

Northern territory with 625 dwelling commencements beats NSW with 12,470 according to CommSec

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The CommSec financial report card that puts NSW and the Northern Territory first only looks at recent changes and not the bigger picture of economic performance, says the Urban Taskforce.

"It is good news that NSW is number one along with the Northern Territory," says the Urban Taskforce CEO, Chris Johnson. "Our concern is that CommSec is only measuring recent change rather than the quantum of economic activity and this can make a small territory like the NT look more significant than it really is."

"In the dwelling commencement category the Northern Territory which was ranked first only commenced 625 dwellings in the quarter while second place NSW commenced 12,470 dwellings. Fourth placed Victoria, which is 20% smaller than NSW, commenced 14,748 dwellings. What propels the NT into first place is that their increase over the 10 year average is 61.5% while NSW's is 46.3% with Victoria down at 24.6%."

"In essence CommSec is measuring short term bursts of activity rather than acknowledging long term performance. They support the hare over the tortoise."

"CommSec measures NSW as leading the country in population growth because its latest increase is significantly above the ten year average but in real terms NSW is fourth at 1.47% compared to WA at 2.16%, Victoria at 1.86% and Queensland at 1.52%."

"The Urban Taskforce welcomes positive economic news about NSW but we believe a full understanding is needed of the overall quantum of each area measured to balance the focus on the most recent trend. Population growth in Victoria for instance is 25% greater than in NSW and dwelling commencements in Victoria are 20% higher than NSW."

"While NSW is clearly performing well economically we can still do better on dwelling commencements and on population growth. The CommSec shows that NSW is the least affordable for housing and this can only be pegged back by a big jump in housing supply. NSW will need to lift quarterly dwelling commencements from the 12,470 to at least the level of Victoria at 14,748."

The Urban Taskforce is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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