

ACT & Victoria record fastest economic growth State Accounts 2017/18

- **State Accounts.** The ACT economy recorded the fastest rate of growth across state and territory economies in 2017/18. Gross State Product in the ACT grew by 4 per cent over the year, ahead of Victoria, up 3.5 per cent in 2017/18.

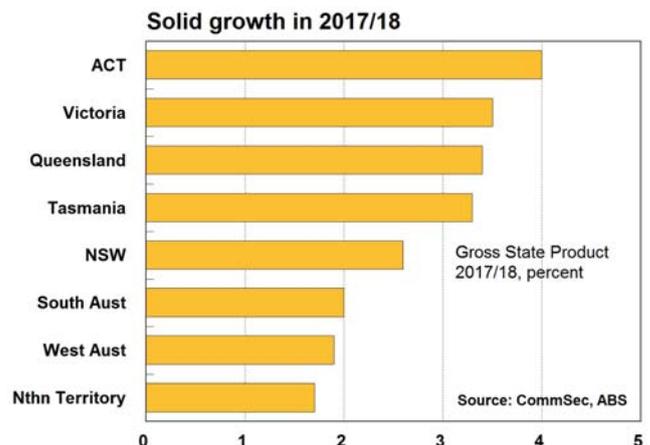
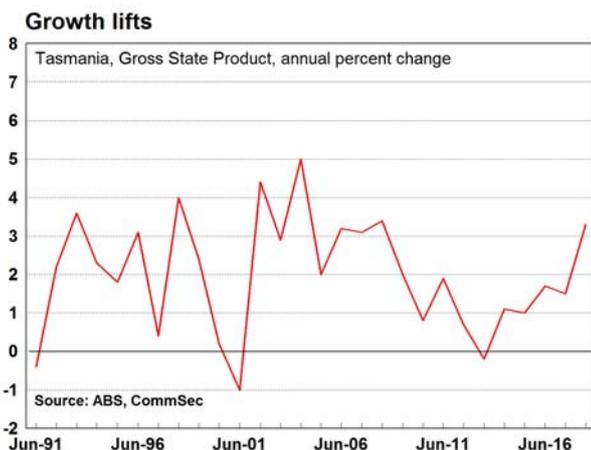
The State Accounts provides data on the State/Territory economies that are growing the fastest and therefore provide the greatest opportunities for companies at the current time.

What does it all mean?

- The latest data on Australian state and territory economies confirms the baton change over the past few years. Western Australia and Northern Territory were the powerhouses in the ‘mining boom’ period of 2011/12-2013/14. Now it is economies like ACT, Victoria and Tasmania that are leading the way – growing at faster rates than the overall national economy. Economic cycles are constantly changing and the seeds for faster economic growth in Western Australia are being sown with firmer demand for mining and energy commodities.
- While growth in the **ACT** was broadly based in 2017/18, a 13.9 per cent lift in public investment drove the Territory to the top of the economic growth league table. Similarly, an 18.2 per cent lift in state and local government spending supported the **Victorian** economy, although offset by weakness in trade (notably a big 8.8 per cent lift in imports).
- In contrast, a 0.8 per cent fall in government investment spending dragged down growth in **Queensland** although offset by a 10.6 per cent lift in private business investment. Private business investment (+17.4 per cent) made a solid contribution to Tasmania’s economic growth in 2017/18. NSW economic growth was broadly based in 2017/18.

What do the figures show?

- **Gross State Product (GSP)** figures for 2017/18 have been released. The ACT grew by 4 per cent over the year ahead of Victoria (3.5 per cent); Queensland (3.4 per cent); Tasmania (3.3 per cent); NSW (2.6 per cent); South



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Australia (2.0 per cent); Western Australia (1.9 per cent) and Northern Territory (up 1.7 per cent).

- When **GSP in the past year is compared with the decade average (or “normal” activity)**, strongest was ACT (+14.6 per cent) from Victoria (+14 per cent); Northern Territory (+13.9 per cent); NSW (+12.6 per cent); Western Australia (+11.7 per cent); Queensland (+11.3 per cent); Tasmania (+7.2 per cent) and South Australia (6.2 per cent).
- Over the past decade, **average annual GSP growth** was strongest in the mining states: Western Australia (+3.8 per cent) and Northern Territory (+3.5 per cent).
- On a per capita basis, **GSP per capita** grew the fastest in Tasmania (+2.3 per cent) in 2017/18 from ACT (+1.8 per cent).

Why is the data important?

- The State Accounts are released by the Australian Bureau of Statistics each year. The data is the most comprehensive assessment of State/Territory economic performance in the past financial year. The figures highlight the economies with greatest economic momentum and adds to the knowledge on economic performance across the country.

What are the implications?

- The latest data is backward-looking. However the figures are important in showing where economic growth is coming from in the state and territory economies. The strength in private business investment over 2017/18 was encouraging across most economies. However private investment fell in Northern Territory (-15 per cent) and Western Australia (-0.6 per cent).
- Both Tasmania and the ACT recorded their fastest economic growth rates in a decade in 2017/18.

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