

STATE ECONOMIC SCORECARD 2024

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Key findings

This research note assesses the performance of each Australian state across ten key economic measures, to develop a state economic scorecard. The measures use the most recently available data across a variety of macroeconomic metrics, and finds:

- Western Australia is the nation's overall best performing state. It leads the nation in having the highest wage growth, lowest tax burden, and lowest energy price growth.
- South Australia was the overall second best performing state, leading the nation in per capita state economic growth, productivity growth, and business investment. Tasmania was third best performing state, having the nation's lowest rental costs and leading the nation in retail trade growth, followed by Queensland—which has the lowest debt burden—and New South Wales, whose key strength areas were in economic and productivity growth.
- Victoria is the worst overall performing state in the nation, and was ranked last in three metrics for highest tax burden, highest debt burden, and greatest energy price increases. In addition to being ranked last in three metrics, Victoria is also ranked second last in per capita state economic growth, wages growth, retail trade, and productivity growth.

Table A: Relative strengths and weaknesses of Australian states in key economic measures

STATE	MEASURES THAT STATE RANKS FIRST OR SECOND	MEASURES THAT STATE RANKS FIFTH OR SIXTH
Western Australia	5 measures (Tax burden, energy prices, wages, business investment and jobs)	1 measure (Rental prices)
South Australia	4 measures (Economic and productivity growth, business investment, and rental costs)	3 measures (Jobs, wages, and debt)
Tasmania	5 measures (Rental costs, retail trade, wages, tax burden and debt burden)	3 measures (Jobs, productivity, investment growth)
Queensland	2 measures (Debt burden and retail trade)	3 measures (economic growth, business investment and energy prices)
New South Wales	3 measures (economic and productivity growth, and energy costs)	3 measures (Retail trade, rental prices and tax burden)
Victoria	2 measures (Jobs growth and rental costs)	7 measures (Wage growth, retail trade, debt and tax burden, energy prices, economic and productivity growth)

Methodology

This analysis uses two types of macroeconomic measures. Per capita economic growth, wages growth, jobs growth, retail turnover, productivity growth, and energy costs, are growth measures comparing two different points in time, depending on the availability of data. The second type of measure is a point in time measure, including tax burden, debt burden, business investment, and rental costs.

Data has been sourced in most instances from publicly available data released by the Australian Bureau of Statistics. The exception is the rental price metric, which is based on data published by Core Logic.

Regarding scoring, each state is given a score for each metric depending on the relative performance of each state. The best performing state was awarded one point, and the worst performing state was awarded six points. The score awarded to each state in each metric is added together to derive the overall score, where the lowest overall score is the best performing state.

State economic growth

Chart 1: Change in gross state product per capita, from 2022 financial year to 2023 financial year



Source: ABS

Table 1: Change in gross state product per capita, from 2022 financial year to 2023 financial year

	% CHANGE	POINTS AWARDED
SA	2.2%	1
NSW	1.9%	2
WA	1%	3
TAS	0.5%	4
VIC	0.4%	5
QLD	0%	6

This measure uses per capita gross state product growth, which is a per person measure of the change in the state's output between the 2022 financial year to the 2023 financial year.¹

Per capita GSP removes the influence of population growth as a contributor to economic growth by accounting for changes in the population size over time.

South Australia and New South Wales were the most improved state on this measure, while Queensland failed to achieve per capita economic growth according to this measure.

Wages growth

Chart 2: Change in real wages, from December 2022 to December 2023



Source: ABS

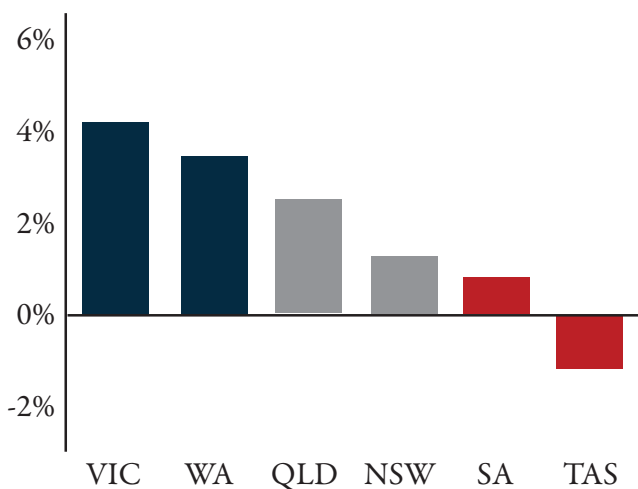
Table 2: Change in real wages, from December 2022 to December 2023

	% CHANGE	POINTS AWARDED
WA	1.1%	1
TAS	1%	2
QLD	0.6%	3
NSW	0.1%	4
VIC	-0.1%	5
SA	-0.8%	6

This measure uses real wages growth, which adjusts for changes in inflation in measuring the change in wage levels.² In other words, real wages capture how wages are keeping up with consumer inflation. In Victoria and South Australia, real wages have declined, meaning consumers in those states purchased fewer goods and services in 2023 compared to 2022, indicating a diminution of purchasing power and living standards.

Jobs growth

Chart 3: Change in total number of employed people from January 2023 to January 2024



Source: ABS

Table 3: Change in total number of employed people from January 2023 to 2024

	% CHANGE	POINTS AWARDED
VIC	4.2%	1
WA	3.6%	2
QLD	2.6%	3
NSW	1.4%	4
SA	0.9%	5
TAS	-1.0%	6

Jobs growth measures the change in the total number of employed persons from the 2023 calendar year to the 2024 calendar year.³

Retail turnover

Chart 4: Change in monthly retail trade turnover, from January 2023 to January 2024



Source: ABS

Table 4: Change in monthly retail trade turnover, from January 2023 to January 2024

	% CHANGE	POINTS AWARDED
TAS	+2.8%	1
QLD	+2.6%	2
SA	+2.3%	3
WA	+1.8%	4
VIC	+0.8%	5
NSW	-0.3%	6

Retail trade turnover growth measures the change in sales across retail trade businesses from the year ending January 2023 to the year ending January 2024.⁴ Retail trade is a broad macroeconomic metric that illustrates overall consumer demand and how much consumers are spending on finished goods. Low retail sales growth is indicative of weak consumer confidence.

Tax burden

Chart 5: State tax revenue as a percentage of gross state product, 2023 financial year



Source: ABS

Table 5: State tax revenue as a percentage of gross state product, 2023 financial year

	% OF GSP	POINTS AWARDED
WA	3.5%	1
TAS	5.4%	2
QLD	5.4%	3
SA	5.9%	4
NSW	6.0%	5
VIC	7.2%	6

This metric uses the tax-to-GSP ratio, which is a measurement of the size of a state's taxation revenue as relative to the size of the overall state economy (or gross state product).⁵

Debt burden

Chart 6: State net debt as a percentage of gross state product, 2023 financial year



Source: ABS

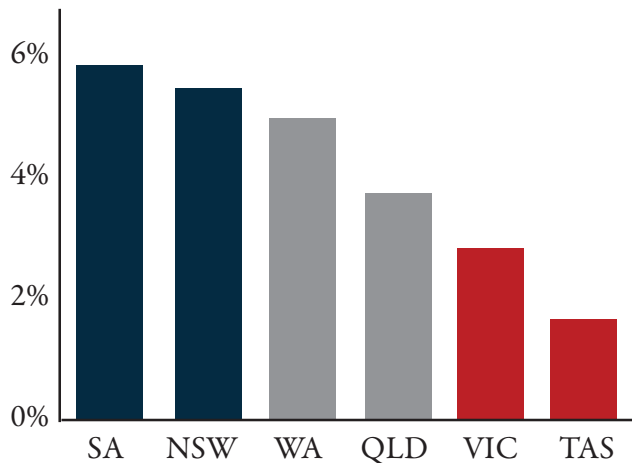
Table 6: State net debt as a percentage of gross state product, 2023 financial year

	% OF GSP	POINTS AWARDED
QLD	1.3%	1
TAS	3.9%	2
WA	4.6%	3
NSW	10.2%	4
SA	13.3%	5
VIC	21.8%	6

This metric uses government debt-to-GSP, which measures general state government net debt relative to each state's economy (or gross state product).⁶

Productivity growth

Chart 7: Productivity growth from June 2022 to June 2023



Source: ABS

Table 7: Productivity growth from June 2022 to June 2023

	% CHANGE	POINTS AWARDED
SA	5.3%	1
NSW	5.0%	2
WA	4.7%	3
QLD	3.5%	4
VIC	2.2%	5
TAS	1.1%	6

This metric uses output per unit of input as a measure of the efficiency of production in each state, from the 2022 financial year to the 2023 financial year.⁷

Business investment

Chart 8: Business investment as a percentage of gross state product, 2023 financial year



Source: ABS

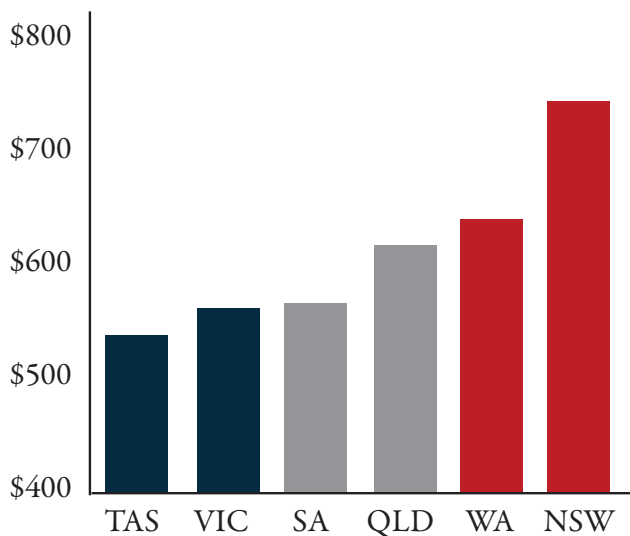
Table 8: Business investment as a percentage of gross state product, 2023 financial year

	% OF GSP	POINTS AWARDED
SA	+13.3%	1
WA	+11.8%	2
VIC	+11.7%	3
NSW	+10.9%	4
QLD	+10.7%	5
TAS	+10.1%	6

This metric uses the value of private investment in the 2023 financial year as a proportion of gross state product.⁸ The data is sourced from the seasonally adjusted gross fixed capital formation - business investment series published as part of the ABS' quarterly National Income, Expenditure and Product release. Private investment is an important gauge of business activity, and low levels of private investment indicate business activity in a state is weak and less capital is being invested into productive capacity boosting assets.

Rental costs

Chart 9: Median rental costs, December 2023



Source: Core Logic

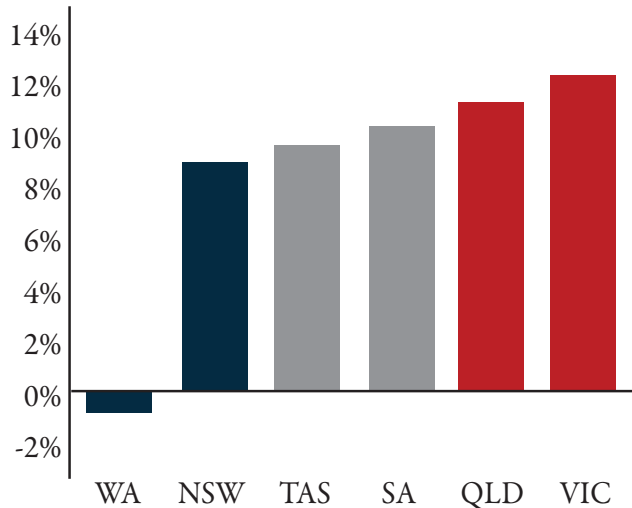
Table 9: Median rental costs, December 2023

	MEDIAN PRICE	POINTS AWARDED
TAS	\$535	1
VIC	\$565	2
SA	\$565	2
QLD	\$627	4
WA	\$630	5
NSW	\$745	6

This metric uses the estimated median rental prices in a given market, as at December 2023. The data is obtained from Core Logic's December 2023 rental summary, which tabulates median rents for the capital cities of each state. Rental costs are significant costs for households and businesses.⁹

Energy costs

Chart 10: Change in average of electricity and gas prices from December 2022 to December 2023



Source: ABS

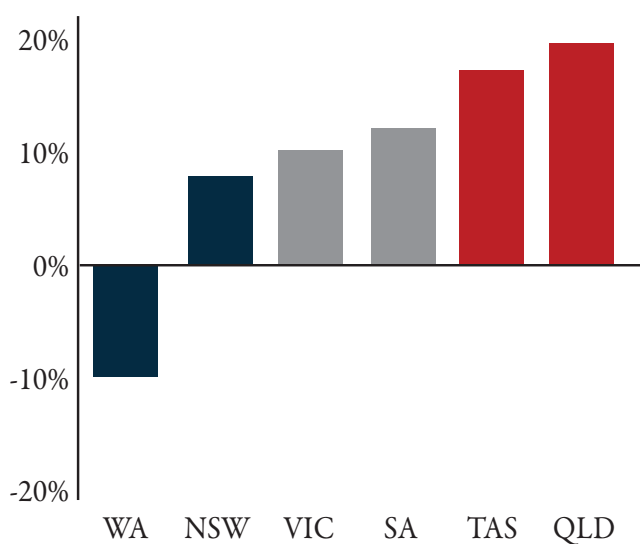
Table 10: Change in average of electricity and gas prices from December 2022 to December 2023

	% CHANGE	POINTS AWARDED
WA	-0.6%	1
NSW	9.4%	2
TAS	9.8%	3
SA	10.8%	4
QLD	11.5%	5
VIC	12.3%	6

This metric uses the average of the changes in the cost of electricity and gas and other household fuels between the 2022 calendar year and the 2023 calendar year.¹⁰ Because of how the ABS tracks consumer prices, the state data relates to prices in each capital city. Energy costs are meaningful indicators of the cost of living in households as well as higher production costs for businesses.

Chart 11 and Table 11 separate the changes in prices in electricity and gas from December 2022 to December 2023. A marked decline in WA electricity prices over the period is due to rebates paid to WA households as part of the state and federal government's Energy Bill Relief Fund.

Chart 11: Change in electricity prices from December 2022 to December 2023



Source: ABS

Chart 12: Change in gas prices from December 2022 to December 2023



Source: ABS

Detailed summary of findings

Table B: Points awarded to each state by economic metric (one point=first ranked, six points=last ranked)

	WESTERN AUSTRALIA	SOUTH AUSTRALIA	TASMANIA	QUEENSLAND	NEW SOUTH WALES	VICTORIA
Per capita economic growth	+1.0% (3)	+2.2% (1)	+0.5% (4)	0% (6)	+1.9% (2)	+0.4% (5)
Wage growth	1.1% (1)	-0.8% (6)	1% (2)	0.6% (3)	0.1% (4)	-0.1% (5)
Jobs growth	3.6% (2)	0.9% (5)	-1.0% (6)	2.6% (3)	1.4% (4)	4.2% (1)
Retail turnover	+1.8% (4)	+2.3% (3)	+2.8% (1)	+2.6% (2)	-0.3% (6)	+0.8% (5)
Tax burden	3.5% of GSP (1)	5.9% of GSP (4)	5.4% of GSP (2)	5.4% of GSP (3)	6.0% of GSP (5)	7.3% of GSP (6)
Debt burden	4.6% of GSP (3)	13.3% of GSP (5)	3.9% of GSP (2)	1.3% of GSP (1)	10.2% of GSP (4)	21.8% of GSP (6)
Productivity growth	+4.7% (3)	+5.3% (1)	+1.1% (6)	+3.5% (4)	+5.0% (2)	+2.2% (5)
Business investment	11.8% of GSP (2)	13.3% of GSP (1)	10.1% of GSP (6)	10.7% of GSP (5)	10.9% of GSP (4)	11.7% of GSP (3)
Energy costs	-0.6% (1)	+10.8% (4)	+9.8% (3)	+11.5% (5)	+9.4% (2)	+12.3% (6)
Rental costs	\$630 (5)	\$565 (2)	\$535 (1)	\$627 (4)	\$745 (6)	\$565 (2)
SCORES	25	32	33	36	39	44

For more information contact Morgan Begg, Director of Research at mbegg@ipa.org.au

End Notes

1. Australian Bureau of Statistics (ABS), *Australia National Accounts, State Accounts, 2022-23 financial year*, (21 November 2023).
2. ABS, *Wage Price Index, Australia, December 2023* (21 February 2024).
3. ABS, *Labour Force, Australia, January 2024* (15 February 2024).
4. ABS, *Retail Trade, Australia, January 2024* (29 February 2024).
5. ABS, *Australia National Accounts, State Accounts, 2022-23 financial year*, (21 November 2023).
6. General government net debt figures are sourced from the most recently published state government budgets. GSP data sourced from ABS. See n 1.
7. ABS, *Estimates of Industry Multifactor Productivity, 2022-23 financial year* (13 December 2023). GSP data sourced from ABS, see n 1.
8. ABS, *Australian National Accounts: National Income, Expenditure and Product, September 2023* (6 December 2023).
9. Core Logic, *Rent Market Performance Summary December 2023*, www.corelogic.com.au.
10. ABS, *Monthly Consumer Price Index Indicator, January 2024* (28 February 2024).