

Unless stated otherwise, the following provides a summary of Deloitte Access Economics' (DAE) forecasts published in its Business Outlook September quarter 2018 report.

**Economic Growth**

Economic Growth Forecasts	NT	Aust
2017-18 (estimate)	↑2.2%	↑2.9%
2018-19 (forecast)	↑2.3%	↑3.3%
2019-20 (forecast)	↑3.3%	↑3.2%
5 year average annual growth rate (2017-18 to 2021-22)	↑3.0%	↑3.0%

**2017-18**

DAE estimates the Territory economy to grow by 2.2 per cent in 2017-18 (Chart 1). Growth is expected to be underpinned by private equipment investment, and household consumption. This is expected to be partly offset by a decrease in private engineering and commercial investment and private housing investment (Chart 2).

The Territory is expected to have the lowest economic growth of all jurisdictions in 2017-18, which range from an estimated 2.8 per cent in Queensland to 3.3 per cent in Victoria. Nationally, the economy is expected to grow by 2.9 per cent in 2017-18.

**Outlook**

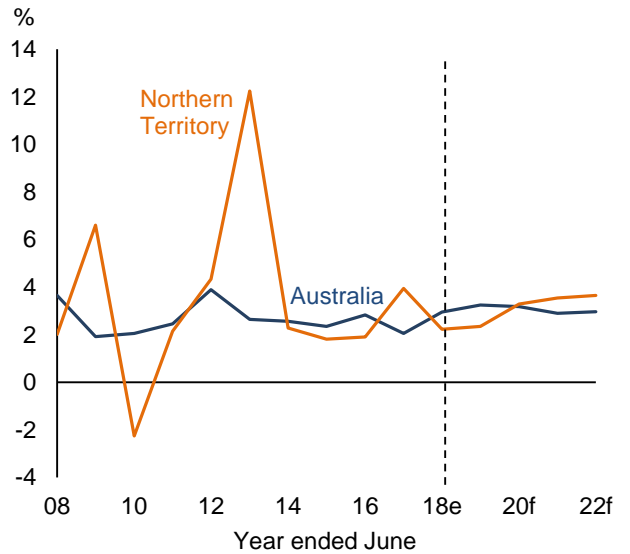
DAE forecasts the Territory economy to grow by an average of 3.0 per cent per annum over the five years to 2021-22. This is the third highest economic growth forecast of all jurisdictions, behind Queensland and Victoria. In other jurisdictions, the forecast five year average economic growth ranges from 2.4 per cent per annum in Tasmania to 3.4 per cent per annum in Queensland. DAE forecasts the national economy to grow by an average annual rate of 3.0 per cent over the five year period.

DAE notes that despite the outlook for future major project activity being subdued, exports are expected to be a key driver of Territory economic growth, as the Ichthys liquefied natural gas (LNG) project transitions to the production and export phase (Chart 3).

Territory economic growth over the five years to 2021-22 is expected to be supported by:

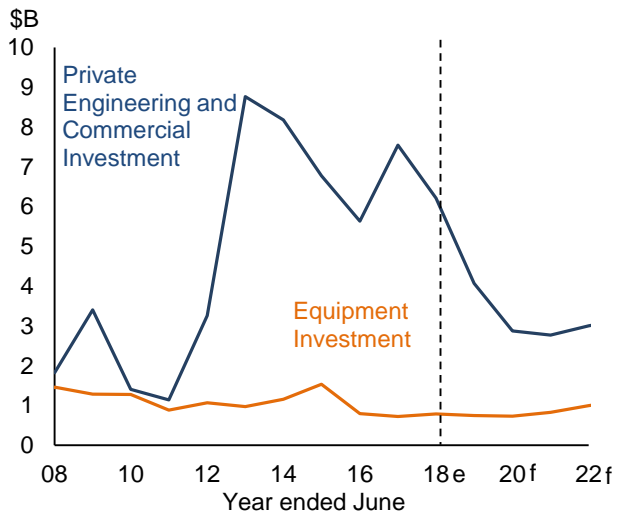
- international goods exports, which are forecast to strengthen to an average growth rate of 19.4 per cent;
- private equipment investment, at an average growth of 6.9 per cent;
- household consumption, with an average growth rate of 2.7 per cent per annum; and
- private housing investment, with an average growth rate of 2.4 per cent.

**Chart 1: Economic Growth** (year on year percentage change)



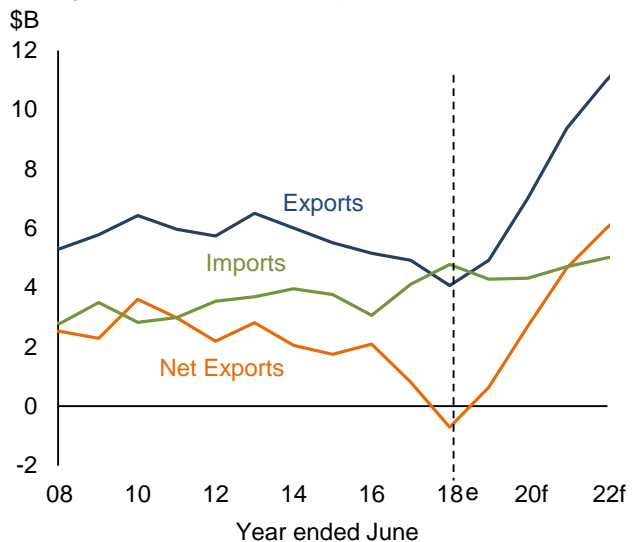
Source: DTF; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

**Chart 2: Territory Private Investment Components** (moving annual total, inflation adjusted)



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

**Chart 3: Territory International Trade** (moving annual total, inflation adjusted)



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

Labour Market

Employment Growth	NT	Aust
2017-18 (actual)	↓1.1%	↑3.0%
2018-19 (forecast)	↑1.5%	↑2.0%
5 year average growth rate	↑0.8%	↑1.8%

DAE estimates Territory employment to grow by 1.5 per cent in 2018-19 (Chart 4).

In the five years to 2021-22, employment in the Territory is forecast to grow on average by 0.8 per cent, representing the weakest growth of all jurisdictions, which range between 1.2 per cent in South Australia and Tasmania to 2.2 per cent in Queensland. The national annual employment growth is forecast to average 1.8 per cent over the same period.

The Territory's unemployment rate is forecast to average 4.0 per cent over the five years to 2021-22, compared to 5.3 per cent nationally. In other jurisdictions, the average annual unemployment rate forecast over the next five years range from 3.6 per cent in the Australian Capital Territory to 6.2 per cent in Western Australia.

Population

Population Growth	NT	Aust
2017-18 (estimate)	↑0.3%	↑1.7%
2018-19 (forecast)	↑0.9%	↑1.6%
5 year average growth rate	↑1.1%	↑1.6%

DAE expects the Territory population to grow by 0.3 per cent in 2017-18.

Over the next five years, DAE is forecasting the Territory's population to grow by an average rate of 1.1 per cent per annum, compared to an average of 1.6 per cent per annum nationally (Chart 5).

The five year average annual population growth forecast for the Territory is the third equal lowest of the jurisdictions, with Western Australia. In the other jurisdictions, average annual population growth expectations over the five years to 2021-22 range between 0.7 per cent in South Australia and 2.0 per cent in Victoria.

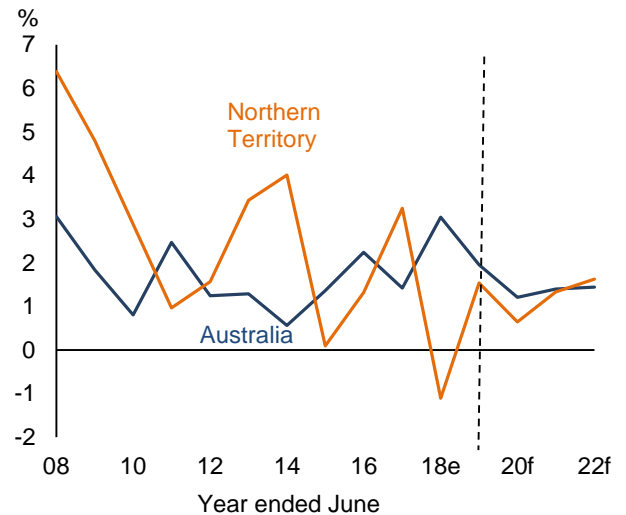
Consumer Price Index (CPI)

CPI Growth	NT	Aust
2017-18 (actual)	↑1.0%	↑2.0%
2018-19 (forecast)	↑2.1%	↑2.4%
5 year average growth rate	↑1.9%	↑2.3%

DAE expects the Darwin CPI to grow by 2.1 per cent in 2018-19 (Chart 6).

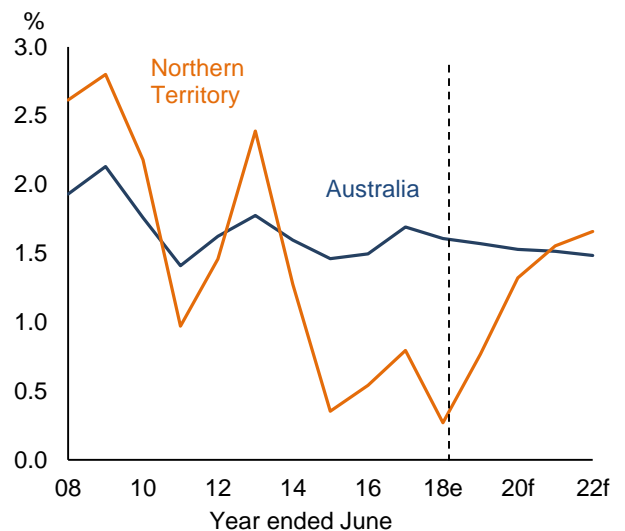
Over the five years to 2021-22, DAE expects growth to average 1.9 per cent, which is the equal lowest of the jurisdictions, with Western Australia. Nationally, the average annual increase for CPI over the same period is 2.3 per cent.

Chart 4: Employment (year on year percentage change)



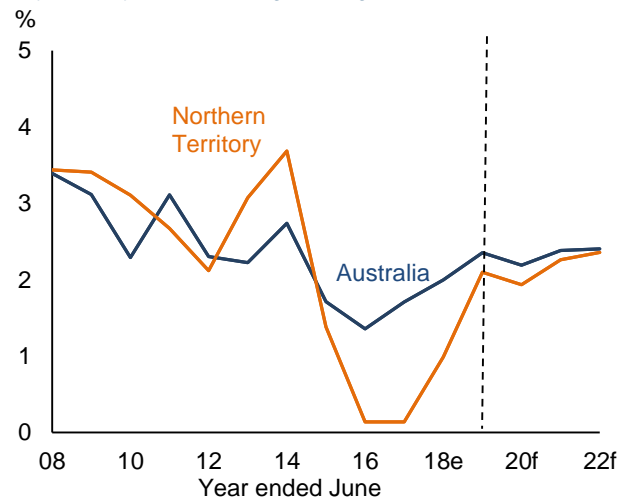
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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

Table 1: Deloitte Access Economics Business Outlook forecasts

<b>Northern Territory</b>		<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 year average</b>
Gross State product	Constant price (\$m)	25 992	26 602	27 476	28 448	29 488	
	% change	2.2	2.3	3.3	3.5	3.7	3.0
NT as a share of Australian output	%	1.5	1.5	1.5	1.5	1.5	
Real final demand	Constant price (\$m)	29 058	27 559	27 284	28 309	29 724	
	% change	-2.8	-5.2	-1.0	3.8	5.0	0.0
Private consumption	Constant price (\$m)	11 354	11 640	11 933	12 319	12 710	
	% change	1.9	2.5	2.5	3.2	3.2	2.7
Private housing investment	Constant price (\$m)	608	587	587	656	718	
	% change	-5.9	-3.4	0.0	11.7	9.5	2.4
Private eng and comm investment	Constant price (\$m)	6 211	4 070	2 873	2 770	3 005	
	% change	-17.7	-34.5	-29.4	-3.6	8.5	-15.3
Private equipment investment	Constant price (\$m)	787	746	732	829	990	
	% change	8.7	-5.2	-1.9	13.3	19.5	6.9
International goods exports	Constant price (\$m)	4 064	4 922	7 011	9 372	10 975	
	% change	-17.3	21.1	42.4	33.7	17.1	19.4
International goods imports	Constant price (\$m)	4 778	4 289	4 311	4 705	4 990	
	% change	16.4	-10.2	0.5	9.1	6.1	4.4
Retail turnover	Constant price (\$m)	3 117	3 220	3 336	3 459	3 552	
	% change	0.8	3.3	3.6	3.7	2.7	2.8
Total population	Persons ('000s)	247	249	253	256	261	
	% change	0.3	0.8	1.3	1.6	1.7	1.1
Population aged 15 and over	Persons ('000s)	194	196	198	202	205	
	% change	0.5	0.9	1.4	1.6	1.8	1.2
Employment ('000s)	Persons ('000s)	137	139	140	142	144	
	% change	-1.1	1.5	0.6	1.3	1.6	0.8
Unemployment	Persons ('000s)	6	6	6	6	6	
Unemployment rate	%	4.1	4.2	4.1	4.0	3.8	4.0
Consumer Price Index	% change	1.0	2.1	1.9	2.3	2.4	1.9
Average Weekly Earnings	\$	1 427	1 438	1 465	1 497	1 538	
	% change	2.0	0.8	1.9	2.2	2.7	1.9
Wage Price Index	\$	128	130	133	136	140	
	% change	1.3	1.6	1.9	2.4	2.8	2.0

<b>Australia</b>		<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 year average</b>
Gross domestic product	Constant price (\$M)	1 743 634	1 800 370	1 857 551	1 911 391	1 968 007	
	% change	2.9	3.3	3.2	2.9	3.0	3.0
International exports	Constant price (\$M)	264 747	272 538	288 151	297 885	310 008	
	% change	3.6	2.9	5.7	3.4	4.1	3.9
International imports	Constant price (\$M)	306 544	313 938	324 719	343 106	357 567	
	% change	7.1	2.4	3.4	5.7	4.2	4.6
Total population	Persons (000)	24 845	25 235	25 621	26 009	26 395	
	% change	1.6	1.6	1.5	1.5	1.5	1.5
Population aged 15 to 64	Persons (000)	20 170	20 495	20 812	21 136	21 468	
	% change	1.7	1.6	1.5	1.6	1.6	1.6
Employment	Persons (000)	12 443	12 685	12 839	13 018	13 206	
	% change	3.0	2.0	1.2	1.4	1.4	1.8
Unemployment	Persons (000)	721	715	724	716	701	
Unemployment rate	%	5.5	5.3	5.3	5.2	5.0	5.3
Consumer Price Index	% change	2.0	2.4	2.2	2.4	2.4	2.3
Average Weekly Earnings	\$	1 196	1 223	1 251	1 283	1 320	
	% change	2.3	2.3	2.3	2.5	2.9	2.5
Wage Price Index	% change	2.1	2.3	2.4	2.7	3.0	2.5
Trade weighted index		64.8	61.9	61.9	61.3	60.5	62.1
Exchange rates	\$US per \$A	0.77	0.72	0.73	0.73	0.72	0.7
	Yen per \$A	86.10	83.38	87.21	86.68	85.54	85.8
	Euro per \$A	0.65	0.61	0.60	0.60	0.59	0.6
Crude Oil	(Tapis, \$US/barrel)	66.27	76.82	76.54	76.18	77.49	74.66
	% change	26.9	15.9	-0.4	-0.5	1.7	8.7

e: estimate; f: forecast

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

**Table 2: Deloitte Access Economics Business Outlook forecasts by jurisdiction**

	Year on year percentage change 2017-18e								
	Australia	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GDP/GSP growth	2.9	<b>2.2</b>	3.1	3.3	2.8	3.1	2.9	3.1	3.2
Private consumption	3.0	<b>1.9</b>	2.9	3.8	2.9	2.4	1.5	3.0	3.9
Population growth	1.6	<b>0.3</b>	1.6	2.3	1.7	0.7	0.8	1.0	2.2
Employment growth	3.0	<b>-1.1</b>	3.2	2.8	4.2	2.4	2.1	2.9	3.7
Unemployment rate	5.5	<b>4.1</b>	4.8	5.6	6.0	5.9	6.2	6.1	3.9
CPI	2.0	<b>1.0</b>	2.0	2.3	1.7	2.3	0.9	2.1	2.4

	Year on year percentage change 2018-19f								
GDP/GSP growth	3.3	<b>2.3</b>	3.2	3.5	3.1	3.2	3.1	2.6	3.5
Private consumption	2.6	<b>2.5</b>	2.7	2.7	2.9	2.0	1.7	2.2	4.1
Population growth	1.6	<b>0.8</b>	1.5	2.2	1.6	0.8	0.9	0.9	2.0
Employment growth	2.0	<b>1.5</b>	2.8	2.2	1.7	0.6	0.8	1.1	0.0
Unemployment rate	5.3	<b>4.2</b>	4.8	4.8	6.3	5.8	6.4	5.8	3.7
CPI	2.4	<b>2.1</b>	2.4	2.5	2.2	2.2	1.8	2.4	2.4

	Five year average annual growth 2017-18 to 2021-22								
GDP/GSP growth	3.0	<b>3.0</b>	2.9	3.3	3.4	2.5	2.9	2.4	3.0
Private consumption	2.5	<b>2.7</b>	2.3	2.8	2.9	1.8	2.0	1.7	3.3
Population growth	1.5	<b>1.1</b>	1.5	2.0	1.6	0.7	1.1	0.8	1.8
Employment growth	1.8	<b>0.8</b>	1.9	1.8	2.2	1.2	1.3	1.2	1.7
Unemployment rate	5.3	<b>4.0</b>	4.9	4.9	5.9	5.9	6.2	5.8	3.6
CPI	2.3	<b>1.9</b>	2.3	2.4	2.2	2.3	1.9	2.3	2.4

e: estimate f: forecast

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

**Table 3: Deloitte Access Economics Business Outlook forecasts by jurisdiction, rank**

	2017-18e								
Rank	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	
GSP growth	<b>8</b>	4	1	7	5	6	3	2	
Private consumption	<b>7</b>	4	2	5	6	8	3	1	
Population growth	<b>8</b>	4	1	3	7	6	5	2	
Employment growth	<b>8</b>	3	5	1	6	7	4	2	
Unemployment rate*	<b>2</b>	3	4	6	5	8	7	1	
CPI*	<b>2</b>	4	6	3	7	1	5	8	

	2018-19f								
GSP growth	<b>8</b>	4	1	6	3	5	7	2	
Private consumption	<b>5</b>	3	4	2	7	8	6	1	
Population growth	<b>7</b>	4	1	3	8	6	5	2	
Employment growth	<b>4</b>	1	2	3	7	6	5	8	
Unemployment rate*	<b>2</b>	3	4	7	6	8	5	1	
CPI*	<b>2</b>	5	8	4	3	1	6	7	

	Five year average annual growth 2017-18 to 2021-22								
GSP growth	<b>3</b>	6	2	1	7	5	8	4	
Private consumption	<b>4</b>	5	3	2	7	6	8	1	
Population growth	<b>5</b>	4	1	3	8	6	7	2	
Employment growth	<b>8</b>	2	3	1	7	5	6	4	
Unemployment rate*	<b>2</b>	3	4	6	7	8	5	1	
CPI*	<b>2</b>	4	7	3	5	1	6	8	

e: estimate f: forecast

Highest = 1 Low est = 8

\*Ranking reversed

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

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