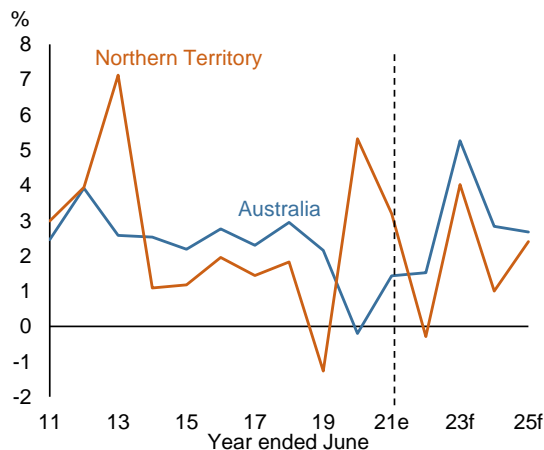
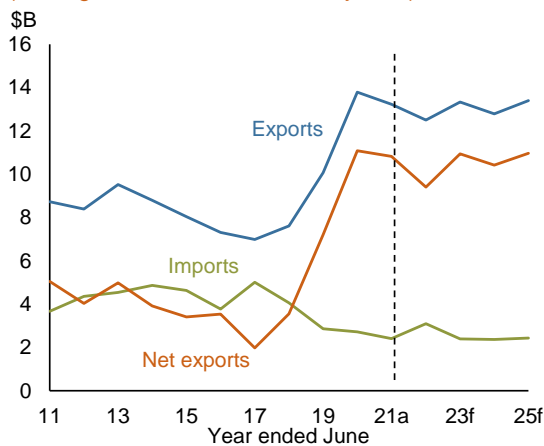


Chart 1: Economic growth
(year-on-year percentage change)



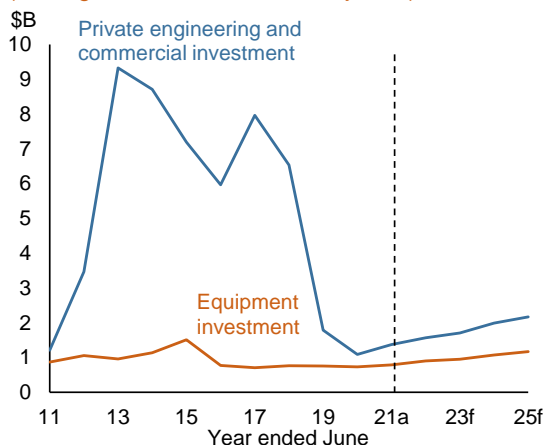
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Chart 2: Territory international trade
(moving annual total, inflation adjusted)



Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Chart 3: Territory private investment components
(moving annual total, inflation adjusted)



Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Economic growth

Economic growth forecasts

	NT	Aust
2020-21 (estimate)	↑3.2%	↑1.4%
2021-22 (forecast)	↓0.3%	↑1.5%
2022-23 (forecast)	↑4.0%	↑5.3%
Five year average annual growth rate (2020-21 to 2024-25)	↑2.1%	↑2.7%

2020-21

Deloitte Access Economics (DAE) estimates the Territory economy to grow by 3.2% in 2020-21 (Chart 1). Growth is underpinned by private consumption, and is supported by business investment and private housing investment.

The Territory is expected to experience the fifth strongest economic growth of the jurisdictions in 2020-21, which range from a decrease of 1.8% in Victoria to a 3.8% increase in South Australia. Nationally, the economy is estimated to grow by 1.4% in 2020-21.

Outlook

DAE forecasts solid growth in the Territory's domestic economy in 2021-22, with state final demand to increase by 3.6%. Decreased exports and increased imports of capital goods (which will support the economy's longer term productive capacity) however act as a drag on growth (Chart 2), with gross state product expected to decline by 0.3% in 2021-22.

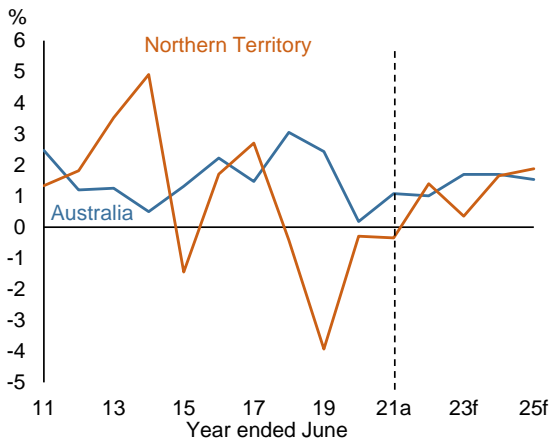
DAE forecasts growth across all jurisdictions to be within a relatively narrow band over the next five years, with the Territory to grow at an average rate of 2.1% per annum over the five years to 2024-25. This is the lowest growth rate of the jurisdictions, with growth ranging from 3.0% per annum in Western Australia and the Australian Capital Territory to 2.5% per annum in Victoria. DAE forecasts national growth to average 2.7% per annum over the same period.

DAE notes that private investment will be a key driver Territory growth over the next five years (Chart 3), with:

- private engineering and commercial investment, increasing at an average rate of 15.0% per annum
- private equipment investment, increasing at an average rate of 9.8% per annum
- private housing investment, increasing at an average rate of 3.9% per annum (driven by a sharp increase in 2020-21)
- private consumption, increasing at an average rate of 3.1% per annum.

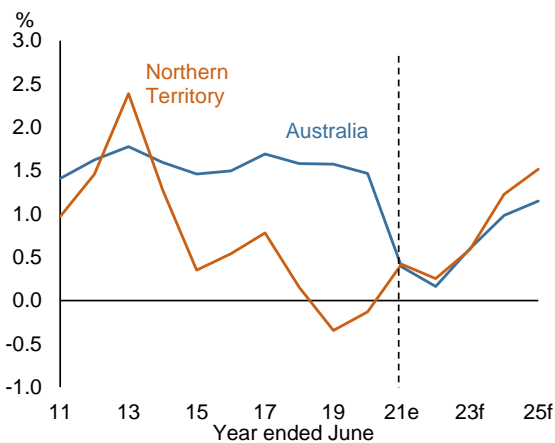
International visitor arrivals are not expected to return to pre-COVID-19 levels until 2023-24.

Chart 4: Employment (year-on-year percentage change)



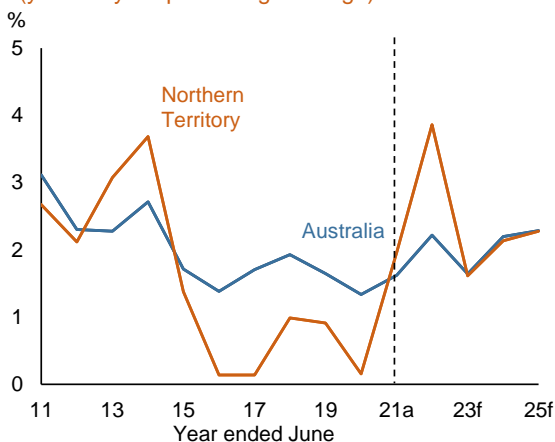
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

Chart 5: Population (year-on-year percentage change)



Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

Chart 6: Consumer price index (year-on-year percentage change)



Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

Labour market

Employment change	NT	Aust
2020-21 (actual)	↓0.3%	↑1.1%
2021-22 (forecast)	↑1.4%	↑1.0%
Five year average annual growth rate	↑1.0%	↑1.4%

DAE reports that Territory employment declined by 0.3% in 2020-21, with forecast growth of 1.4% in 2021-22 (Chart 4).

In the five years to 2024-25, employment growth in the Territory is forecast to average 1.0% per annum. In other jurisdictions growth is forecast to range from 1.8% per annum in Queensland to 0.7% per annum in Tasmania. Nationally, employment growth is forecast to average 1.4% per annum over the same period.

The Territory's unemployment rate is forecast to average 4.5% over the five years to 2024-25, below the national average of 5.0%. In other jurisdictions, the average annual unemployment rate ranges from 5.6% in Queensland and Tasmania to 3.3% in the Australian Capital Territory.

Population

Population change	NT	Aust
2020-21 (estimate)	↑0.4%	↑0.4%
2021-22 (forecast)	↑0.3%	↑0.2%
Five year average annual growth rate	↑0.8%	↑0.7%

DAE estimates Territory population to increase by 0.4% in 2020-21 (Chart 5). Over the next five years, DAE forecasts Territory population to grow at an average rate of 0.8% per annum, in line with an average of 0.7% per annum nationally.

The Territory's five year average annual population growth forecast is the equal third highest of the jurisdictions (equal with the Australian Capital Territory), behind Queensland and Western Australia. In the other jurisdictions, average annual population growth over the five years to 2024-25 ranges from 0.3% in South Australia to 1.1% in Queensland.

Consumer price index (CPI)

CPI growth	NT	Aust
2020-21 (actual)	↑2.0%	↑1.6%
2021-22 (forecast)	↑3.9%	↑2.2%
Five year average annual growth rate	↑2.4%	↑2.0%

Darwin's CPI increased by 2.0% in 2020-21 and is forecast to increase by 3.9% in 2021-22 (Chart 6). Over the five years to 2024-25 DAE expects inflation growth to average 2.4% per annum, above the national growth rate of 2.0%, and in the mid-range of the Reserve Bank of Australia's target band for inflation to 2-3%.

Deloitte Access Economics September quarter 2021

Table 1: Deloitte Access Economics Business Outlook

		2020-21	2021-22	2022-23	2023-24	2024-25	5 year average
Northern Territory							
Gross state product	Constant price (\$M)	26 991	26 912	27 995	28 277	28 956	
	% change	3.2	-0.3	4.0	1.0	2.4	2.1
NT as a share of Australian output	%	1.4	1.3	1.3	1.3	1.3	
Real final demand	Constant price (\$M)	24 985	25 875	26 797	27 757	28 585	
	% change	6.2	3.6	3.6	3.6	3.0	4.0
Private consumption	Constant price (\$M)	11 194	11 388	11 640	11 918	12 192	
	% change	6.7	1.7	2.2	2.4	2.3	3.1
Private housing investment	Constant price (\$M)	721	729	725	680	663	
	% change	27.4	1.1	-0.5	-6.2	-2.4	3.9
Private engineering and commercial investment	Constant price (\$M)	1 375	1 565	1 704	1 989	2 170	
	% change	26.5	13.8	8.9	16.7	9.1	15.0
Private equipment investment	Constant price (\$M)	791	907	948	1 071	1 173	
	% change	7.5	14.6	4.6	12.9	9.5	9.8
International goods exports	Constant price (\$M)	13 228	12 492	13 335	12 786	13 398	
	% change	-4.1	-5.6	6.7	-4.1	4.8	-0.5
International goods imports	Constant price (\$M)	2 405	3 095	2 391	2 370	2 429	
	% change	-11.4	28.7	-22.8	-0.9	2.5	-0.8
Retail turnover	Constant price (\$M)	3 392	3 408	3 391	3 404	3 444	
	% change	9.2	0.5	-0.5	0.4	1.2	2.2
Total population	Persons (000)	247	248	249	252	256	
	% change	0.4	0.3	0.6	1.2	1.5	0.8
Population aged 15 and over	Persons (000)	194	195	197	200	204	
	% change	0.6	0.5	1.0	1.6	1.9	1.1
Employment	Persons (000)	131	133	134	136	138	
	% change	-0.3	1.4	0.4	1.7	1.9	1.0
Unemployment	Persons (000)	7	5	7	7	7	
Unemployment rate	%	4.9	3.6	4.8	4.6	4.6	4.5
Consumer Price Index	% change	2.0	3.9	1.6	2.1	2.3	2.4
Average Weekly Earnings	\$	1 453	1 496	1 530	1 574	1 627	
	% change	2.3	3.0	2.2	2.9	3.4	2.8
Wage Price Index	% change	1.7	0.9	2.0	2.5	2.8	2.0

Source: Deloitte Access Economics Business Outlook; Department of Treasury and Finance

Table 2: Deloitte Access Economics Business Outlook forecasts by jurisdiction, rank

Rank	2020-21e							
	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GSP growth	5	6	8	7	1	4	2	3
State final demand	1	7	8	3	5	2	6	4
Population growth	5	7	8	1	6	2	3	4
Employment growth	7	6	8	1	5	4	2	3
Unemployment rate*	2	3	5	7	8	4	6	1
CPI*	6	3	1	7	2	4	5	8
WPI	2	5	8	4	3	6	1	7
2021-22f								
GSP growth	8	7	5	3	1	4	2	6
State final demand	5	7	6	4	3	1	2	8
Population growth	4	6	8	1	7	2	5	3
Employment growth	5	7	2	3	4	1	6	8
Unemployment rate*	2	8	4	7	5	3	6	1
CPI*	8	4	1	6	3	2	7	5
WPI	8	1	2	7	5	6	3	4
Five year average annual growth 2020-21 to 2024-25								
GSP growth	8	5	7	4	3	2	6	1
State final demand	1	5	4	3	6	2	7	8
Population growth	3	5	6	1	8	2	7	4
Employment growth	7	4	5	1	6	2	8	3
Unemployment rate*	2	3	4	8	6	5	7	1
CPI*	8	4	2	6	3	1	5	7
WPI	5	1	3	4	7	6	8	2

e: estimate f: forecast

Highest = 1 Lowest = 8

*Ranking reversed

Source: Deloitte Access Economics Business Outlook; Department of Treasury and Finance

Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omission.

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