Institutional Banking
& Markets

State & Territory Perspective

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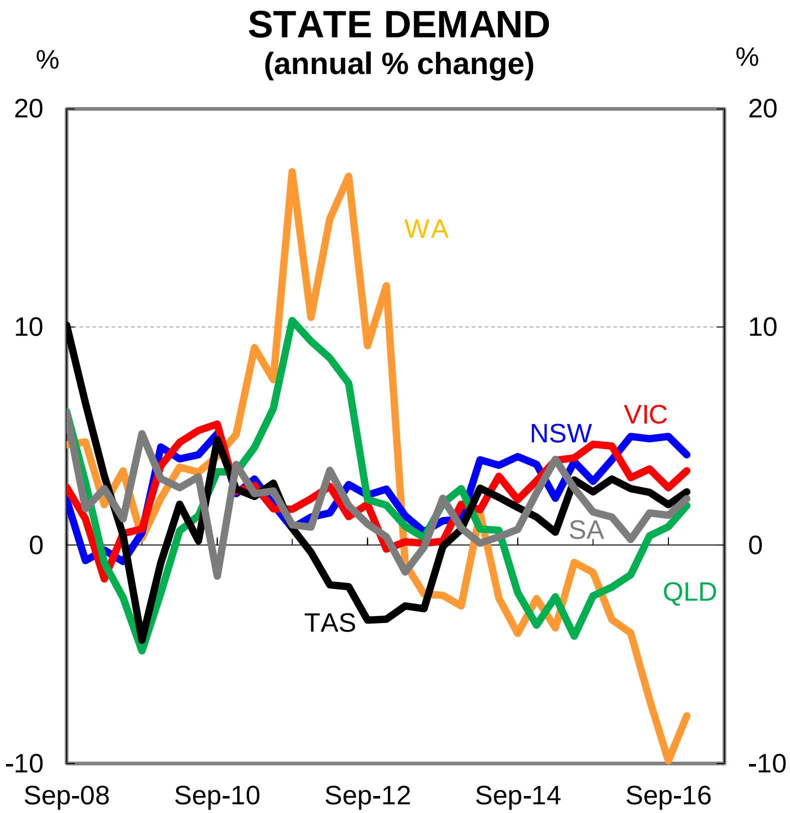
Summary

	Consumer	Housing	Capex	Trade	Labour Market	Inflation
NSW	Consumer spending has been supported by a strong labour market and rising dwelling prices. Consumer sentiment is above the national average and income growth is higher in NSW. These factors suggest that NSW household consumption growth should continue to outperform the national rate in 2017.	Residential building approvals are forecast to be around 65k in 2017, down from 75k in 2016. Demand for housing remains firm and is keeping prices elevated. Robust population and employment growth as well as foreign investor demand is supporting house price growth.	Both private and public capex have picked up solidly over the past year. And there is a large pipeline of public works that will support total capital investment. We expect robust growth in NSW capex to continue over 2017.	NSW runs a big trade deficit. Firmer coal prices have lifted exports receipts. Services export growth will continue through 2017. Tourism and education exports to continue to perform well. And wheat and beef exports have also risen.	Annual employment growth has slowed as the labour market tightens. The unemployment rate is around the level associated with full employment. A further tightening in the labour market should start to see some mild upward pressure on wages in some sectors.	Inflation in Sydney is higher than the national rate reflecting a tight labour market and buoyant housing market. The Sydney CPI should track higher than the national rate over 2017.
VIC	Consumer spending growth lifted solidly in QIV 2016 and is the strongest across the states. Firm population growth and strong employment growth is supporting household consumption. Spending growth should continue to outperform against most states in 2017.	Total dwelling commencements expected to be 60k in 2017. Strong population growth and foreign investor demand are supporting dwelling prices. But record levels of residential construction means that there is a risk, albeit small, of apartment oversupply.	Capex in Victoria picked up in H2 2016 after a soft H1. We expect capex to continue to rise modestly over coming quarters driven by strong population growth and the need to lift the capital stock.	Major exports include tourism, education and some agriculture. Car manufacturing closures will negatively impact export growth over 2017. Consumer goods imports to remain firm on strong population growth.	Employment growth is strong but the unemployment rate remains stuck near 6%. Jobs growth has been supported by strong population growth. The services sector continues to drive jobs growth. Some mild downward pressure should be applied to the unemployment rate over 2017.	Melbourne CPI running in line with the national rate. Rental inflation should soften as supply increases. Overall inflation pressures to be contained over 2017.
QLD	Consumer spending and retail trade growth have both accelerated. Household consumption growth picked up significantly in H2 2016. We expect decent household consumption growth in QLD over 2017 with plenty of variation in outcomes across regional areas.	Approvals are elevated and there has been a surge in apartment construction over the recent past. Completions to remain high in 2017. Dwelling price growth has been more restrained than Sydney and Melbourne. There is a risk of apartment oversupply.	Total state capex in QLD looks to have stabilised as the impact from falling mining investment fades. Non-residential construction to slow given elevated vacancy rates. A decent amount of public capex is in the pipeline.	LNG export volumes will continue to lift significantly over 2017. Coal export volumes look likely to be negatively impacted in the short term by Cyclone Debbie. Import growth has slowed on falling mining capex. Tourism exports are benefiting from the AUD in the mid-USD0.70s.	Employment growth has been soft. Jobs gains in health and construction have been largely offset by job losses in the resources sector. Jobs growth should lift over 2017 as the drag on employment growth from falling mining investment fades.	CPI running broadly in line with the national average. Overall inflation pressures to be modest.
SA	Consumer spending growth has lifted after an extended period of weakness. Modest household consumption growth is expected over 2017.	Dwelling price growth is modest. House price growth has been stronger than apartment price growth. Total dwelling commencements to be around 10k in 2017.	Private capex likely to be soft but there will be a lift in public investment in 2017.	Food and beverage exports have been growing strongly. The agriculture export sector should continue to perform well.	Employment growth has picked up in SA although still remains below the national average. Plenty of spare capacity in the SA labour market.	Inflationary pressures generally subdued in Adelaide. CPI a bit lower than the national average.

Summary

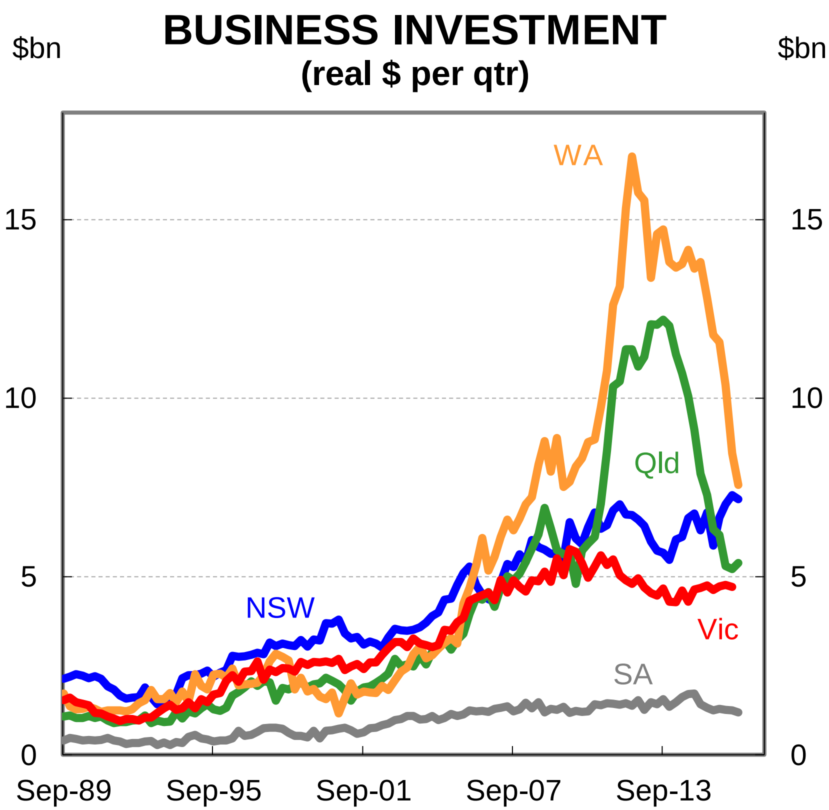
	Consumer	Housing	Capex	Trade	Labour Market	Inflation
WA	Consumer spending fell in QIV 2016 and remains weak. Over time spending growth will lift, but there are plenty of headwinds still facing WA. Weak wages growth and a soft labour market are the biggest drags on spending at present.	Dwelling approvals are trending lower. Total WA commencements forecast to be around 20K in 2017. Lending growth is slowing. Vacancy rates remain high. However dwelling prices have shown some tentative signs of stabilising in recent months.	State capex has declined in line with the peak in mining investment. We estimate that we are around 90% of the way through the mining capex downturn. As a result, we expect mining investment to trough in 2017.	Iron ore exports are the major driver of WA's export flows. Volumes continue to lift and prices have risen strongly since mid-2016. However prices are expected to ease in 2017. LNG exports to continue to lift. Net exports a huge driver of GSP.	The unemployment rate is on an upward trend and sits above the national rate. However rising commodity prices have seen a lift in mining vacancies, which points to stabilising mining-related employment. Nonetheless the labour market will remain soft over 2017.	Inflation in Perth remains very low. Inflation pressures will be minimal due to an elevated level of spare capacity. In addition, falling dwelling rents are limiting overall CPI growth.
TAS	Consumer spending growth is modest, but commensurate with lower population growth. Jobs growth has lifted a little which is supporting household income growth and overall spending. Moderate consumption growth expected in 2017.	Total dwelling commencements to be around 2k in 2017. Dwelling approvals look to have peaked. Dwelling price growth in Hobart is solid for both detached housing and apartments.	Both private and public investment set to lift a little in 2017. A number of hotel developments and other tourism-related facilities are in the pipeline.	The lower AUD is providing some benefit to the agriculture and tourism sectors in particular.	The unemployment rate remains above the national average and employment has fallen. The unemployment rate is expected to stay above the national rate over 2017. Employment growth is likely to be constrained by soft population growth.	Hobart's CPI is running a little below the national average. Overall inflationary pressures to be benign over 2017.
NT	Consumer spending growth rebounded in QIV after falling in QIII. Overall consumption growth to soften in 2017 in line with a slowing local economy.	Dwelling prices data highly volatile. Prices have moved lower. Total commencements to be around 2k in 2017.	Engineering construction will decline over the next year which will weigh heavily on State Final Demand.	Exports will receive a major boost when the Ichthys LNG project enters the production phase.	The unemployment rate is below the national rate but is expected to drift a little higher over 2017.	Inflation has slowed sharply in NT after an extended period of running above the national rate. Inflation outcomes below national average likely due to falling rents.
ACT	Consumer spending growth was solid in QIV. Strong employment growth is behind the lift.	Canberra dwelling price growth has been strong for houses and more modest for apartments. ACT commencements are expected to be around 4k in 2017.	Capex has picked up significantly. There will be a further boost to capex in 2017 from the light-rail project.	Export earnings growth is minimal. Tourism sector to continue to benefit from the ongoing lift in Chinese holidaymakers. Canberra airport now takes international flights thereby boosting tourism.	The unemployment rate will remain below the national rate. Employment growth has picked up again as public service headcount lifts.	Inflation rate higher in Canberra than national average due to stronger economy.

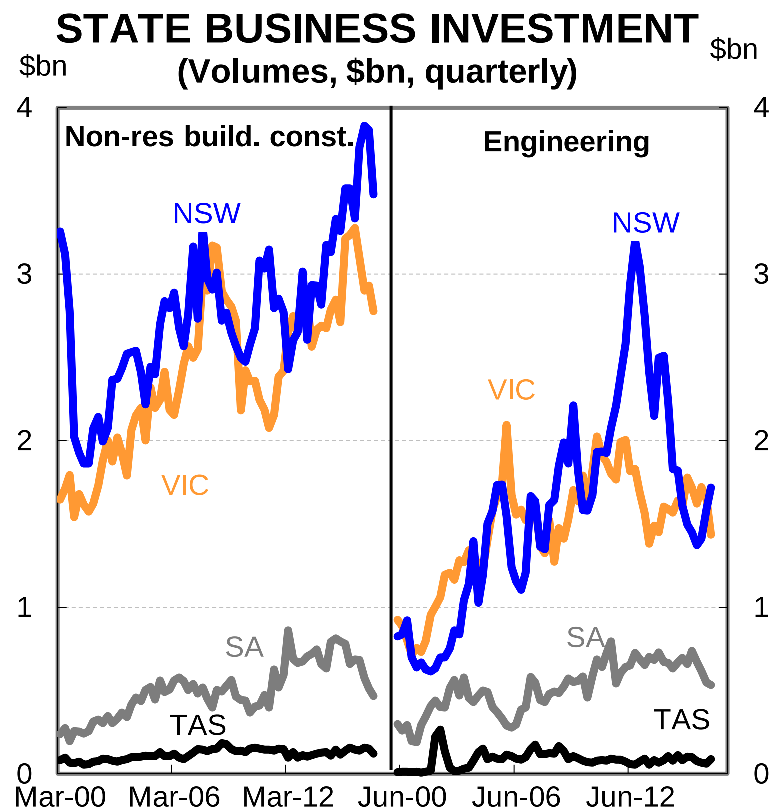
State Demand



- **Spending in QIV bounced in all states after broad-based weakness in QIII.**
- **State Final Demand (SFD) rose very strongly in Vic (+1.7%) while solid gains were also posted in NSW (+0.8%), QLD (+0.9%), SA (+0.9%) and Tas (+0.9%). WA (+0.4%) recorded its first quarterly lift in SFD since QII 2015.**
- **In annual terms SFD in NSW is running at a robust pace (4.1%). SFD growth has lifted in Vic, in part due to strong population growth.**
- **SFD growth in QLD has been trending higher as the drag from falling mining investment fades. Spending in WA has fallen through the year due to the ongoing decline in resource investment.**
- **SFD does not include international trade (i.e. exports and imports). Net exports are currently an important driver of Gross State Product (GSP) in QLD and WA.**

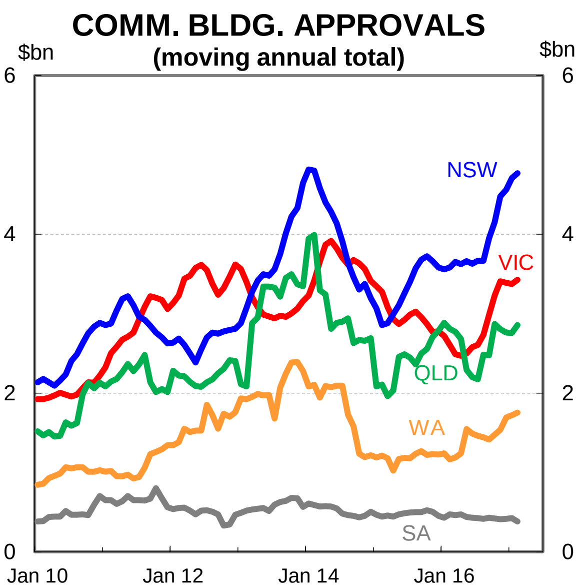
Capital Expenditure

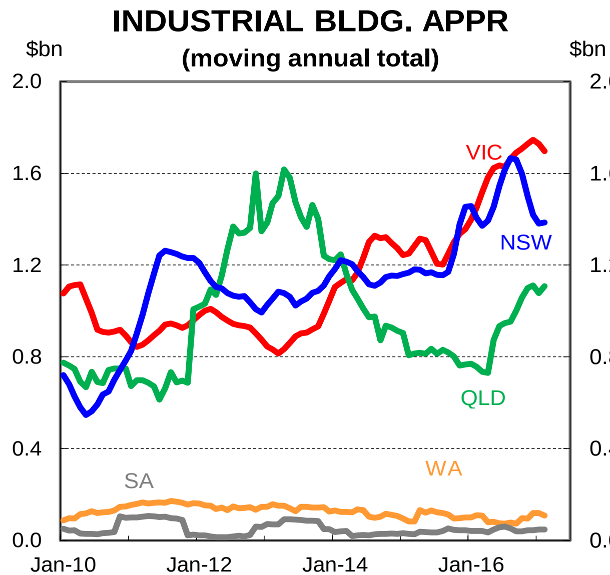


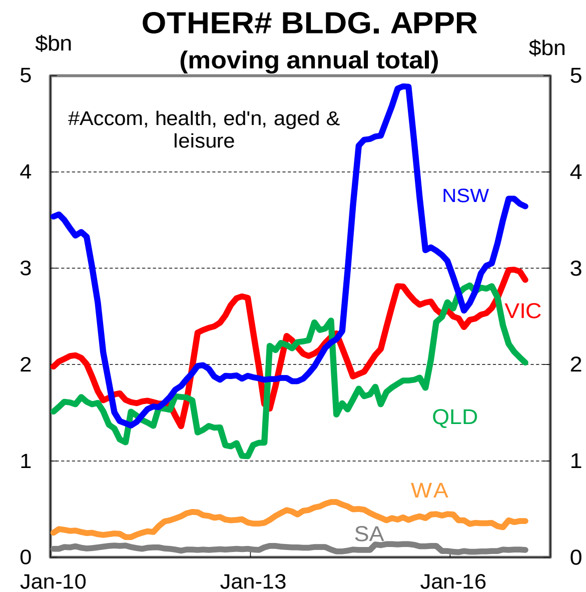


- The RBA estimates that we are 90% of the way through the downturn in national mining investment.
- Capex in WA continues to decline due to the downturn in mining investment. This will continue over H1 2017. The capex fall in QLD is largely complete.
- Non-residential construction has recently eased in NSW and Vic after being on a solid uptrend.
- Non-mining investment growth will be strongest in NSW and Vic over 2017.

Non-residential Building Approvals







- **Commercial building approvals have lifted in NSW, Vic QLD and WA. Low interest rates are having the desired effect in the commercial building space.**
- **Industrial building approvals have been on a solid uptrend in Vic and QLD, but have recently eased in NSW.**
- **“Other” building approvals have picked up in NSW. There is also an uptrend in “other” building approvals in Vic. Approvals have moved lower in QLD but remain at a reasonable level.**

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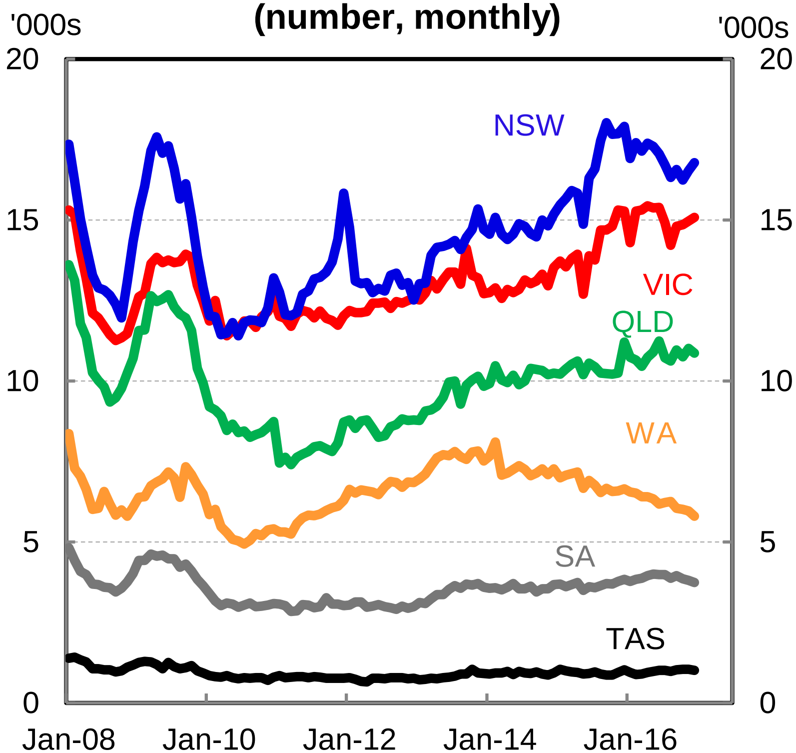
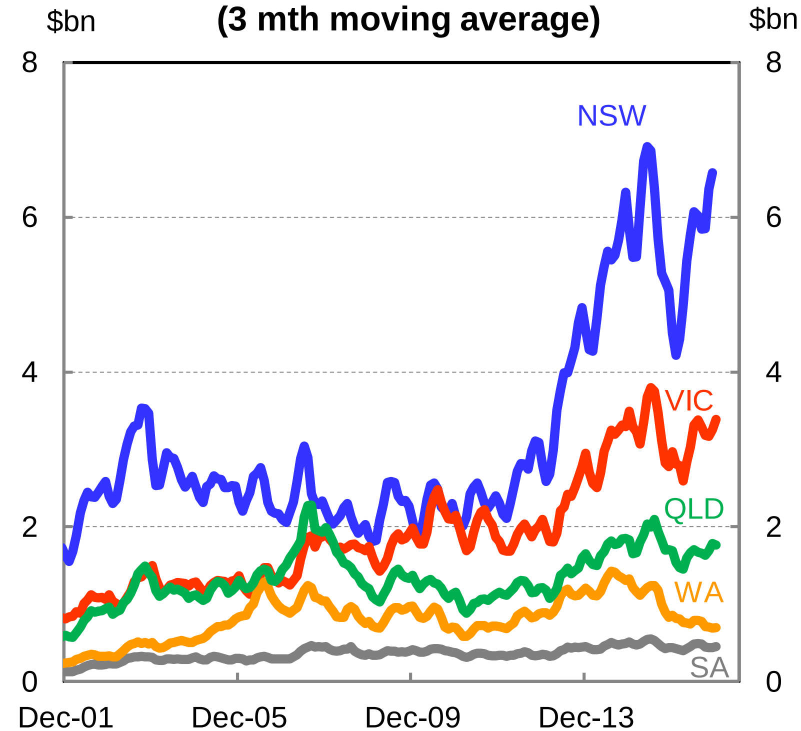
Housing Lending

OWNER-OCCUPIER LOANS
(number, monthly)

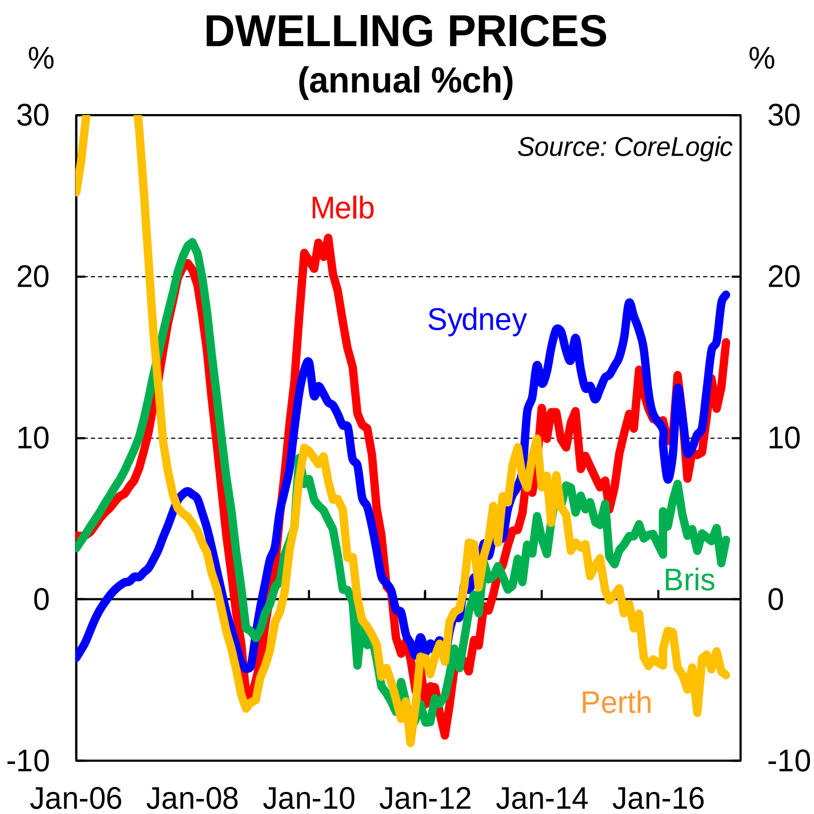


INVESTOR LOANS
(3 mth moving average)



- **Lending growth to owner-occupiers has edged higher in NSW, Vic and QLD in recent months after a period of softness. Lending growth to owner-occupiers has fallen through the year to February 2017 in NSW (-6.3%), Vic (-2.1%) and WA (-9.2%). It is up in QLD (7.5%), SA (1.0%) and Tas (8.3%).**
- **Lending growth to investors has accelerated in NSW and Vic, largely due to rate cuts in May and August last year.**
- **APRA has recently introduced measures to slow lending growth in interest only loans and high LVR loans.**

Dwelling Prices



- **According to CoreLogic, dwelling price growth is still growing firmly in Sydney and annual growth has accelerated. Annual growth is also firm in Melbourne but house price growth is significantly outpacing apartment price growth.**
- **The two rate cuts in 2016 more than offset the impact that rising dwelling supply and falling rental yields was forecast to have on price growth.**
- **Investor lending has picked up and this has supported dwelling price growth in Sydney and Melbourne.**
- **Annual dwelling price growth at March 2017 was strongest in Sydney (18.9%), followed by Melbourne (15.9%), Canberra (12.8%) and Hobart (10.2%).**
- **Dwelling prices look to have troughed in Perth after falling for a few years. Dwelling price growth is modest in Brisbane and Adelaide.**
- **Dwelling price growth is expected to remain firm over the very near term in line with strong auction clearance rates.**
- **But we see dwelling price growth moderating in Sydney and Melbourne over H2 2017 as the impact of rate cuts fades, lending growth slows to investors due to lending restrictions and new supply continues to hit the market.**

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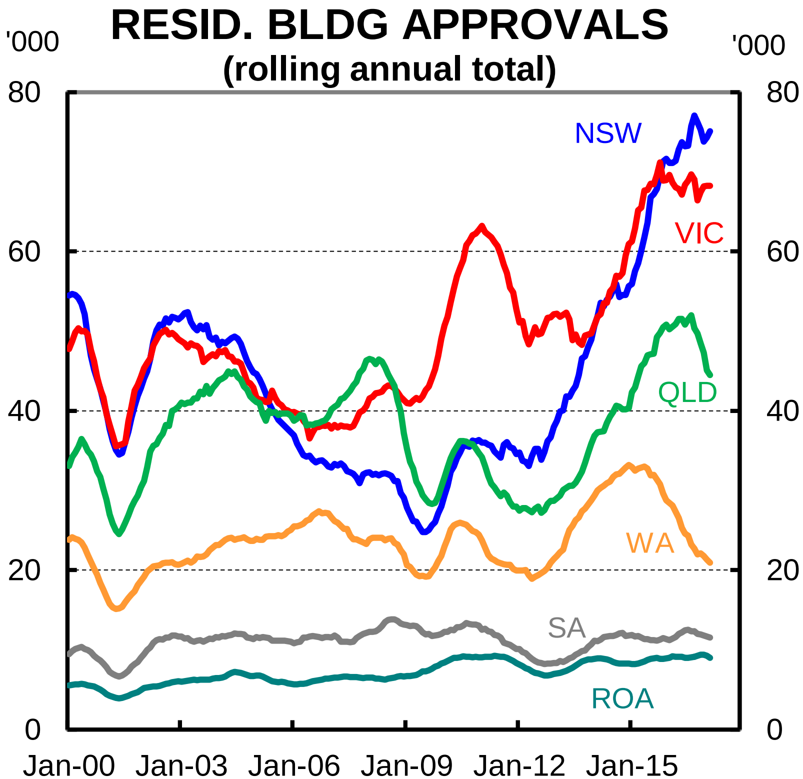
Residential Building Approvals



- **National residential building approvals peaked in mid-2016 and have since been trending lower.**
- **Building approvals lifted in NSW over the first two months in 2017. In rolling annual terms approvals are trending sideways in Victoria while they are falling in QLD and WA.**
- **In our view, total dwelling will taper off over the rest of 2017. But the lag between approvals, commencements and completions means that residential construction will be buoyant throughout 2017. Dwelling starts should be near 220K in 2016 and 210K in 2017.**
- **There are risks of an oversupply of inner city apartments in some capital cities. The areas that look to be most at risk of oversupply are Brisbane and Perth. In fact, the evidence of oversupply in Perth is already clear as slowing population growth against a backdrop of strong dwelling construction has driven rents and prices down and vacancy rates up.**

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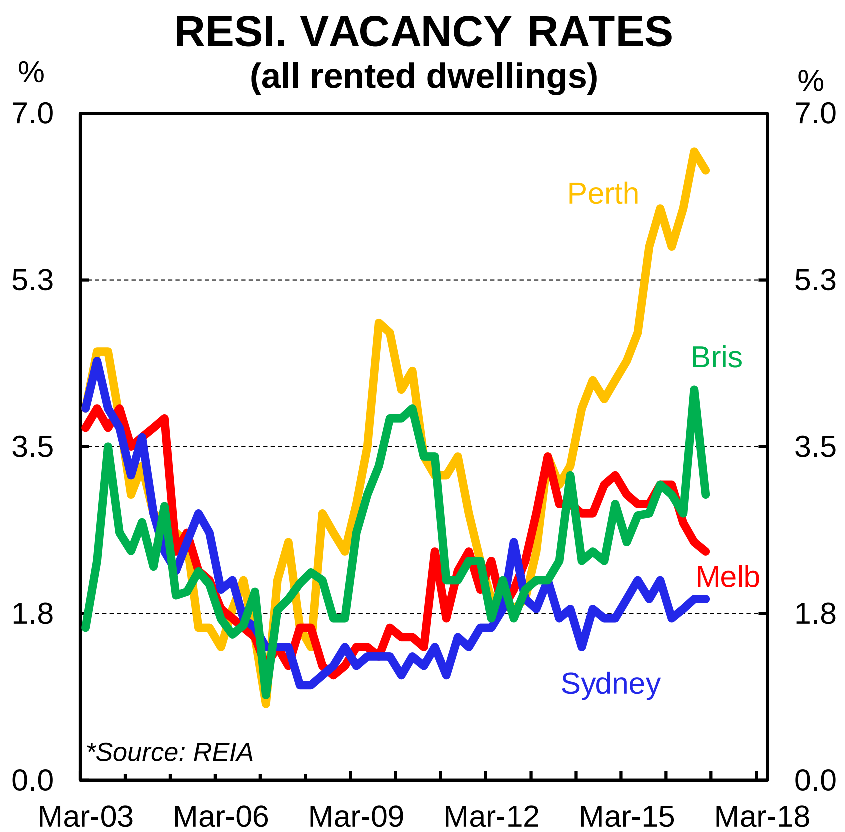
Residential Vacancy Rates



- **The latest read on vacancy rates (Dec 2016) showed a surprise decline in most cities.**
- **Falls in the vacancy rate were posted in Perth, Brisbane and Melbourne. The decline in Brisbane looks unusual given the vacancy rate had been trending higher and dwelling supply continues to lift. Vacancy rates remain low in Sydney and Melbourne.**
- **The failure of vacancy rates to lift recently in Melbourne and Sydney largely reflects: (i) strong population growth; and (ii) foreign investor behaviour whereby dwellings are purchased by offshore investors who neither live in the dwellings or rent them out.**
- **The trend in building approvals, commencements, population growth and vacancy rates suggests that vacancy rates should rise nationally. But the rise is likely to be only modest and gradual in Sydney and Melbourne.**
- **Perth and Brisbane look most at risk of apartment oversupply.**
- **The risk of oversupply in Sydney looks low.**

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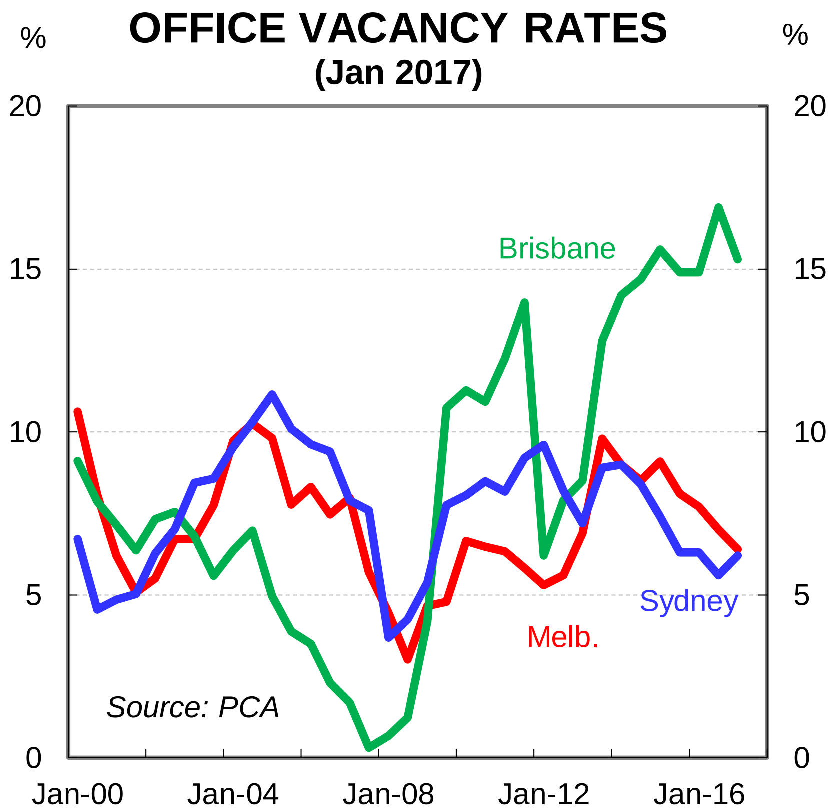
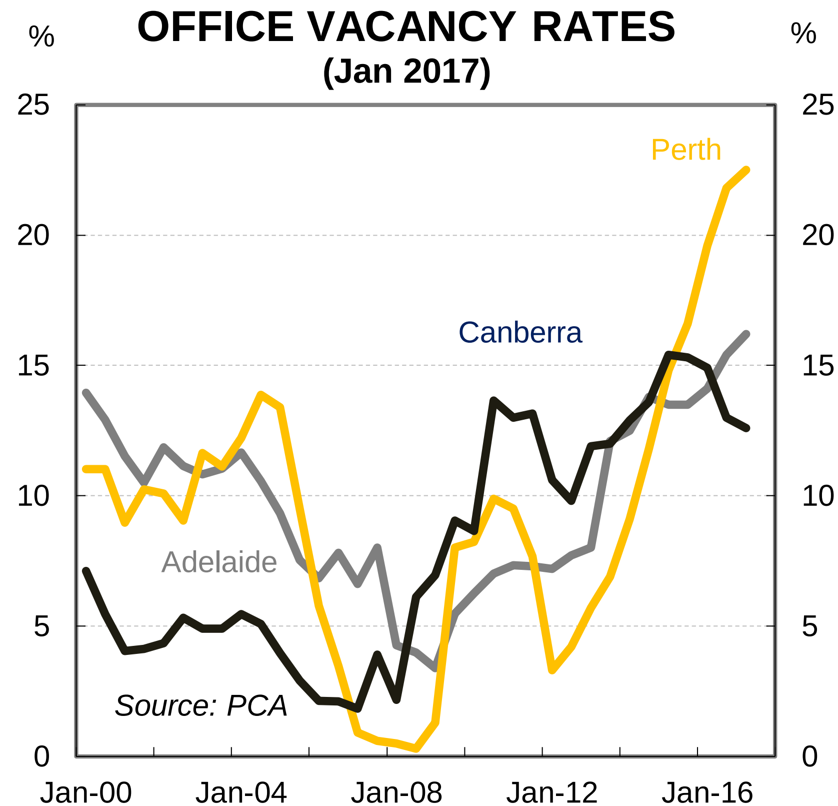
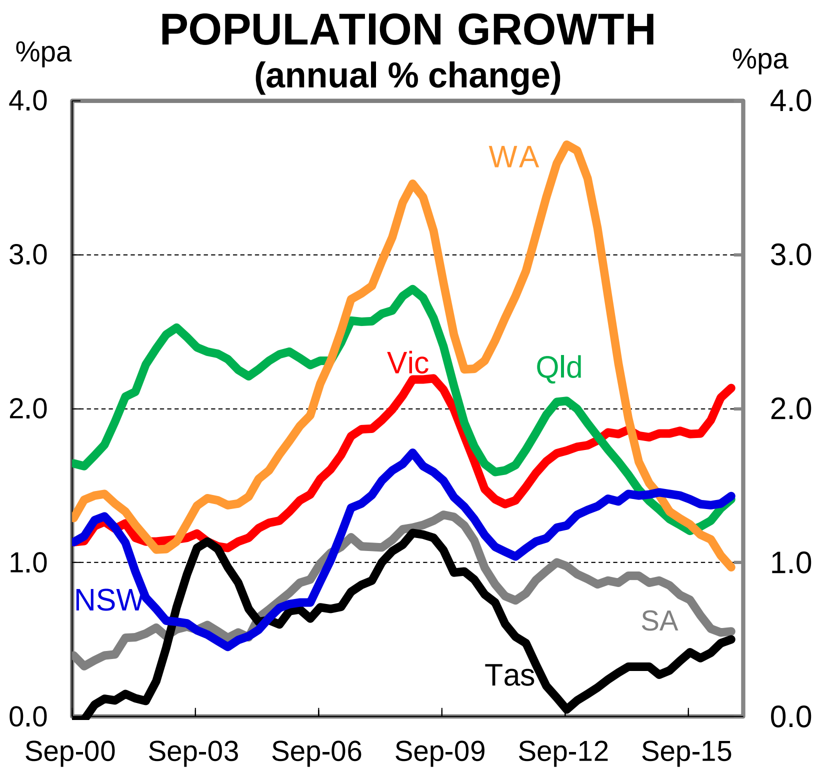
Office Vacancy Rates

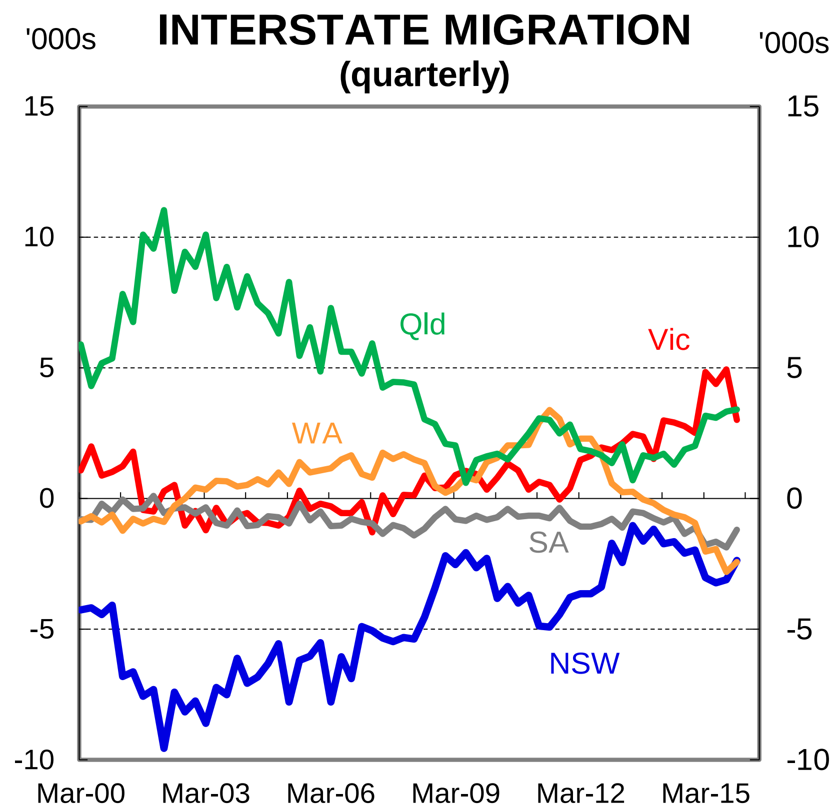




- **Office vacancy rates have trended lower in Sydney, Melbourne and Canberra.**
- **But vacancies are elevated in Brisbane, Perth and Adelaide.**
- **NSW and Victorian Governments have purchased, and will demolish, significant amounts of older office buildings as they construct new underground metro systems.**
- **Conversions of older buildings to residential dwellings continues to occur in Sydney and Melbourne.**

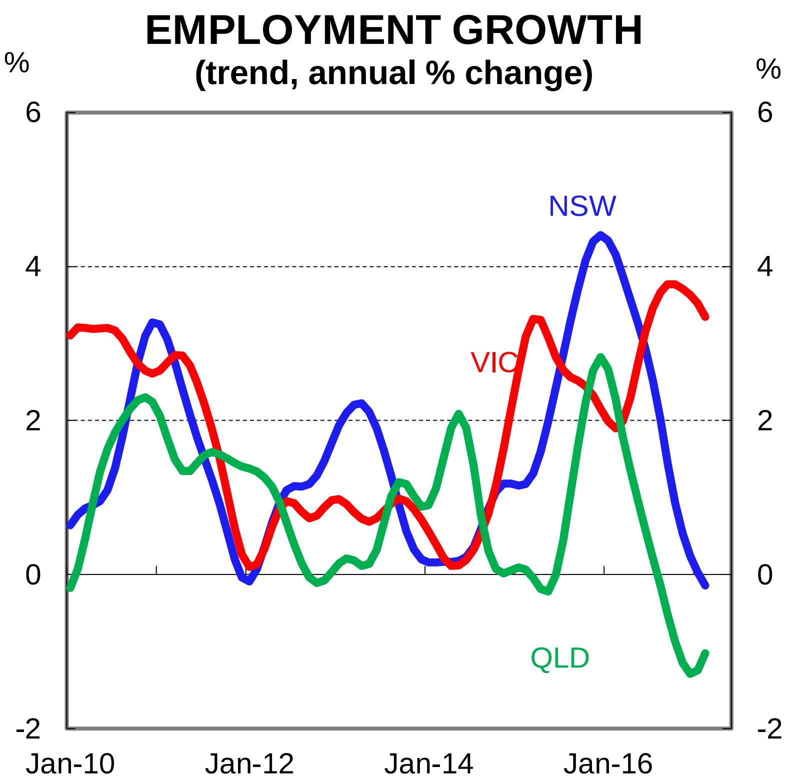
Demographics

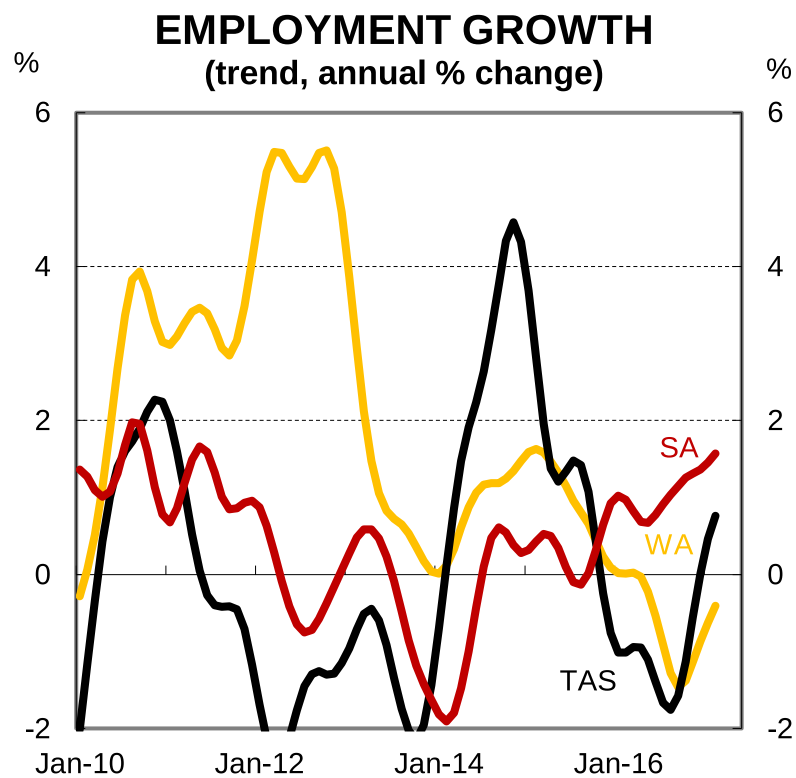




- **Vic's population growth rate is running at a very high 2.1%pa – the population of Melbourne is growing rapidly.**
- **Population growth has picked up in QLD and is now running at the same rate as NSW – 1.4%pa.**
- **Population growth is soft in SA, Tas and WA in part due to soft labour demand.**

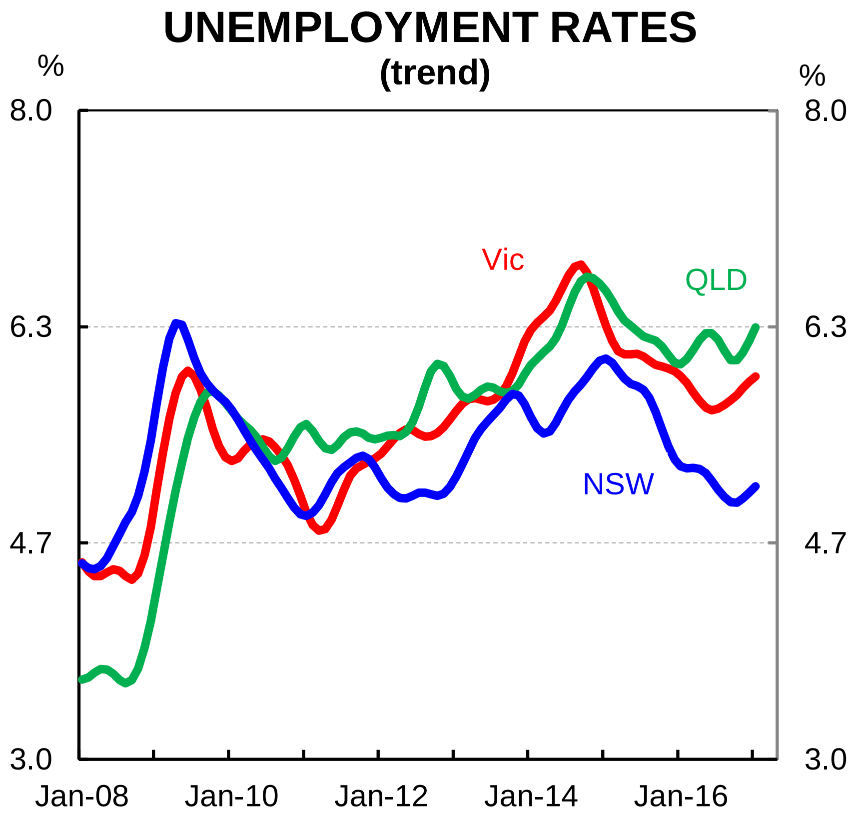
Labour Market - Employment

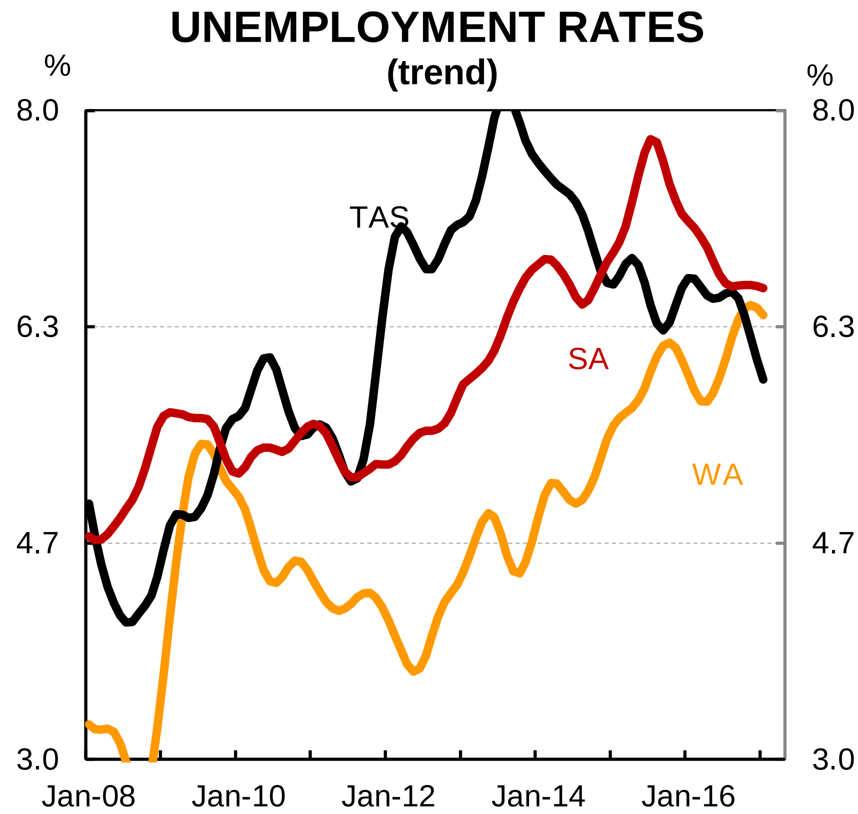




- **Jobs growth is very strong in Victoria (driven partly by population growth) – both in absolute numbers and in growth rate terms.**
- **The pace of jobs growth in NSW has slowed considerably after accelerating markedly in 2015. Jobs growth is also weak in QLD.**
- **Encouragingly, the pace of job creation has picked up a little bit over the past three months in SA, WA and Tas.**

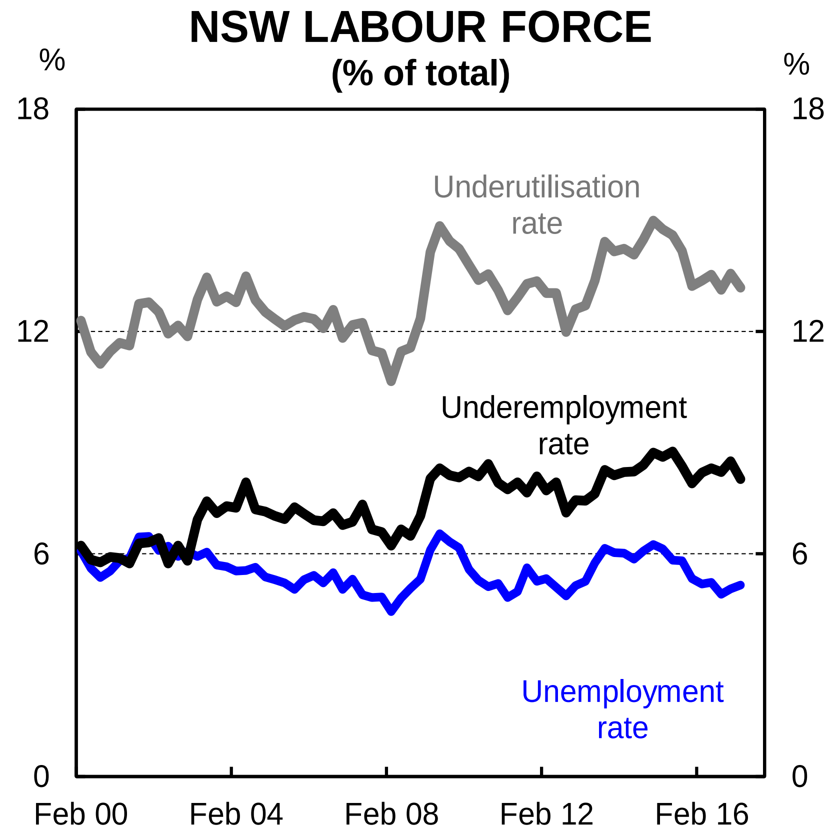
Labour Market – Unemployment

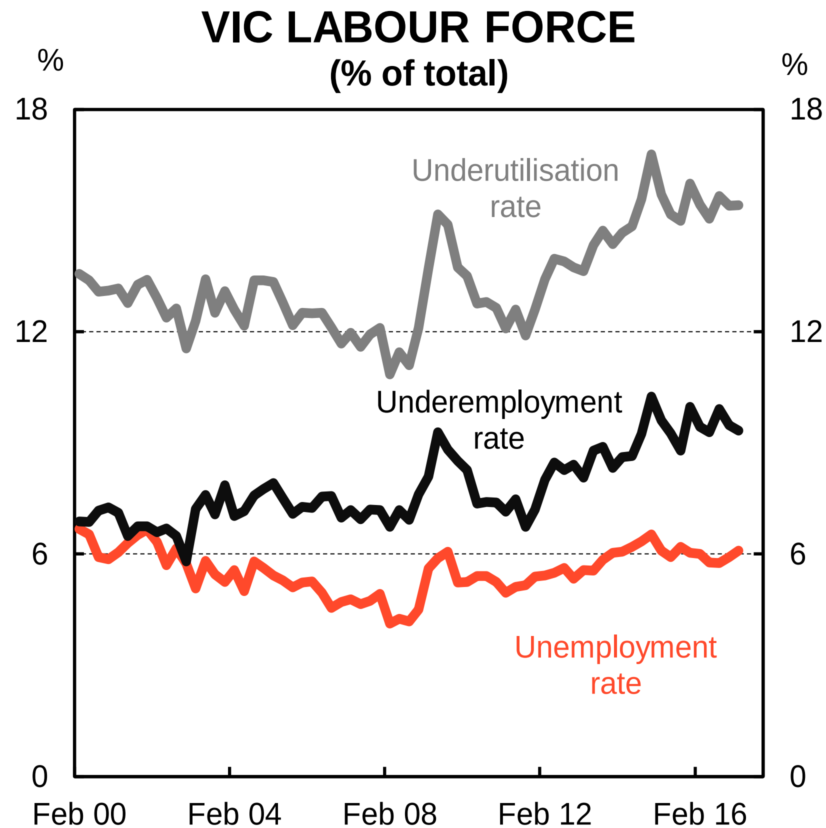




- **The trend unemployment rate has edged higher over the past few months in NSW and Vic. The jobless rate in NSW, however, remains close to the level we consider to be full employment (around 5%).**
- **The unemployment rate remains elevated in WA as employment growth in other sectors is yet to make up for jobs lost in the mining sector. We expect the unemployment rate in WA to remain above the national average in 2017.**
- **There has been a modest improvement in the SA and Tas job markets.**

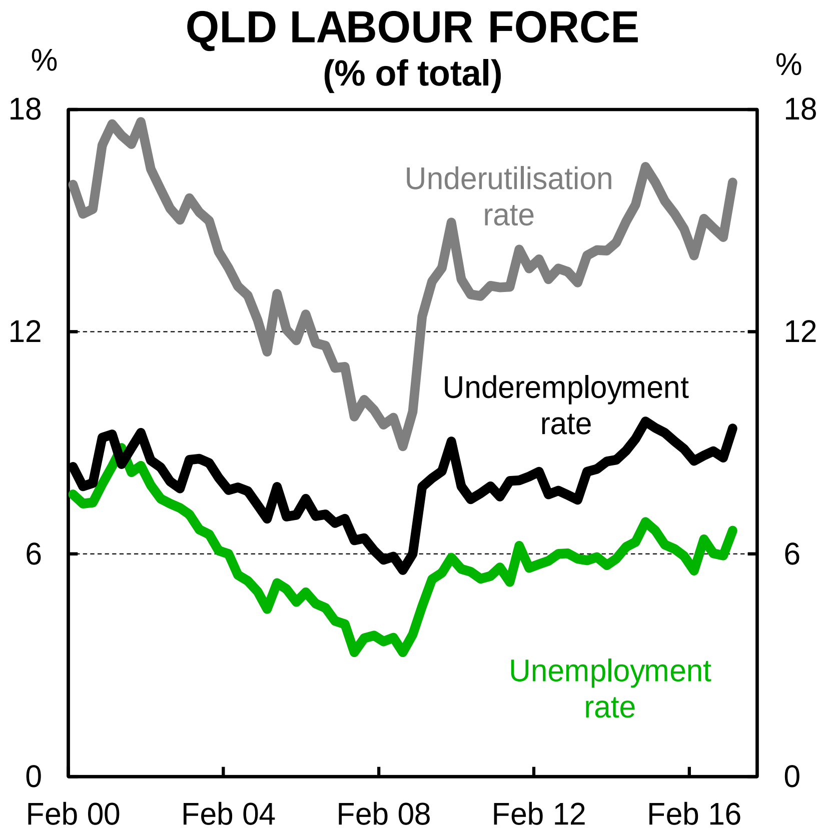
Labour Market – Underutilisation

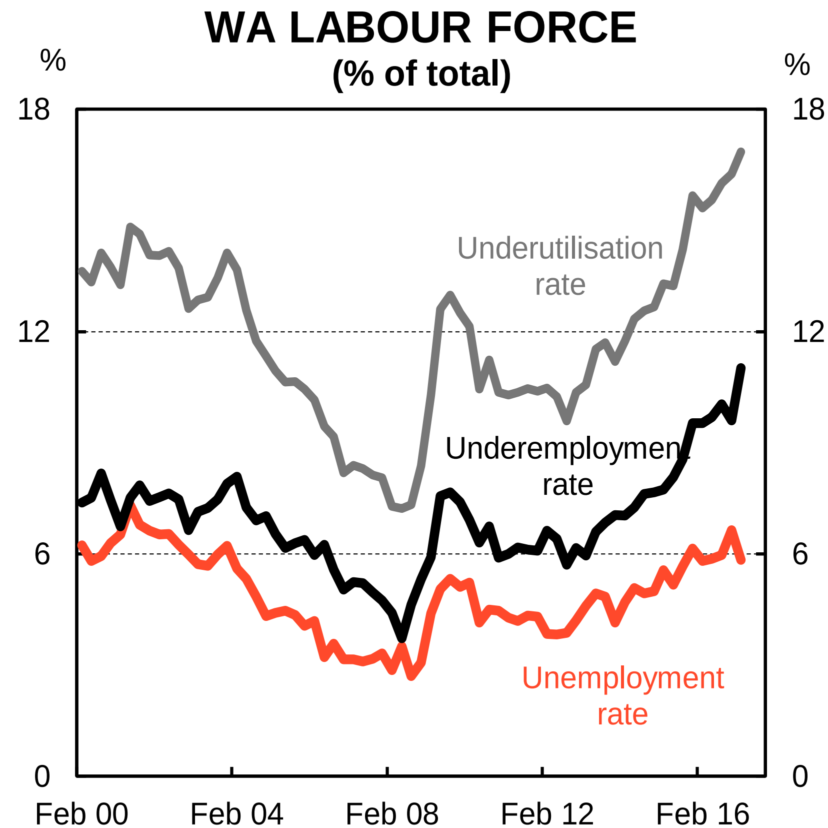




- **Both the unemployment and underemployment rates in NSW are the lowest across the states. The outperformance of the NSW labour market is broadly attributable to five factors: (i) a big lift in residential construction; (ii) positive wealth effects from an incredibly buoyant Sydney property market which have supported household consumption; (iii) a solid lift in public investment; (iv) a picking in non-mining investment; and (v) a solid lift in tourism exposed sectors.**
- **Despite Vic being responsible for the bulk of Australia's jobs growth over the past year (due to strong population growth), the trend unemployment rate has inched a little since mid-2016 and presently sits at 6.0%. Vic's underemployment rate has oscillated between 9 and 10% over the past year while underutilisation has been stuck above 15% since May 2014.**

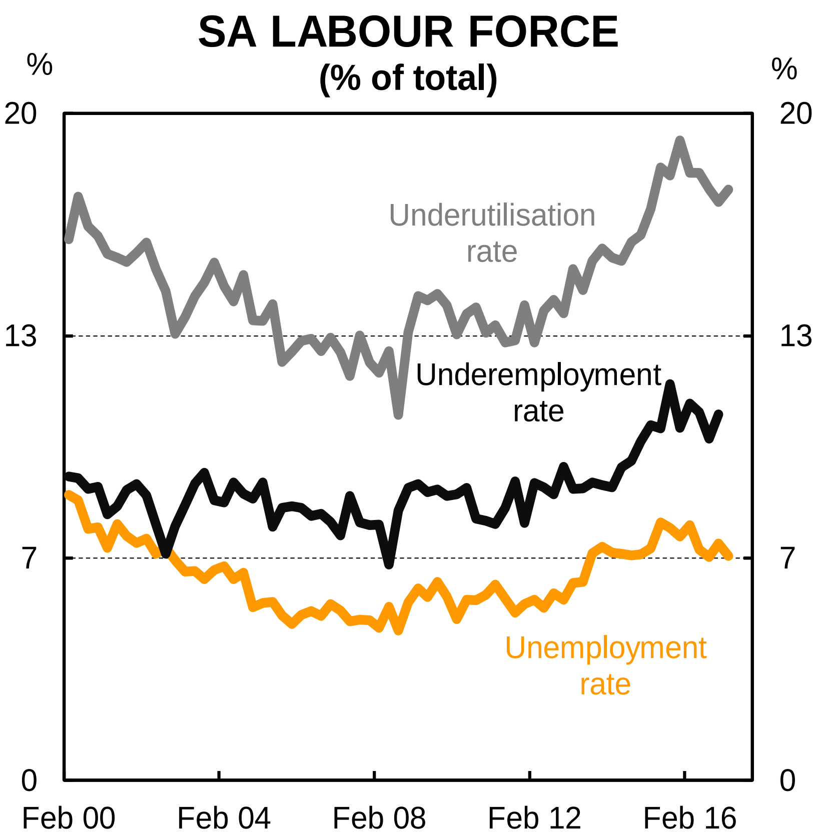
Labour Market – Unemployment and Underemployment

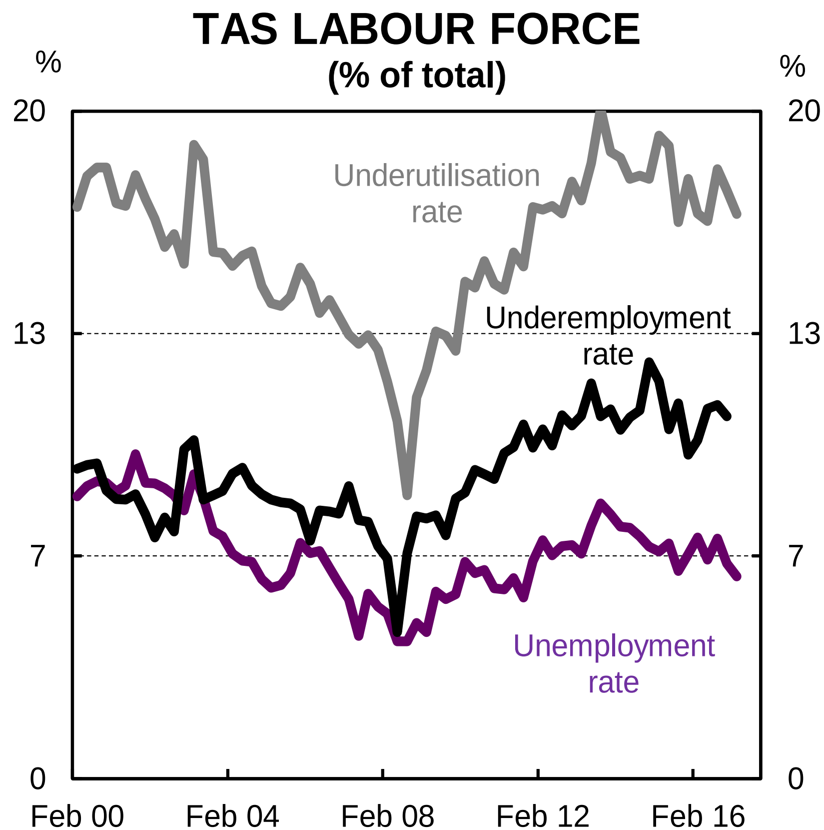




- **The QLD labour market has plenty of slack in it. The unemployment rate recorded a solid jump in February to 6.4% and notwithstanding the monthly volatility, the trend unemployment rate has been climbing. There are some considerable differences in labour market outcomes throughout the state – notably between South East QLD and North QLD.**
- **The WA economy has experienced recessionary type conditions in recent years because of the big downturn in mining investment and the associated jobs losses. In a positive development, WA's unemployment rate eased to 5.8% in February. But the underemployment rate jumped sharply which took underutilisation to its highest level in 25 years.**

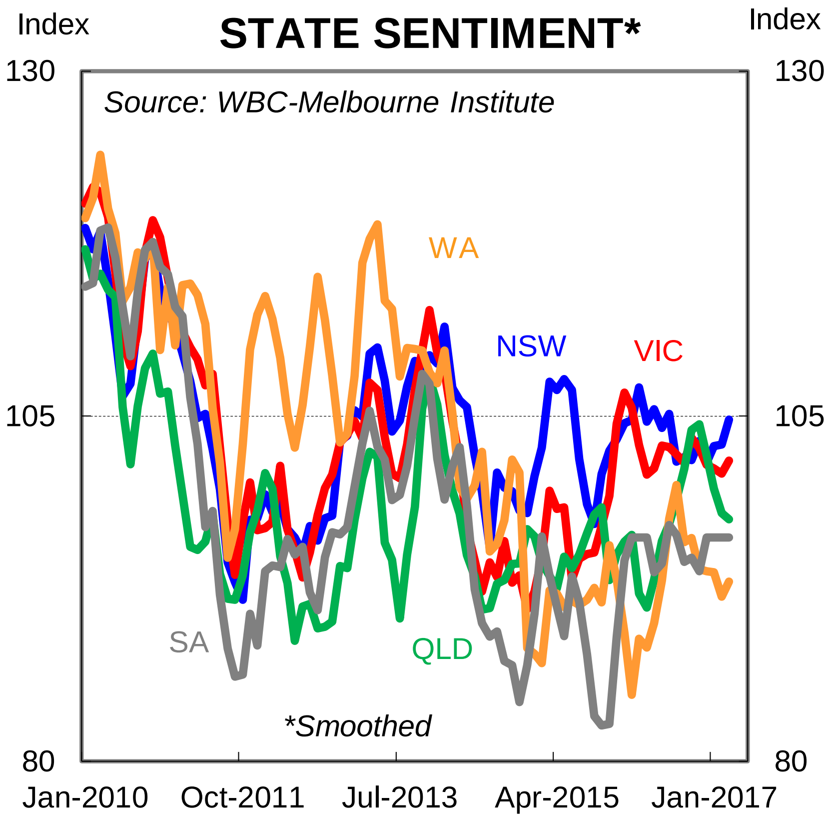
Labour Market – Unemployment and Underemployment





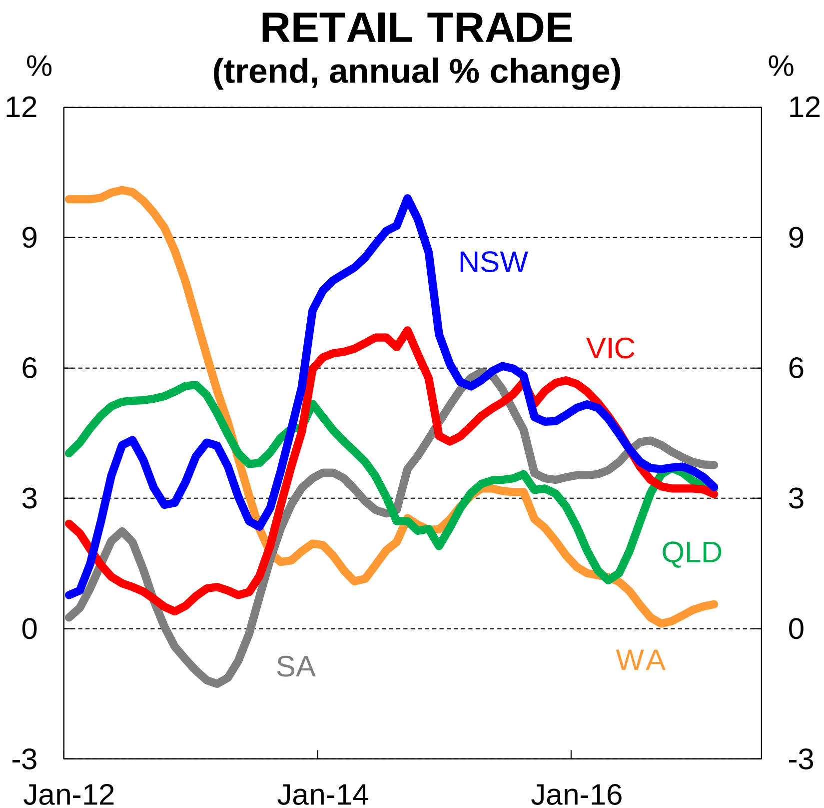
- **SA has the unenviable claim to being the state that has both the highest unemployment and underutilisation rates. On a positive note, the unemployment rate has been grinding down and underutilisation looks to have peaked at 19.2% in November 2015 and has since moved a little lower.**
- **There are similarities between the SA and Tasmanian labour markets. The labour market is weak and conditions are soft. But there has been some gradual improvement in conditions as evidenced by the modest downward trend in the unemployment rate**

Consumer Sentiment



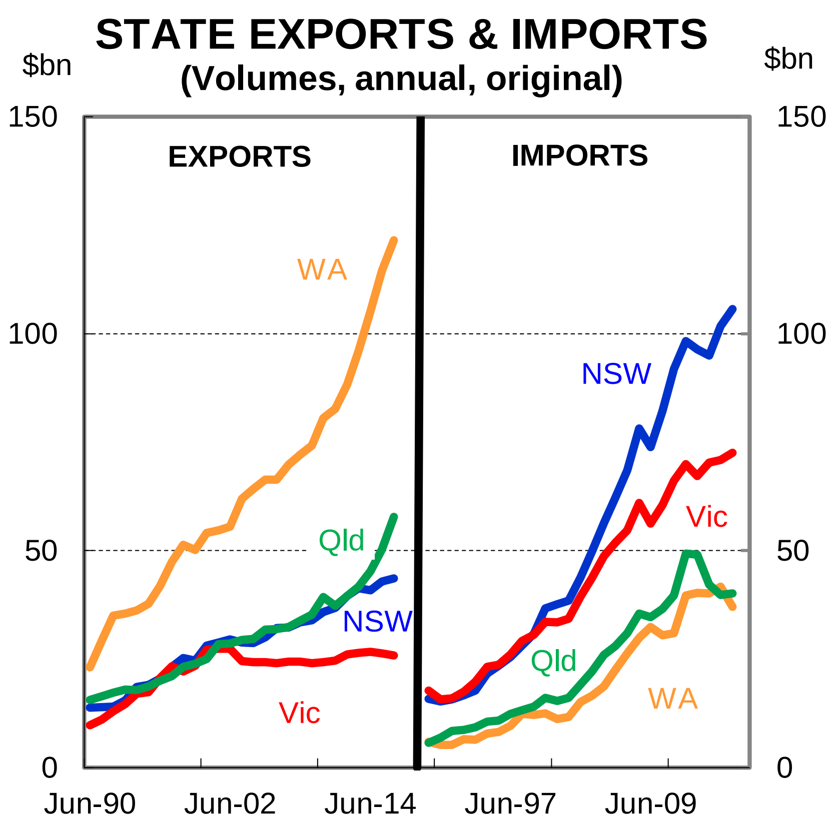
- **Consumer sentiment across the states mirrors their economic conditions.**
- **Sentiment remains the strongest in NSW and Vic – to be expected given the economic outperformance of Australia's two largest states.**
- **Sentiment is softest in WA and SA – in line with economic weakness and elevated unemployment rates.**
- **National sentiment continues to be heavily influenced by the political landscape, particularly federal politics.**

Retail Trade



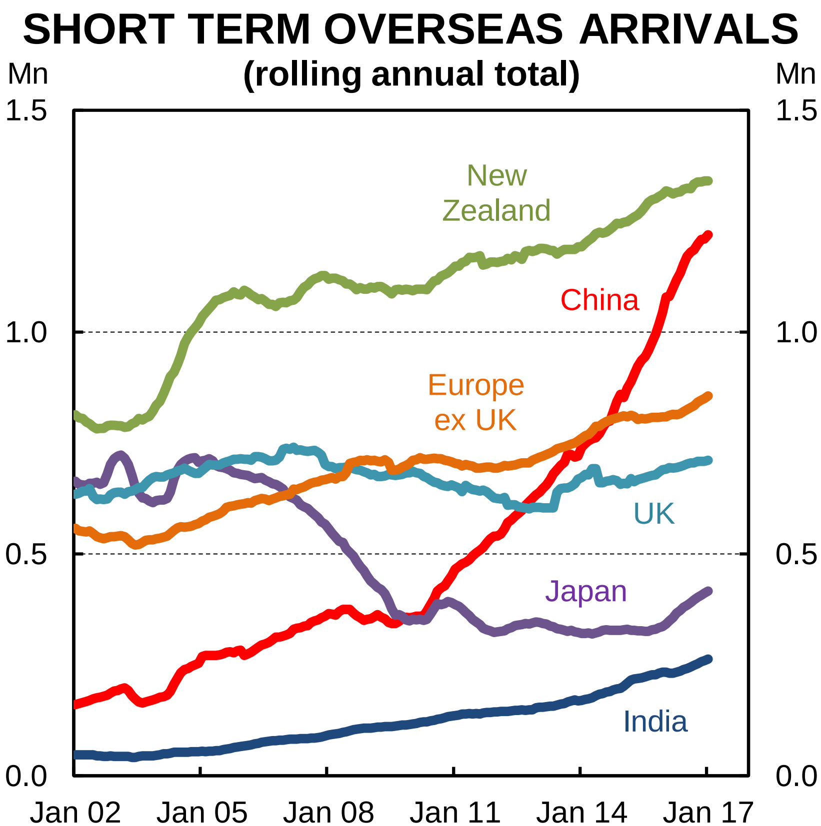
- Retail trade growth has softened.
- In the year to February 2017, retail trade growth was strongest in SA (3.9%), followed by NSW (3.3%), QLD (2.8%), Tas (2.7%), Vic (2.6%) and WA (0.4%).
- Soft household income growth and discounting in the retail sector has weighed on overall sales growth.
- Growth in retail spending in QLD is being supported by a lift in domestic tourism.
- Retail conditions remain very weak in WA. Soft income growth, a weak labour market and the negative wealth effect from lower property prices have been a headwind on retail trade growth in WA.

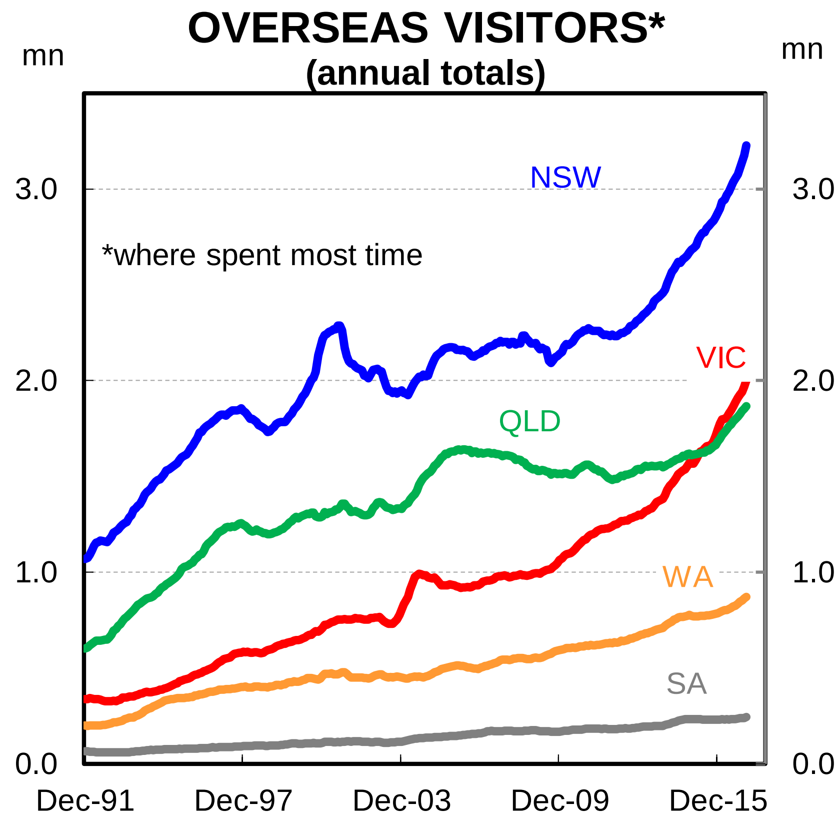
International Trade



- **Growth in export volumes will be an important driver of GDP growth over the next few years – however, it doesn’t show up in State Final Demand figures.**
- **WA export volumes will continue to grow as further iron ore and LNG capacity comes online.**
- **LNG exports from QLD are set to triple over the next three years adding substantially to headline GSP growth. Coal exports volumes to suffer due to the impact of Cyclone Debbie on coal rail lines.**
- **Import growth has peaked in WA and QLD given lower mining capex (which is import intensive).**

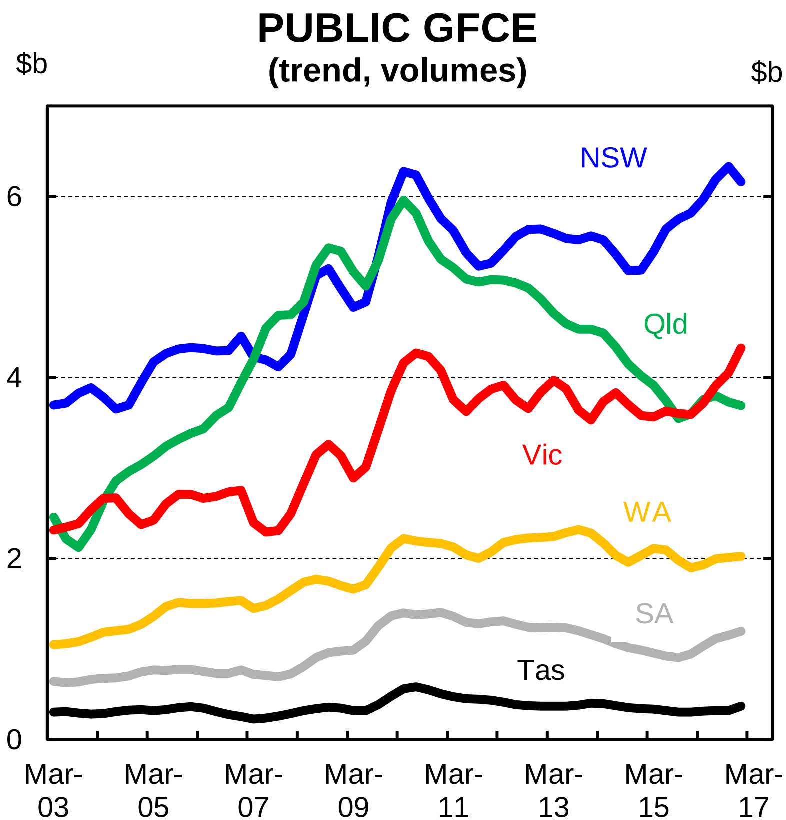
Tourism





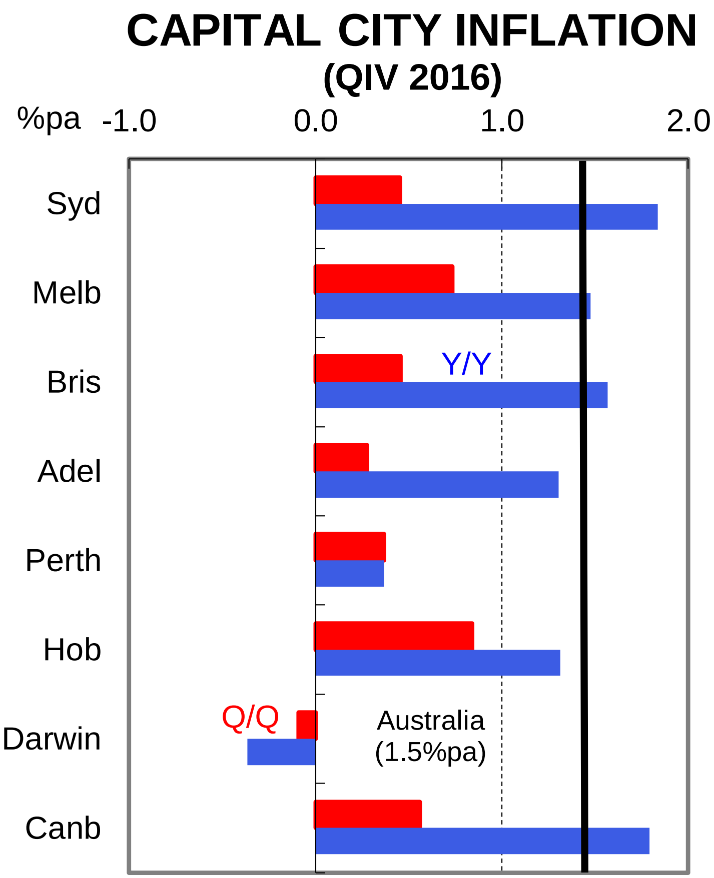
- Holidaymakers from China have picked up significantly over the past few years. This story is structural and will lead to a lift in investment over time.
- NSW and Vic have benefited the most from the lift in tourists from China. Overseas visitors to QLD have lifted too.
- QLD is also benefiting from a lift in domestic tourism as international departure growth slows.

Public Investment



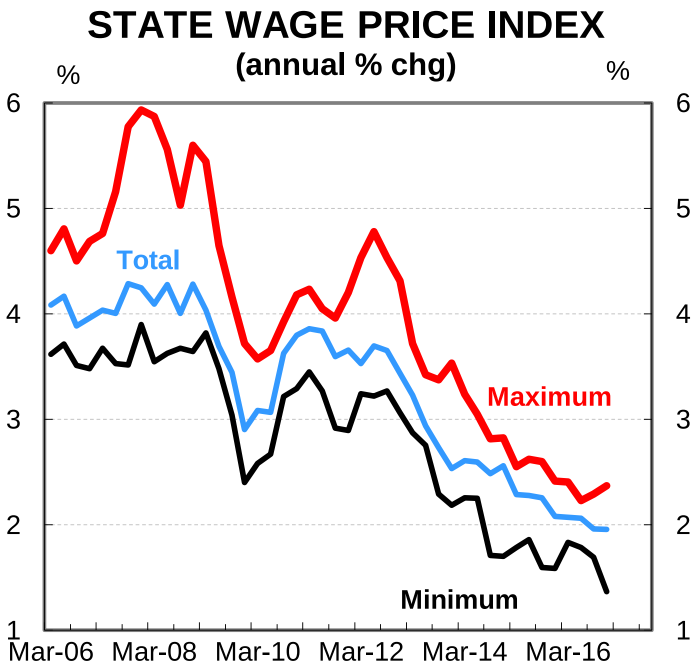
- **State public capex has lifted solidly in NSW, Vic and SA.**
- **Public investment is making a positive contribution to SFD in most states.**
- **The contribution to growth from public investment will be strongest in NSW over the next few years. In particular, there are several large transport projects underway or in the pipeline. Similarly in Vic there are several large transport projects in train. Asset recycling and strong growth in property-related revenue has helped facilitate this investment.**
- **The 2017/18 state budget papers, due to be published over the next four months, will contain an update of public capex plans.**

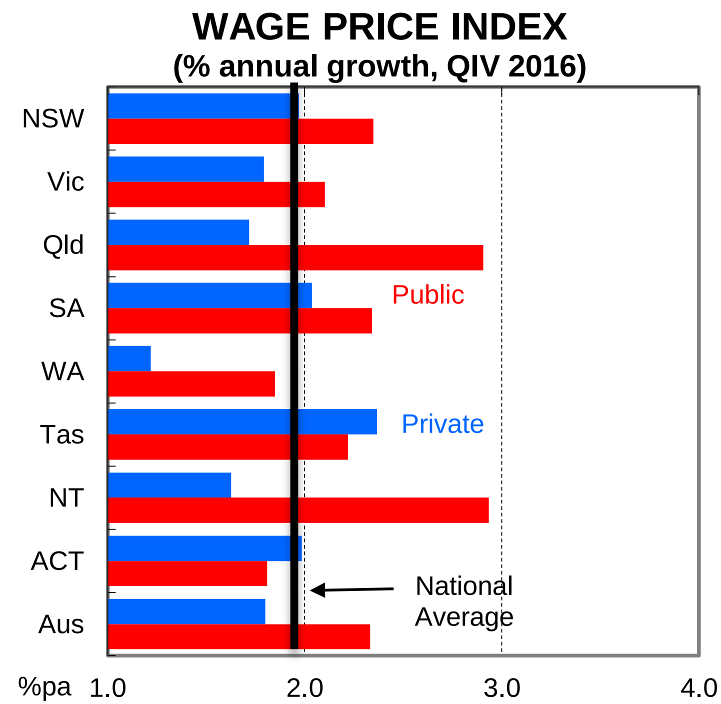
Inflation



- Inflation is well contained in all capital cities. Consumer price growth remains muted due to very low wages growth and subdued price pressures globally.
- The annual pace of inflation is strongest in Sydney which reflects a tight labour market and a buoyant housing market.
- In contrast, the annual inflation rate is just 0.4% in Perth which reflects plenty of spare capacity in the labour market and weakness in the housing market (rents have fallen).
- Inflation has picked up a little in Melbourne as firm population growth puts a bit of upward pressure on prices while the annual inflation rate in Brisbane is broadly in line with the national rate.
- In general, price pressures remain muted across all capital cities. We see underlying inflation remaining below the RBA's 2-3% target band over 2017 primarily due to ongoing softness in wages growth.

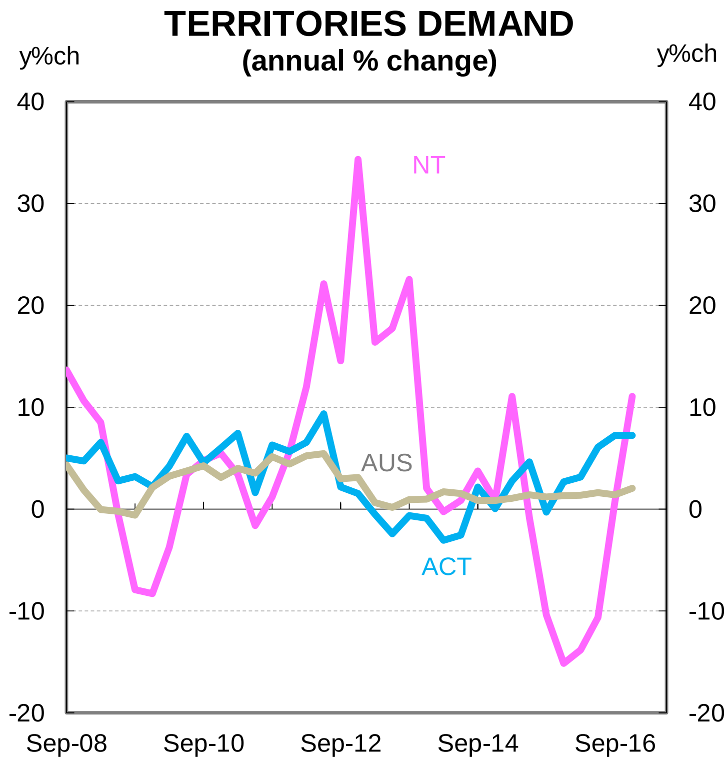
Wage Costs

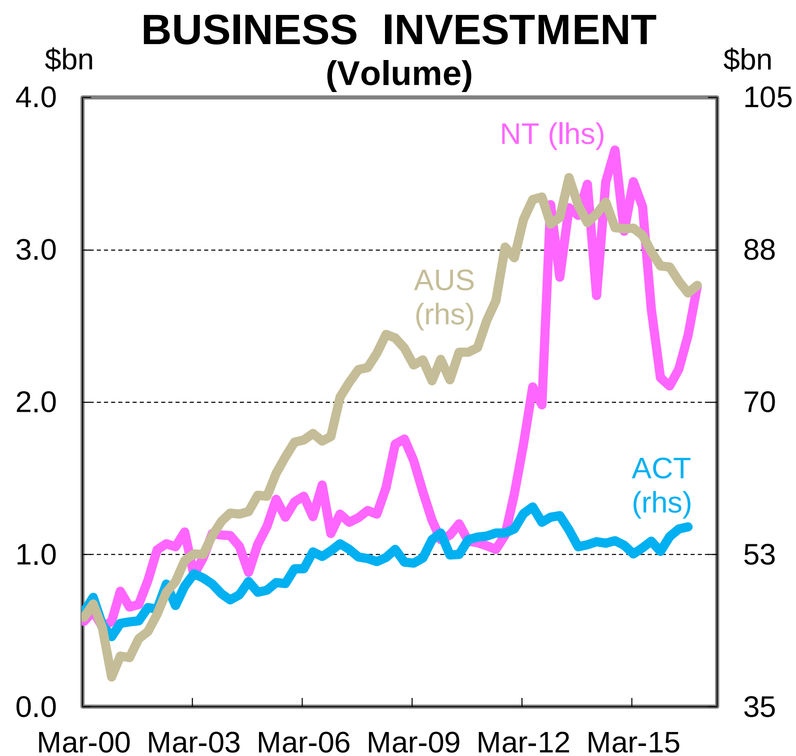




- National wages growth is running at 1.9%pa which means that real wages growth remains positive. Wages growth is weakest in WA where the jobs market has been heavily effected by the downturn in mining investment and associated job losses.
- Public sector wages growth is running ahead of private sector wages growth in almost all States.
- Spare capacity in the labour market is the biggest driver of lower wages growth. We expect nominal wages growth to remain subdued over 2017 due to elevated labour market slack.
- A further material decline in the national unemployment and underemployment rates are a requirement to turn wages growth around.

The Territories





- **NT business investment remains at a relatively high level with the Ichthys LNG project still in its development phase. Government spending has also picked up.**
- **ACT spending growth has picked up. Solid government and household expenditure is supporting growth. Dwelling investment has lifted too.**

State Structure

State Composition

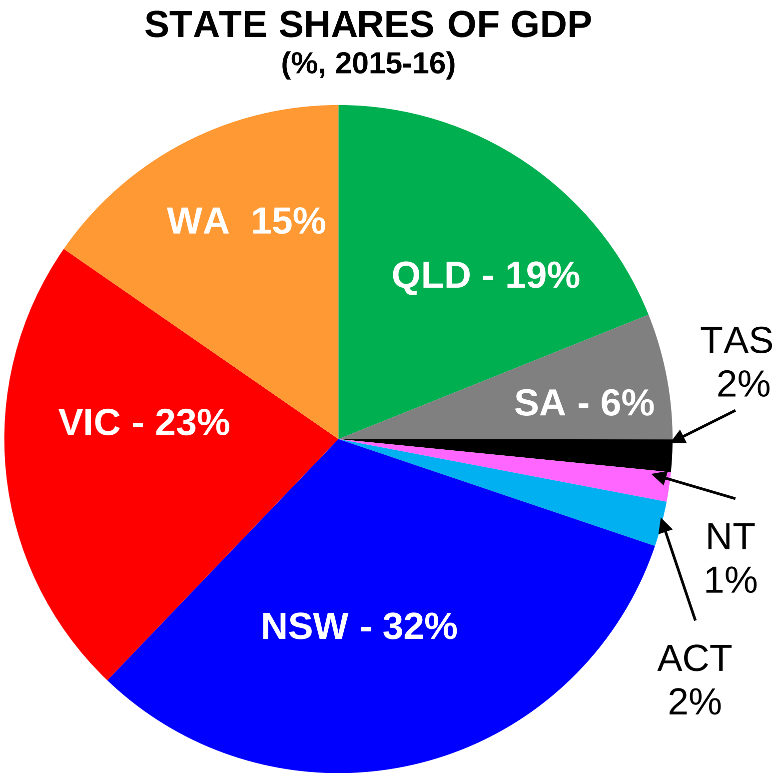
% of GSP, 2015-16

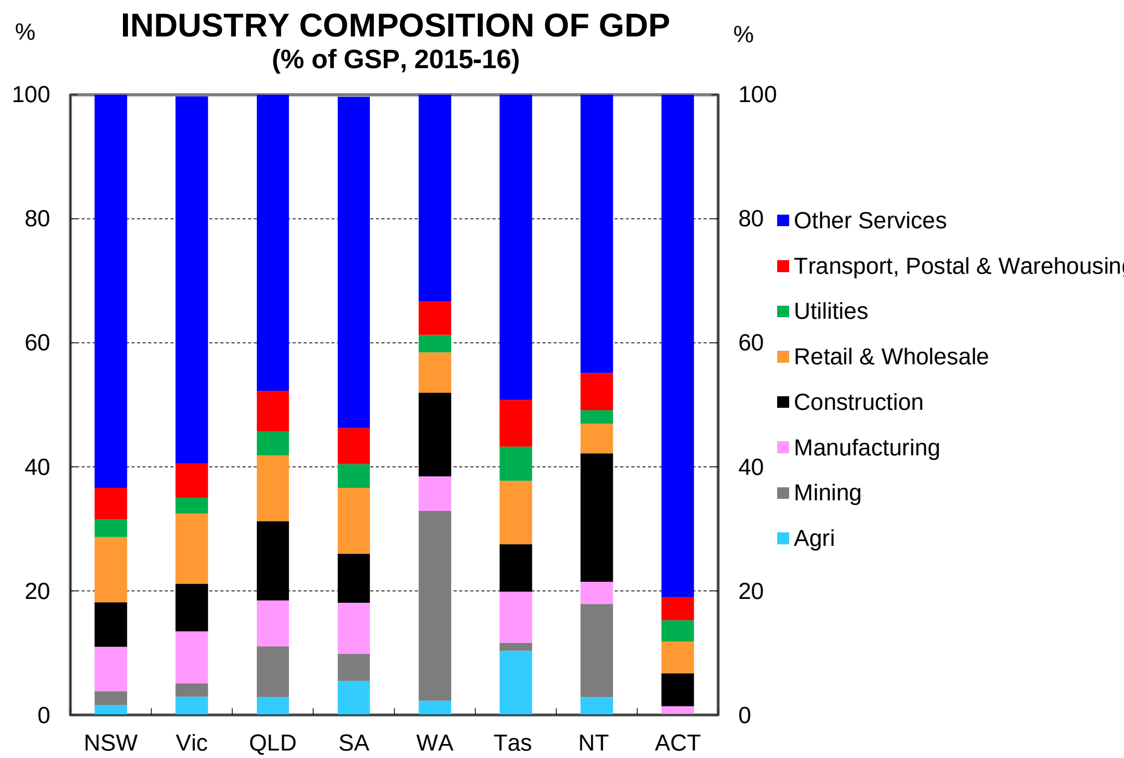
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Agriculture	1.6	2.9	2.9	5.5	2.3	10.3	2.9	0.1	2.9
Mining	2.3	2.2	8.2	4.4	30.6	1.3	15.1	0.1	8.1
Manufacturing	7.1	8.3	7.4	8.2	5.6	8.3	3.5	1.3	7.0
Construction	7.2	7.7	12.8	7.9	13.5	7.7	20.7	5.3	9.2
Retail and Wholesale Trade	10.5	11.3	10.6	10.6	6.5	10.2	4.8	5.1	9.9
Utilities	2.8	2.6	3.8	3.8	2.8	5.5	2.2	3.5	1.2
Transport, Postal & Warehousing	5.1	5.5	6.6	5.8	5.5	7.5	6.0	3.7	2.4
Other Services	63.4	59.2	47.7	53.4	33.3	49.2	44.9	81.0	59.4

% of State Demand, QIV 2016

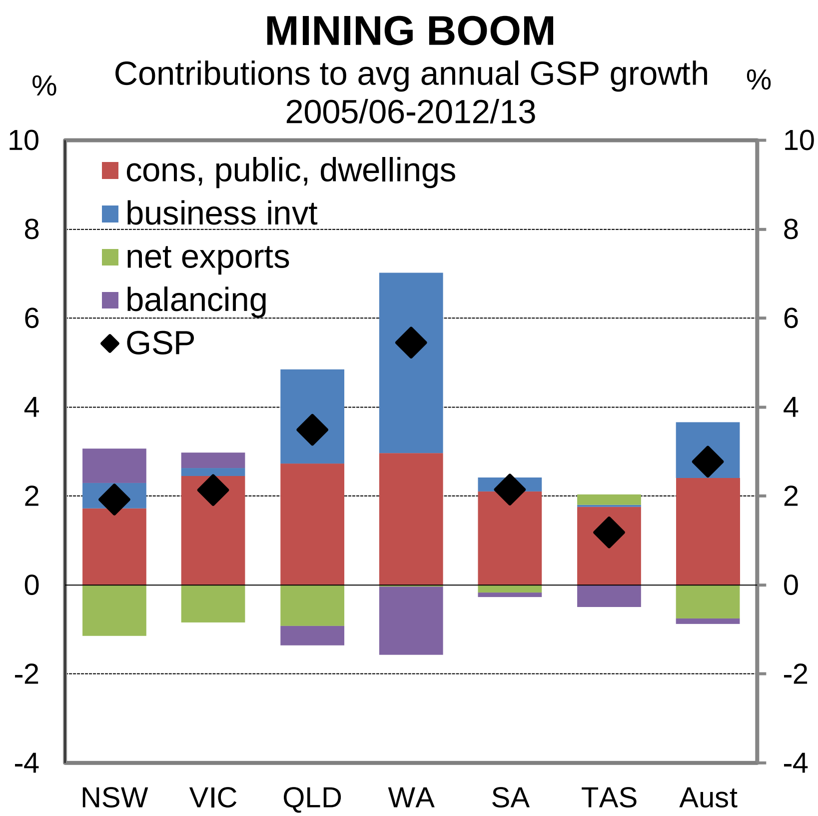
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Household Consumption	60.6	59.2	58.0	59.3	52.9	60.0	34.8	25.7	56.8
Residential Construction	2.1	6.8	6.1	4.3	5.3	4.0	2.3	2.9	5.6
Business Investment	16.8	13.2	13.9	11.6	20.8	9.0	33.9	4.7	15.2
Public Consumption	15.8	16.3	17.2	20.0	16.8	21.7	23.8	58.8	18.3
Public Investment	4.7	4.5	4.9	4.8	4.3	5.3	5.1	7.9	4.4

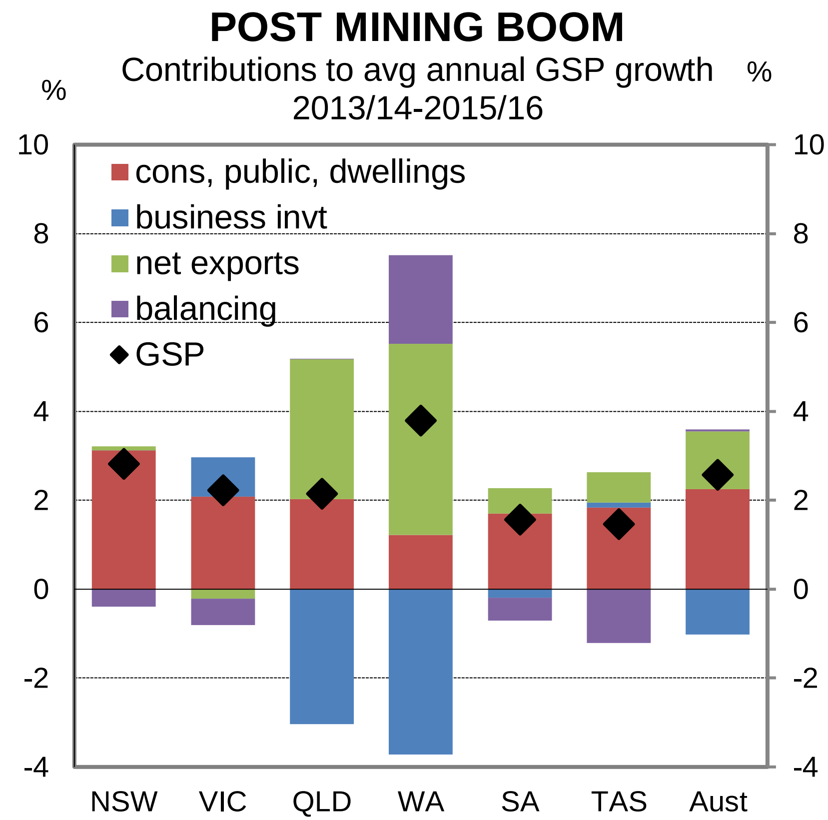
State Structure





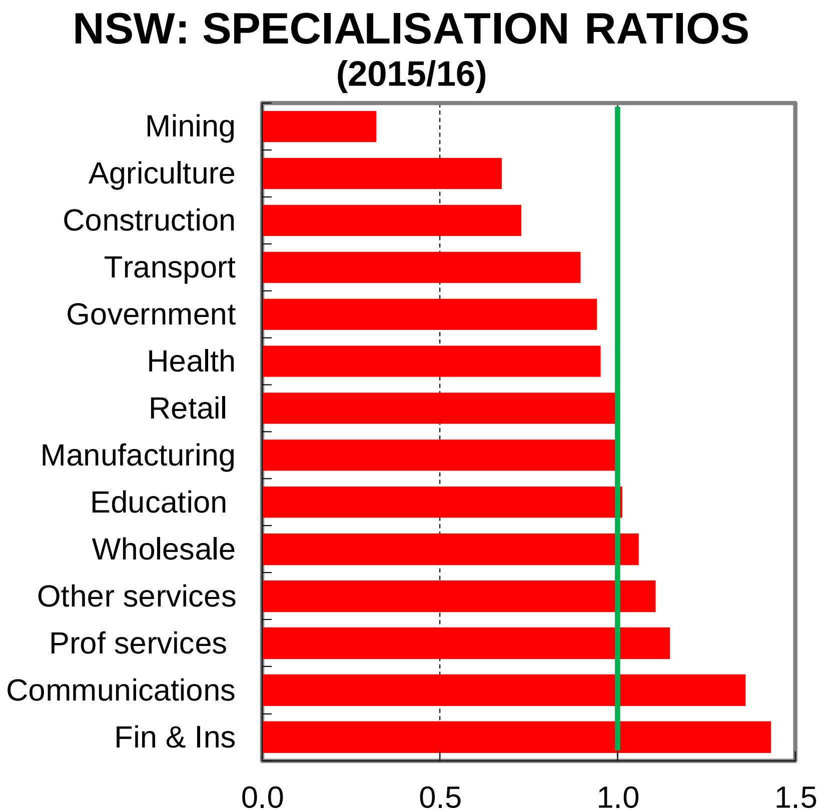
Contributions to Average Annual GSP Growth

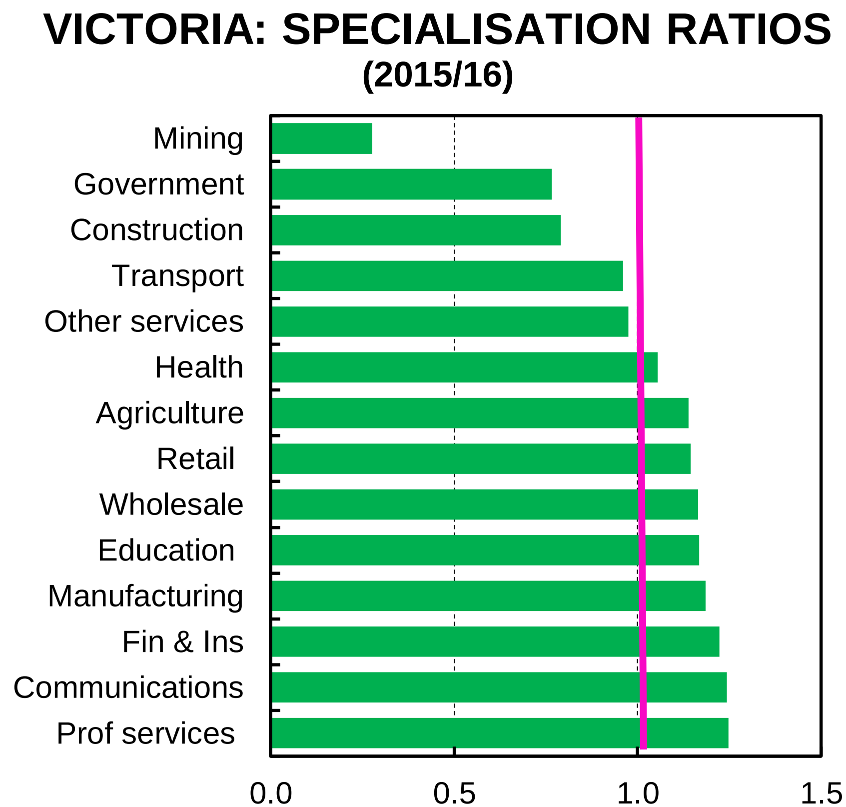




- **Annual GDP growth was a similar pace both during and after the mining boom.**
- **However the drivers of growth are different. Business investment drove growth during the boom while net exports have made a big contribution to growth post boom.**
- **A breakdown of growth by state shows that these swings were much larger in the mining states of WA and QLD.**

State Specialisation Ratios – NSW & VIC





- **Specialisation ratios measure the importance of industries to each State relative to their national importance. For example, For example, if industry x is 10% of State A's total output, but 5% of total national output, it's specialisation ratio to State A is 2 (10%/5%=2). In summary, it means that industry x is worth twice as much to State A's economy than it is to the national economy.**

- **NSW and Victoria are the two most diversified State economies in Australia. Both States have a specialisation in financial & insurance, communication and professional services meaning that both States benefit most from a low interest rate environment and services sector growth.**

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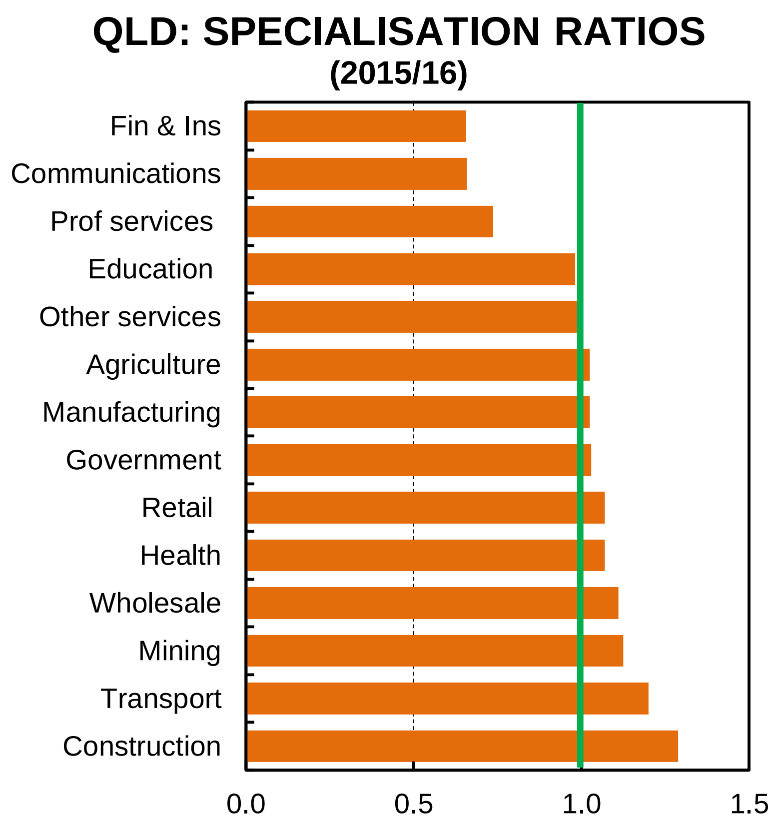
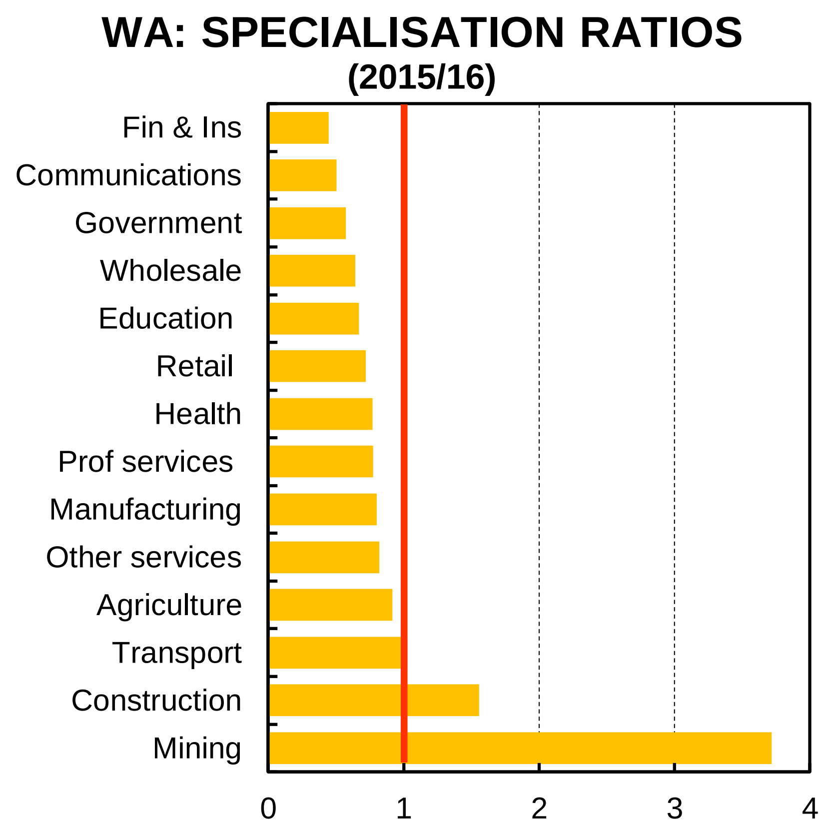
State Specialisation Ratios – QLD & WA

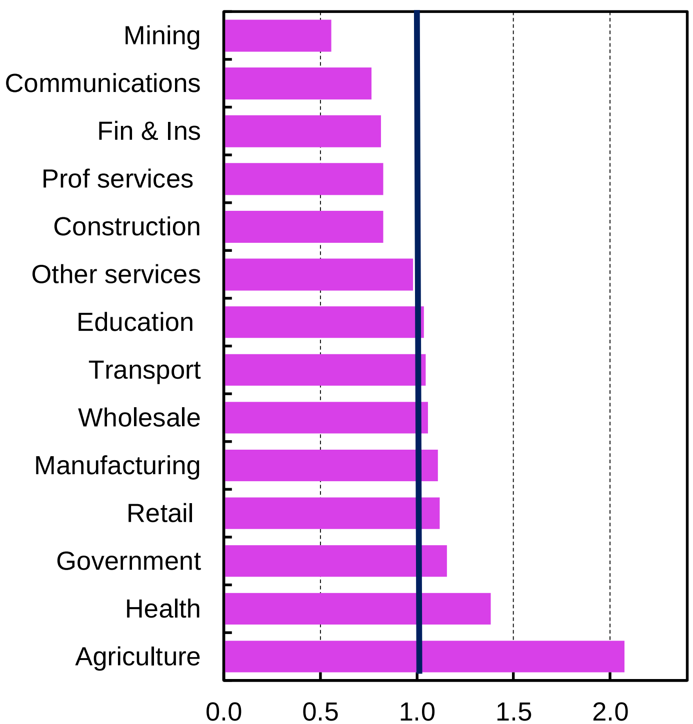




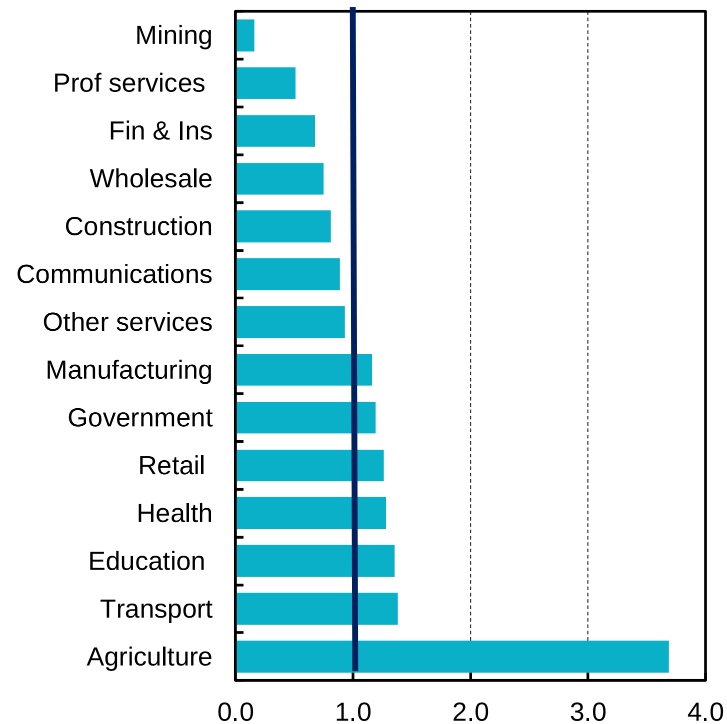
- **Both QLD and WA have a high State specialisation towards construction, specifically engineering construction.**
- **The importance of the mining industry to the WA economy is reflected in a specialisation ratio of 3.7. The State is highly exposed to commodity prices and the downturn in mining investment which is having a big negative impact on the WA economy.**
- **QLD's more diversified economy is some protection against the mining capex downturn.**

State Specialisation Ratios – SA & TAS

SA: SPECIALISATION RATIOS
(2015/16)



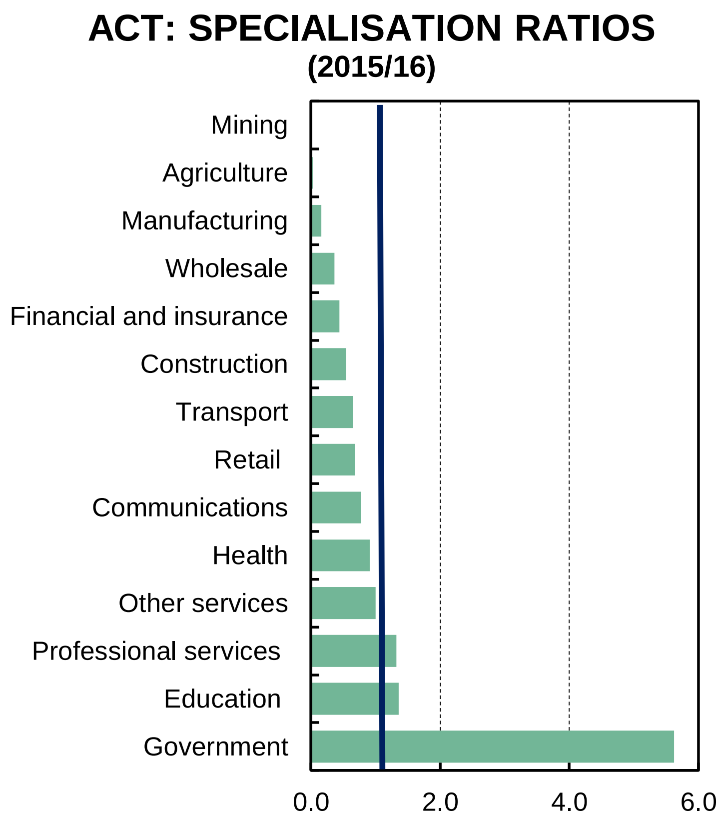
TAS: SPECIALISATION RATIOS
(2015/16)

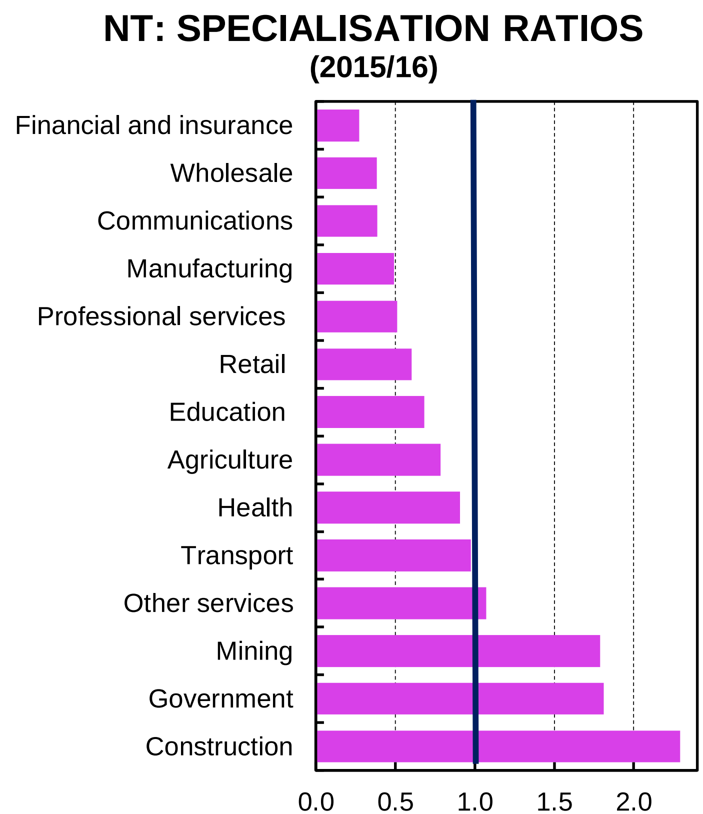


- **Tas has the highest exposure to the agricultural industry amongst the States. The sector has accounted for around 10% of the State's income in 2014/15. The forestry industry, in particular, is a solid contributor to the local economy.**

- **SA, with sizeable wine, wheat, barley and forestry industries is also more reliant on the agricultural sector relative to the rest of Australia. The industry is worth around 5½% of the State's income.**

State Specialisation Ratios – ACT & NT



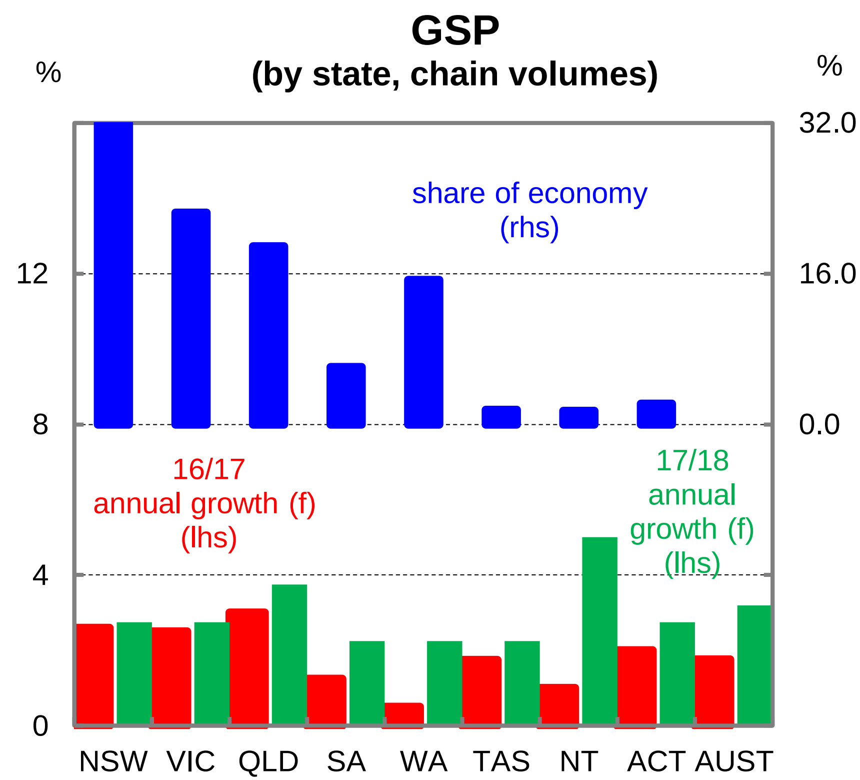


- **Smaller jurisdictions tend to have a larger share of the workforce employed in public administration compared to bigger jurisdictions, essentially due to diseconomies of scale.**
- **The ACT economy is highly dependent on public sector employment. As the national capital, the public sector employs a big chunk of the workforce and accounts for around a third of the total income generated in the ACT. It means that ACT economic growth outcomes are very much influenced by the size of the public sector workforce.**
- **The construction and mining sectors are very important to the NT economy. The downturn in LNG investment is having a big impact on the local economy.**

Forecasts – Gross State Product

Gross State Product Forecasts

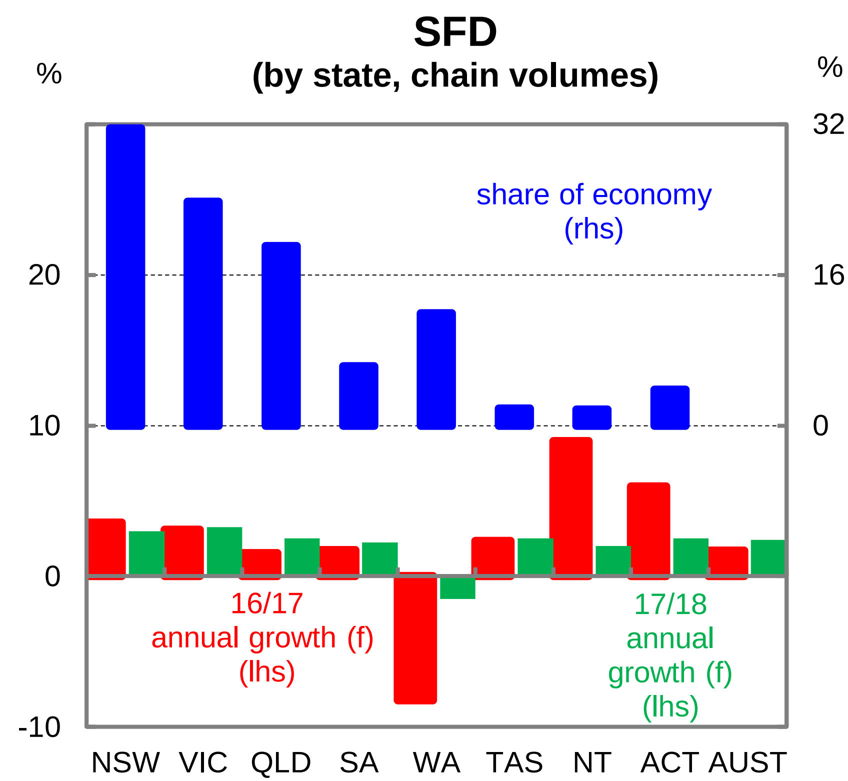
%	2015/16 (a)	2016/17 (f)	2017/18 (f)
NSW	3.5	2.6	2.8
VIC	3.3	2.5	2.8
QLD	2.0	3.0	3.8
SA	1.9	1.3	2.3
WA	1.9	0.5	2.3
TAS	1.3	1.8	2.3
NT	2.7	1.0	5.0
ACT	3.4	2.0	2.8
AUST	**2.8**	**2.1**	**3.4**



Forecasts – State Final Demand

State Final Demand Forecasts

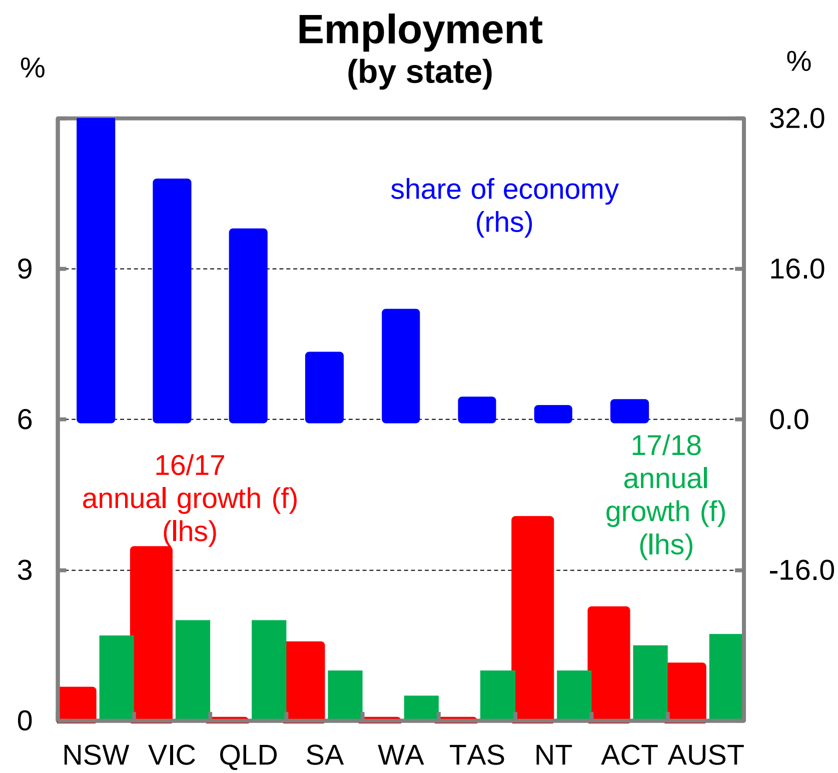
%	2015/16 (a)	2016/17 (f)	2017/18 (f)
NSW	4.2	3.6	3.0
VIC	3.9	3.1	3.3
QLD	-1.3	1.5	2.5
SA	1.1	1.7	2.3
WA	-3.9	-8.2	-1.5
TAS	2.6	2.3	2.5
NT	-12.5	9.0	2.0
ACT	2.9	6.0	2.5
AUST	**1.4**	**1.7**	**2.4**



Forecasts – Employment

Employment Forecasts

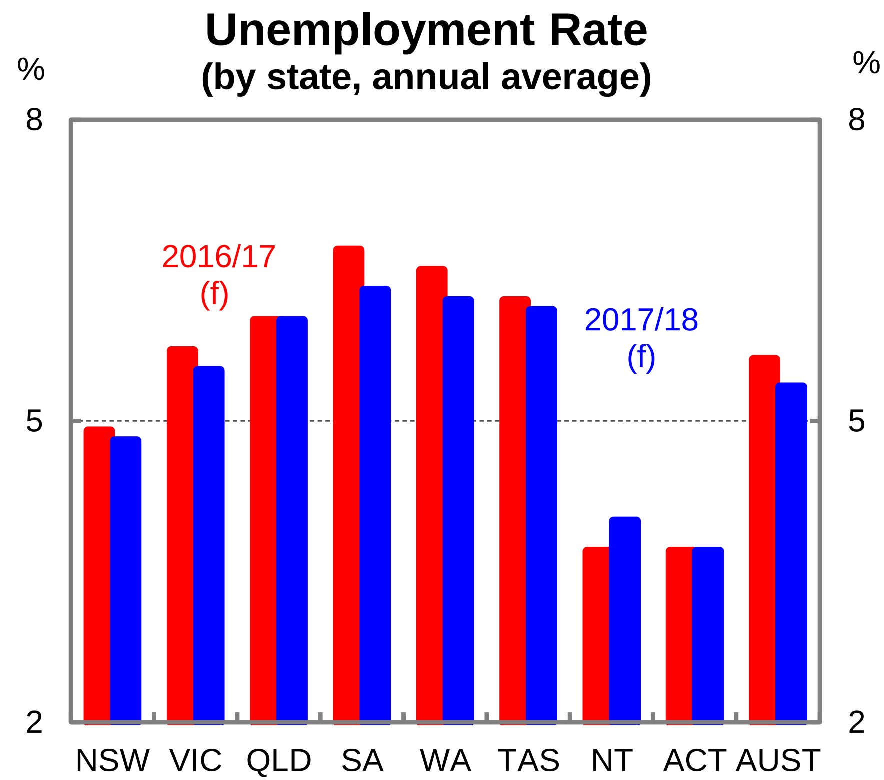
%	2015/16 (a)	2016/17 (f)	2017/18 (f)
NSW	3.8	0.6	1.7
VIC	2.7	3.4	2.0
QLD	1.6	-0.5	2.0
SA	0.5	1.5	1.0
WA	0.2	-0.7	0.5
TAS	-0.2	-0.1	1.0
NT	1.2	4.0	1.0
ACT	1.1	2.2	1.5
AUST	**1.1**	**1.1**	**1.7**



Forecasts – Unemployment Rate

Unemployment Rate Forecasts

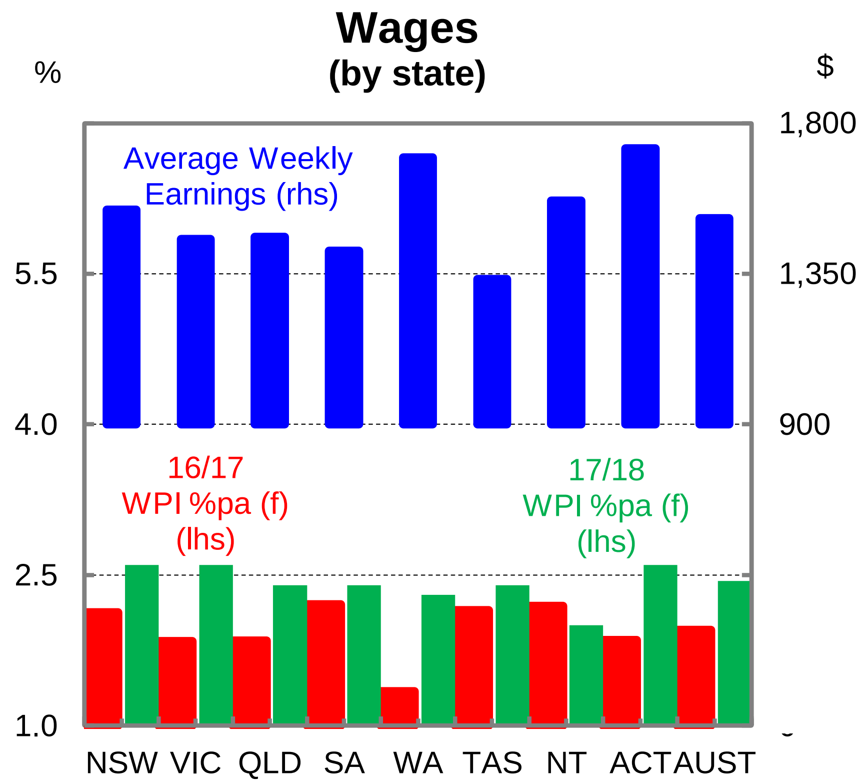
%	2015/16 (a)	2016/17 (f)	2017/18 (f)
NSW	5.4	4.9	4.8
VIC	5.9	5.7	5.5
QLD	6.2	6.0	6.0
SA	7.2	6.7	6.3
WA	6.0	6.5	6.2
TAS	6.5	6.2	6.1
NT	4.3	3.7	4.0
ACT	4.6	3.7	3.7
AUST	**5.6**	**5.6**	**5.3**



Forecasts – Wage Price Index

Wage Price Index Forecasts

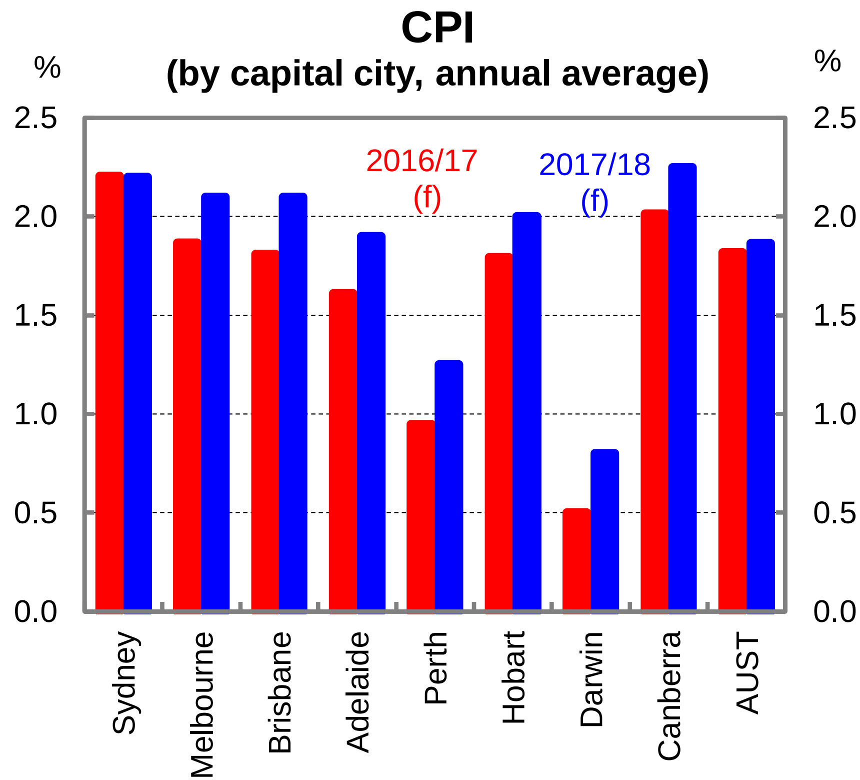
%	2015/16 (a)	2016/17 (f)	2017/18 (f)
NSW	2.1	2.1	2.6
VIC	2.4	1.8	2.6
QLD	1.9	1.8	2.4
SA	2.3	2.2	2.4
WA	1.9	1.3	2.3
TAS	2.2	2.2	2.4
NT	2.2	2.2	2.0
ACT	1.7	1.9	2.6
AUST	**2.1**	**1.9**	**2.4**



Forecasts – Consumer Price Index

Consumer Price Index Forecasts

%	2015/16 (a)	2016/17 (f)	2017/18 (f)
Sydney	1.5	2.2	2.2
Melbourne	1.6	1.9	2.1
Brisbane	1.6	1.8	2.1
Adelaide	0.9	1.6	1.9
Perth	1.0	0.9	1.3
Hobart	1.4	1.8	2.0
Darwin	0.1	0.5	0.8
Canberra	0.7	2.0	2.3
AUST	**1.4**	**1.8**	**1.9**



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