

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

**Economic Growth**

Economic Growth Forecasts	NT	Aust
2018-19 (estimate)	↑1.5%	↑2.7%
2019-20 (forecast)	↑3.3%	↑2.9%
2020-21 (forecast)	↑3.7%	↑2.9%
5 year average annual growth rate (2018-19 to 2022-23)	↑3.2%	↑2.8%

**2018-19**

DAE estimates the Territory economy to grow by 1.5 per cent in 2018-19 (Chart 1). Growth is expected to be underpinned by international goods exports, and household consumption. This is expected to be partly offset by a decrease in private engineering and commercial investment (Chart 2).

The Territory is expected to have the lowest economic growth of all jurisdictions in 2018-19, which range from an estimated 1.9 per cent in South Australia and Tasmania to 3.0 per cent in Victoria. Nationally, the economy is expected to grow by 2.7 per cent in 2018-19.

**Outlook**

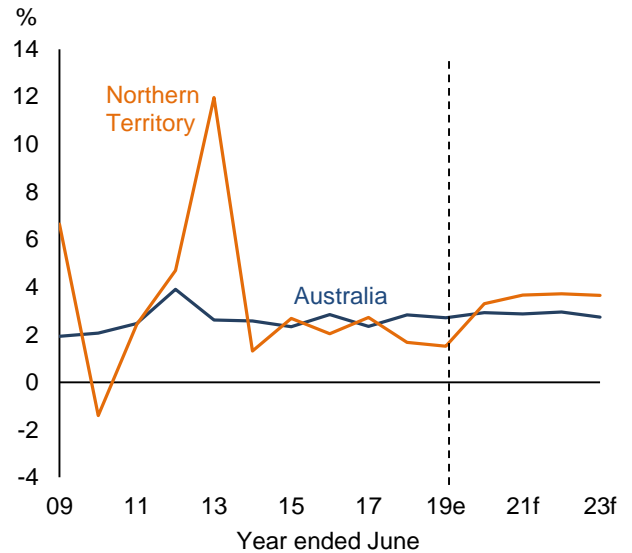
DAE forecasts the Territory economy to grow by an average of 3.2 per cent per annum over the five years to 2022-23. This is the second highest economic growth forecast of all jurisdictions, behind Queensland. In other jurisdictions, the forecast five year average economic growth ranges from 2.0 per cent per annum in South Australia to 3.3 per cent per annum in Queensland. DAE forecasts the national economy to grow by an average annual rate of 2.8 per cent over the five year period.

DAE notes that despite the outlook for domestic demand being subdued, exports are expected to be a key driver of Territory economic growth, as the Ichthys liquefied natural gas (LNG) plant increases production (Chart 3).

Territory economic growth over the five years to 2022-23 is expected to be supported by:

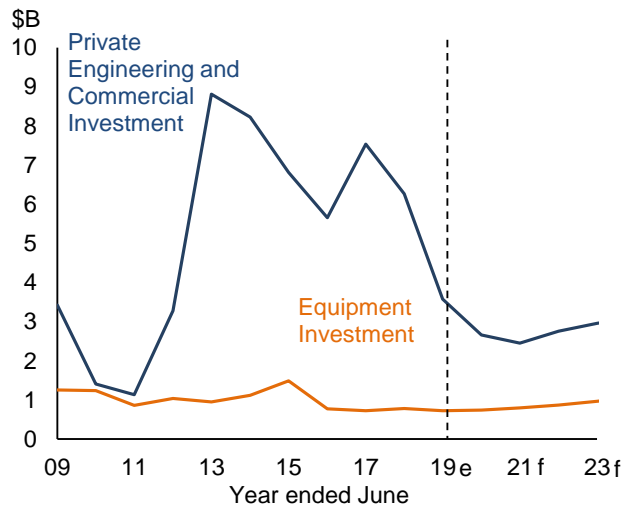
- international goods exports, which are forecast to strengthen to an average growth rate of 19.1 per cent;
- private equipment investment, at an average growth of 4.6 per cent;
- private housing investment, with an average growth rate of 3.6 per cent per annum; and
- household consumption, with an average growth rate of 3.0 per cent.

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



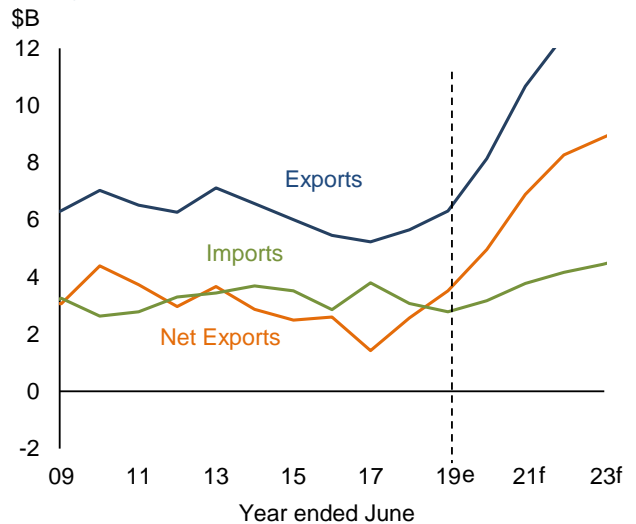
Source: DTF; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

**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
2018-19 (estimate)	↓2.2%	↑2.2%
2019-20 (forecast)	flat	↑1.3%
5 year average growth rate	↑0.4%	↑1.5%

DAE estimates Territory employment to decrease by 2.2 per cent in 2018-19 (Chart 4).

In the five years to 2022-23, employment in the Territory is forecast to grow on average by 0.4 per cent, representing the weakest growth of all jurisdictions, which range between 0.5 per cent in Tasmania to 1.7 per cent in Queensland. The national annual employment growth is forecast to average 1.5 per cent over the same period.

The Territory's unemployment rate is forecast to average 4.4 per cent over the five years to 2022-23, compared to 4.8 per cent nationally. In other jurisdictions, the average annual unemployment rate forecast over the next five years range from 3.1 per cent in the Australian Capital Territory to 5.7 per cent in Western Australia.

Population

Population Growth	NT	Aust
2018-19 (estimate)	↑0.3%	↑1.5%
2019-20 (forecast)	↑0.9%	↑1.4%
5 year average growth rate	↑1.1%	↑1.4%

DAE expects the Territory population to grow by 0.3 per cent in 2018-19.

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 1.4 per cent per annum nationally (Chart 5).

The five year average annual population growth forecast for the Territory is the second equal lowest of the jurisdictions, with Western Australia. In the other jurisdictions, average annual population growth expectations over the five years to 2022-23 range between 0.6 per cent in South Australia and Tasmania, and 1.8 per cent in Victoria.

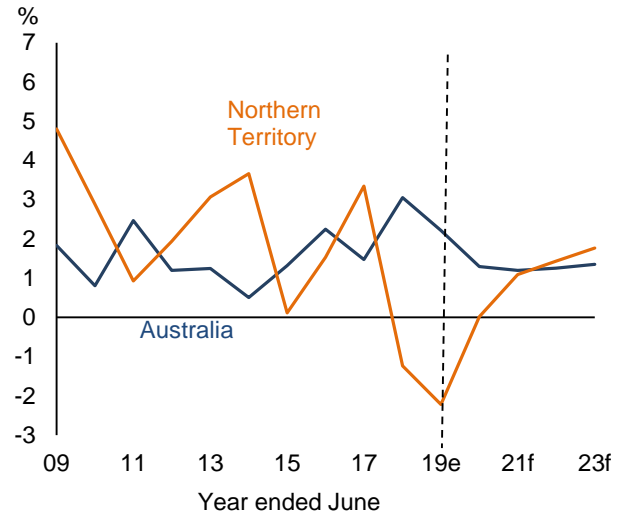
Consumer Price Index (CPI)

CPI Growth	NT	Aust
2018-19 (estimate)	↑1.9%	↑1.9%
2019-20 (forecast)	↑2.0%	↑2.2%
5 year average growth rate	↑2.2%	↑2.2%

DAE expects the Darwin CPI to grow by 1.9 per cent in 2018-19 (Chart 6).

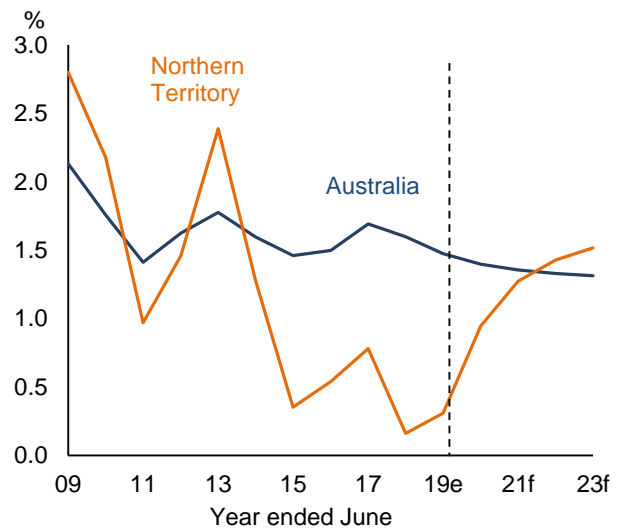
Over the five years to 2022-23, DAE expects growth to average 2.2 per cent, which is on par with most states. Nationally, the average annual increase for CPI over the same period is 2.2 per cent.

Chart 4: Employment (year on year percentage change)



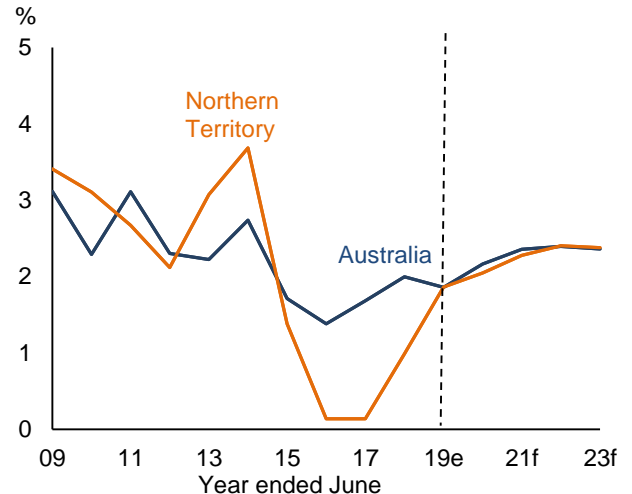
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 year average</b>
Gross State product	Constant price (\$m)	26 598	27 476	28 483	29 540	30 618	
	% change	1.5	3.3	3.7	3.7	3.6	3.2
NT as a share of Australian output	%	1.4	1.4	1.4	1.5	1.5	
Real final demand	Constant price (\$m)	27 214	26 919	27 703	28 990	30 178	
	% change	-7.5	-1.1	2.9	4.6	4.1	0.6
Private consumption	Constant price (\$m)	11 537	11 815	12 251	12 674	13 084	
	% change	2.1	2.4	3.7	3.5	3.2	3.0
Private housing investment	Constant price (\$m)	571	553	618	685	715	
	% change	-5.8	-3.1	11.7	10.8	4.4	3.6
Private eng and comm investment	Constant price (\$m)	3 579	2 663	2 451	2 755	2 955	
	% change	-42.9	-25.6	-7.9	12.4	7.3	-11.4
Private equipment investment	Constant price (\$m)	724	740	794	872	968	
	% change	-7.1	2.2	7.4	9.8	10.9	4.6
International goods exports	Constant price (\$m)	6 309	8 138	10 666	12 432	13 318	
	% change	11.6	29.0	31.1	16.6	7.1	19.1
International goods imports	Constant price (\$m)	2 788	3 177	3 778	4 168	4 445	
	% change	-9.5	14.0	18.9	10.3	6.7	8.1
Retail turnover	Constant price (\$m)	3 226	3 384	3 527	3 604	3 671	
	% change	2.4	4.9	4.2	2.2	1.9	3.1
Total population	Persons ('000s)	248	250	253	257	261	
	% change	0.3	0.9	1.3	1.4	1.5	1.1
Population aged 15 and over	Persons ('000s)	194	196	199	202	206	
	% change	0.4	1.0	1.4	1.6	1.7	1.2
Employment ('000s)	Persons ('000s)	134	134	135	137	140	
	% change	-2.2	0.0	1.1	1.4	1.8	0.4
Unemployment	Persons ('000s)	7	6	6	6	6	
Unemployment rate	%	4.7	4.5	4.3	4.2	4.1	4.4
Consumer Price Index	% change	1.9	2.0	2.3	2.4	2.4	2.2
Average Weekly Earnings	\$	1 435	1 461	1 495	1 536	1 580	
	% change	0.5	1.9	2.3	2.7	2.9	2.1
Wage Price Index	\$	131	133	137	141	145	
	% change	1.8	2.0	2.6	3.0	3.1	2.5

<b>Australia</b>		<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 year average</b>
Gross domestic product	Constant price (\$M)	1 863 632	1 918 158	1 973 266	2 031 448	2 087 138	
	% change	2.7	2.9	2.9	2.9	2.7	2.8
International exports	Constant price (\$M)	306 767	316 581	329 729	345 908	367 183	
	% change	1.6	3.2	4.2	4.9	6.2	4.0
International imports	Constant price (\$M)	300 410	306 985	326 694	343 259	355 104	
	% change	1.1	2.2	6.4	5.1	3.5	3.7
Total population	Persons (000)	25 210	25 562	25 909	26 253	26 598	
	% change	1.5	1.4	1.4	1.3	1.3	1.4
Population aged 15 to 64	Persons (000)	20 468	20 757	21 048	21 347	21 650	
	% change	1.5	1.4	1.4	1.4	1.4	1.4
Employment	Persons (000)	12 705	12 869	13 023	13 186	13 364	
	% change	2.2	1.3	1.2	1.3	1.3	1.5
Unemployment	Persons (000)	675	638	642	660	673	
Unemployment rate	%	5.0	4.7	4.7	4.8	4.8	4.8
Consumer Price Index	% change	1.9	2.2	2.4	2.4	2.4	2.2
Average Weekly Earnings	\$	1 224	1 250	1 282	1 318	1 356	
	% change	2.3	2.2	2.5	2.8	2.9	2.5
Wage Price Index	% change	2.4	2.5	2.7	3.0	3.2	2.8
Trade weighted index		61.5	60.8	61.2	60.5	59.7	60.7
Exchange rates	\$US per \$A	0.72	0.72	0.73	0.72	0.71	0.7
	Yen per \$A	82.48	85.67	86.56	85.53	84.41	84.9
	Euro per \$A	0.61	0.59	0.60	0.59	0.58	0.6
Crude Oil	(Tapis, \$US/barrel)	67.81	68.24	73.63	76.18	78.37	72.85
	% change	2.3	0.6	7.9	3.5	2.9	3.4

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 2018-19e								
	Australia	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GDP/GSP growth	2.7	1.5	2.8	3.0	2.8	1.9	2.6	1.9	2.7
Private consumption	2.6	2.1	2.7	2.7	3.0	2.1	1.6	2.5	3.6
Population growth	1.5	0.3	1.3	2.0	1.6	0.7	0.9	0.9	1.8
Employment growth	2.2	-2.2	2.8	3.1	1.7	0.8	1.6	0.4	0.2
Unemployment rate	5.0	4.7	4.4	4.5	6.2	5.3	6.3	5.6	3.4
CPI	1.9	1.9	2.0	1.9	1.9	1.7	1.5	2.3	2.3
	Year on year percentage change 2019-20f								
GDP/GSP growth	2.9	3.3	3.1	3.0	3.3	2.2	2.2	2.5	3.2
Private consumption	2.6	2.4	2.4	2.7	3.3	2.1	2.0	1.6	3.8
Population growth	1.4	0.9	1.3	1.9	1.6	0.6	1.0	0.7	1.5
Employment growth	1.3	0.0	1.0	1.6	1.6	1.3	0.9	0.9	1.7
Unemployment rate	4.7	4.5	4.2	4.3	5.6	5.1	5.8	5.3	3.1
CPI	2.2	2.0	2.2	2.2	2.1	2.1	2.1	2.3	2.2
	Five year average annual growth 2018-19 to 2022-23								
GDP/GSP growth	2.8	3.2	2.6	3.0	3.3	2.0	2.9	2.1	2.8
Private consumption	2.4	3.0	2.1	2.7	3.0	1.8	2.4	1.5	3.1
Population growth	1.4	1.1	1.3	1.8	1.5	0.6	1.1	0.6	1.5
Employment growth	1.5	0.4	1.4	1.6	1.7	0.8	1.4	0.5	1.2
Unemployment rate	4.8	4.4	4.4	4.4	5.5	5.3	5.7	5.4	3.1
CPI	2.2	2.2	2.3	2.3	2.2	2.2	2.2	2.3	2.3

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

	2018-19e								
Rank	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	
GSP growth	8	3	1	2	7	5	6	4	
Private consumption	7	4	3	2	6	8	5	1	
Population growth	8	4	1	3	7	6	5	2	
Employment growth	8	2	1	3	5	4	6	7	
Unemployment rate*	4	2	3	7	5	8	6	1	
CPI*	3	6	5	4	2	1	7	8	
	2019-20f								
GSP growth	1	4	5	2	7	8	6	3	
Private consumption	5	4	3	2	6	7	8	1	
Population growth	6	4	1	2	8	5	7	3	
Employment growth	8	5	3	2	4	6	7	1	
Unemployment rate*	4	2	3	7	5	8	6	1	
CPI*	1	7	6	2	4	3	8	5	
	Five year average annual growth 2018-19 to 2022-23								
GSP growth	2	6	3	1	8	4	7	5	
Private consumption	2	6	4	3	7	5	8	1	
Population growth	6	4	1	2	7	5	8	3	
Employment growth	8	3	2	1	6	4	7	5	
Unemployment rate*	2	4	3	7	5	8	6	1	
CPI*	4	5	6	1	3	2	8	7	

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.