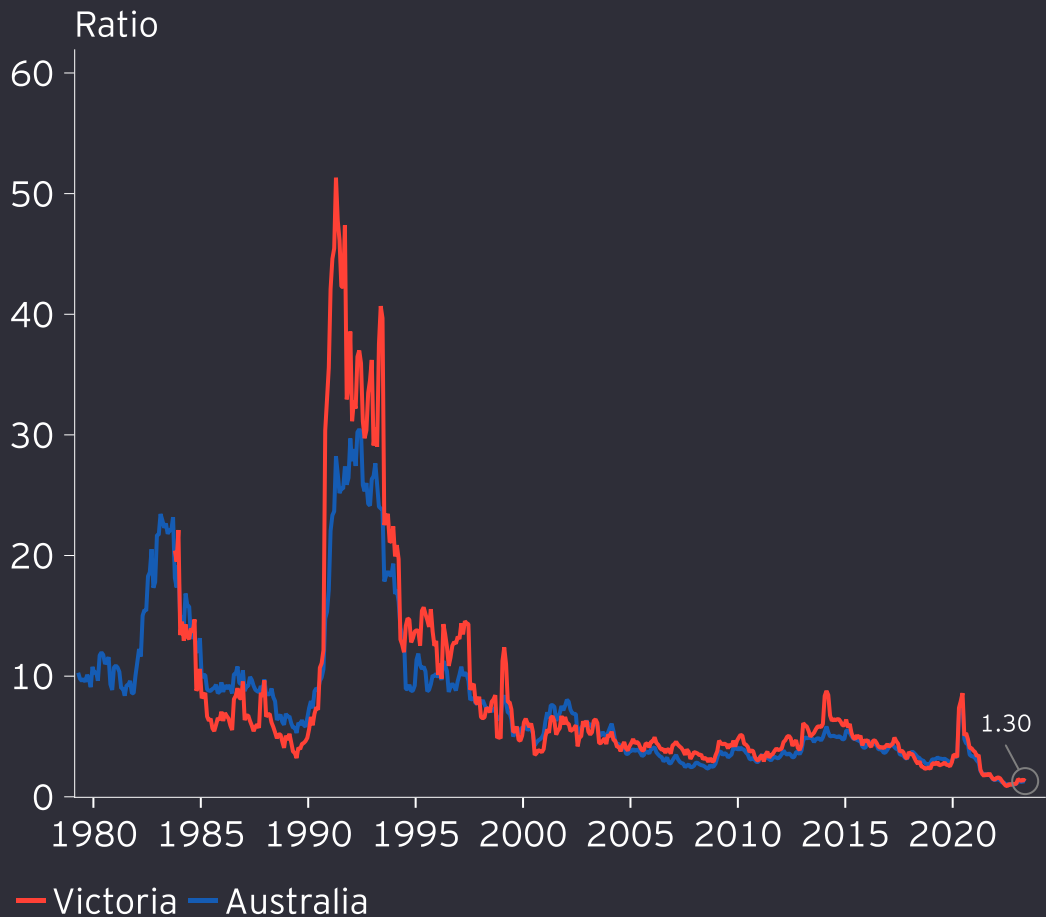
Net Migration, Victoria



Source: ABS, Macrobond, EY

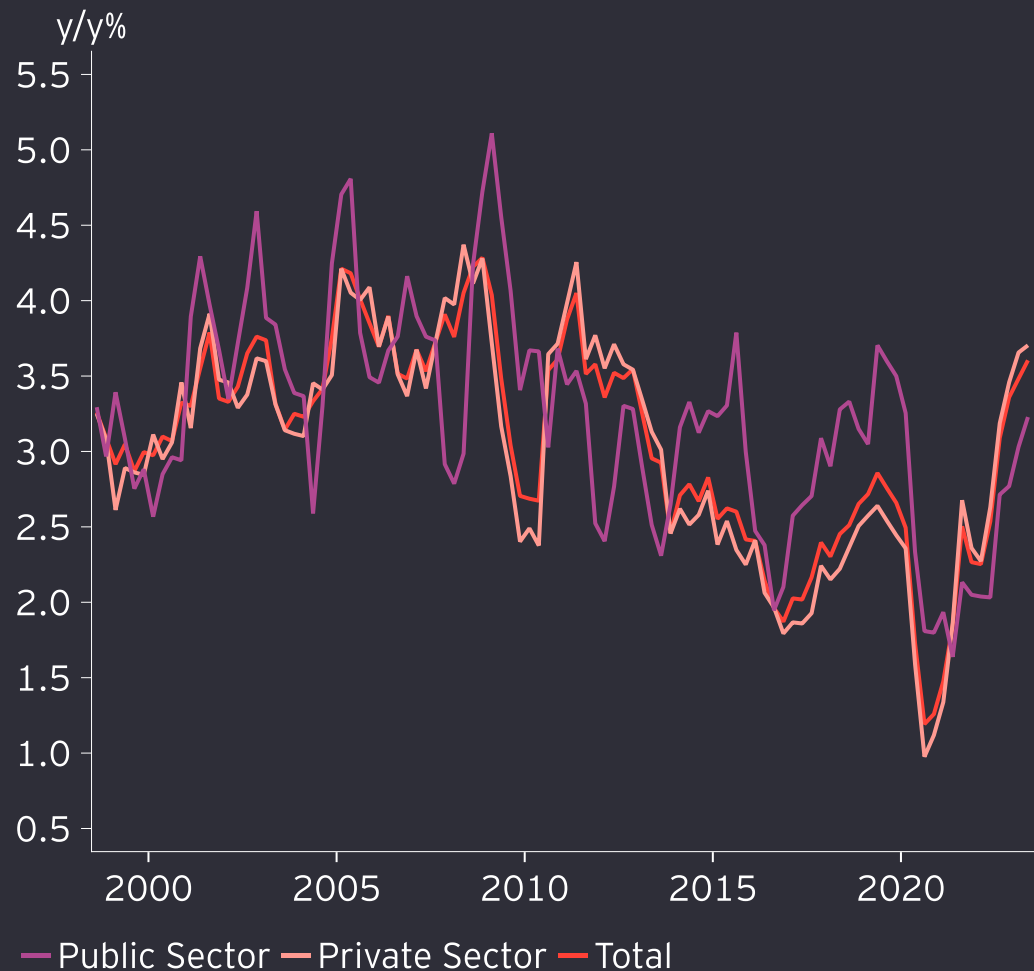
# The labour market is tight, with as many job vacancies as unemployed people

## Number of unemployed people for each job vacancy, Victoria



Source: ABS, Macrobond, EY

## VIC Wage Price Index

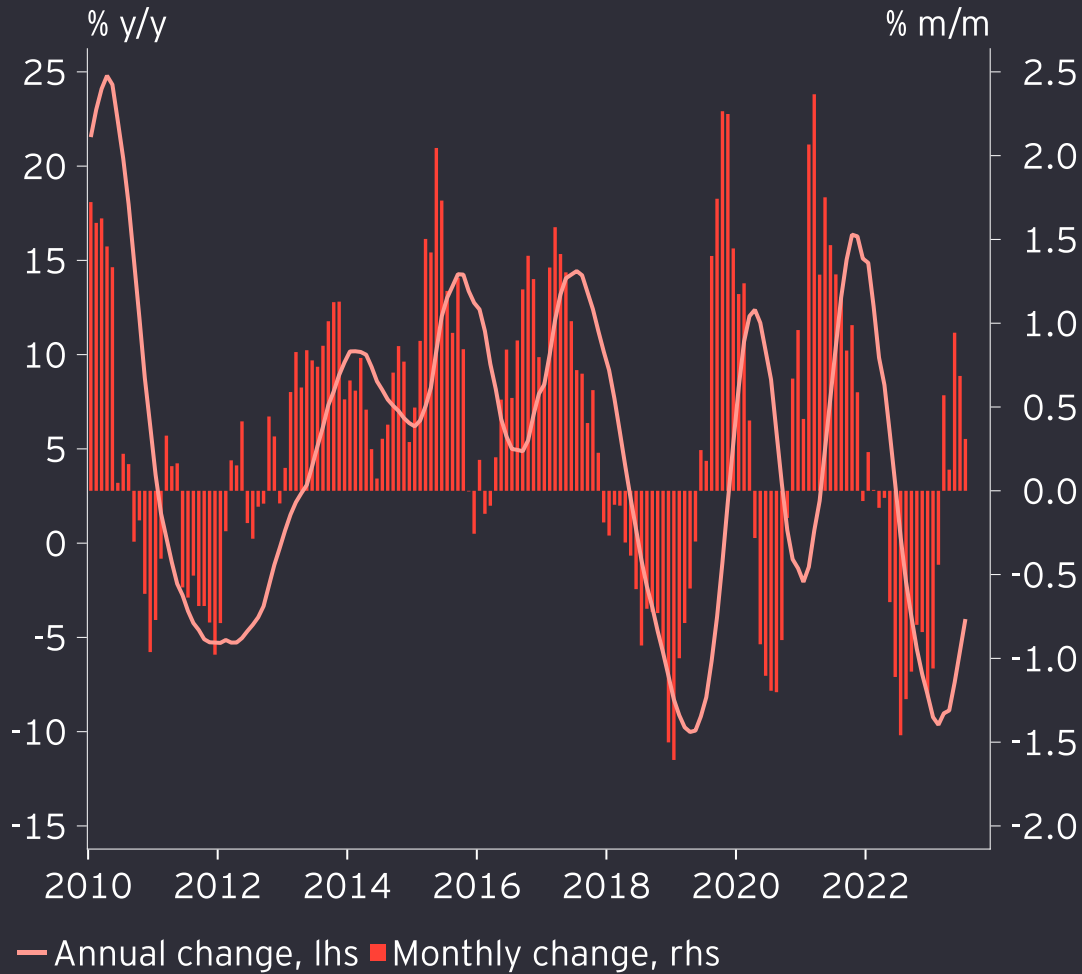


Source: ABS, Macrobond, EY



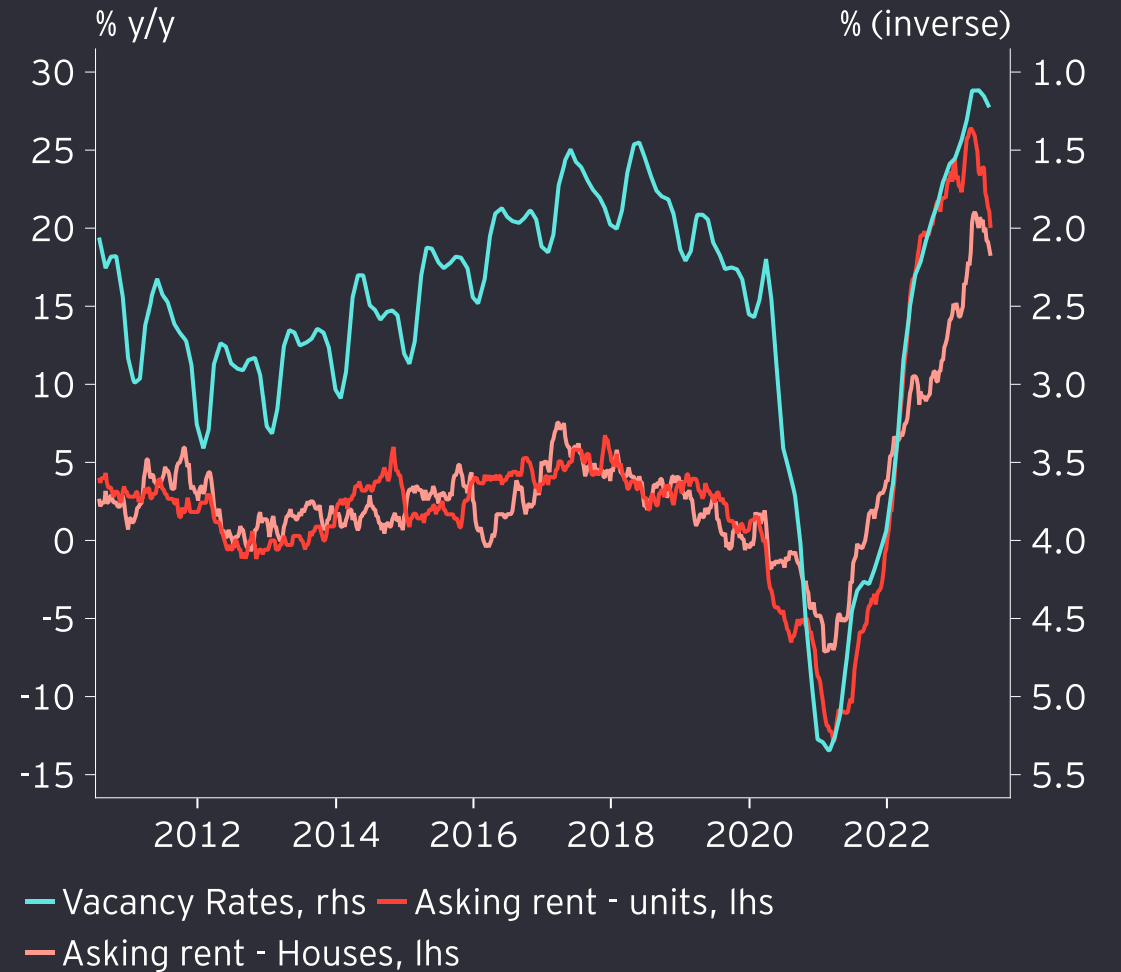
# Melbourne dwelling prices have increased 3 per cent since February

## Greater Melbourne dwelling prices



Source: Corelogic, Macrobond, EY

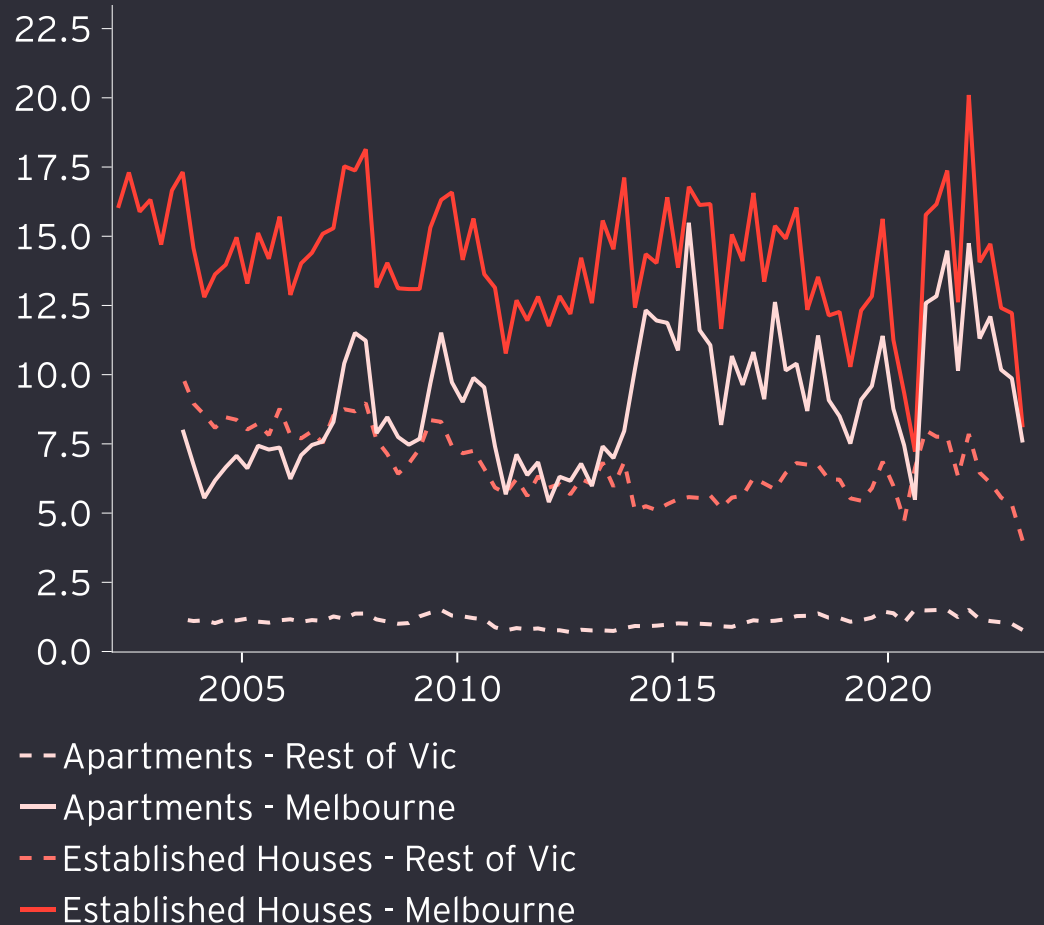
## Melbourne asking rents and vacancy rate



Source: SQM, Macrobond, EY

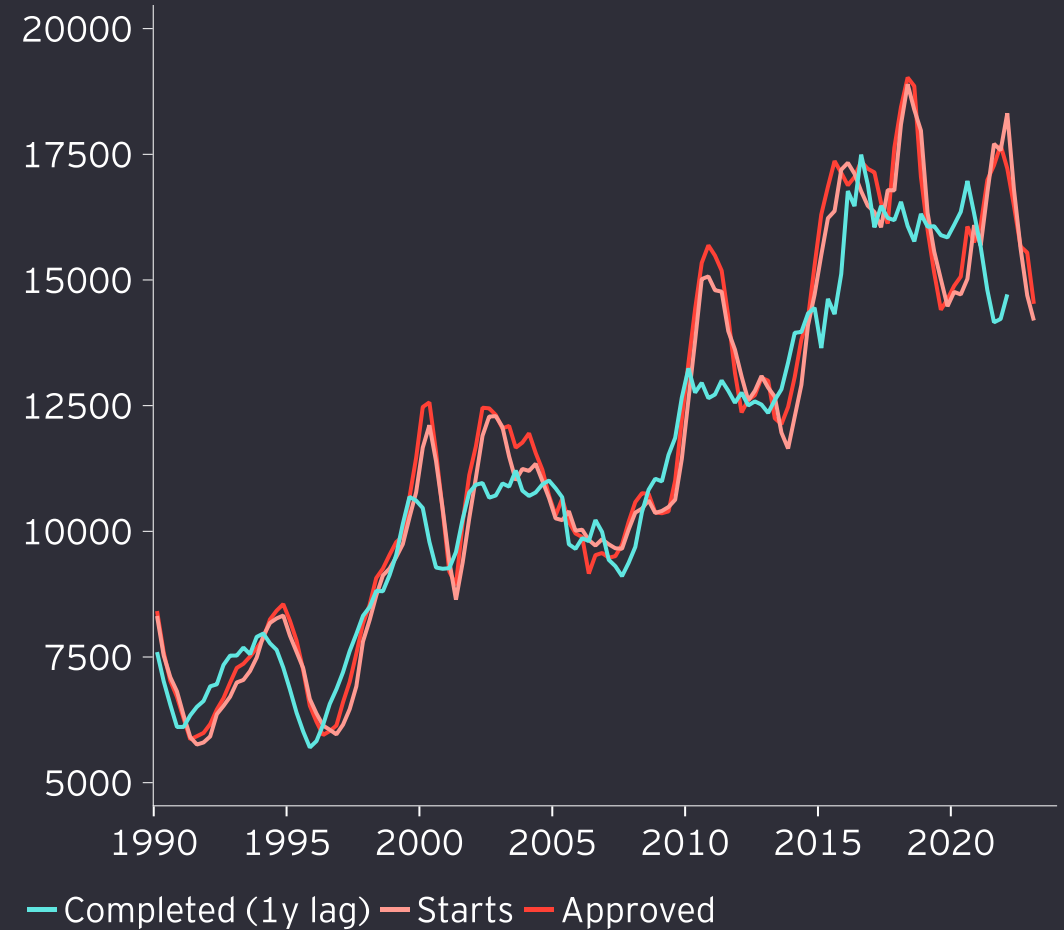
# Despite a house price recovery dwelling transfers are still falling

House and attached dwelling transfers, VIC  
thousand



Source: ABS, Macrobond, EY

Dwelling approvals, starts and completions - VIC  
Number

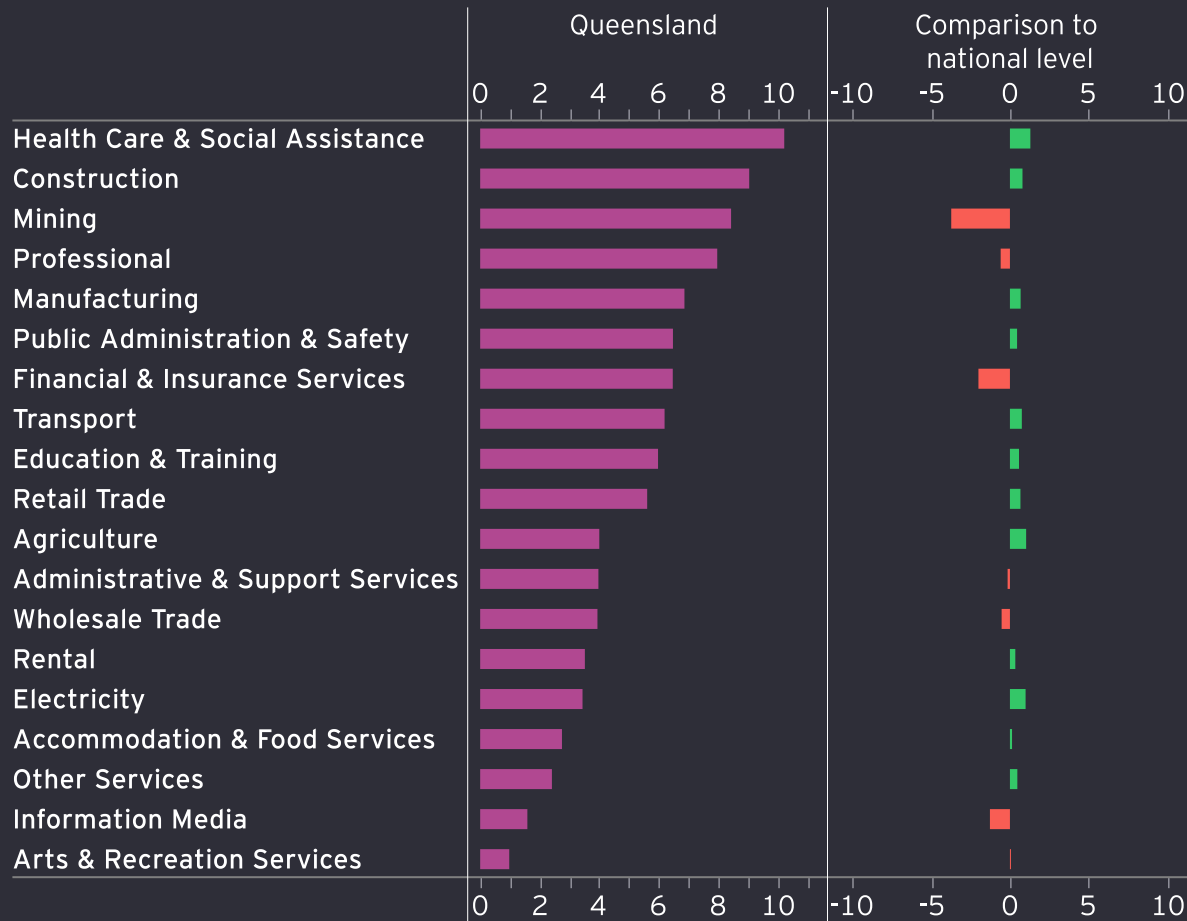


Source: ABS, Macrobond, EY

# Queensland

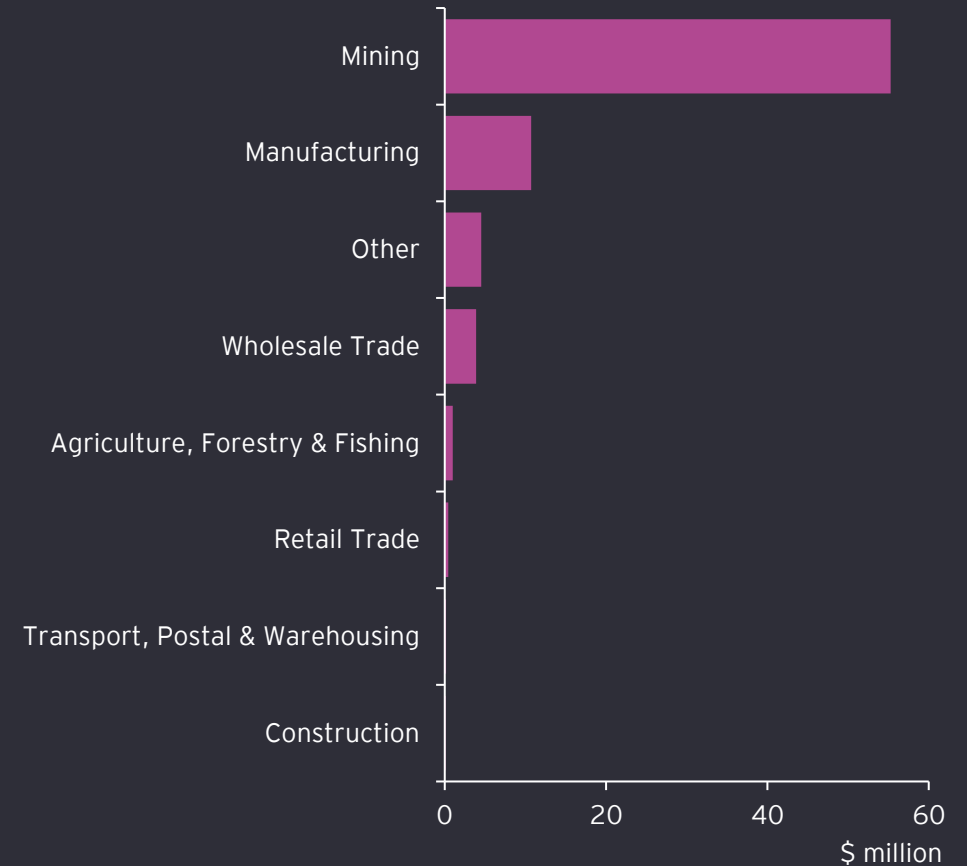
# Healthcare and social assistance the largest single industry, and makes up more than 10 per cent of the Qld economy

QLD industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

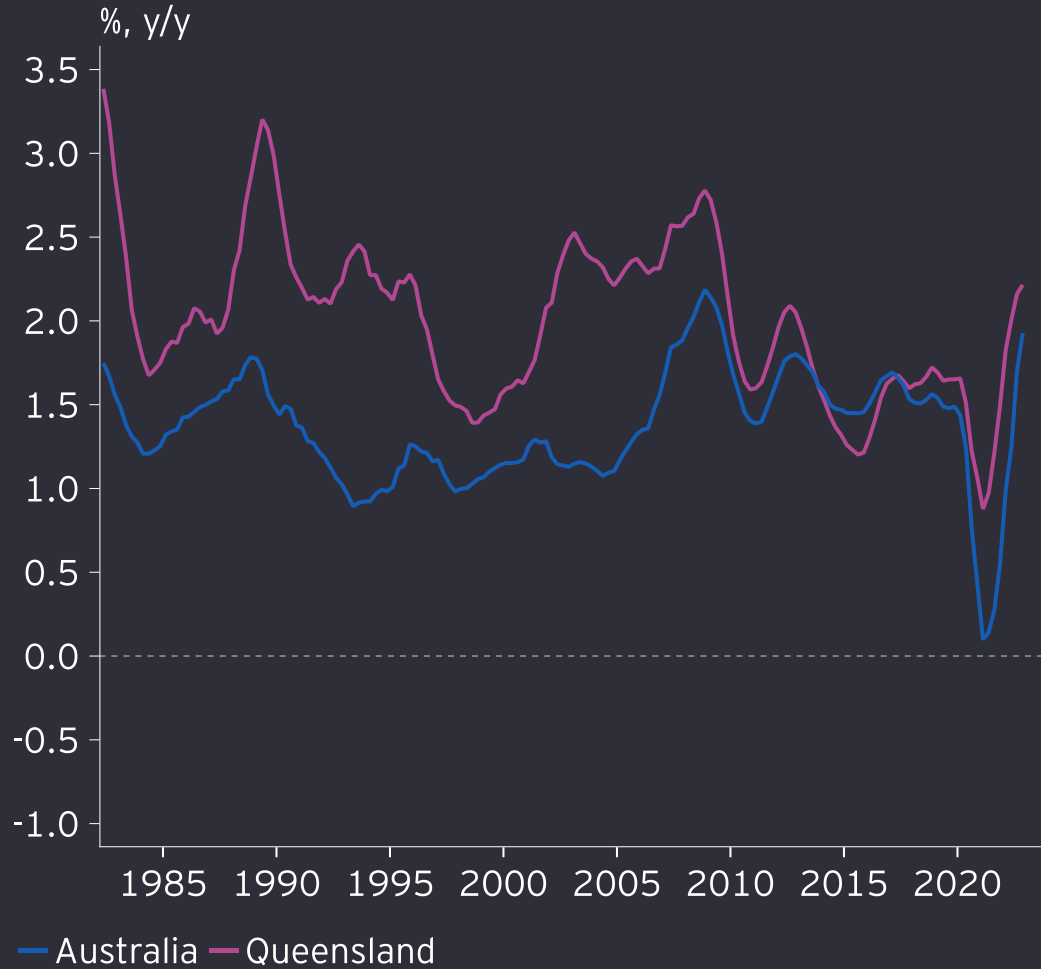
Value of merchandise exports by industry of exporter (Queensland, FY20)



Source: ABS, EY

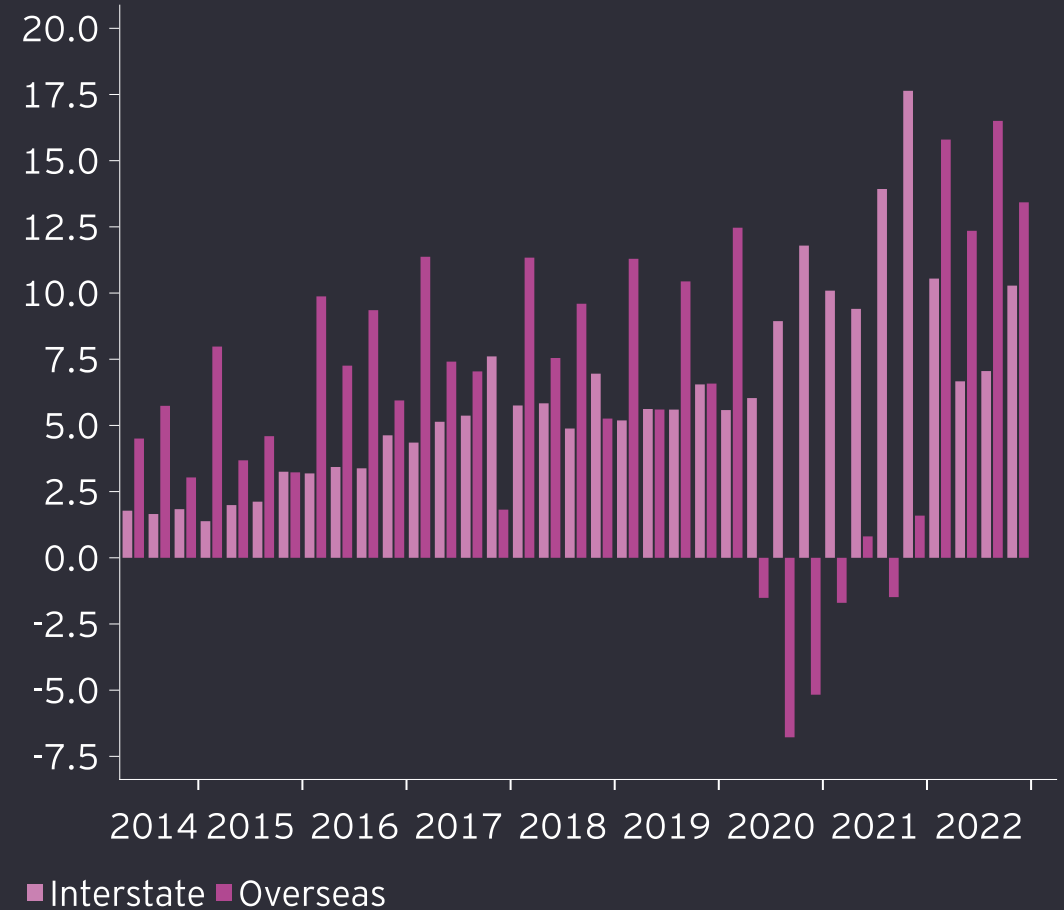
# Qld and WA have the highest population growth, driven by interstate migration

Estimated resident population



Source: ABS, Macrobond, EY

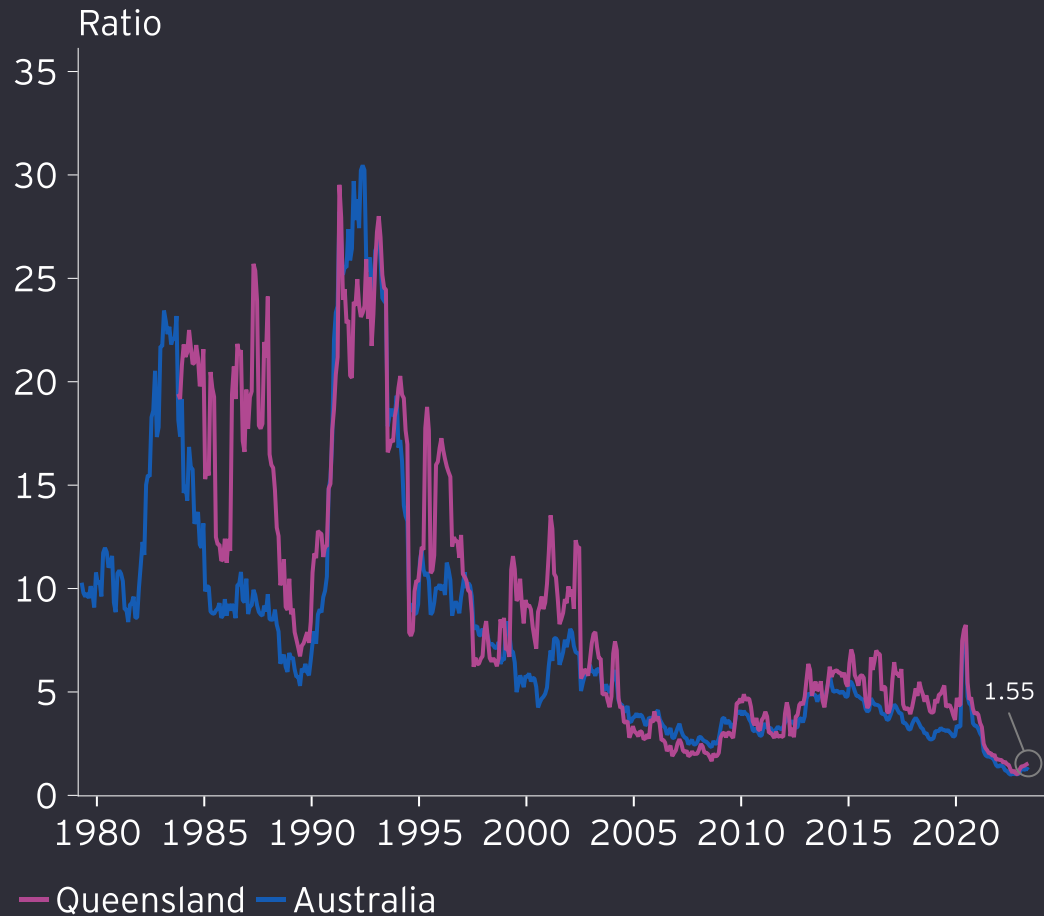
Net Migration, Queensland  
No. of Persons, Thousands



Source: ABS, Macrobond, EY

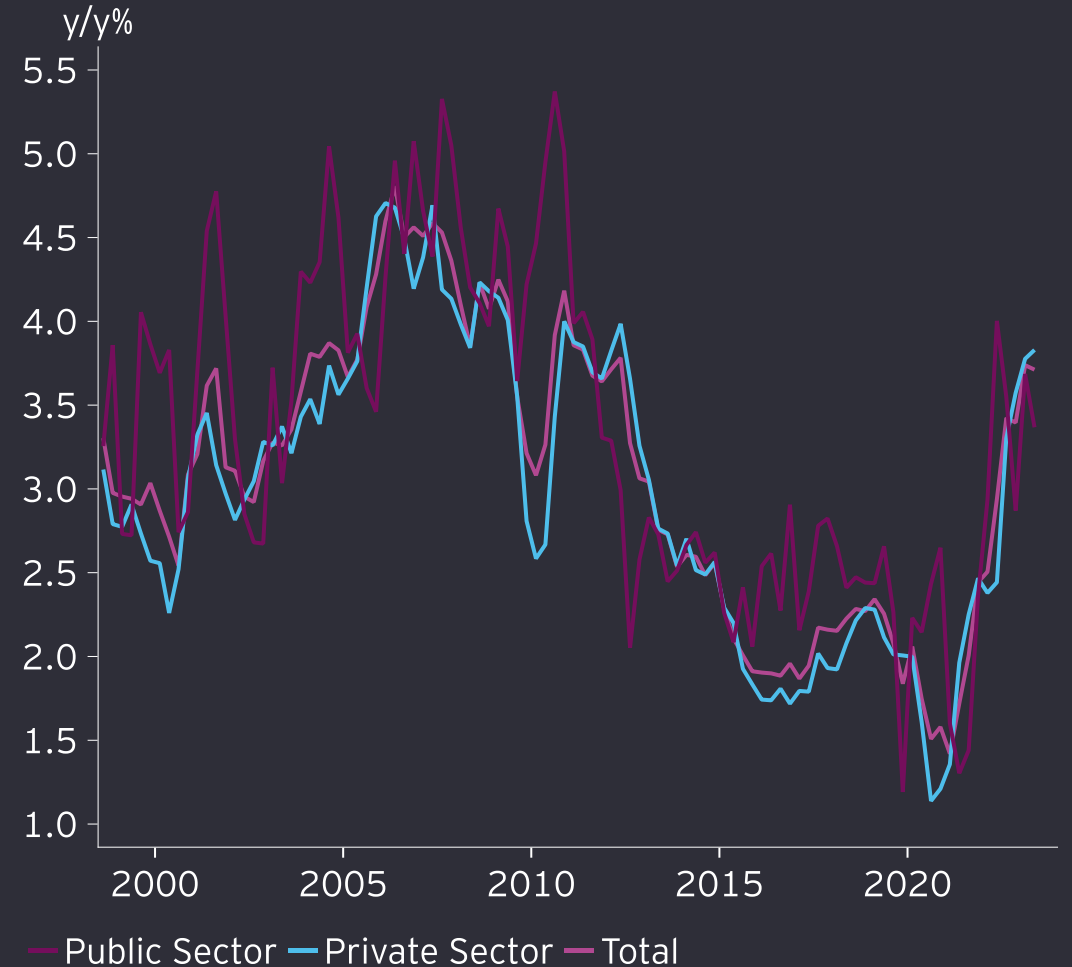
# Qld has experienced strong nominal wage increases, but real wage growth is still negative

Number of unemployed people for each job vacancy, Queensland



Source: ABS, Macrobond, EY

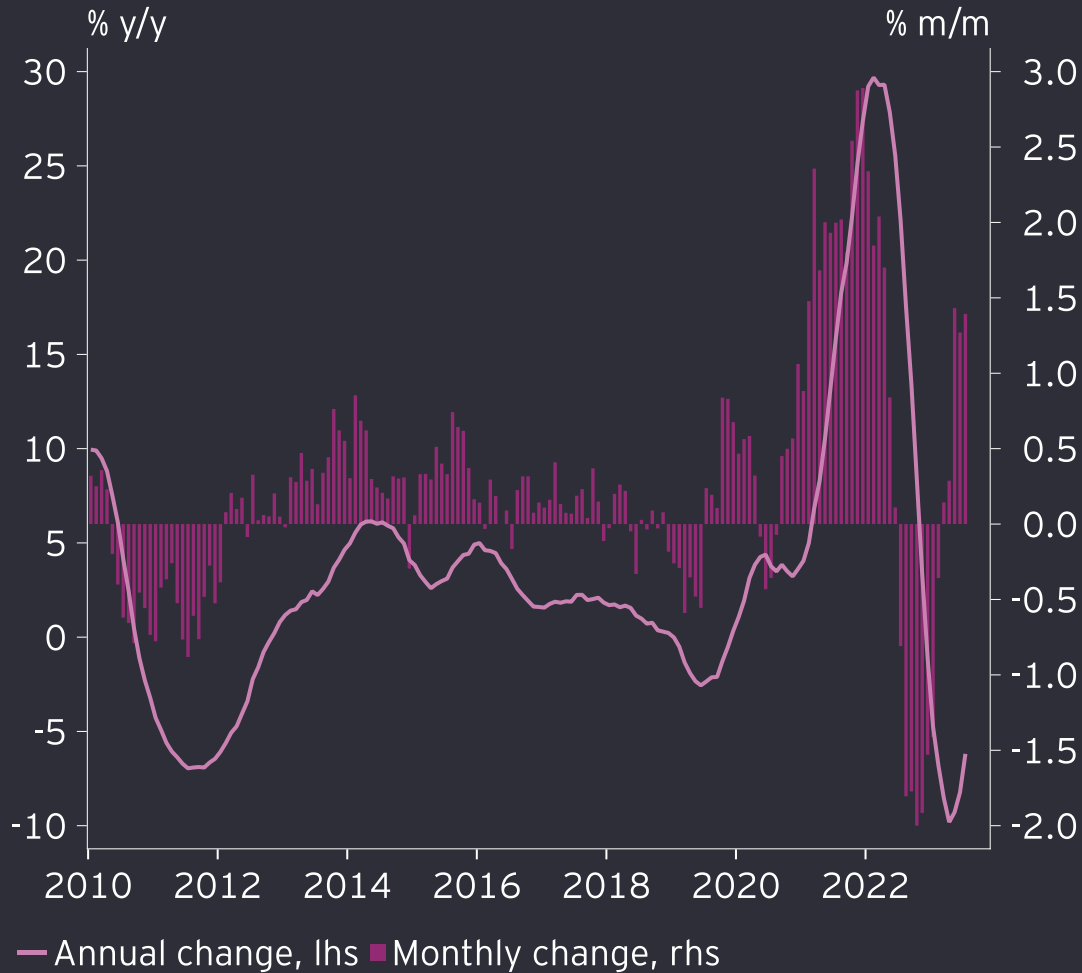
QLD Wage Price Index



Source: ABS, Macrobond, EY

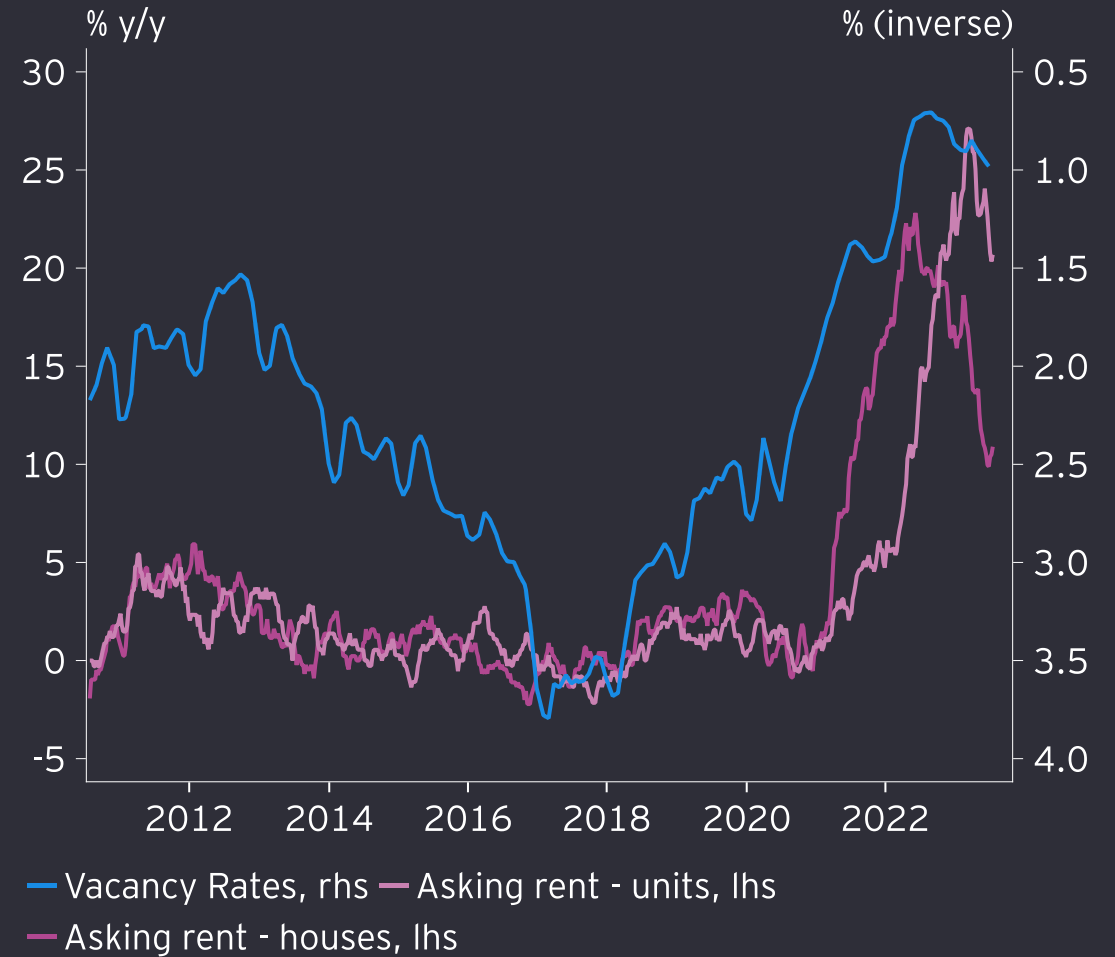
# Brisbane dwelling prices have increased 5 per cent since February

## Brisbane dwelling prices



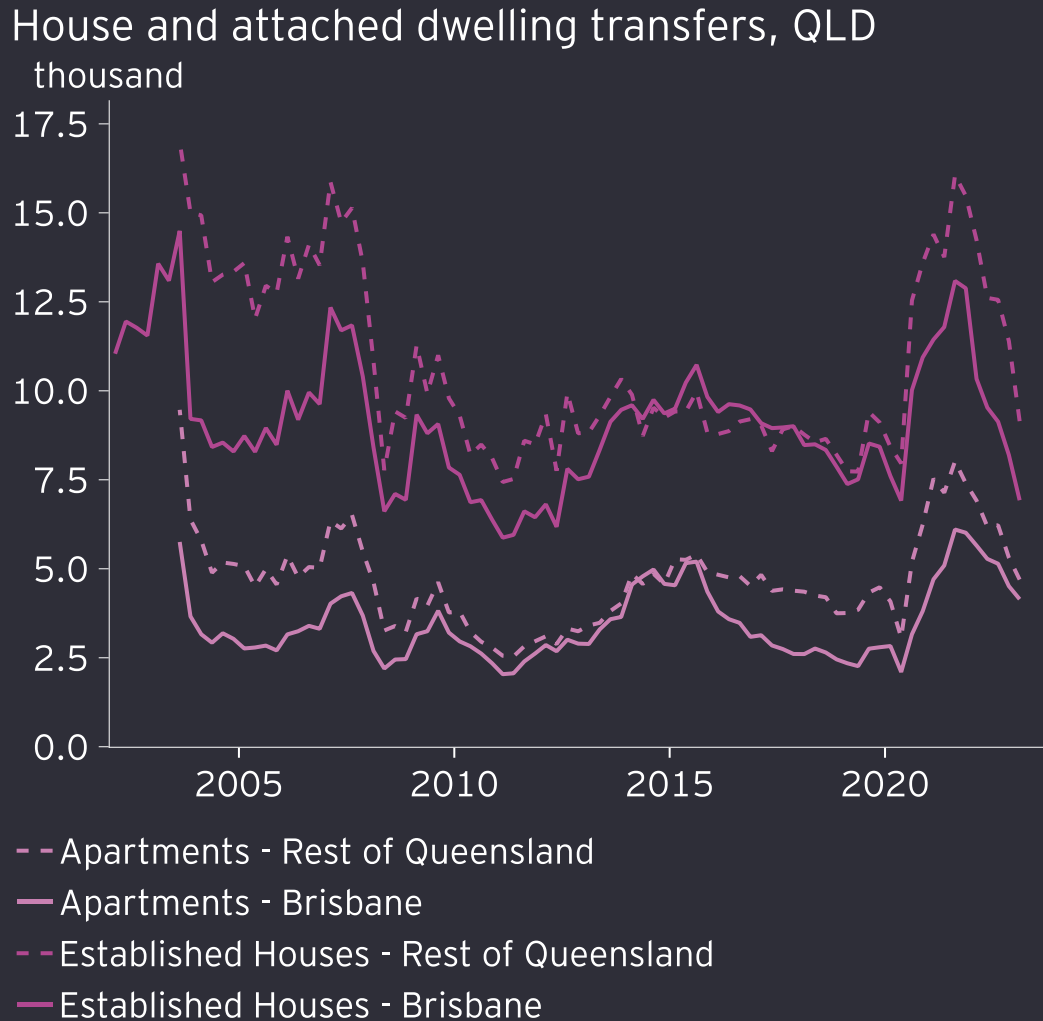
Source: CoreLogic, Macrobond, EY

## Brisbane asking rents and vacancy rate

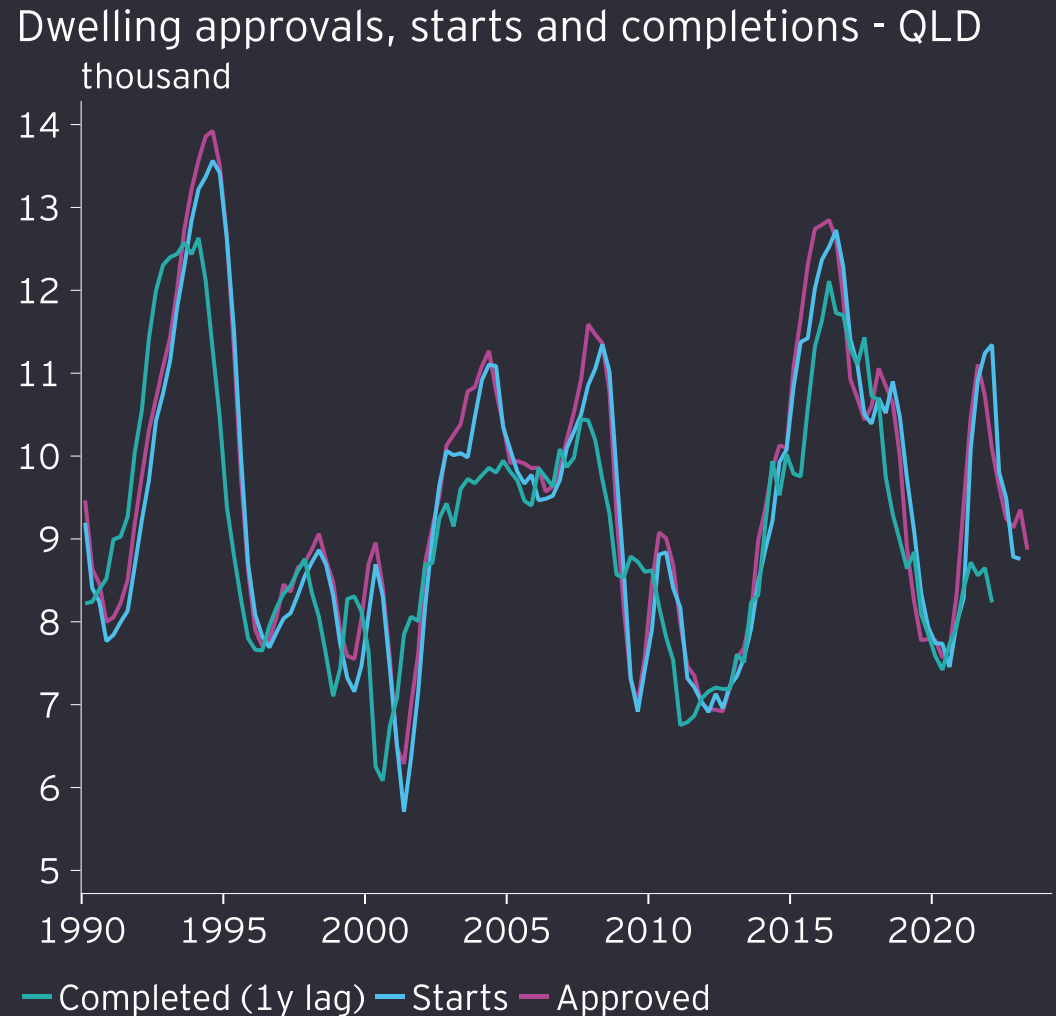


Source: SQM, Macrobond

# Dwelling transfers have fallen since their peak in September 2021



Source: ABS, Macrobond, EY

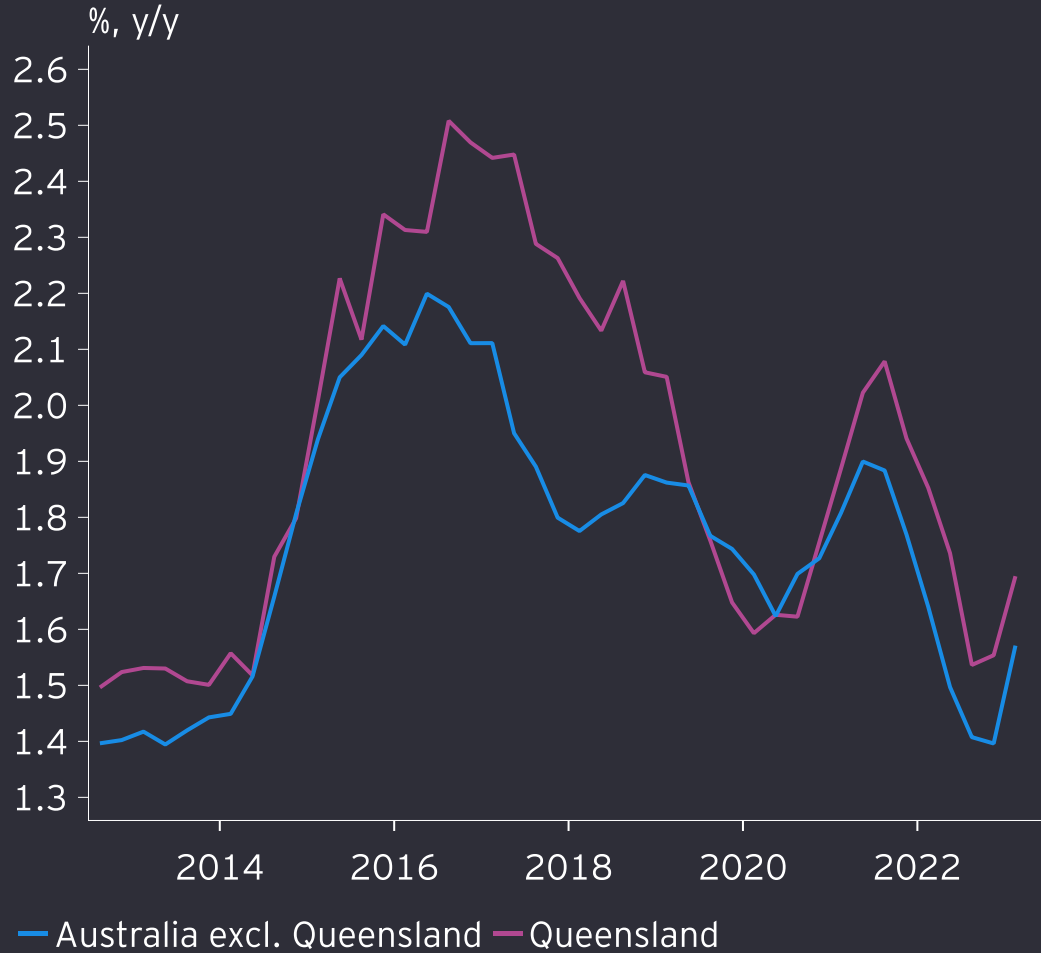


Source: ABS, Macrobond, EY



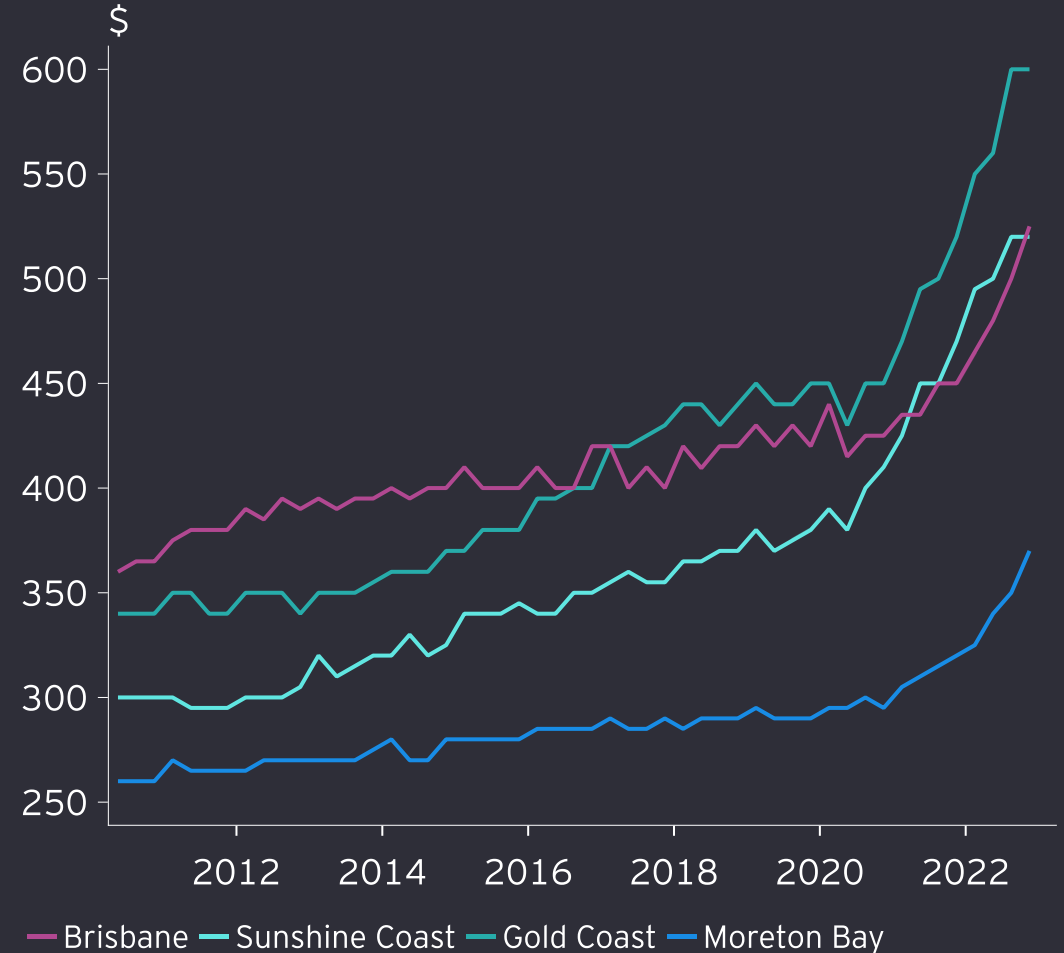
# Rents are highest in Gold Coast. Sunshine Coast rental prices on par with Brisbane

### Housing stock



Source: ABS, Macrobond, EY

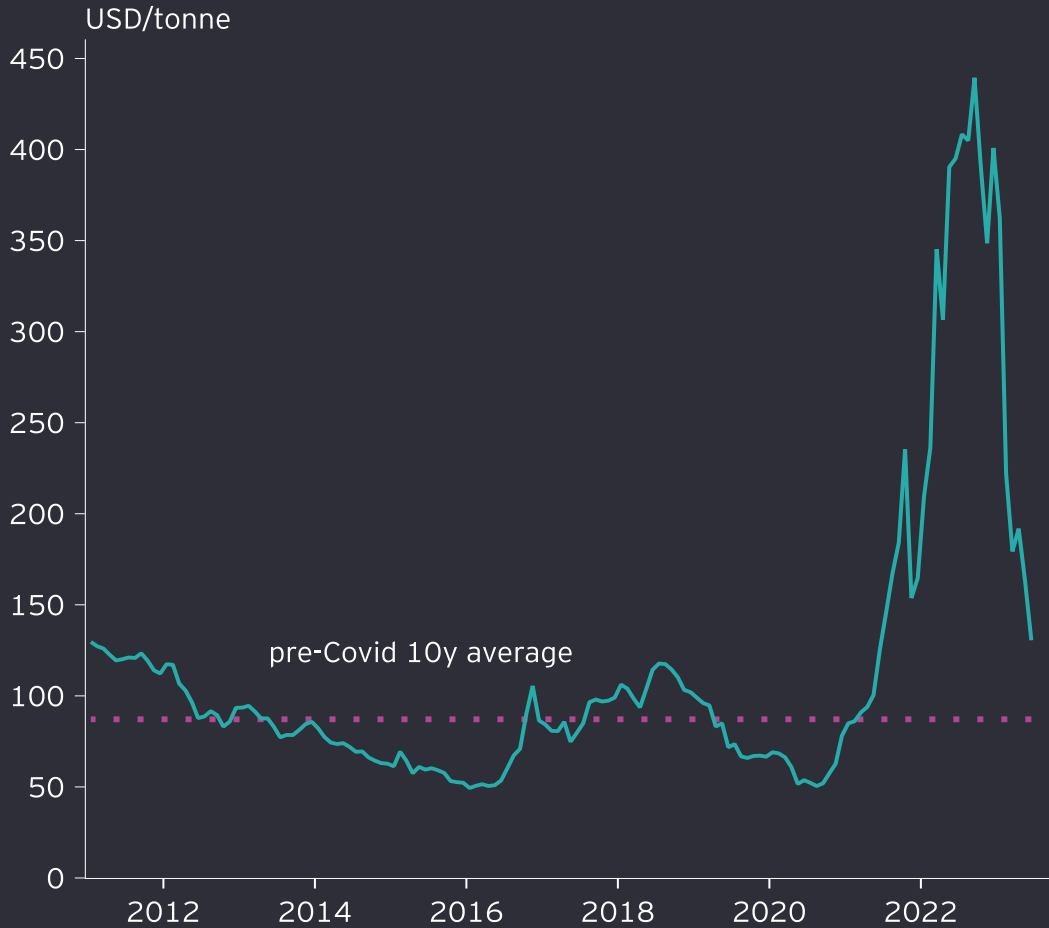
### Median weekly rent for 2 bedrooms by region



Source: SQM, ABS, Macrobond, EY

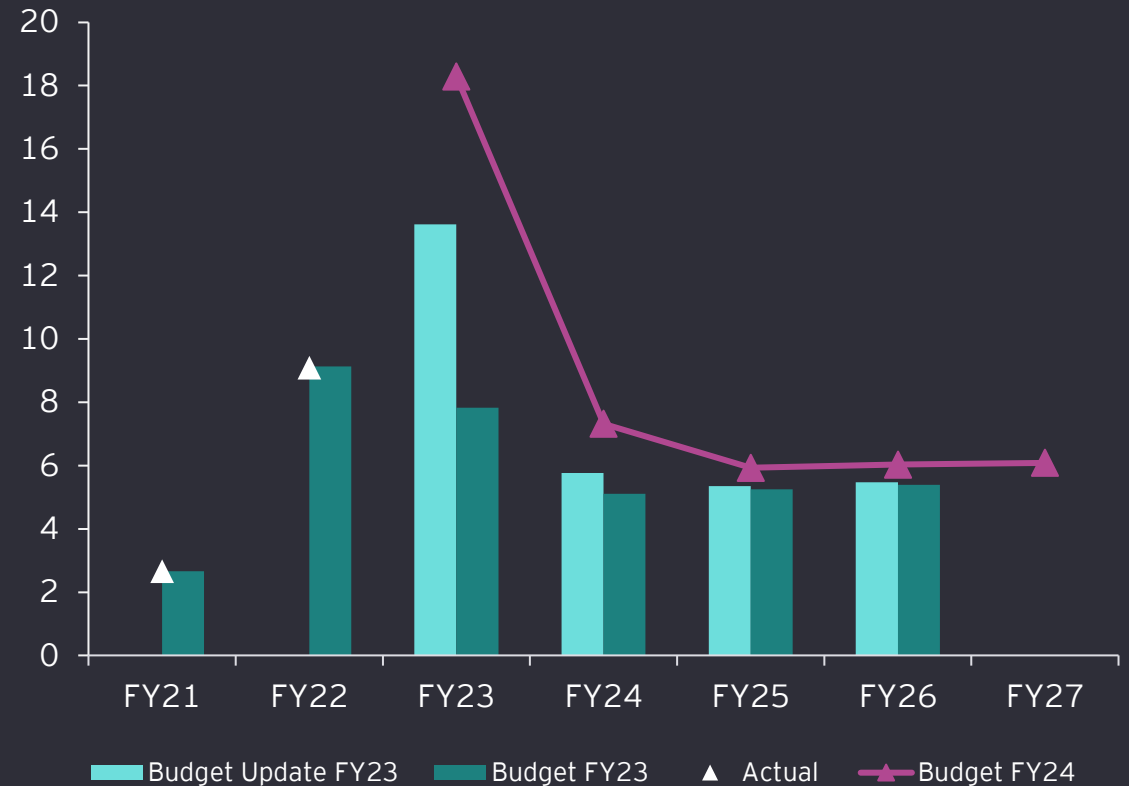
# Qld coal royalties are estimated to total \$15bn in FY23, more than double that in FY22, although this is likely to be the peak

Steam Coal Spot Price, FOB Newcastle



Source: World Bank, Hamburg Institute of International Economics, Macrobond

Queensland royalties and land rents  
\$ billion

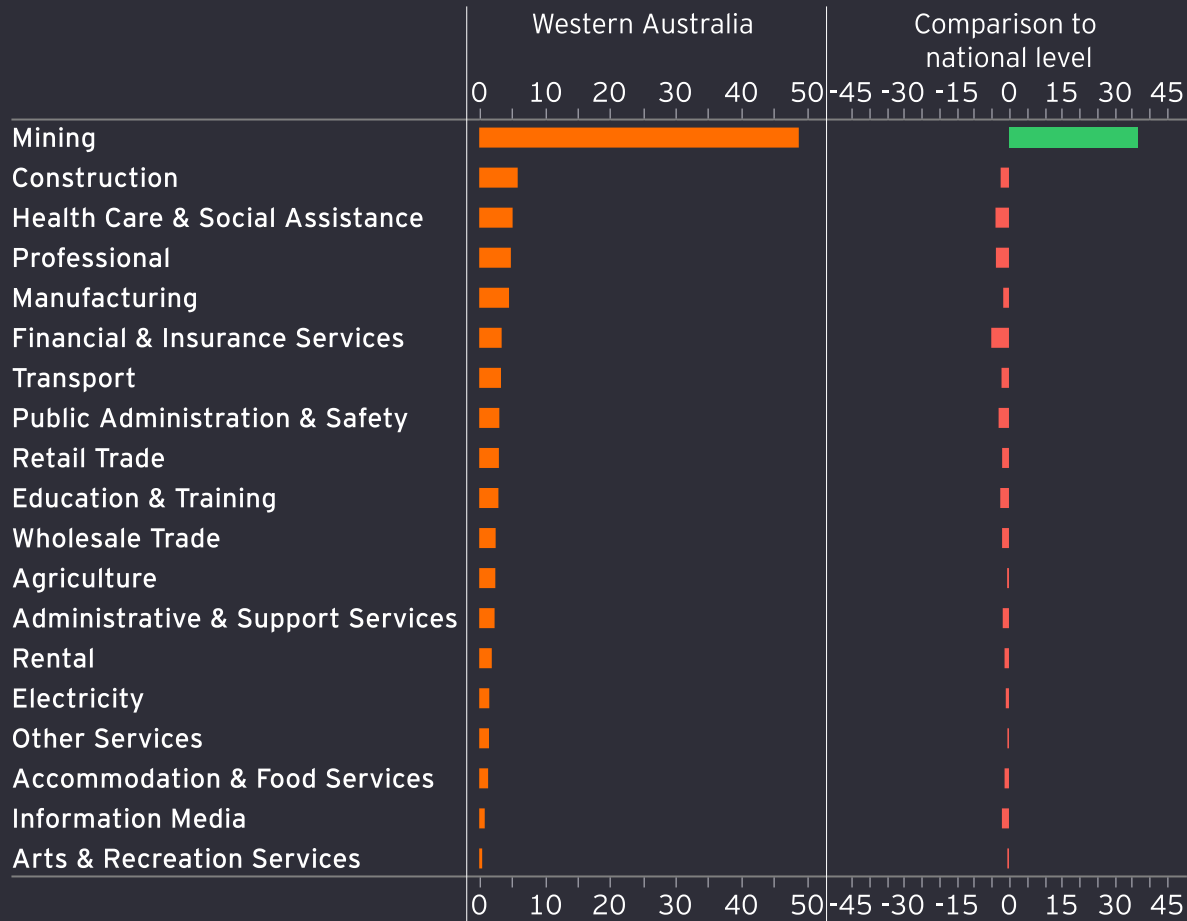


Source: State Budget Papers, EY

# Western Australia

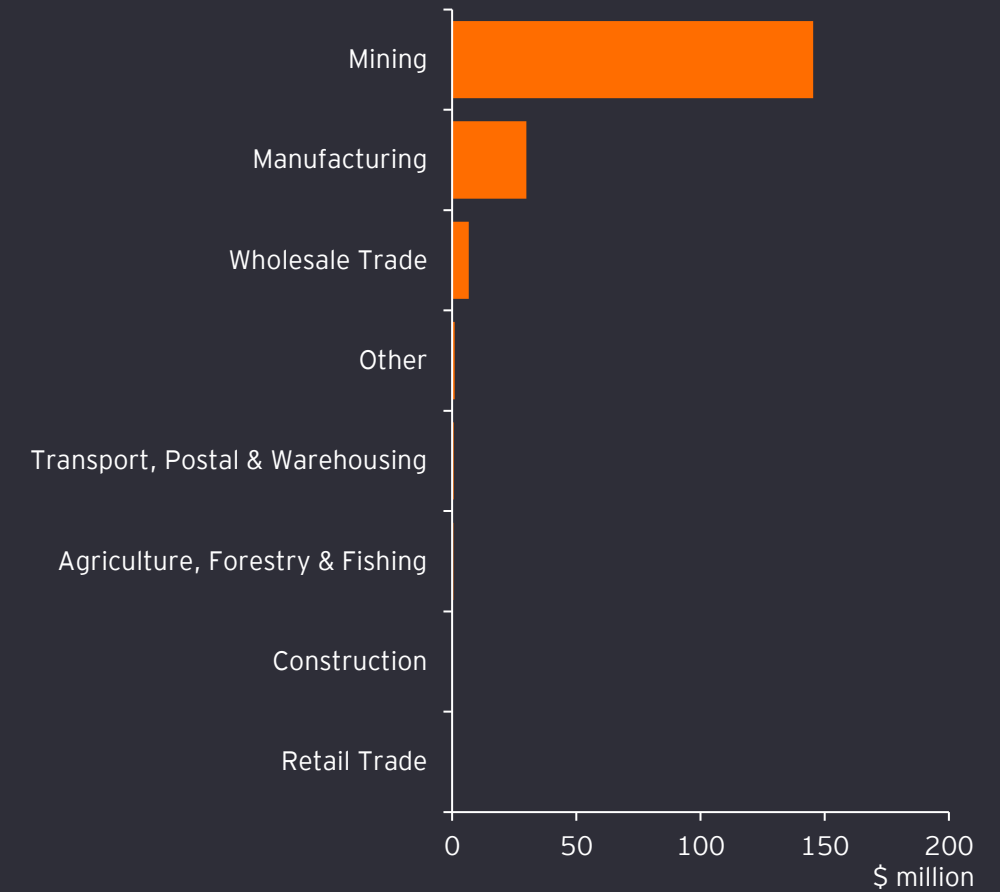
# Mining makes up more than 45 per cent of the WA economy

WA industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

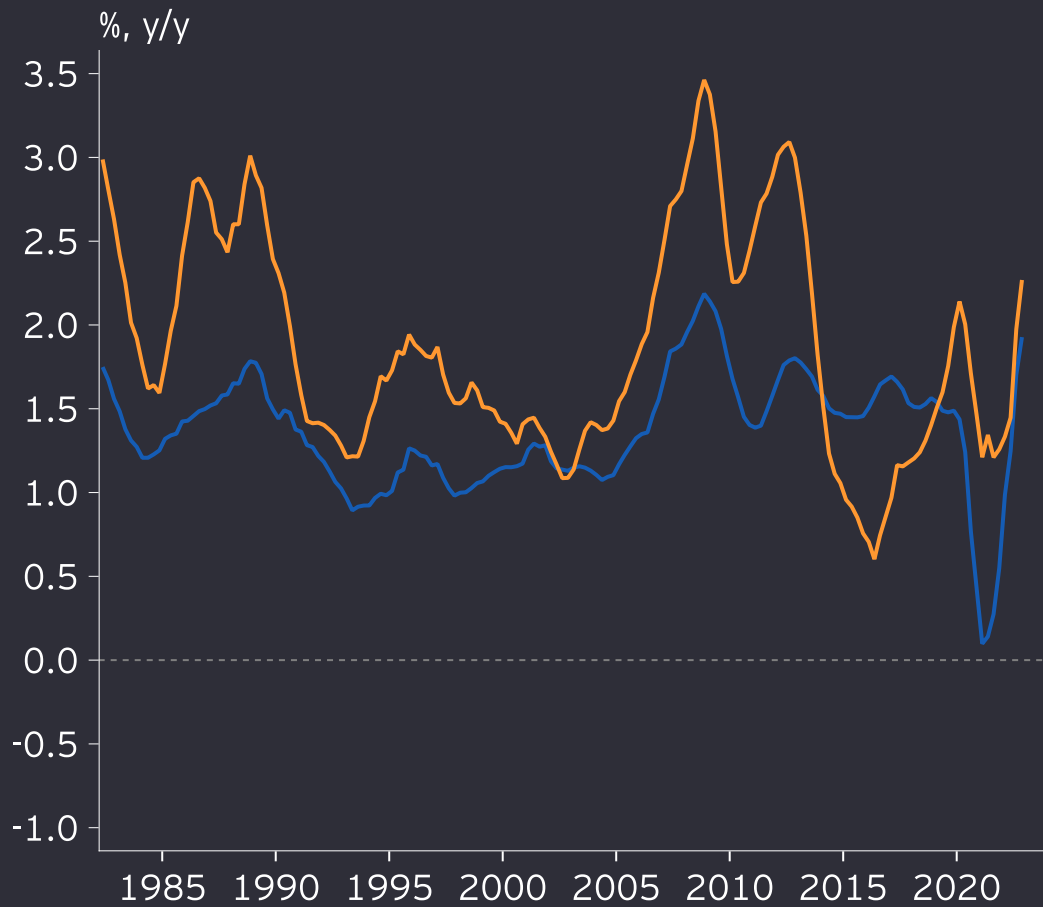
Value of merchandise exports by industry of exporter (WA, FY20)



Source: ABS, EY

# Both interstate and overseas migration have contributed to strong population growth

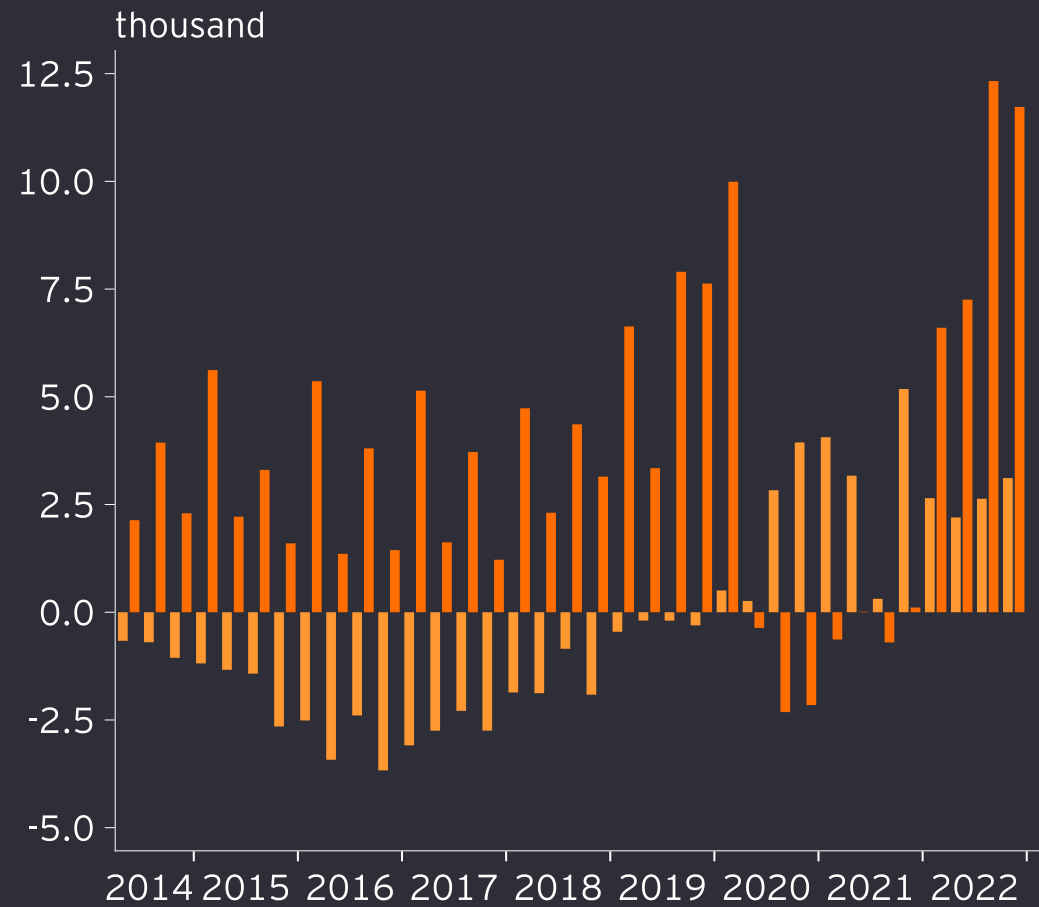
## Estimated resident population



— Western Australia — Australia

Source: ABS, Macrobond, EY

## Net Migration, Western Australia

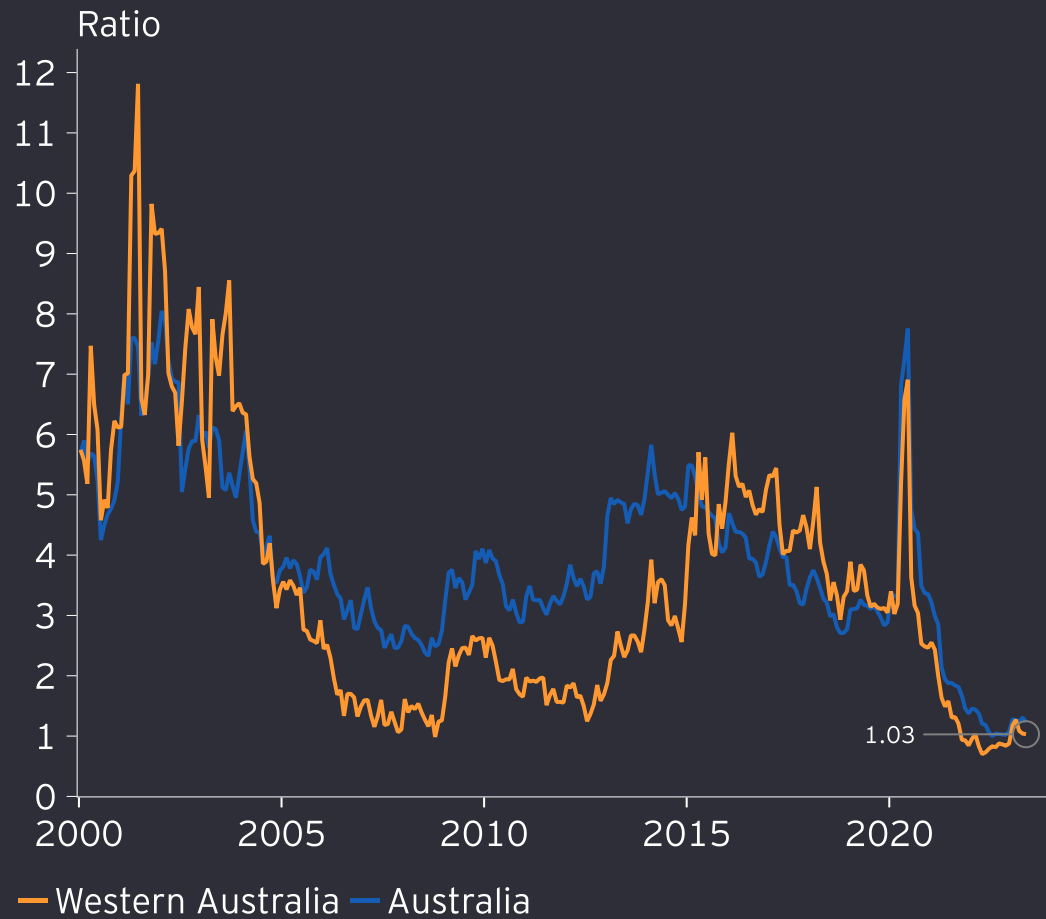


■ Interstate ■ Overseas

Source: ABS, Macrobond, EY

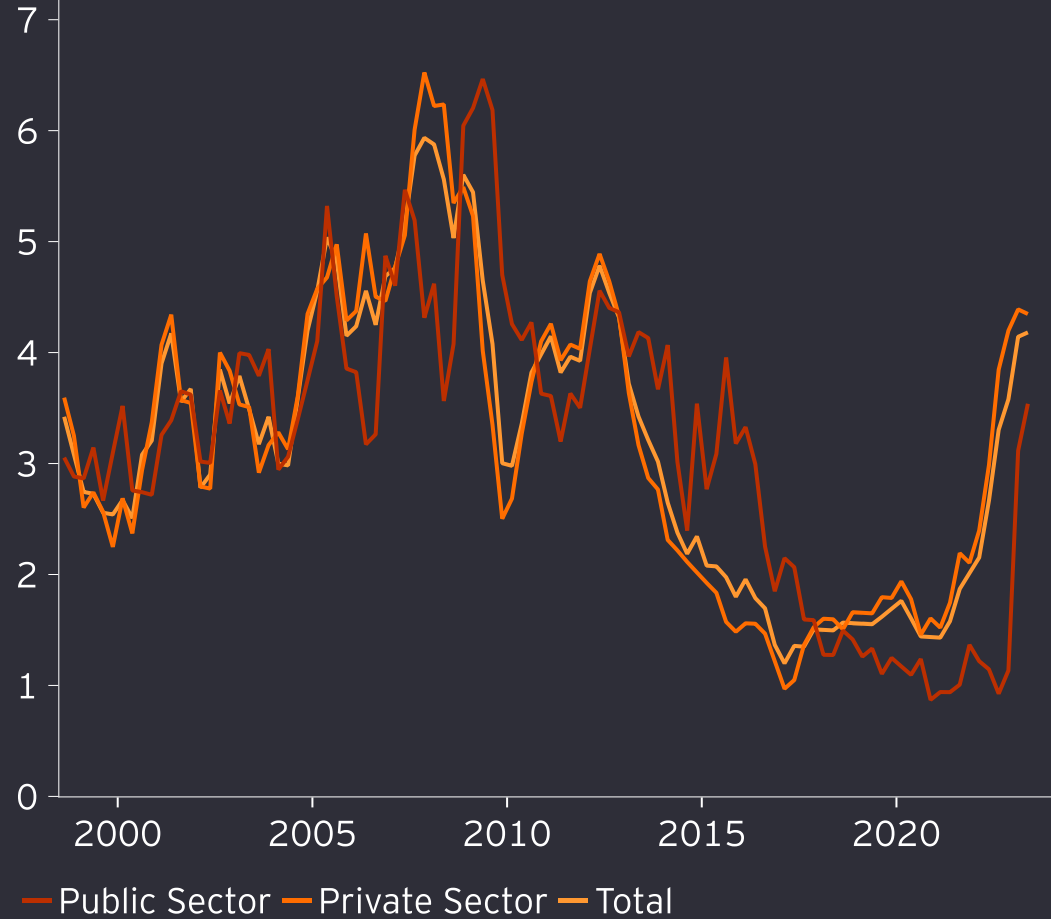
# WA has the strongest wages growth of the states led by the private sector

## Number of unemployed people for each job vacancy, Western Australia



Source: ABS, Macrobond, EY

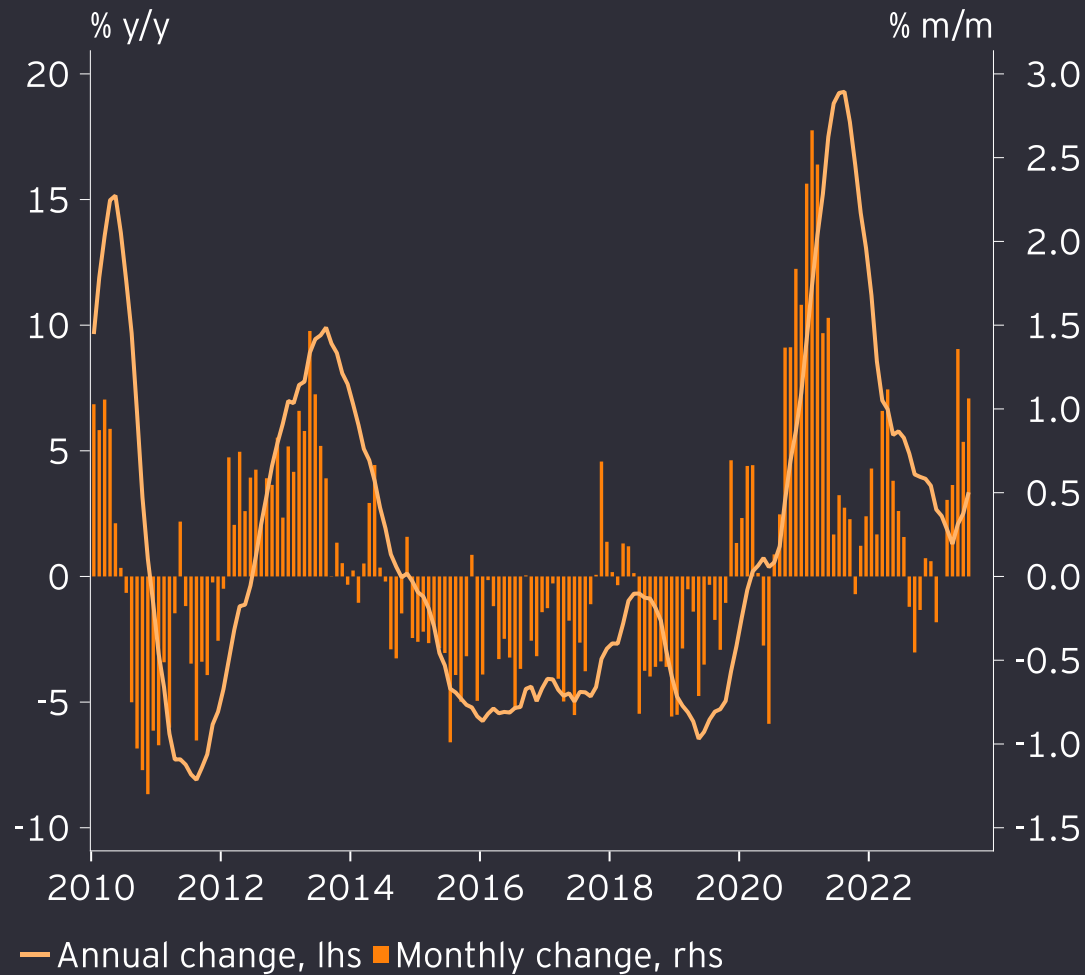
## WA Wage Price Index



Source: ABS, Macrobond, EY

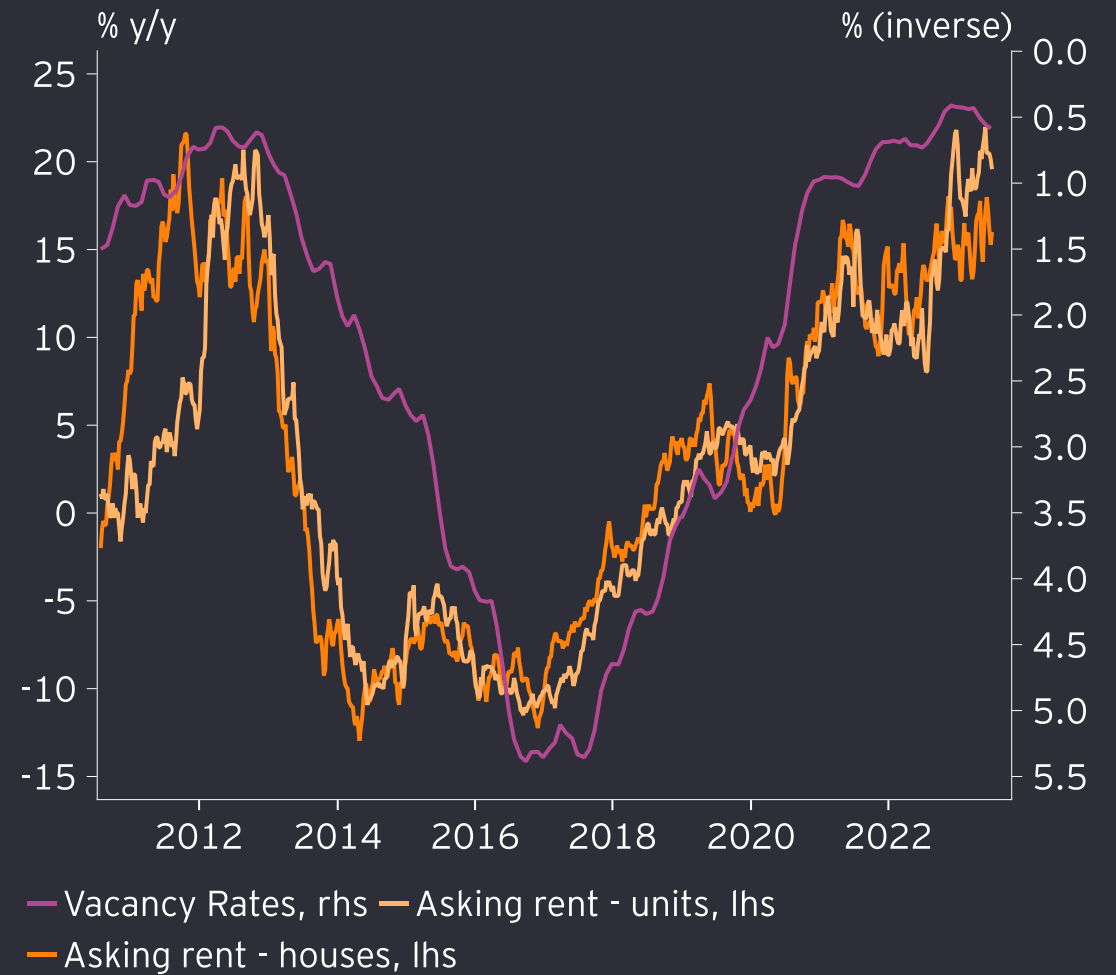
# Perth dwelling prices have increased four per cent since February

## Perth dwelling prices



Source: CoreLogic, Macrobond, EY

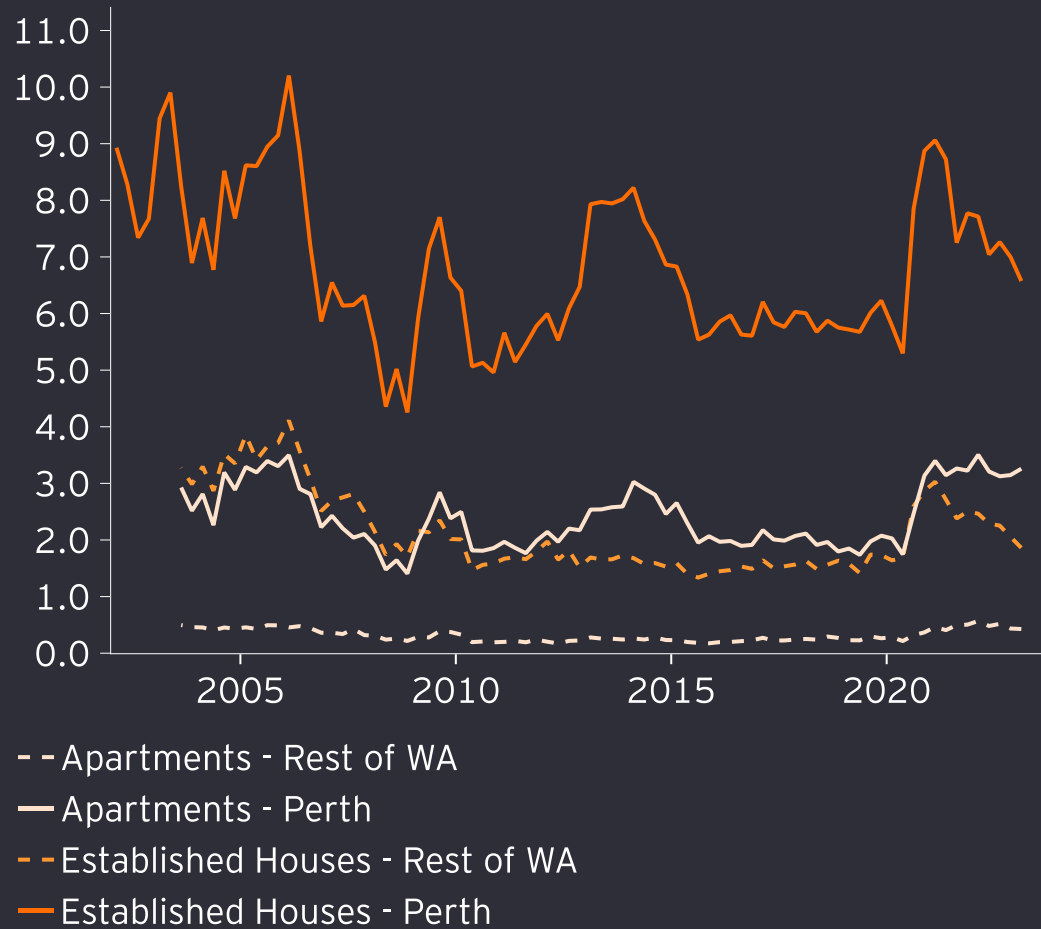
## Perth asking rents and vacancy rate



Source: SQM, Macrobond, EY

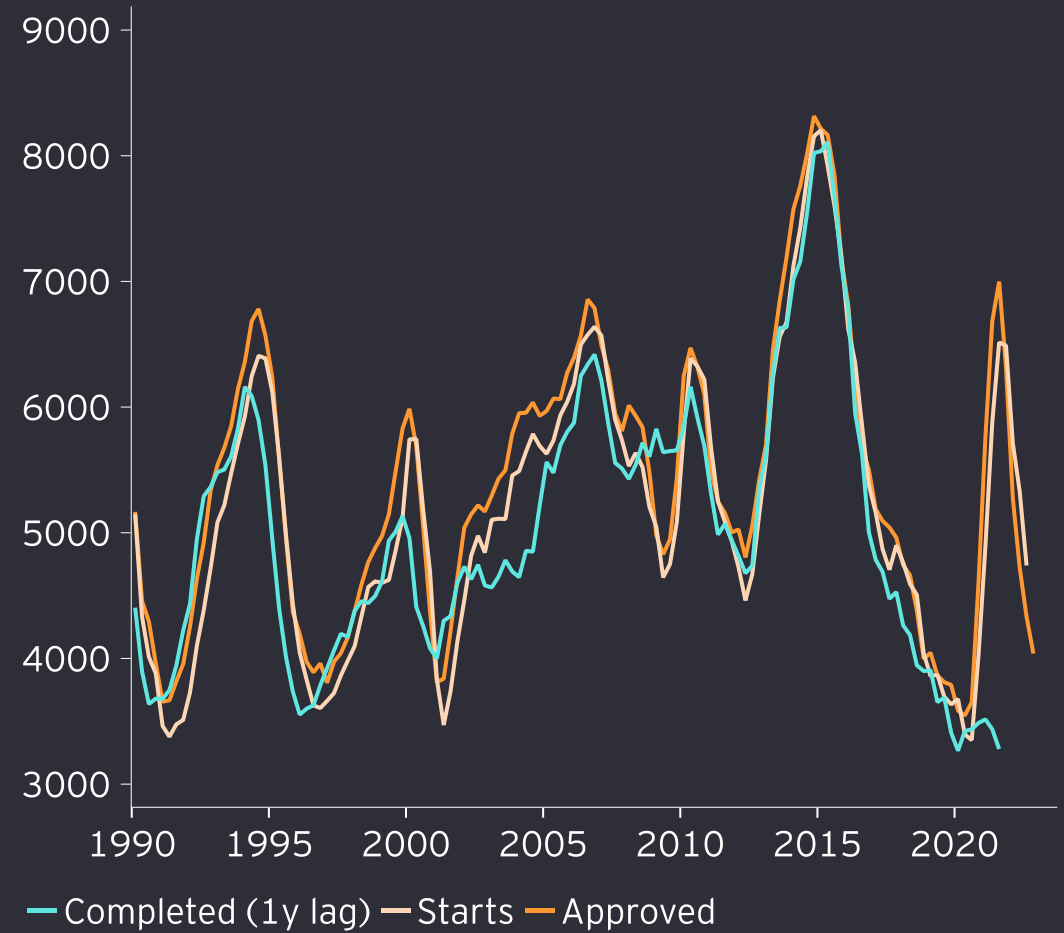
# Residential construction completions continue to be hampered by skill and material shortages and soft demand, due to higher interest rates

House and attached dwelling transfers, WA  
thousand



Source: ABS, Macrobond, EY

Dwelling approvals, starts and completions - WA  
Number

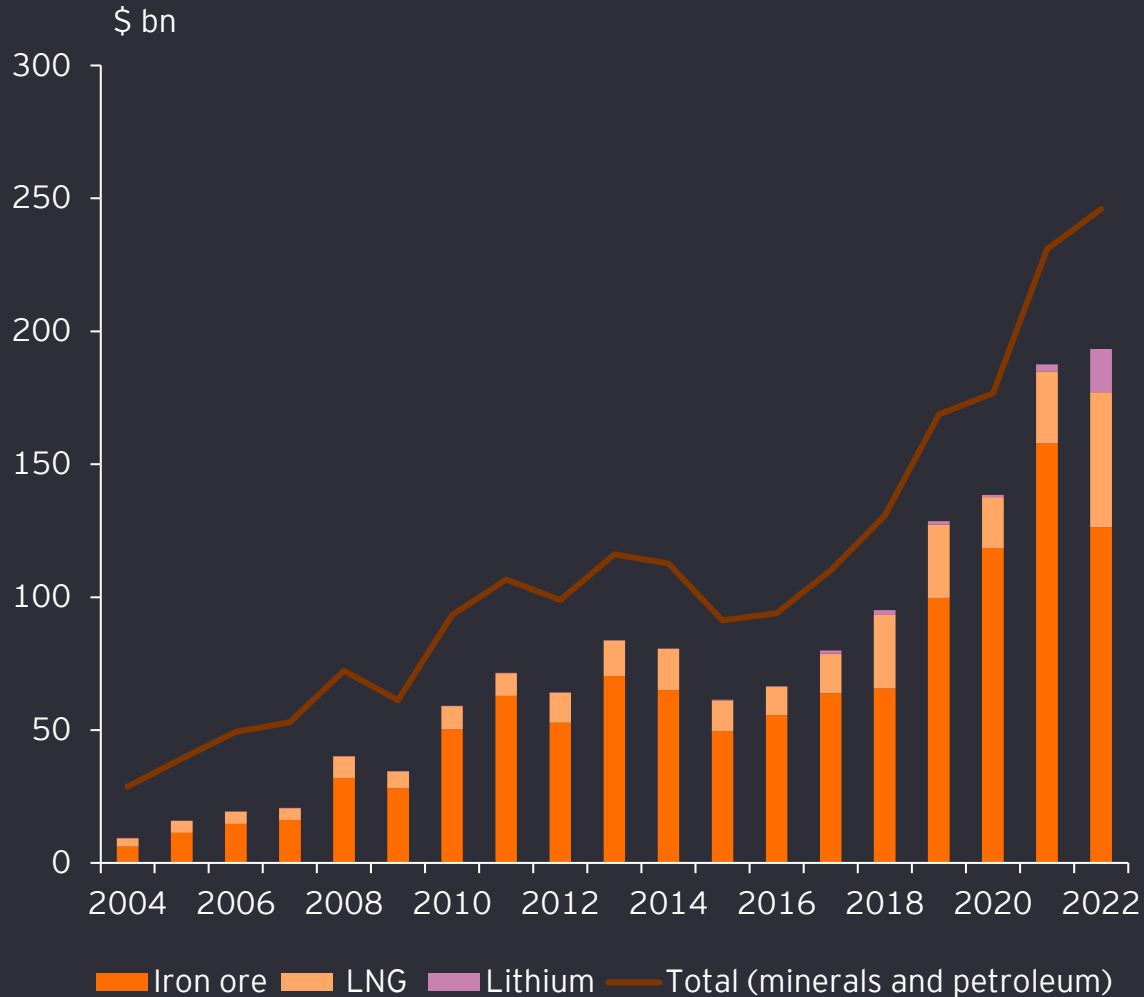


Source: ABS, Macrobond, EY



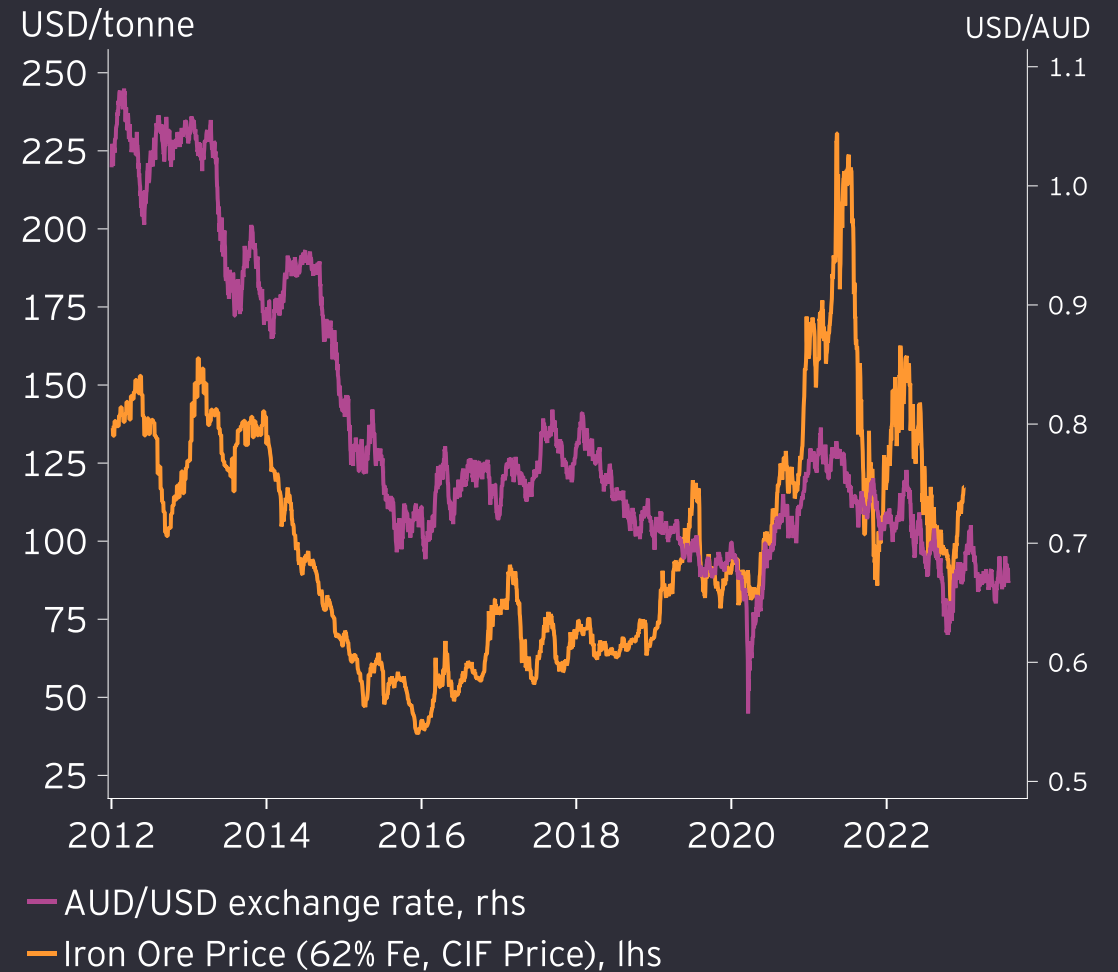
# 2022 was a record year of resource sales for WA

WA resource sales



Source: WA Department of Mines, Industry Regulation and Safety, EY

Iron ore price and AUD/USD exchange rate

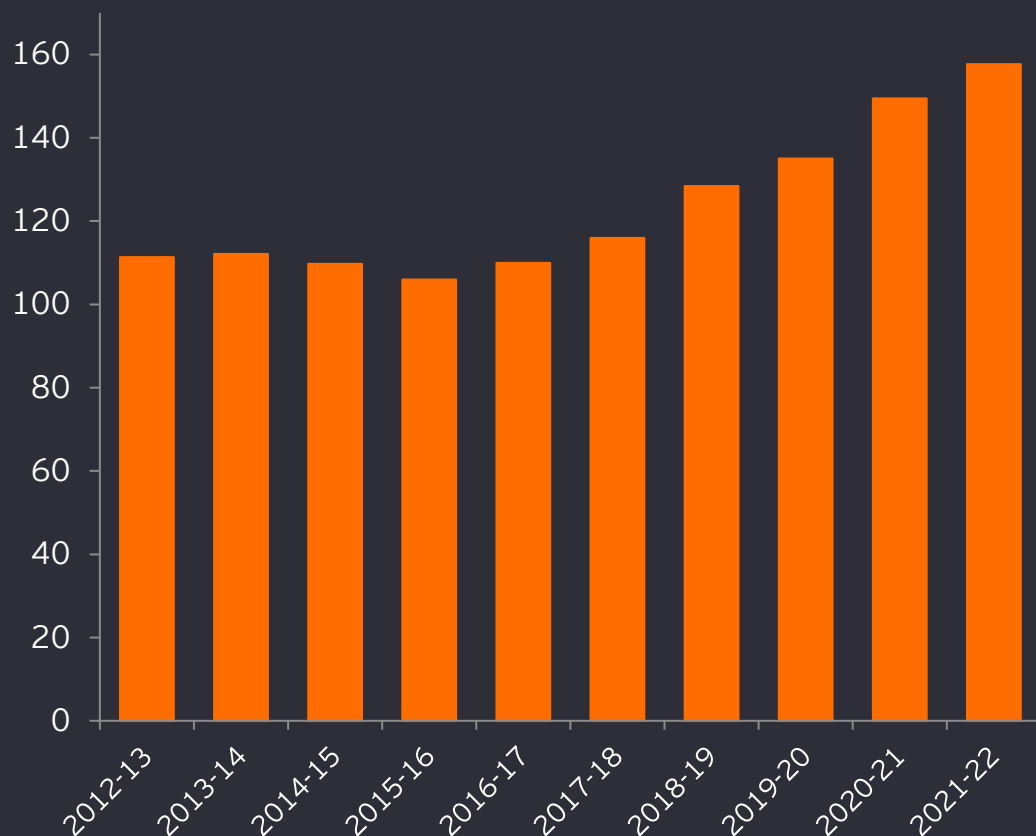


Source: Macrobond, EY

# Employment in the WA mining sector is at a record high, reflecting strong levels of mining, construction and exploration activity

Employment in the WA mining sector

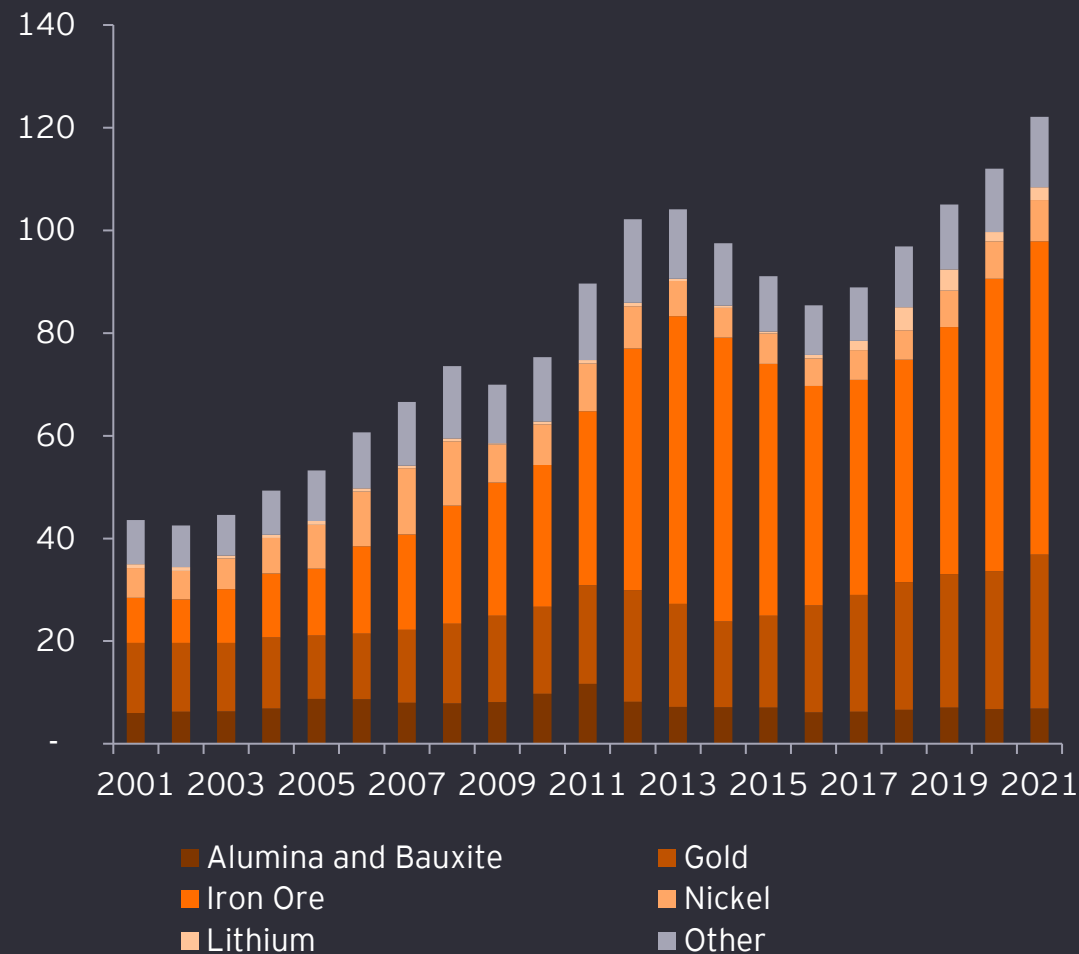
thousand



Source: WA Department of Mines, Industry Regulation and Safety, EY

Mining and mineral exploration full-time equivalents

thousand

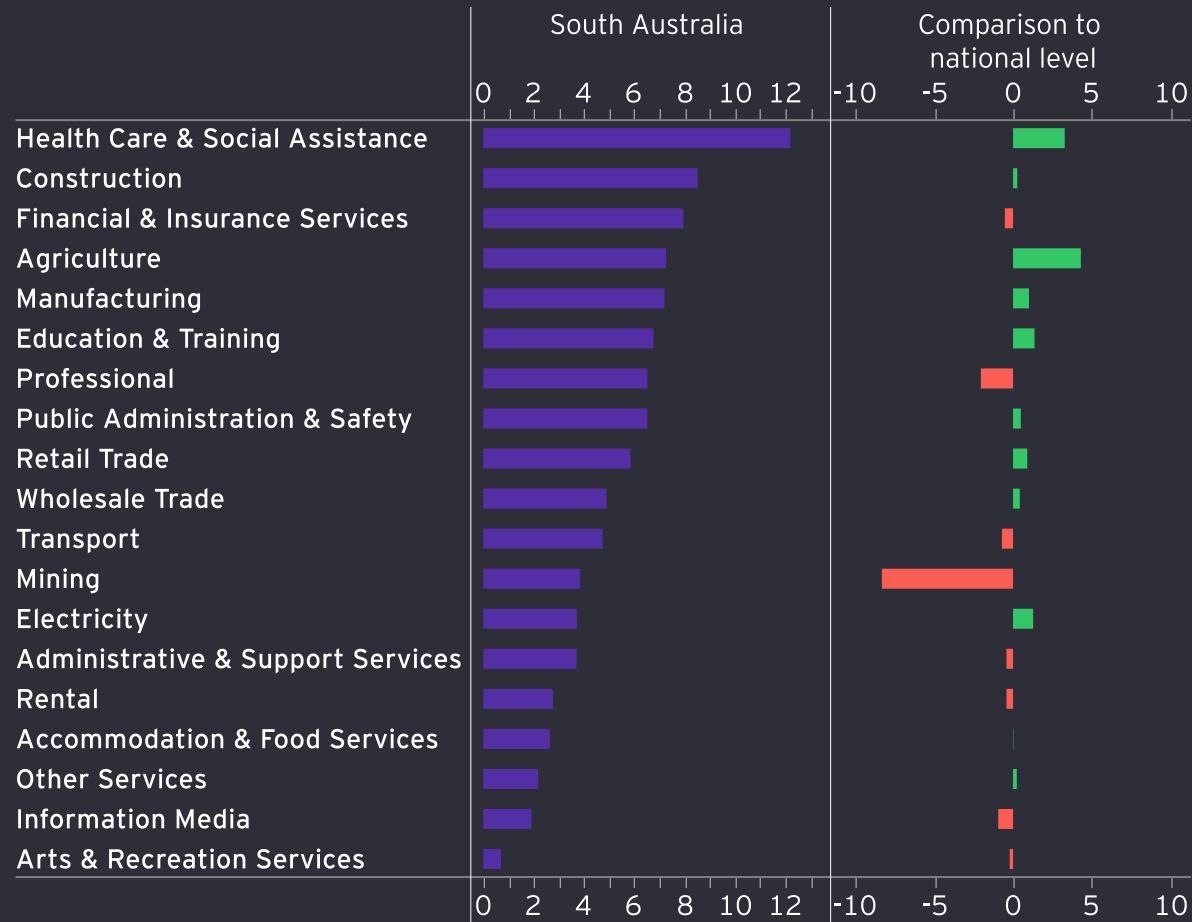


Source: ABS, DMIRS

# South Australia

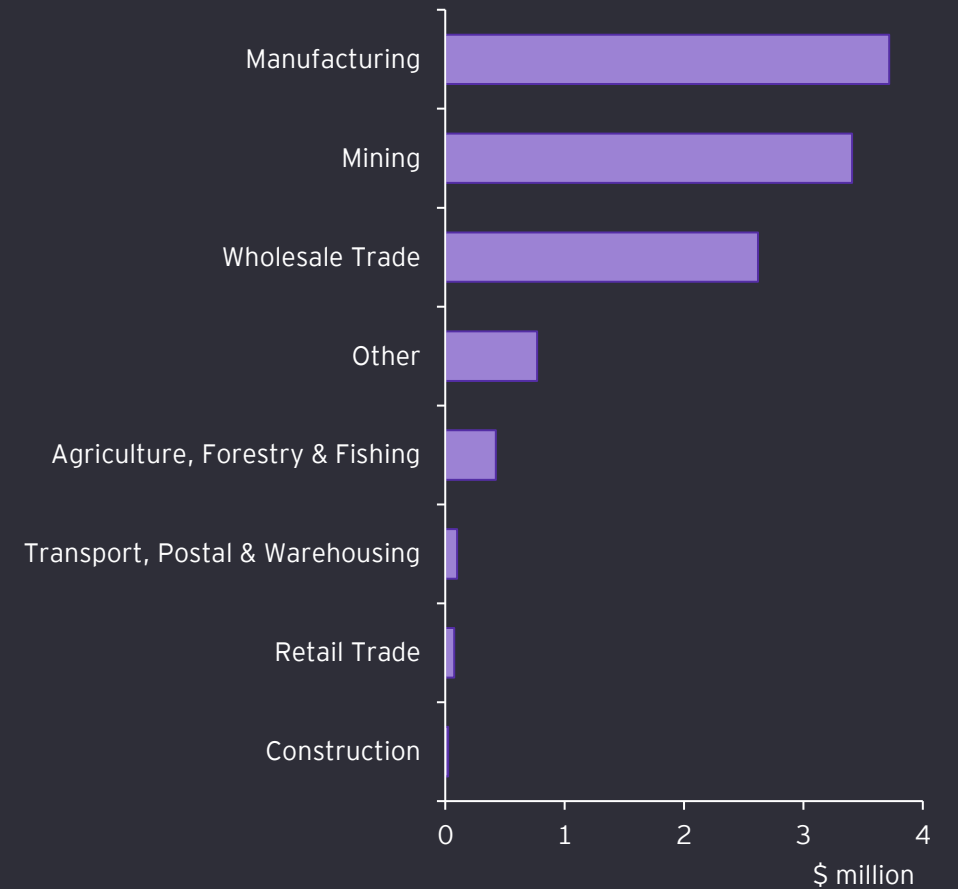
# South Australia has a relatively large health care and social assistance industry

SA industry share (FY21) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

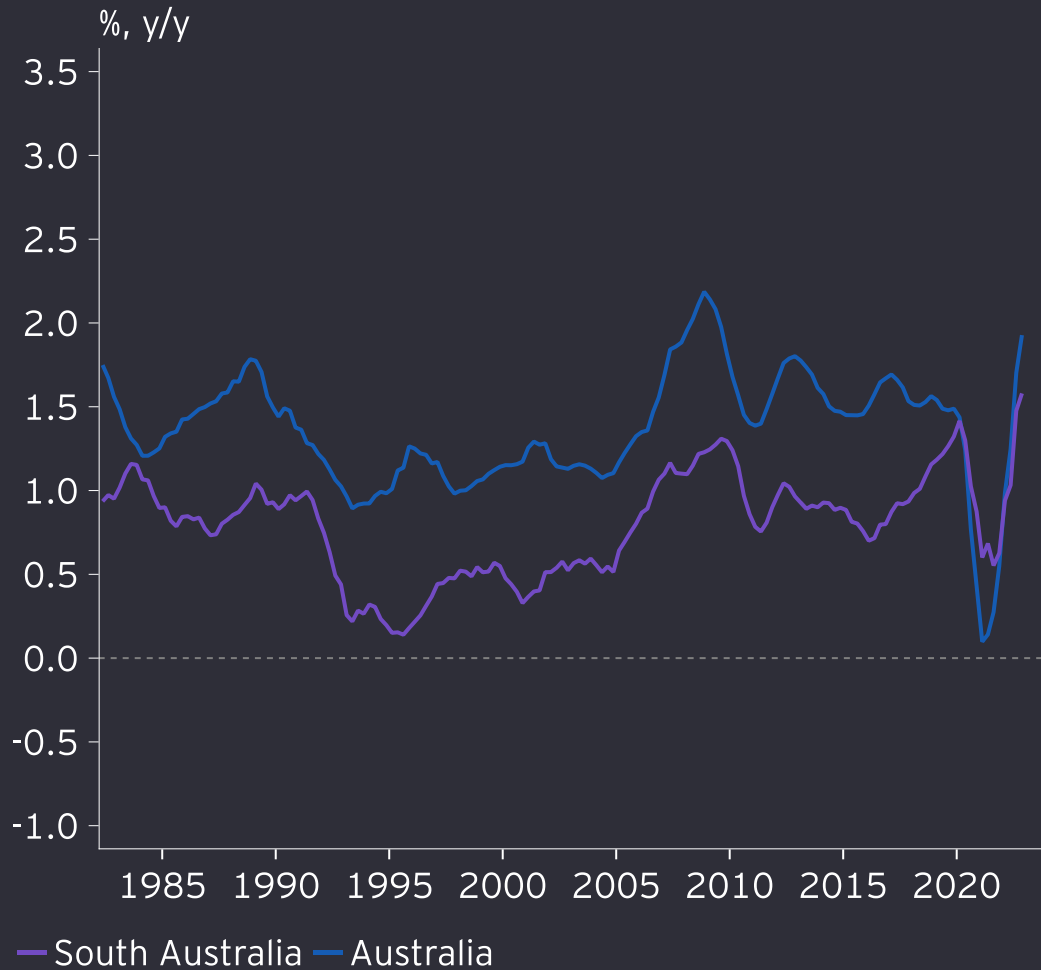
Value of merchandise exports by industry of exporter (SA, FY20)



Source: ABS, EY

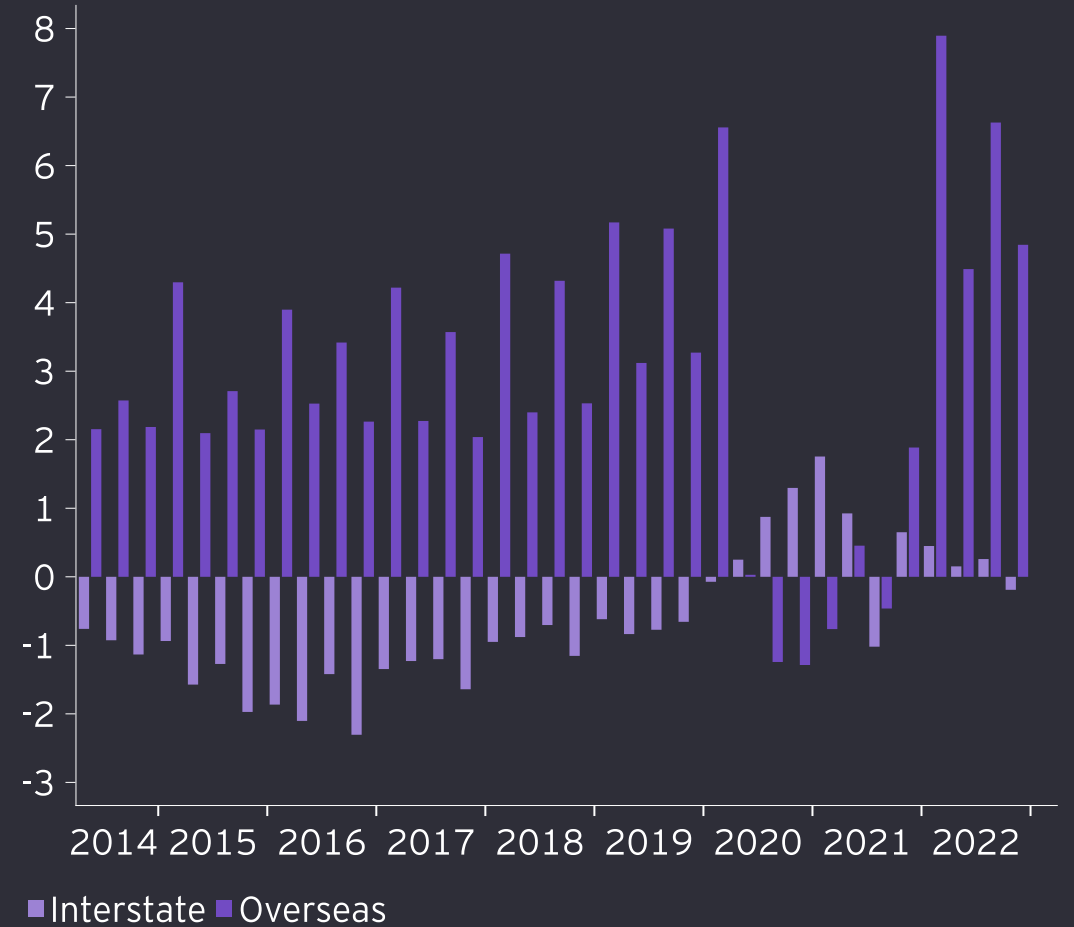
# Overseas migration has bounced back

## Estimated resident population



Source: ABS, Macrobond, EY

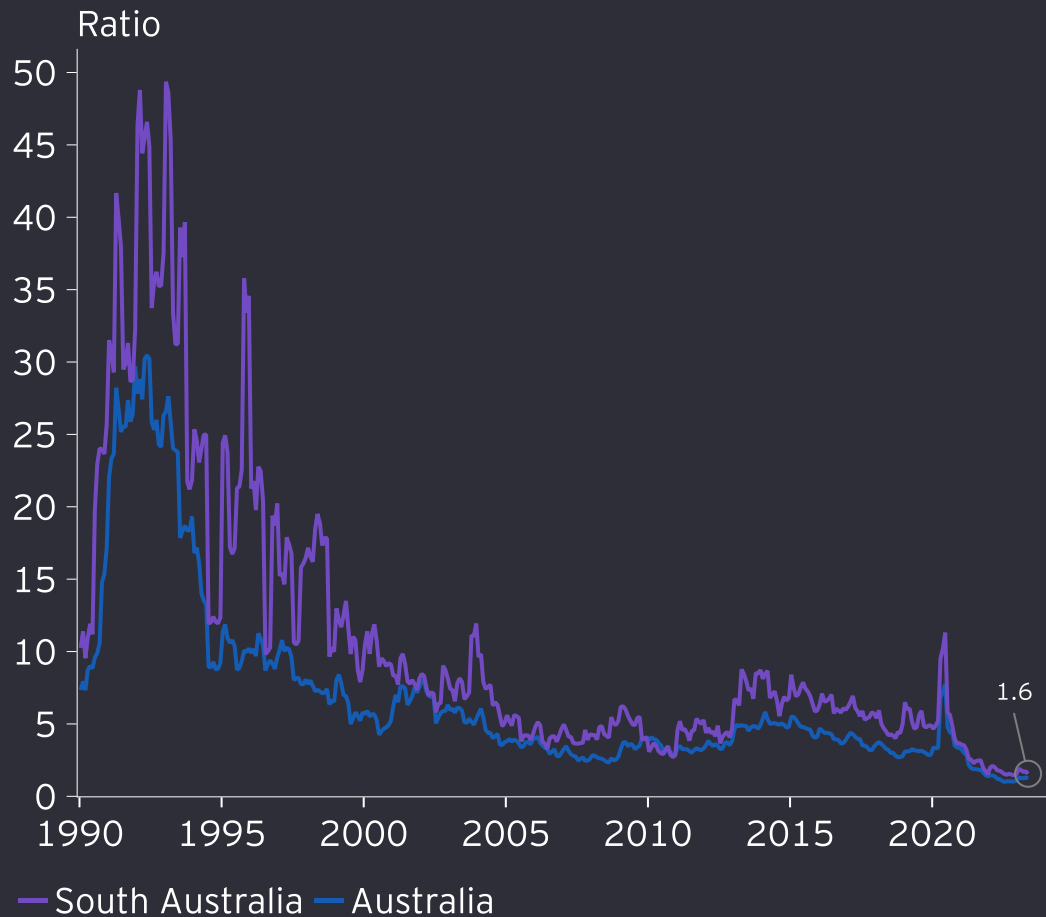
## Net Migration, South Australia



Source: ABS, Macrobond, EY

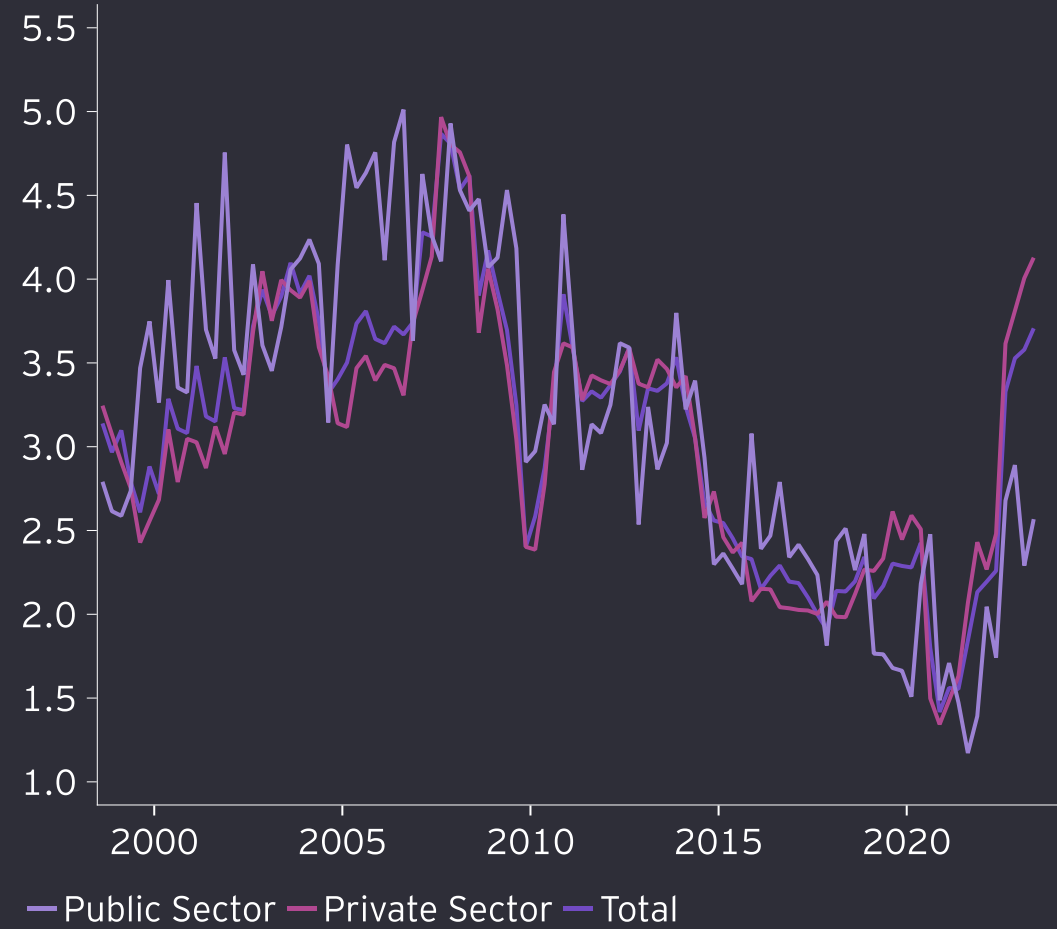
# The labour market is tight, with wages rising especially in the private sector

## Number of unemployed people for each job vacancy, South Australia



Source: ABS, Macrobond, EY

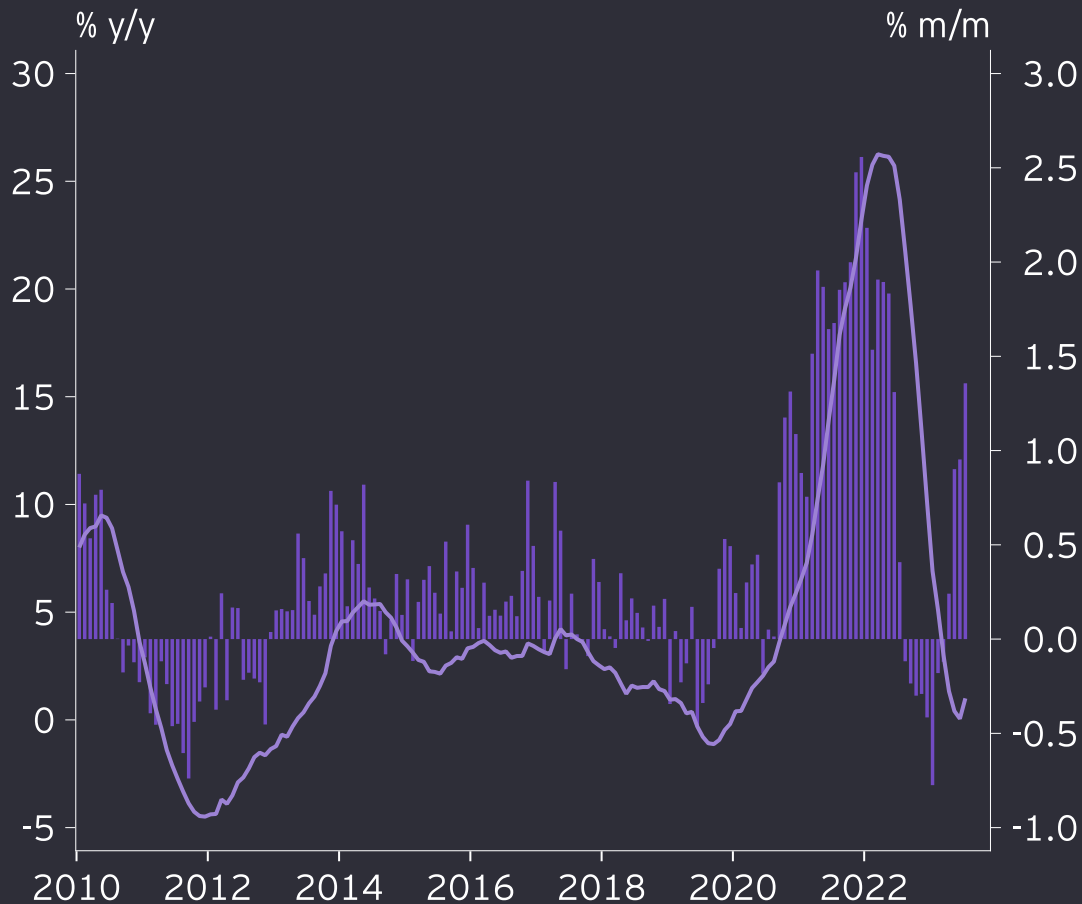
## SA Wage Price Index



Source: ABS, Macrobond, EY

# Adelaide dwelling prices have increased 4 per cent since March

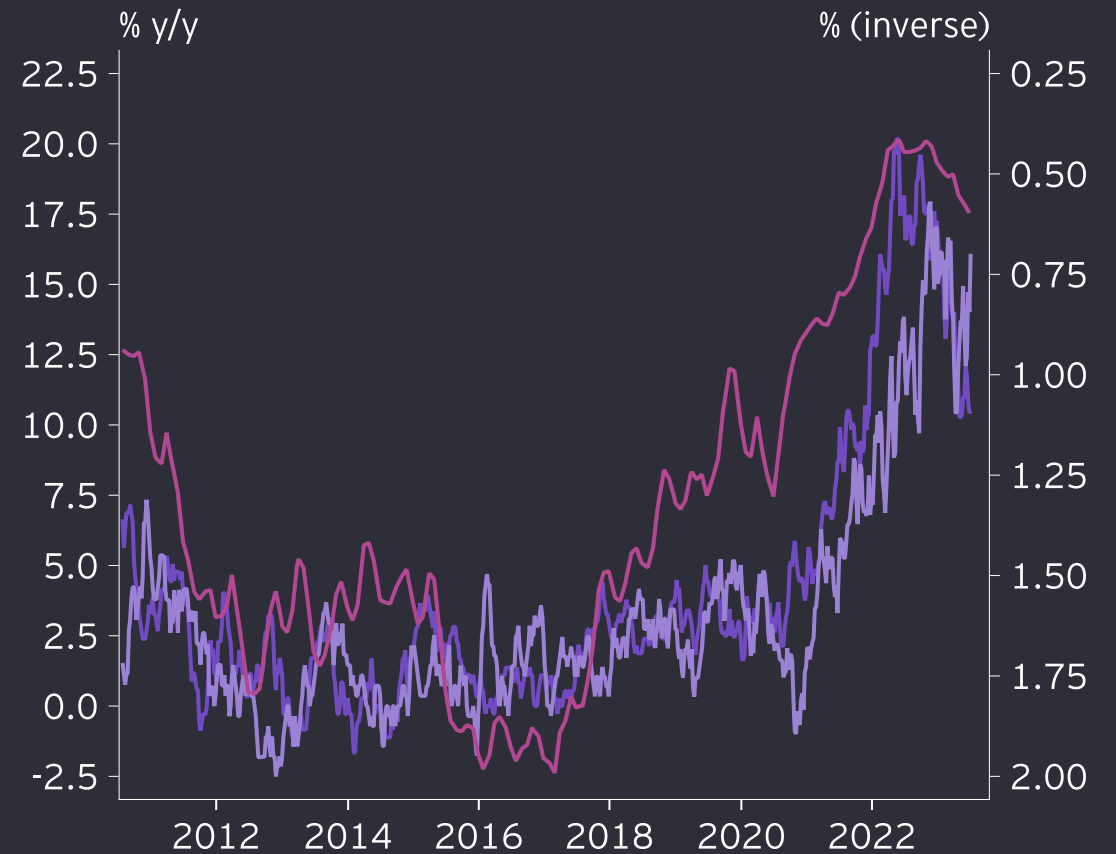
## Adelaide dwelling prices



— Annual change, lhs ■ Monthly change, rhs

Source: CoreLogic, Macrobond, EY

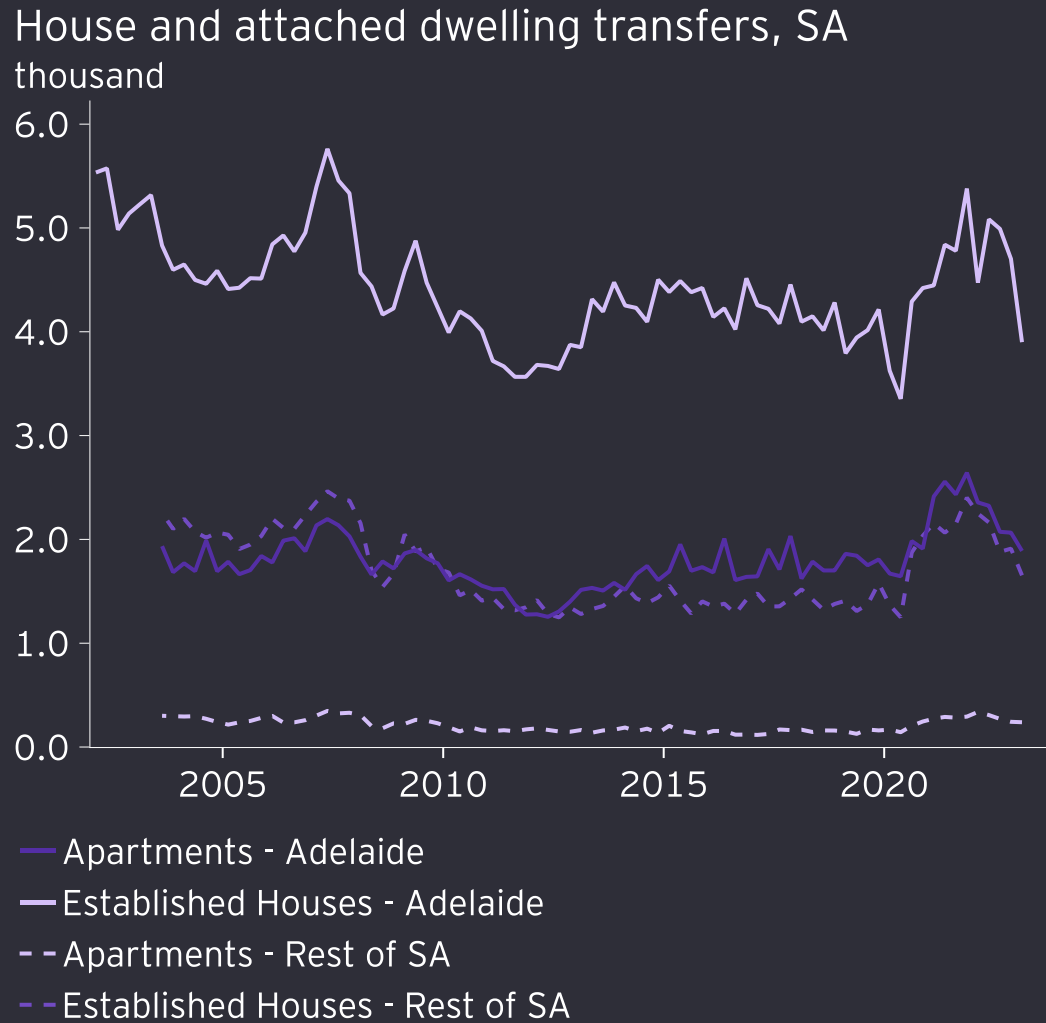
## Adelaide asking rents and vacancy rate



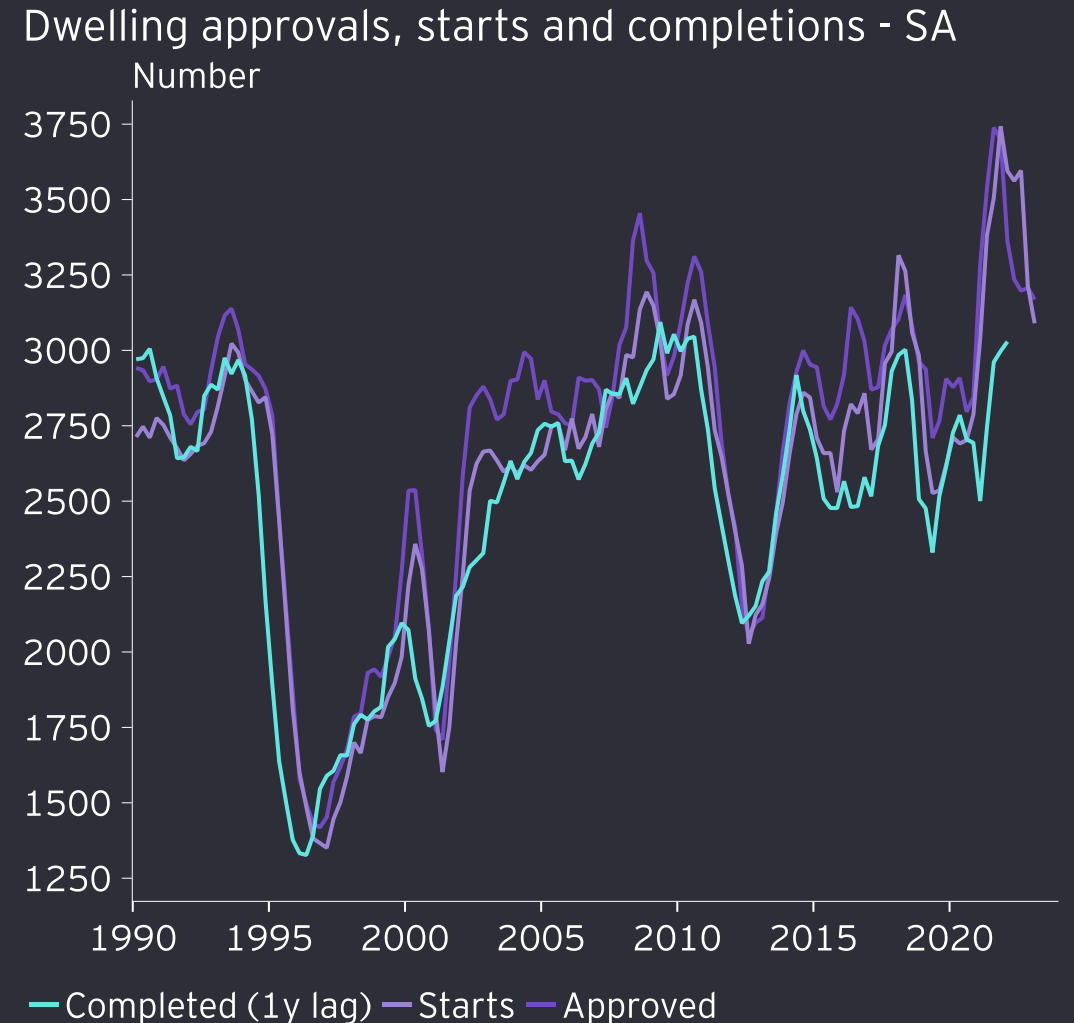
— Vacancy Rates, rhs — Asking rent - units, lhs  
 — Asking rent - houses, lhs

Source: SQM, Macrobond, EY

# Dwelling completions have picked up, but are still lagging due to material and skill shortages and softer demand, thanks to higher interest rates



Source: ABS, Macrobond, EY



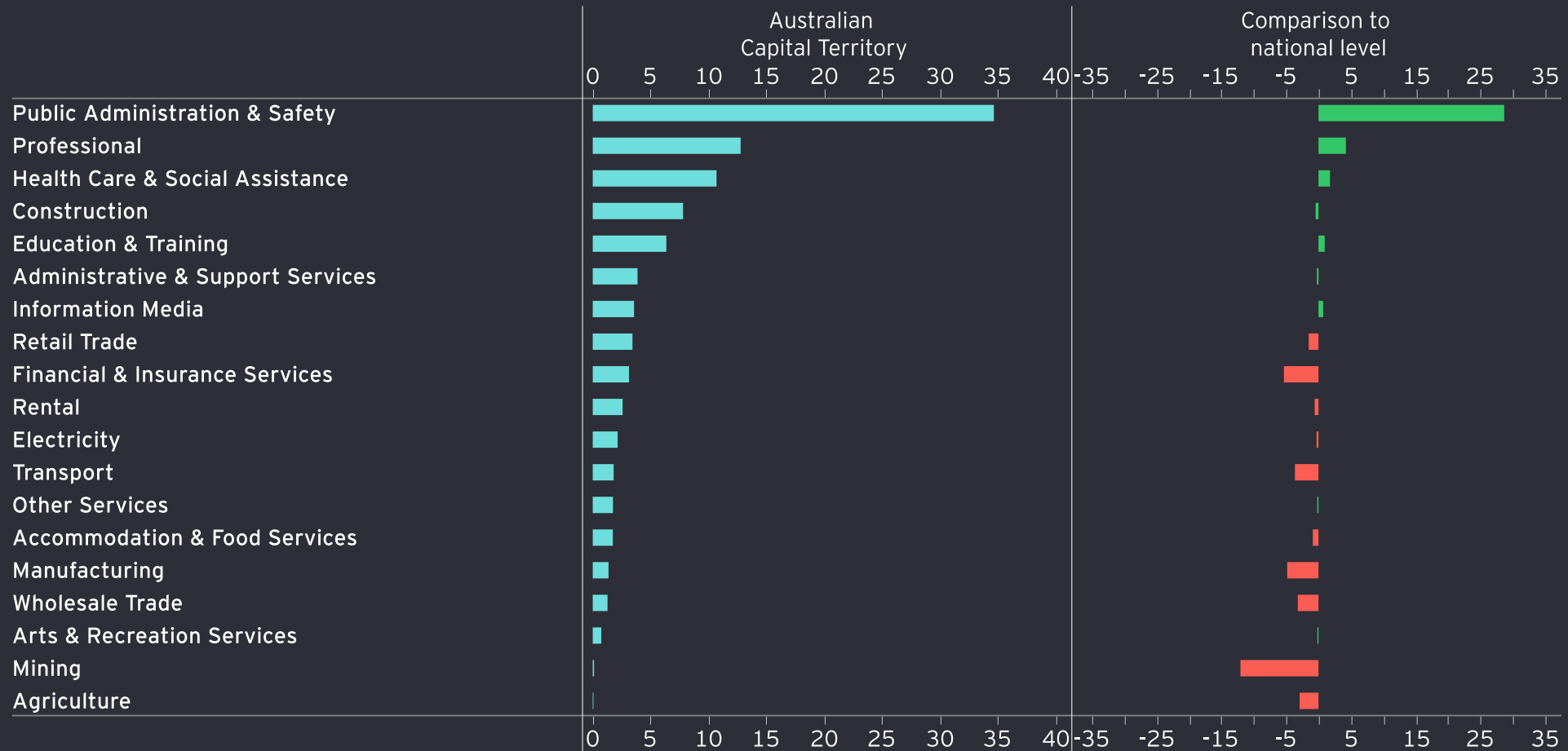
Source: ABS, Macrobond, EY



# Australian Capital Territory

# Public Administration and Safety makes up more than a third of ACT's economy

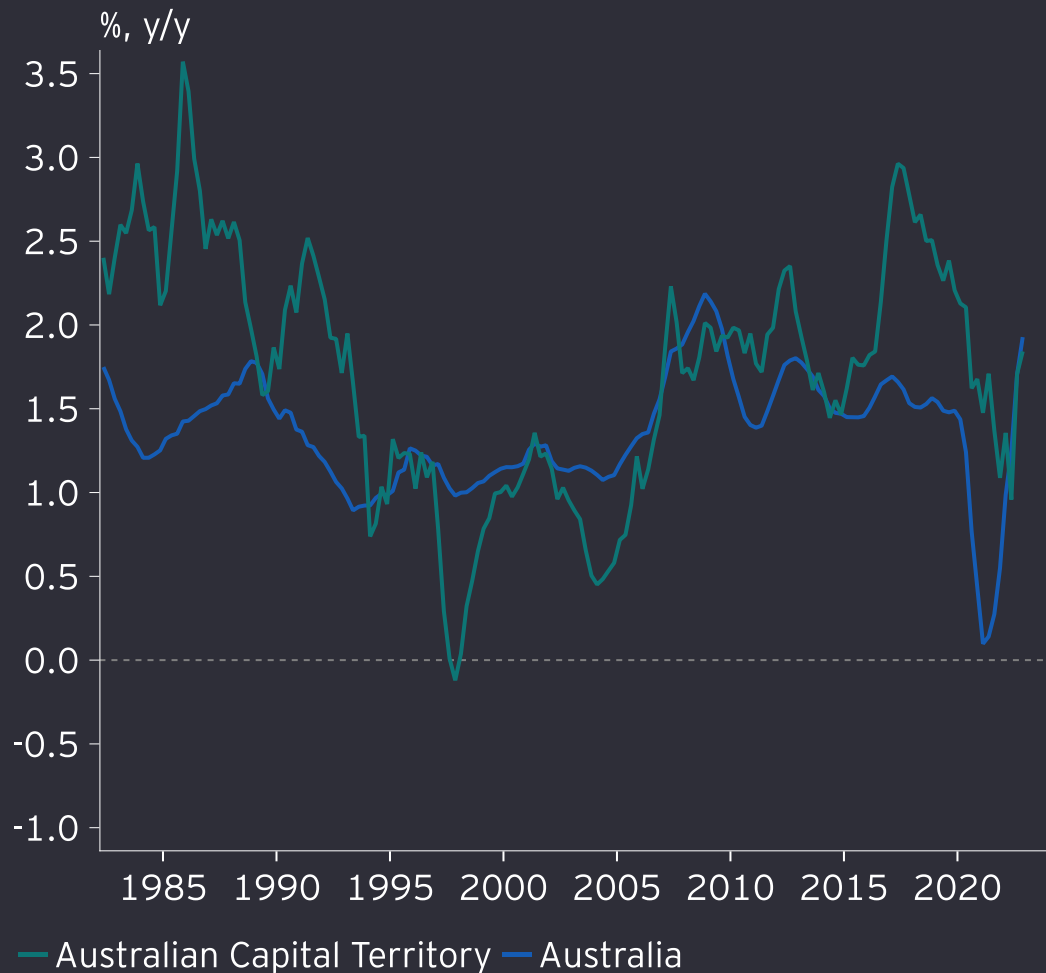
ACT industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

# Population growth has picked up due to overseas migration

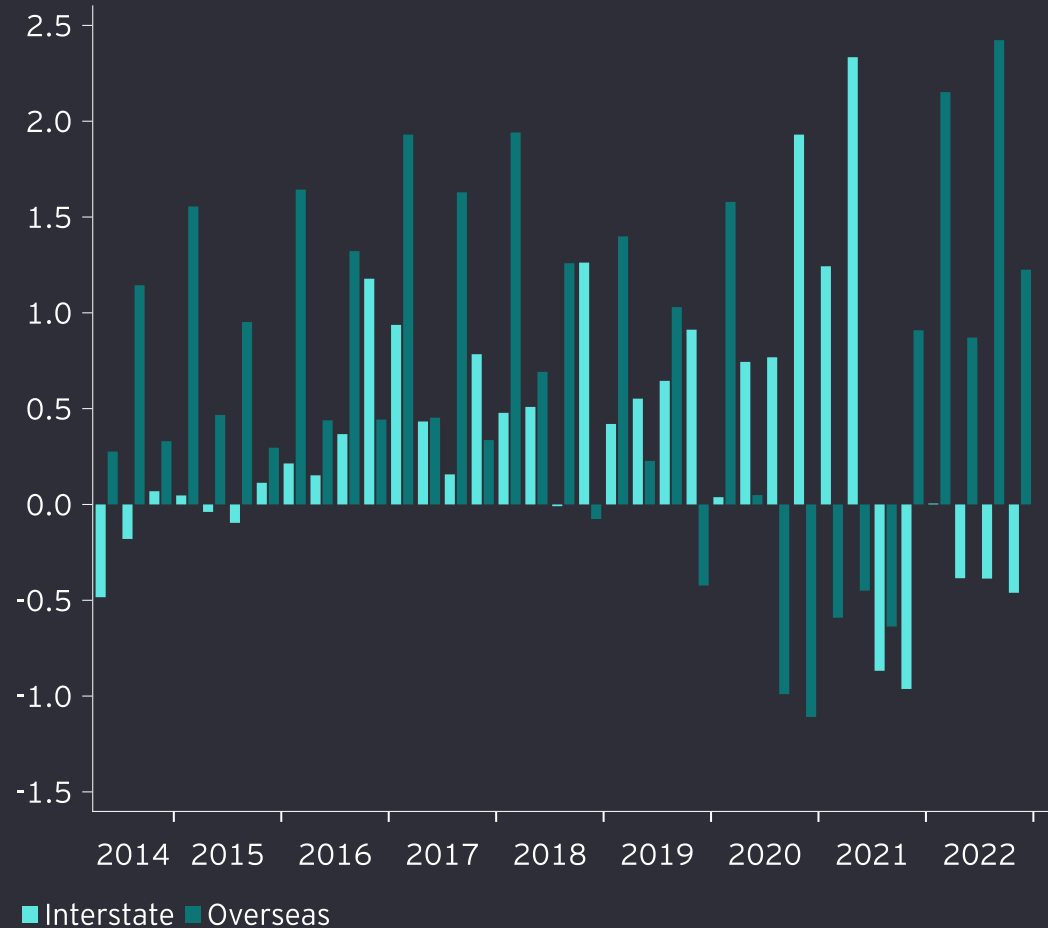
## Estimated resident population



Source: ABS, Macrobond, EY

## Net Migration, Australian Capital Territory

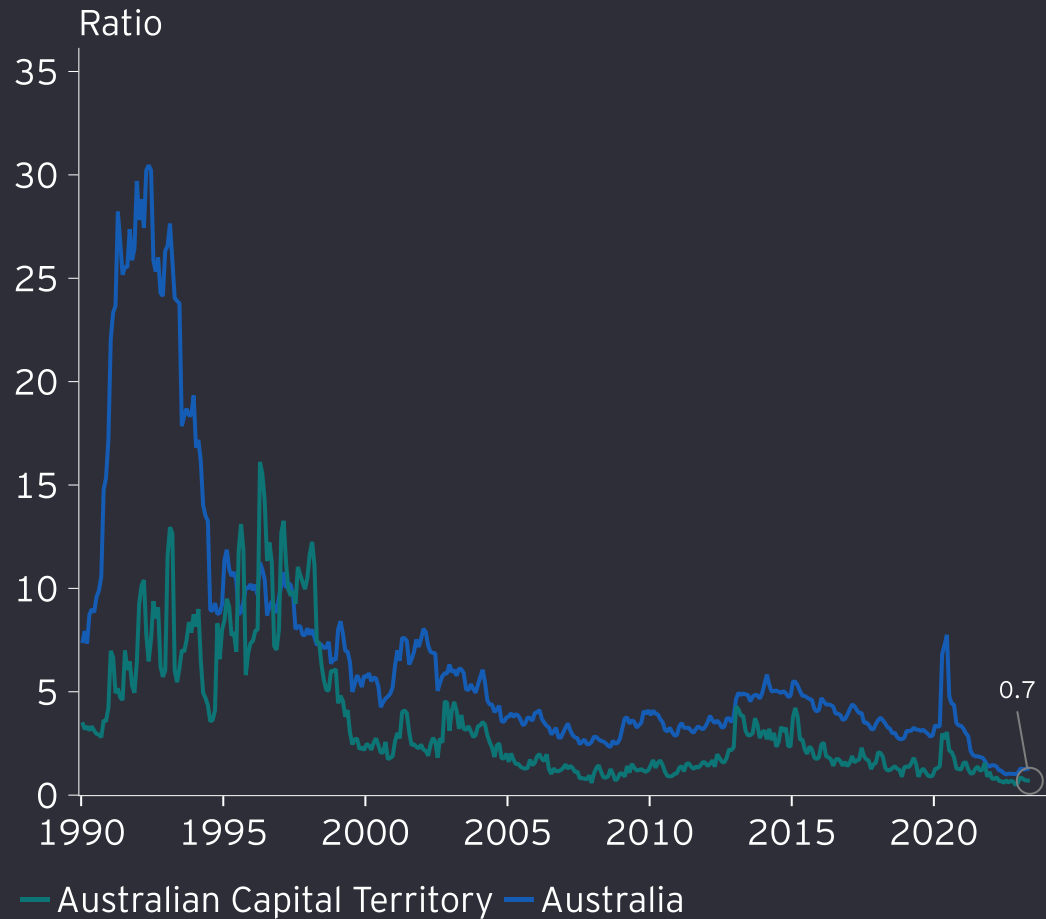
No. of Persons, Thousands



Source: ABS, Macrobond, EY

# ACT continues to have one of the tightest labour markets of all states and territories; private sector wage growth is strong

Number of unemployed people for each job vacancy, ACT



Source: ABS, Macrobond, EY

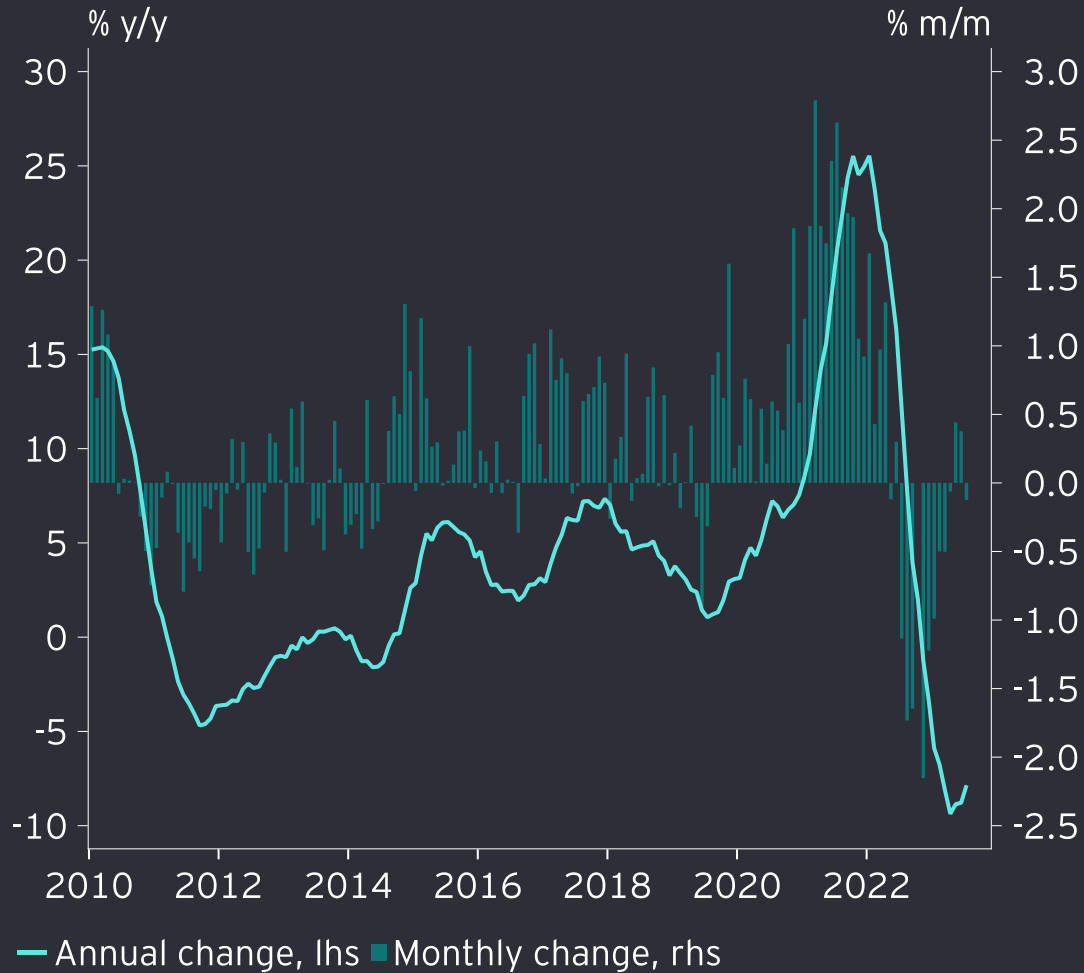
ACT Wage Price Index



Source: ABS, Macrobond, EY

# Canberra dwelling prices have just started to pick up, increasing less than 1 per cent since the recovery began in April

## Canberra dwelling prices



Source: CoreLogic, Macrobond, EY

## Canberra asking rents and vacancy rate

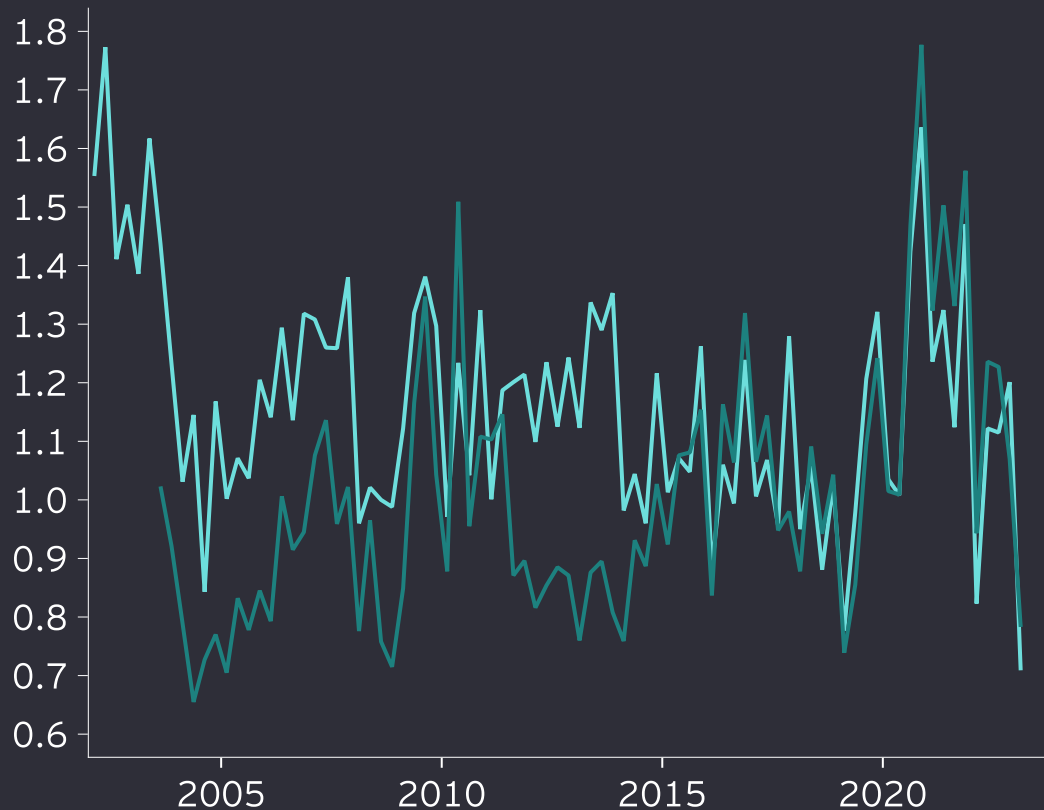


Source: SQM, Macrobond

# Dwelling transfers are falling and completions have picked up

## House and attached dwelling transfers, ACT

thousand

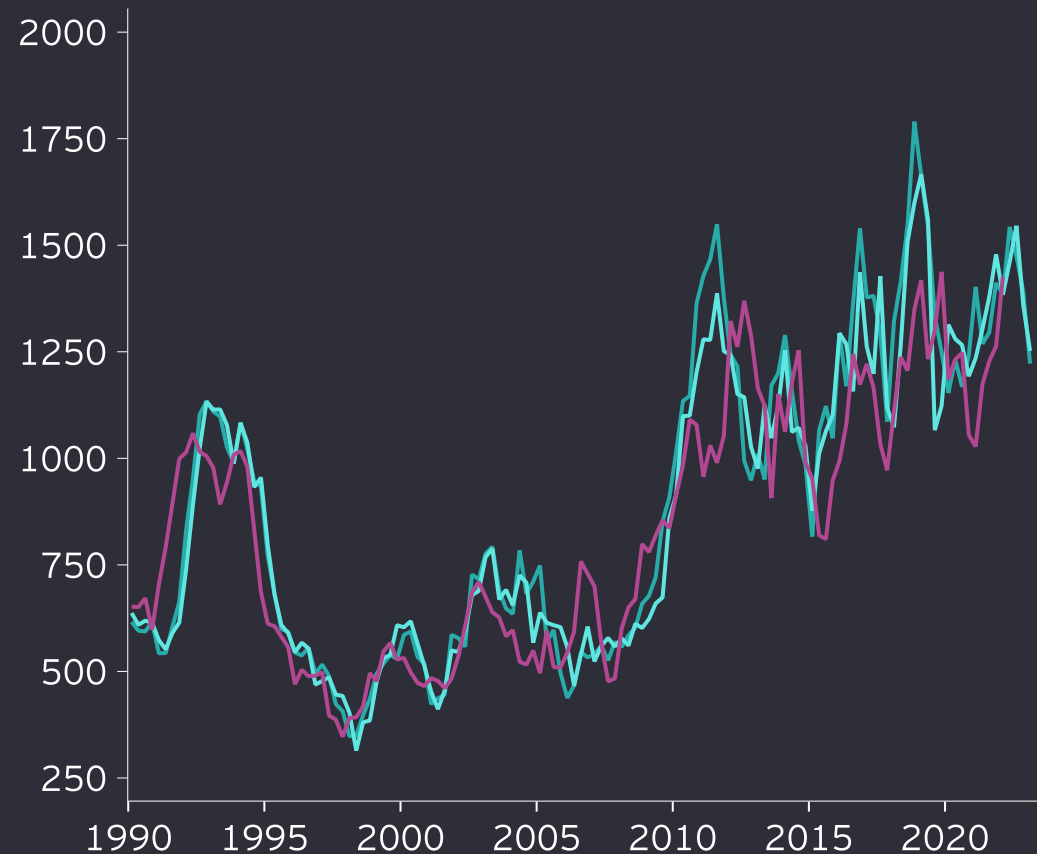


- Apartments - Canberra
- Established Houses - Canberra

Source: ABS, Macrobond, EY

## Dwelling approvals, starts and completions - ACT

Number



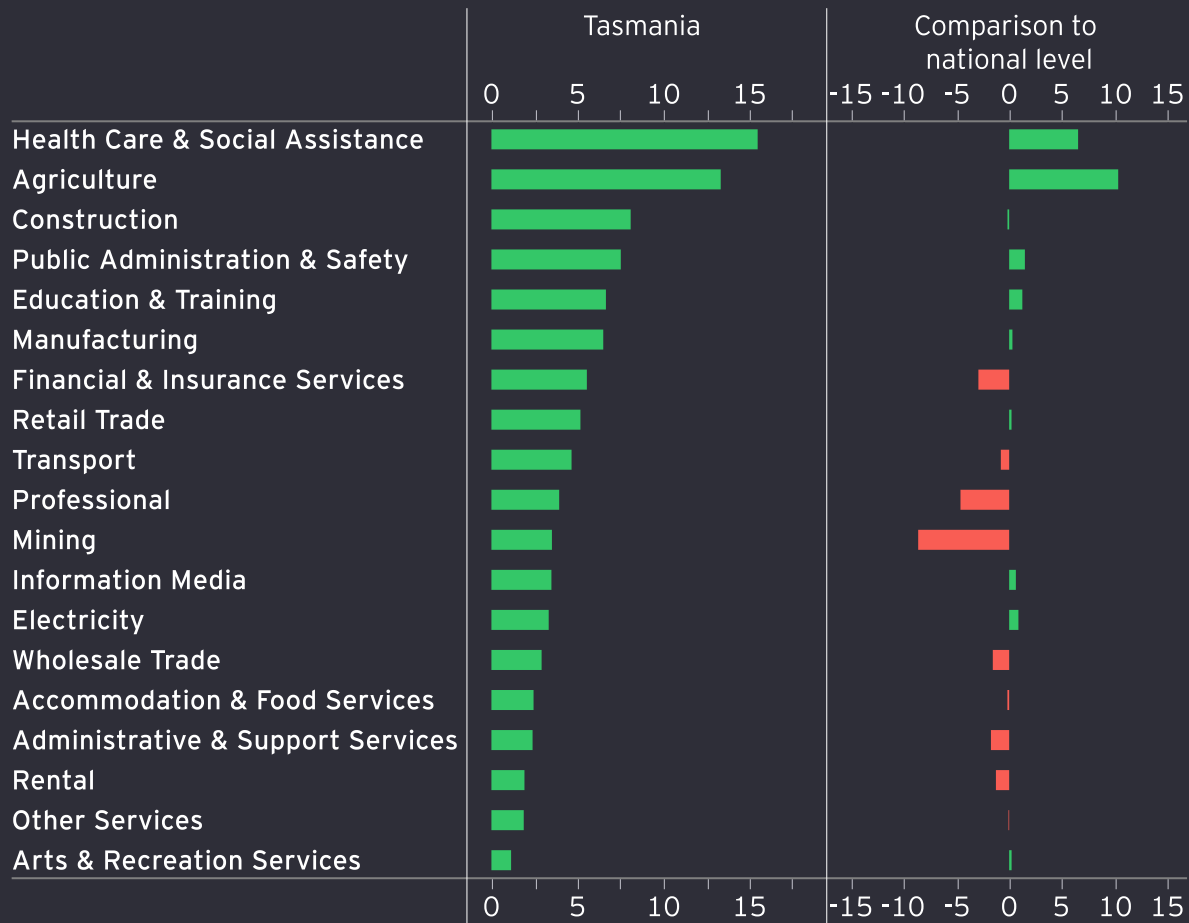
- Completed (1y lag)
- Starts
- Approved

Source: ABS, Macrobond, EY

# Tasmania

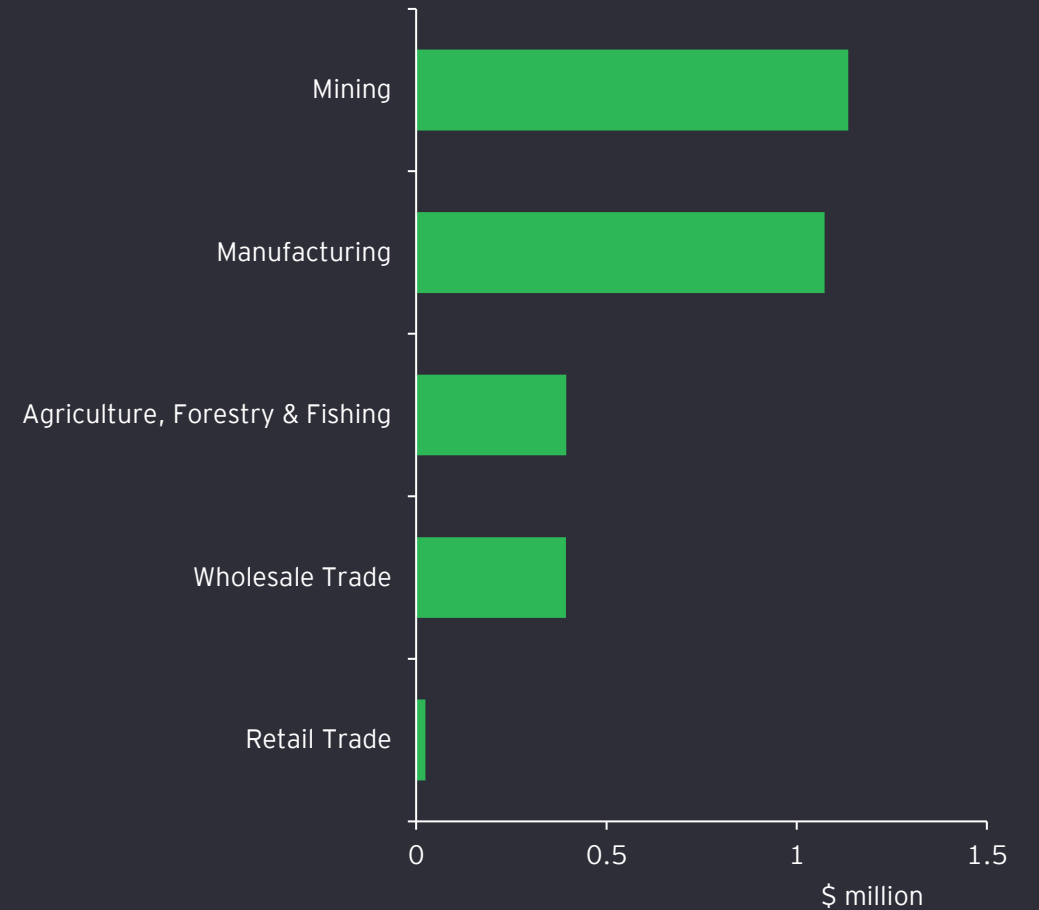
# Tasmania has a strong focus on health care and agriculture

TAS industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

Value of merchandise exports by industry of exporter (Tasmania, FY20)

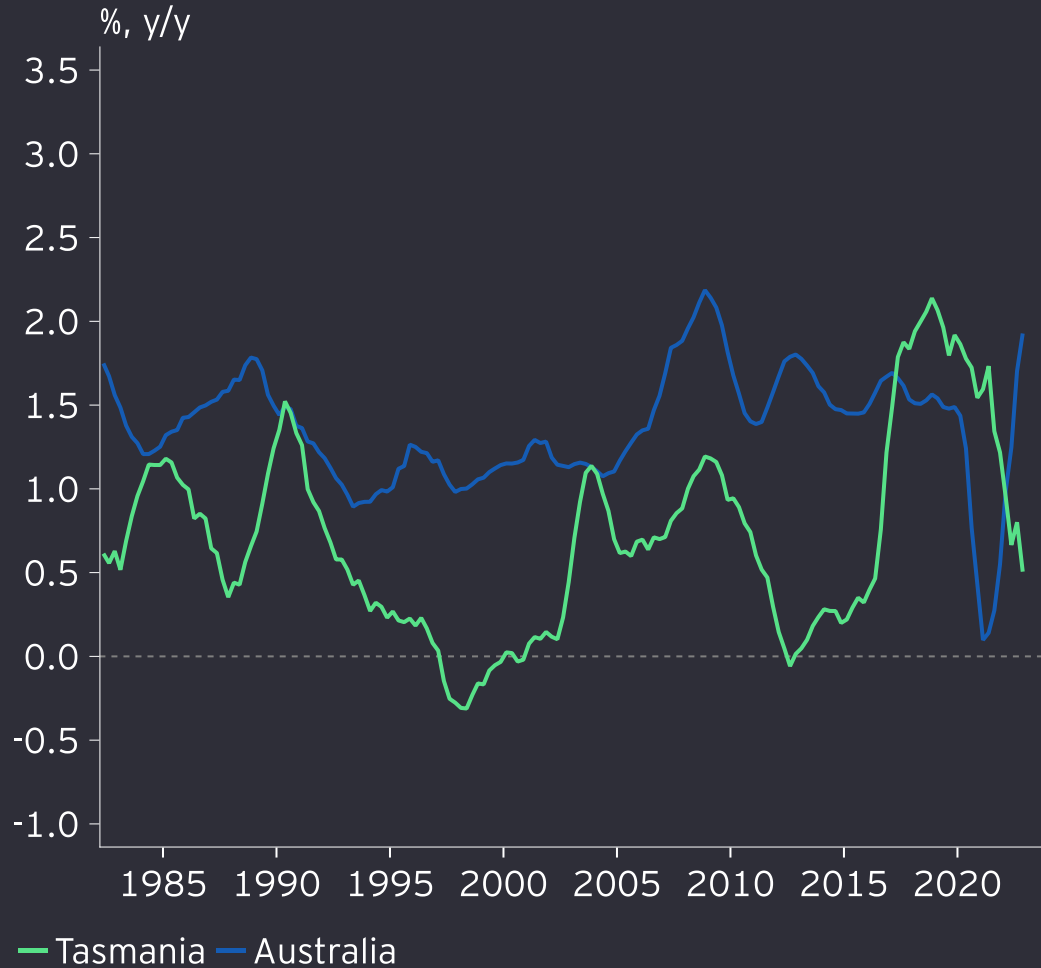


Source: ABS, EY



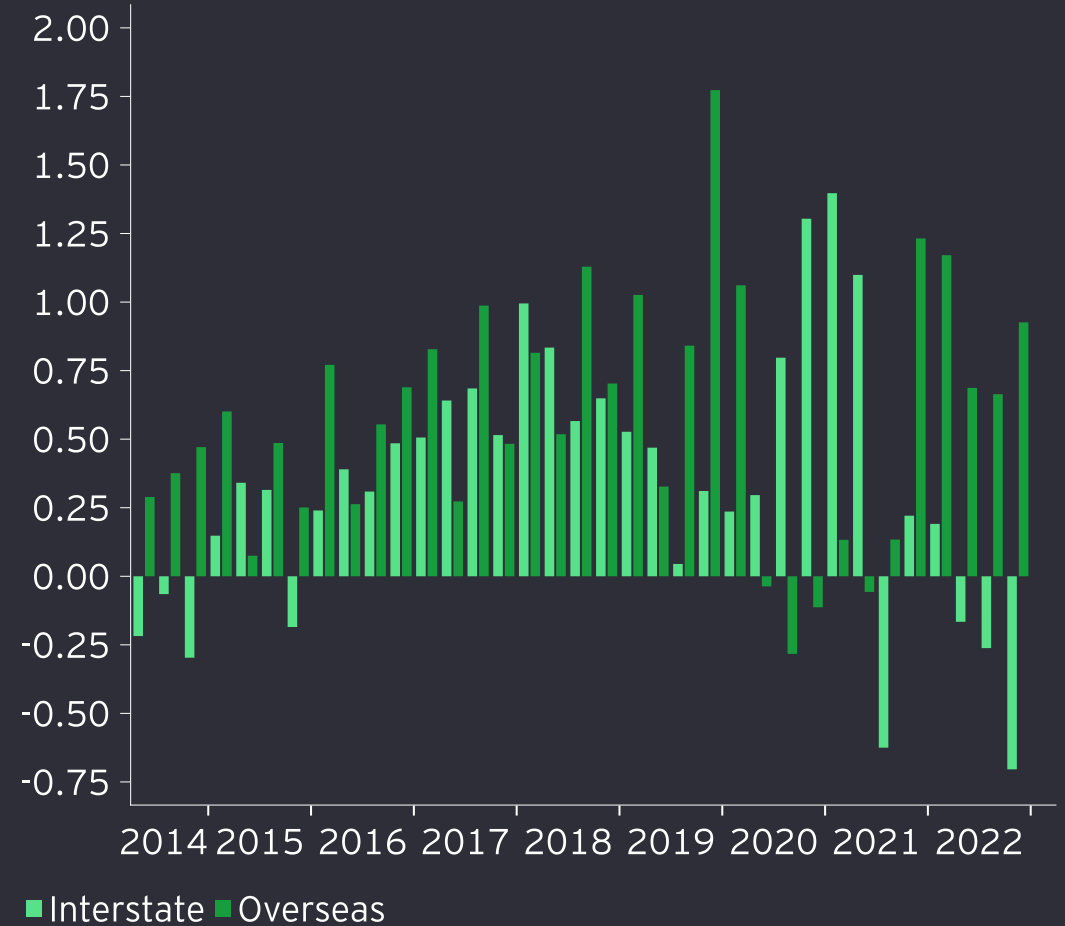
# Tasmania's population is suffering from interstate departures, which are falling in net terms

## Estimated resident population



Source: ABS, Macrobond, EY

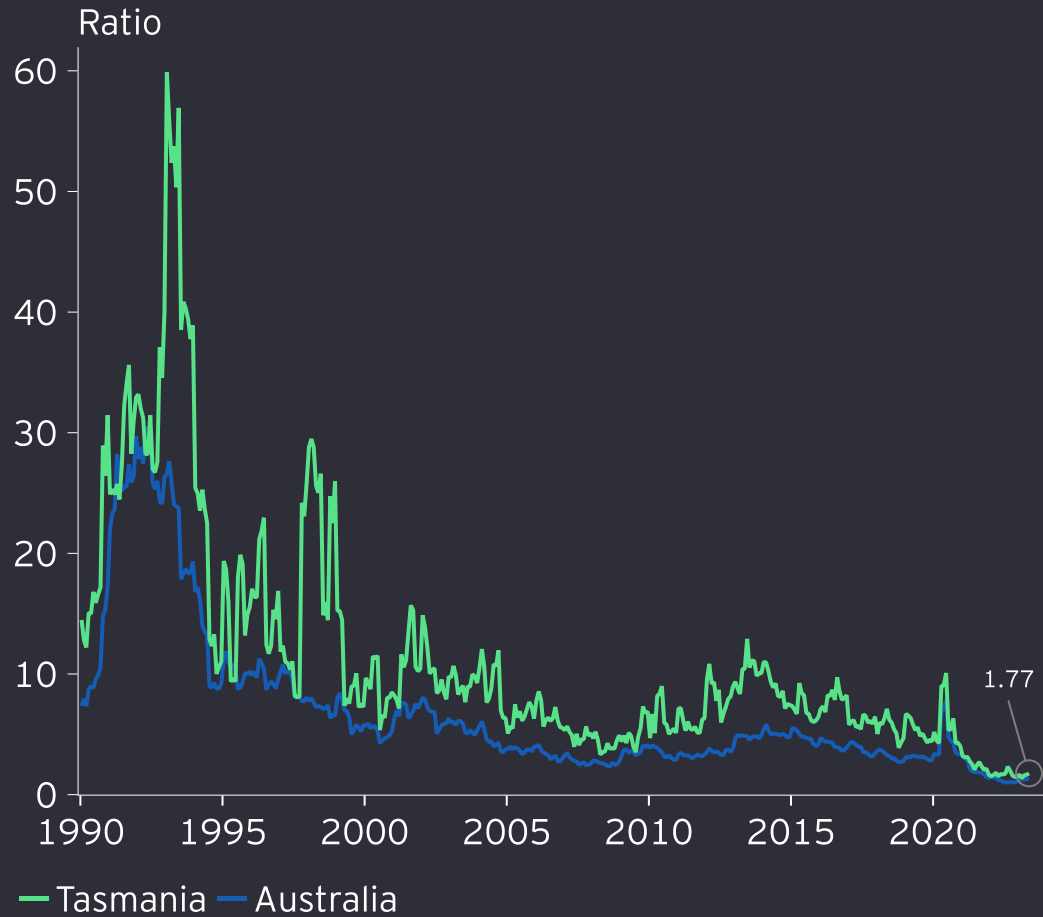
## Net Migration, Tasmania



Source: ABS, Macrobond, EY

# Private and public sector wages are growing at the same pace in Tasmania

Number of unemployed people for each job vacancy, Tasmania



Source: ABS, Macrobond, EY

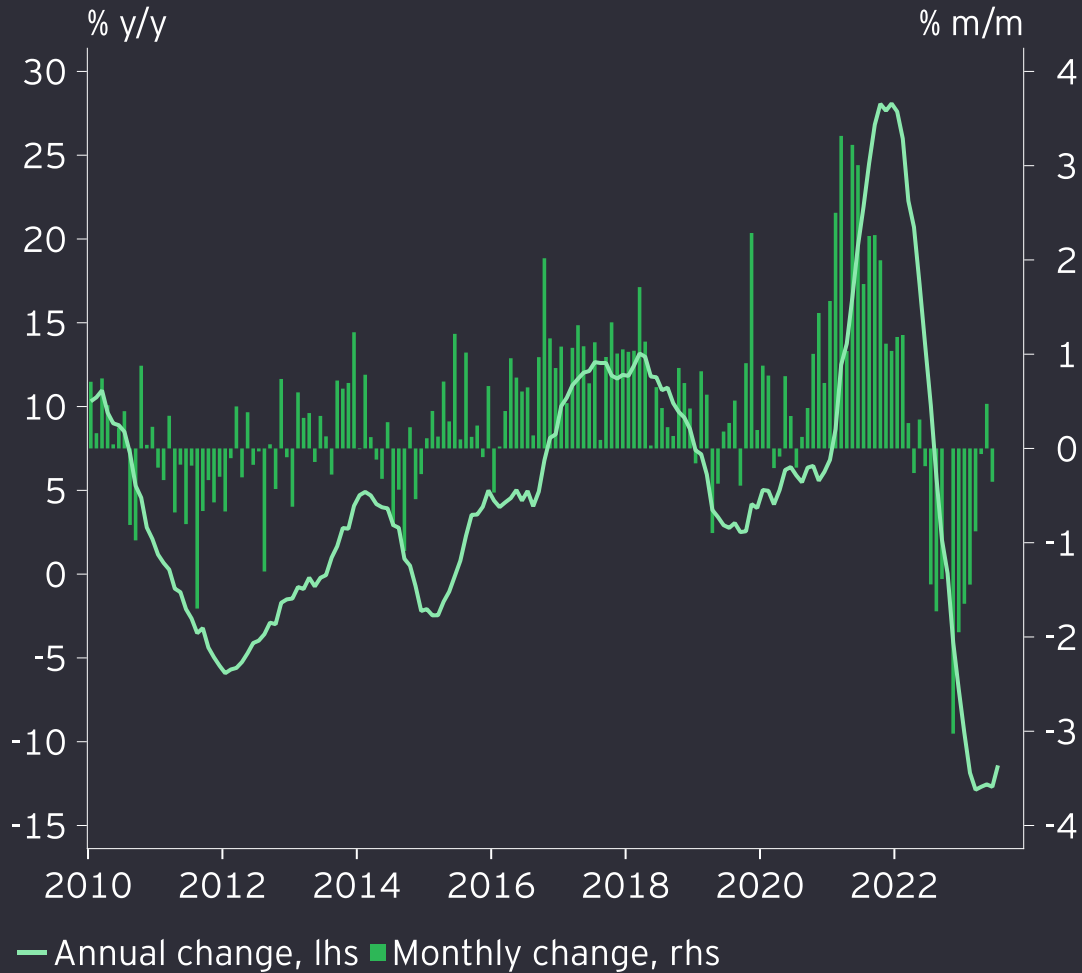
TAS Wage Price Index



Source: ABS, Macrobond, EY

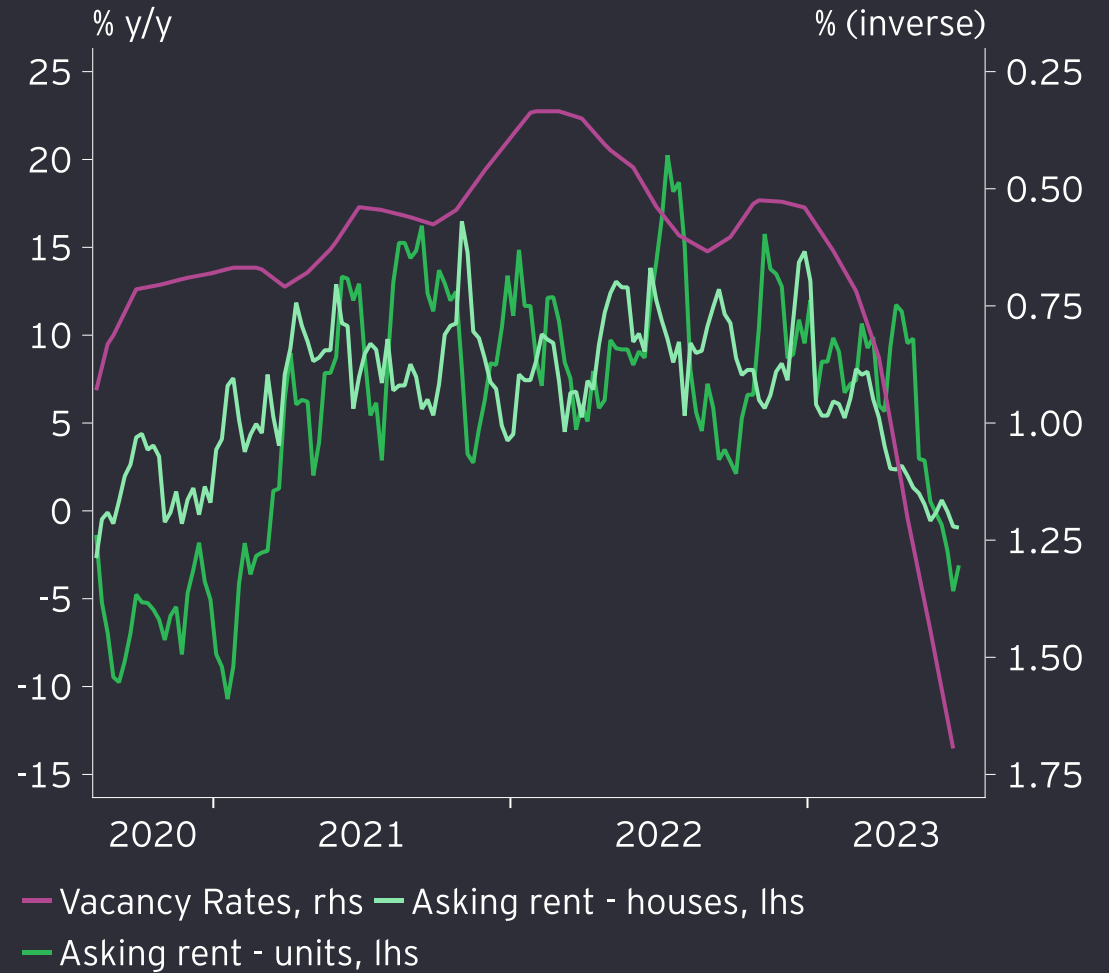
# Hobart's dwelling prices have not yet picked up after a post lockdown slump

## Hobart dwelling prices



Source: CoreLogic, Macrobond, EY

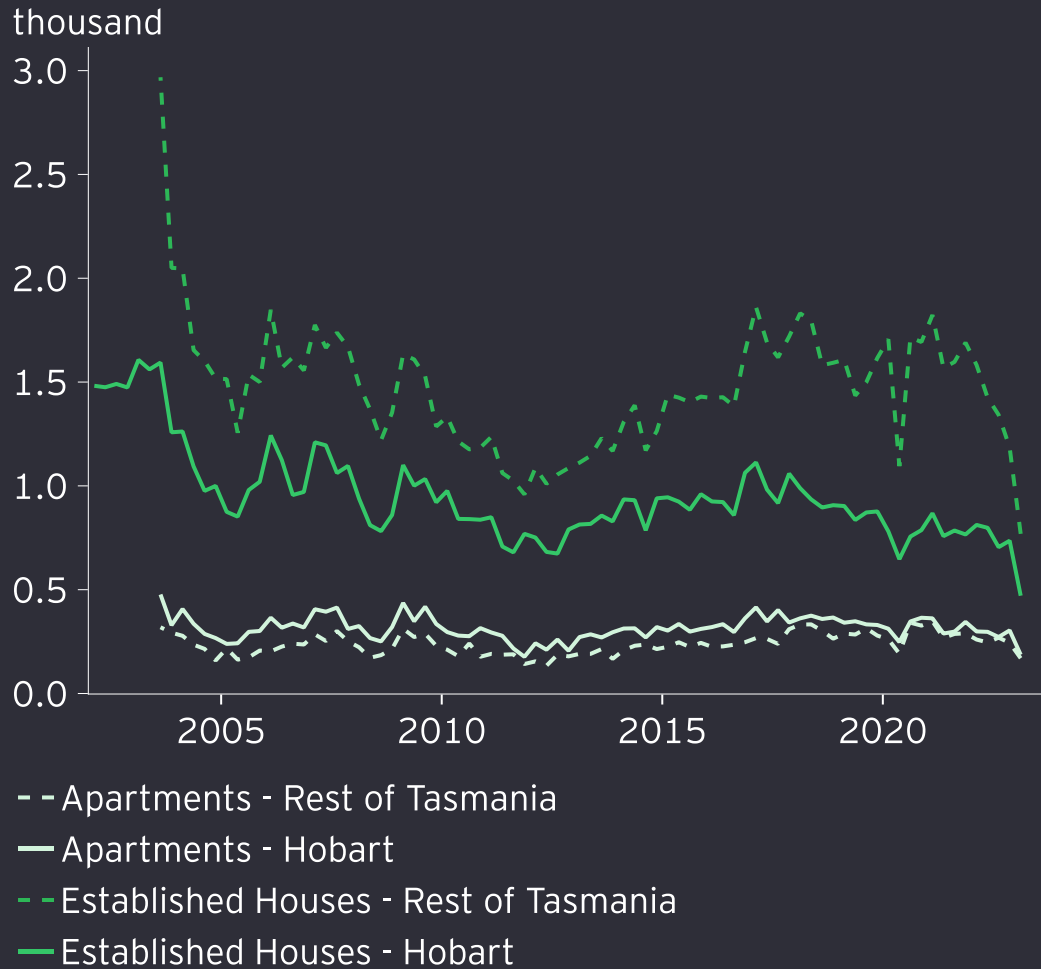
## Hobart asking rents and vacancy rate



Source: SQM, Macrobond, EY

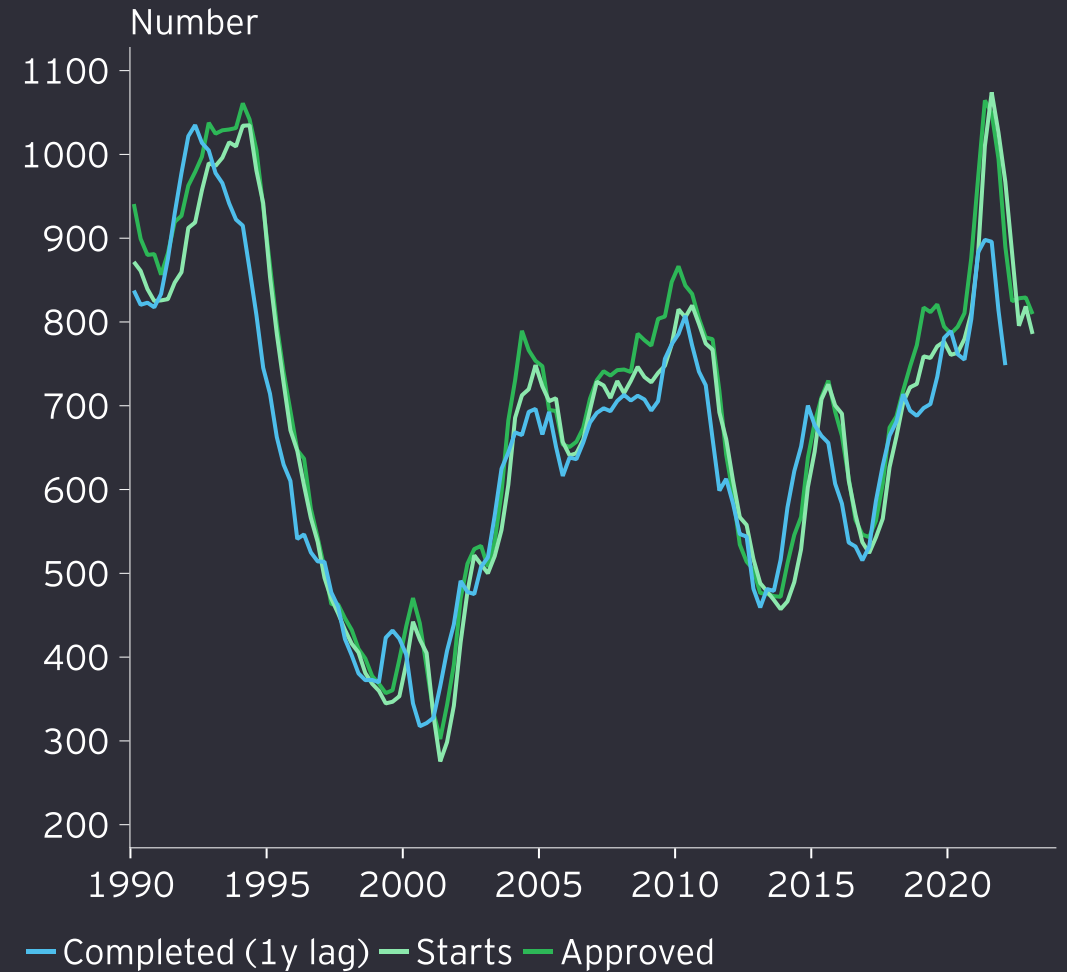
# Dwelling transfers are falling and completions lagging, as disruptions persist and demand for new homes is impacted by higher borrowing costs

House and attached dwelling transfers, TAS



Source: ABS, Macrobond, EY

Dwelling approvals, starts and completions - TAS

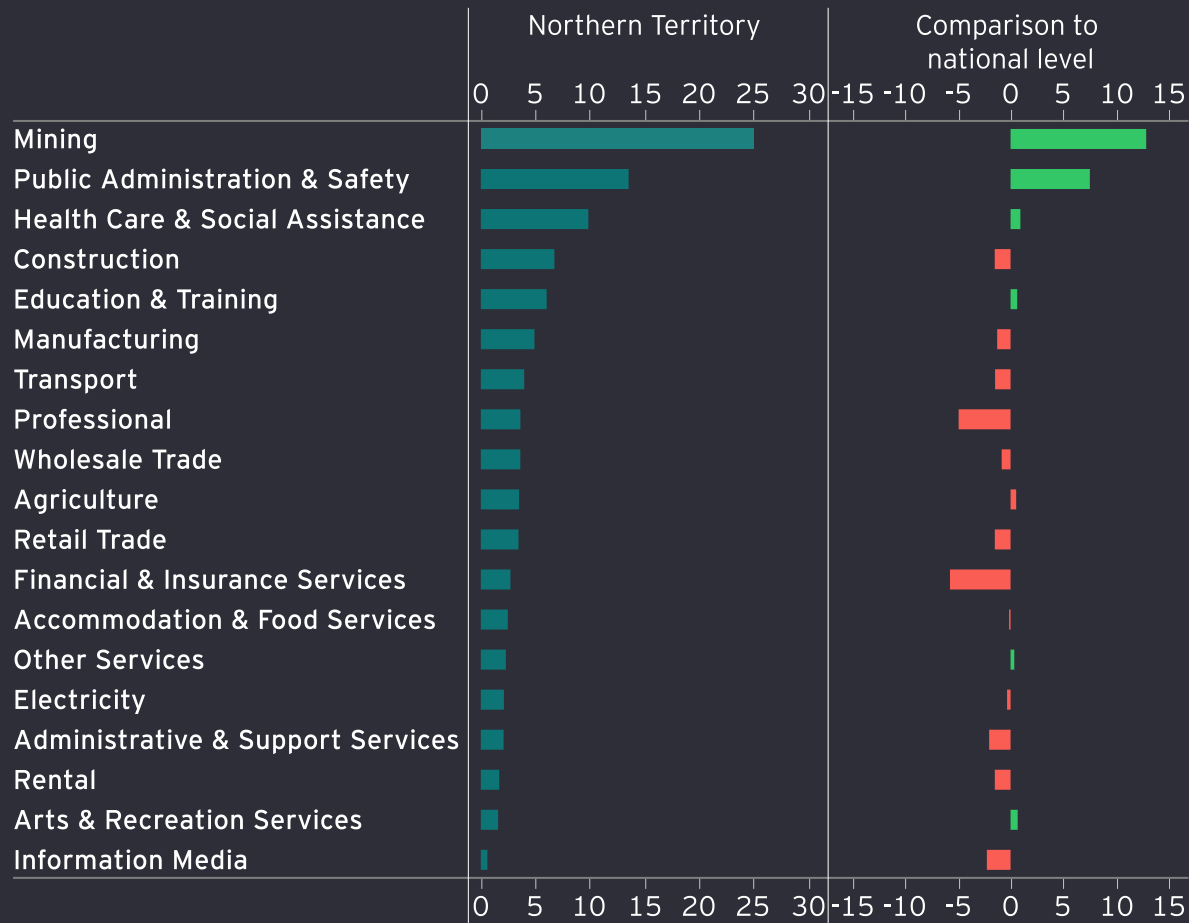


Source: ABS, Macrobond, EY

# Northern Territory

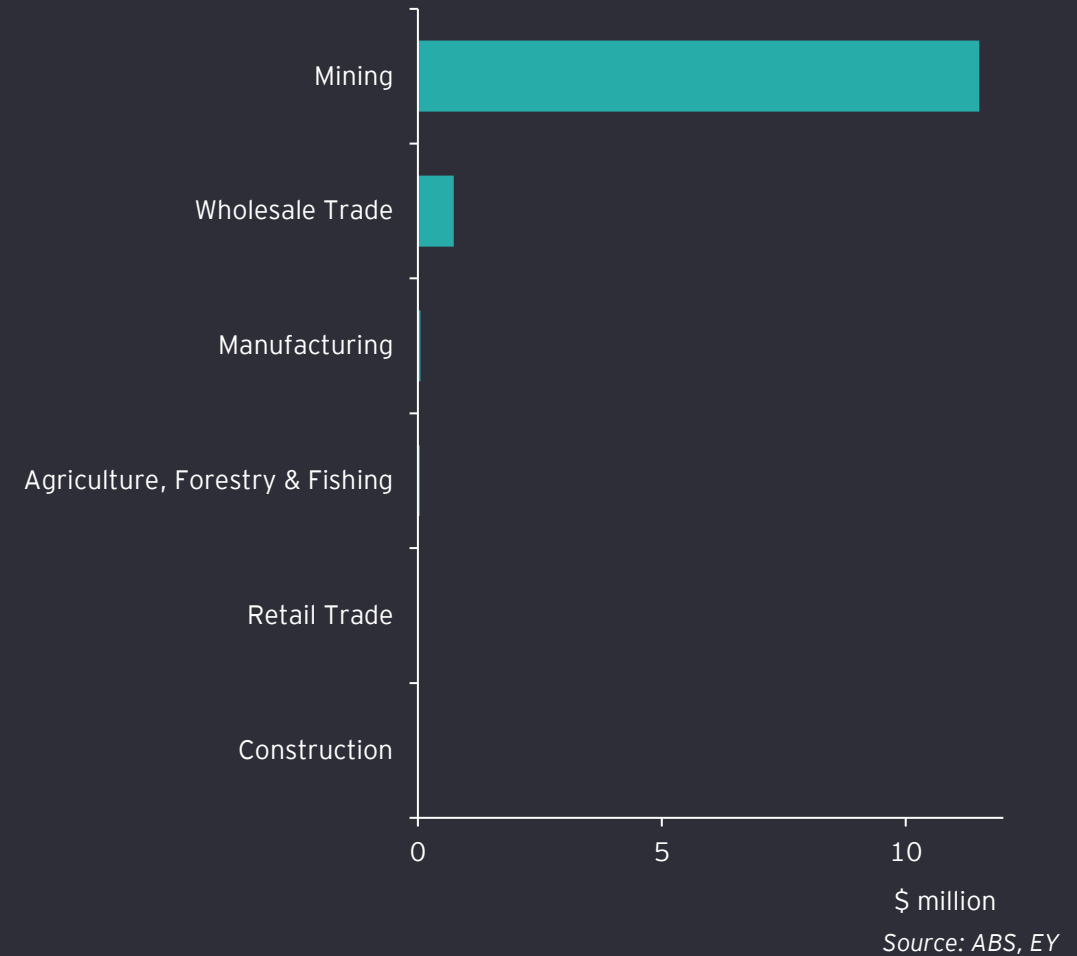
# Mining makes up a quarter of the NT economy

NT industry share (FY22) and comparison to national industry share (Q1 2023)



Source: ABS, Macrobond, EY

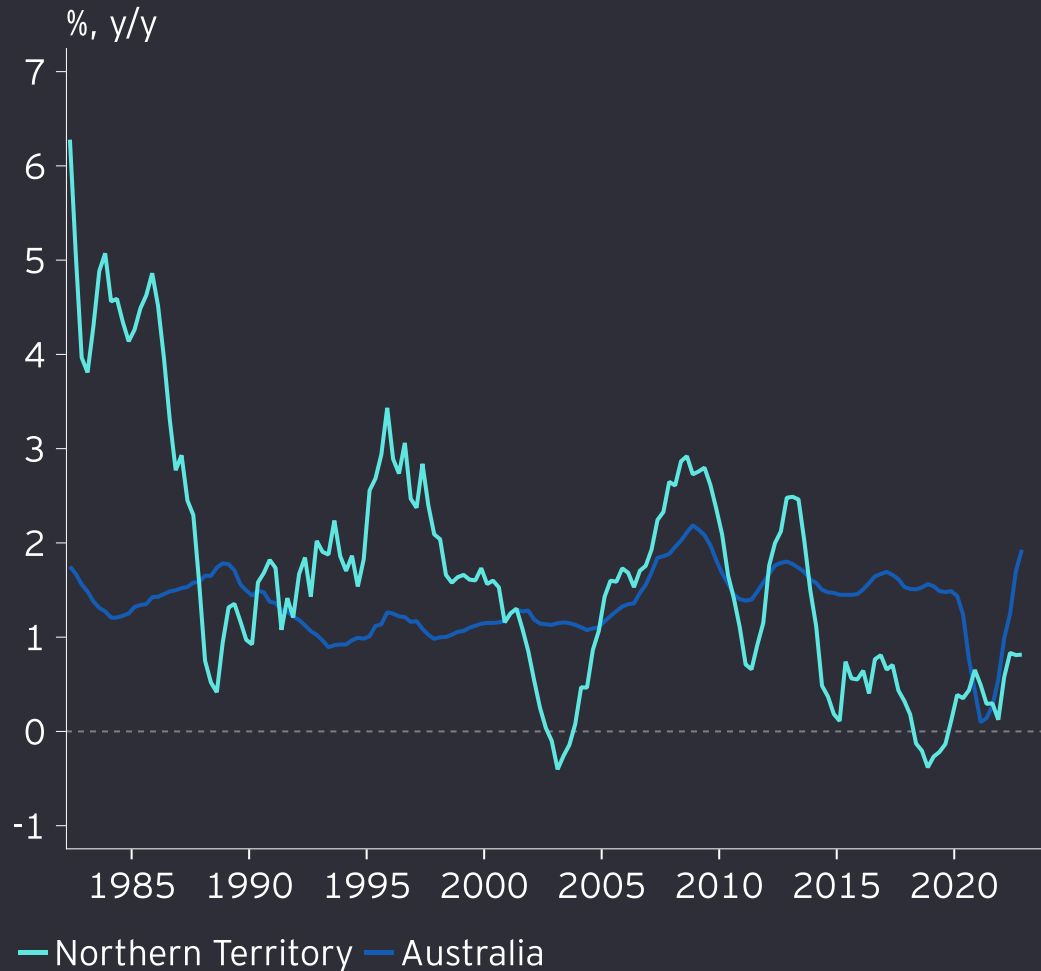
Value of merchandise exports by industry of exporter (NT, FY20)



Source: ABS, EY

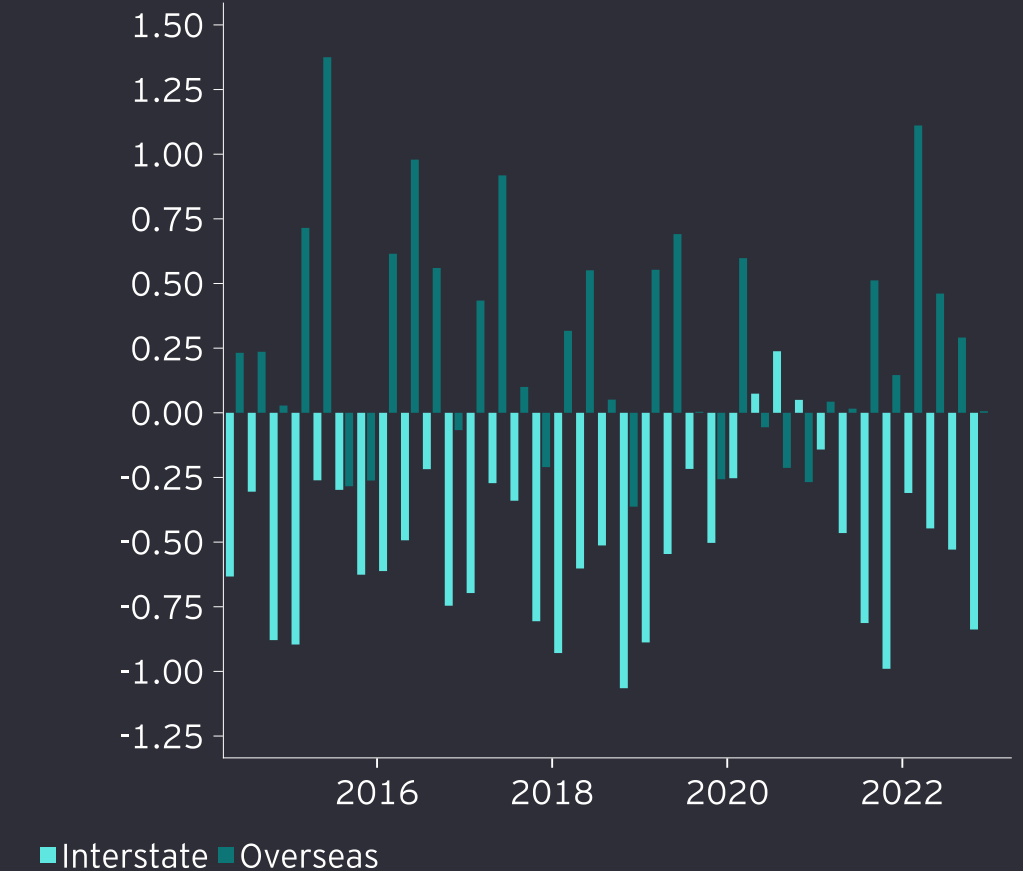
# Population growth has picked up slightly due to overseas migration, but residents continue to move interstate in net terms

Estimated resident population



Source: ABS, Macrobond, EY

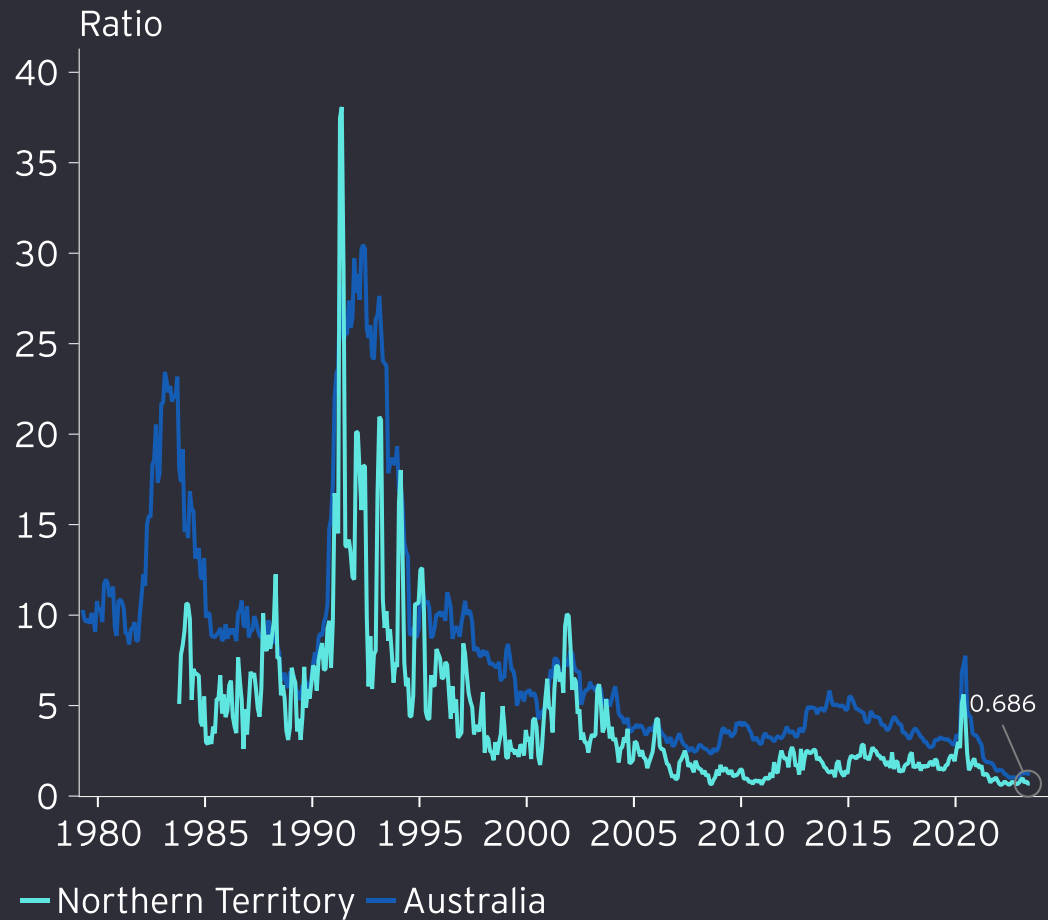
Net Migration, Northern Territory  
No. of Persons, Thousands



Source: ABS, Macrobond, EY

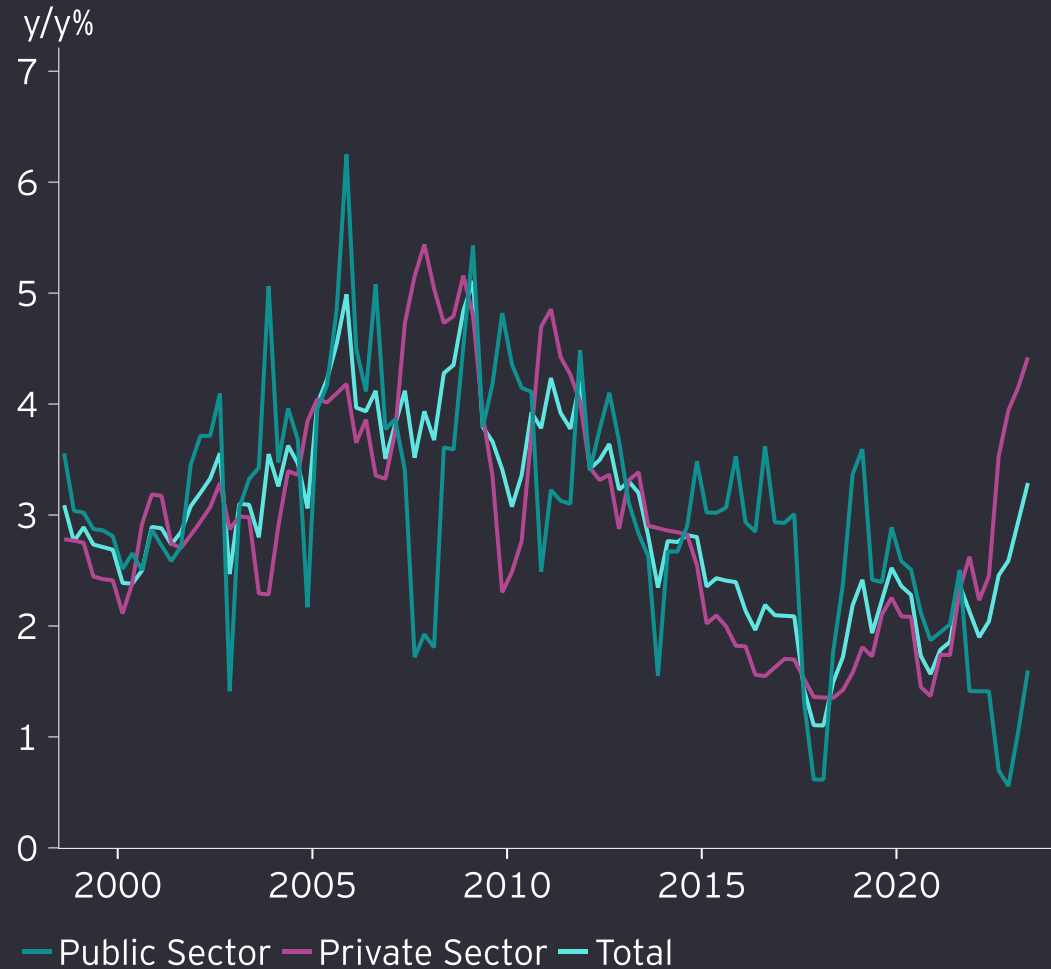
# The NT has the tightest labour market in Australia; public sector wages are lagging behind

## Number of unemployed people for each job vacancy, Northern Territory



Source: ABS, Macrobond, EY

## NT Wage Price Index

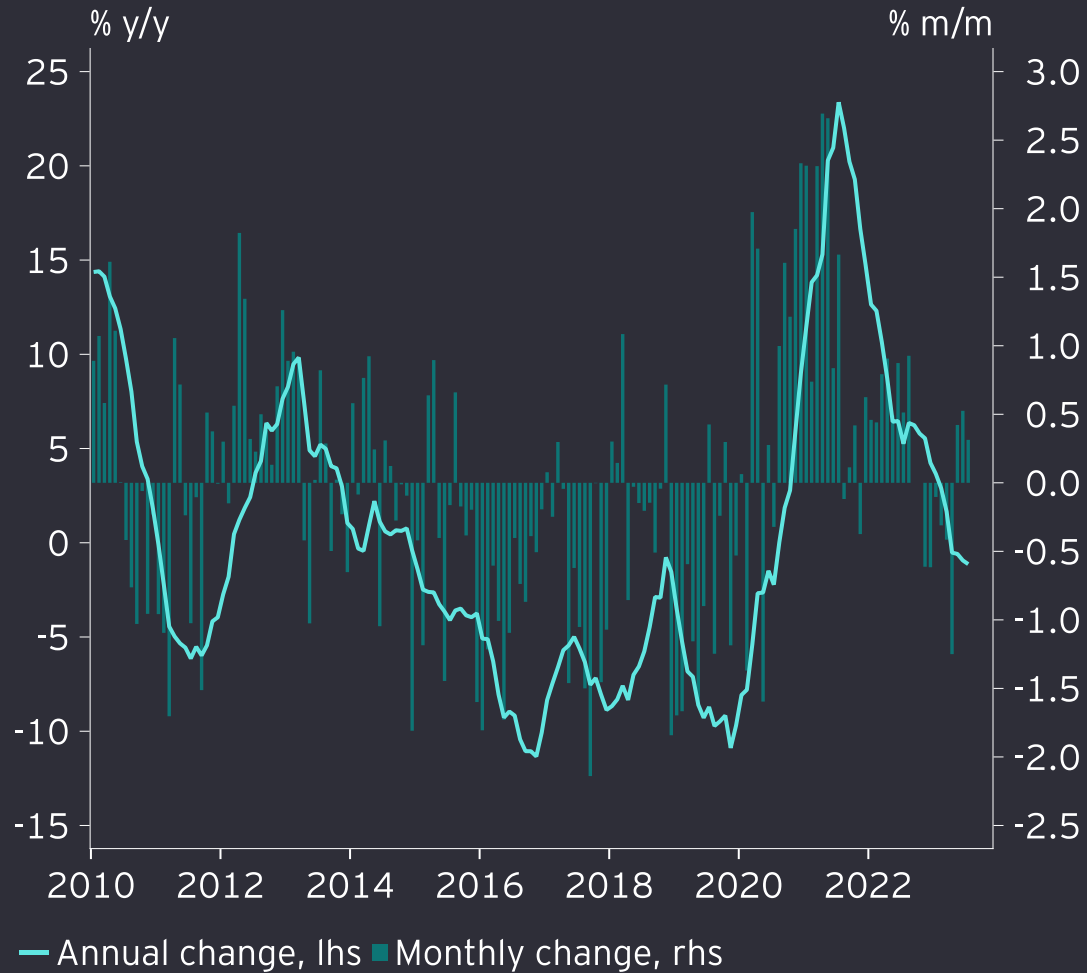


Source: ABS, Macrobond, EY



# Darwin dwelling prices have just started to pick up, having increased 1 per cent since April

## Darwin dwelling prices



Source: CoreLogic, Macrobond, EY

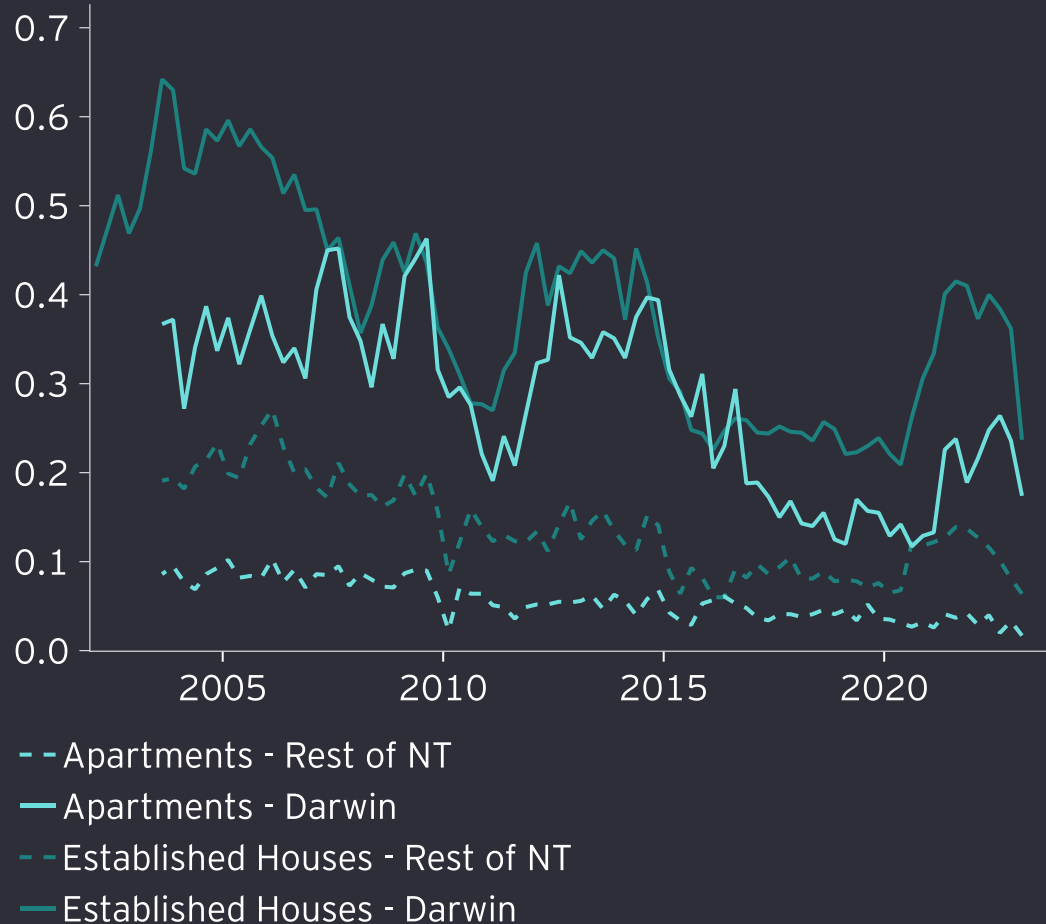
## Darwin asking rents and vacancy rate



Source: SQM, Macrobond

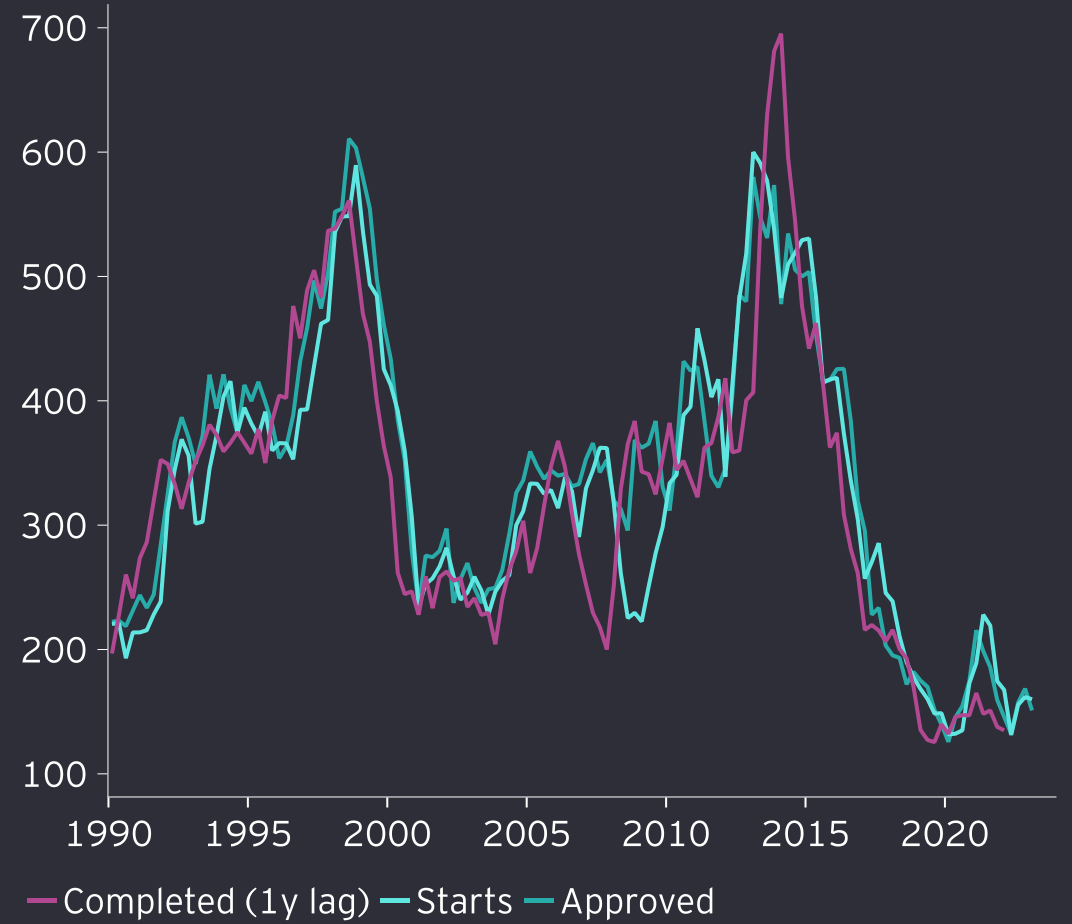
# Residential construction is at historically low levels after surging around a decade ago, when mining activity was very strong

House and attached dwelling transfers, NT  
thousand



Source: ABS, Macrobond, EY

Dwelling approvals, starts and completions - NT  
Number



Source: ABS, Macrobond, EY

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Data current as at 21 August 2023

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