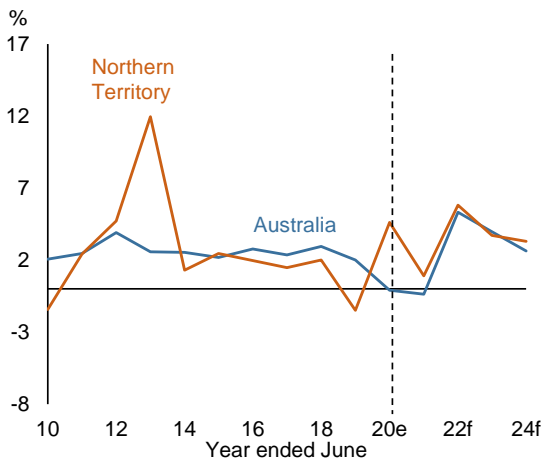


# ECONOMIC BRIEF

## Deloitte Access Economics

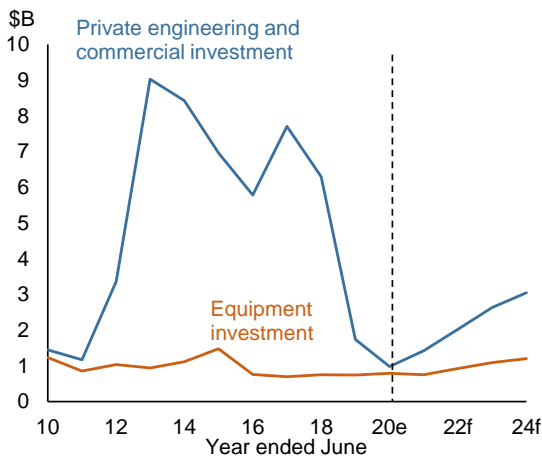
June quarter 2020

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



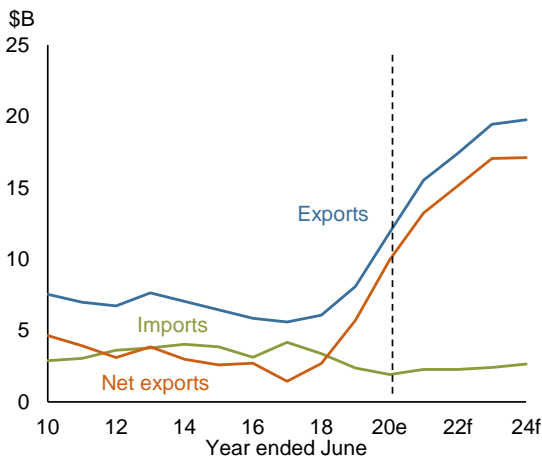
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Chart 2: Territory private investment components  
(moving annual total, inflation adjusted)



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

Chart 3: Territory international trade  
(moving annual total, inflation adjusted)



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

## Economic growth

Economic growth forecasts	NT	Aust
2019-20 (estimate)	↑4.6%	↓0.1%
2020-21 (forecast)	↑0.9%	↓0.4%
2021-22 (forecast)	↑5.8%	↑5.3%
5 year average annual growth rate (2019-20 to 2023-24)	↑3.7%	↑2.3%

### 2019-20

Deloitte Access Economics (DAE) estimates the Territory economy to grow by 4.6 per cent in 2019-20 (Chart 1). Growth is underpinned by international exports, more than offsetting weaker domestic demand (Chart 2).

The Territory is expected to experience the strongest gross state product growth of all the jurisdictions in 2019-20, with ranges from an estimated decrease of 1.4 per cent in South Australia to a 1.9 per cent increase in the Australian Capital Territory. Nationally, the economy is expected to decline by 0.1 per cent in 2019-20.

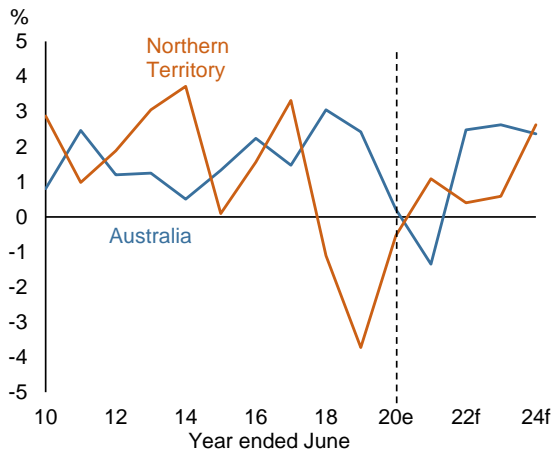
### Outlook

DAE forecasts the Territory economy to grow at an average rate of 3.7 per cent per annum over the five years to 2023-24. This is the highest rate of the jurisdictions, and is largely driven by exports and supported by strengthening domestic conditions. In other jurisdictions, the five year annual average economic growth ranges from 1.6 per cent per annum in South Australia to 3.1 per cent per annum in the Australian Capital Territory. DAE forecasts the national economy to grow by an annual average rate of 2.3 per cent over the five year period.

DAE notes that, looking forward, exports will be a key driver of Territory economy, but that this will have limited flow on effects to domestic demand. Territory economic growth over the five years to 2023-24 is expected to be supported by:

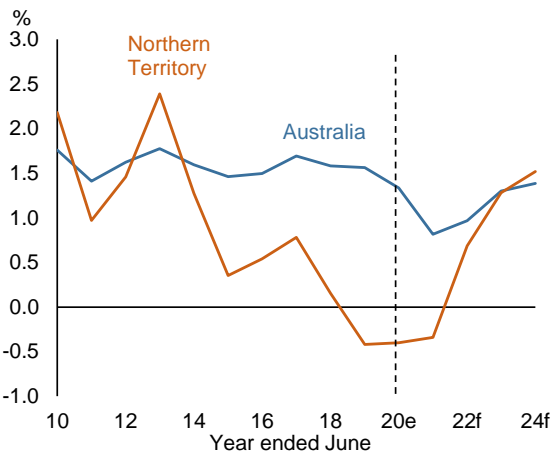
- international goods exports, increasing at an average growth rate of 20.6 per cent per annum
- private engineering and commercial investment, increasing at an average growth rate of 18.0 per cent
- private equipment investment, increasing at an average growth rate of 10.4 per cent per annum
- private housing investment, increasing at an average growth rate of 2.1 per cent per annum, and
- private consumption, increasing at an average growth rate of 1.0 per cent per annum.

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



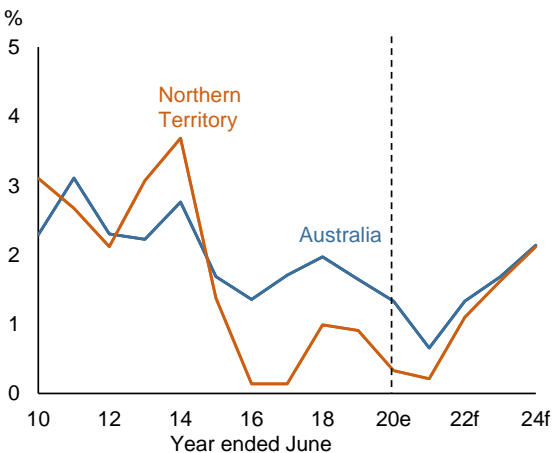
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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
2019-20 (estimate)	↓0.5%	↑0.2%
2020-21 (forecast)	↑1.1%	↓1.3%
5 year average annual growth rate	↑0.8%	↑1.3%

DAE estimates Territory employment to decrease by 0.5 per cent in 2019-20 (Chart 4).

In the five years to 2023-24, employment growth in the Territory is forecast to average 0.8 per cent per annum. In other jurisdictions employment growth is forecast to average a decrease of 0.4 per cent per annum in South Australia to an increase of 1.6 per cent per annum in the Australian Capital Territory. The national annual employment growth is forecast to average 1.3 per cent per annum over the same period.

The Territory's unemployment rate is forecast to average 6.5 per cent over the five years to 2023-24, equal to the national average. In other jurisdictions, the average annual unemployment rate over the next five years range from 4.6 per cent in the Australian Capital Territory to 7.5 per cent in South Australia.

## Population

Population change	NT	Aust
2019-20 (estimate)	↓0.4%	↑1.3%
2020-21 (forecast)	↓0.3%	↑0.3%
5 year average annual growth rate	↑0.5%	↑1.0%

DAE estimates Territory population to decrease by 0.4 per cent in 2019-20 (Chart 5). Over the next five years, DAE forecasts Territory population to grow by an average rate of 0.5 per cent per annum, compared to an average of 1.0 per cent per annum nationally.

The five year average annual population growth forecast for the Territory is the third lowest of the jurisdictions. In the other jurisdictions, average annual population growth over the five years to 2023-24 range from 0.3 per cent in Tasmania to 1.3 per cent in Victoria.

## Consumer price index (CPI)

CPI growth	NT	Aust
2019-20 (estimate)	↑0.3%	↑1.3%
2020-21 (forecast)	↑0.2%	↑0.7%
5 year average annual growth rate	↑1.1%	↑1.4%

DAE estimates Darwin CPI to increase by 0.3 per cent in 2019-20 (Chart 6). Over the five years to 2023-24, DAE expects growth to average 1.1 per cent per annum compared to 1.4 per cent per annum nationally.

# Deloitte Access Economics June quarter 2020

Table 1: Deloitte Access Economics Business Outlook

		2019-20	2020-21	2021-22	2022-23	2023-24	5 year average
<b>Northern Territory</b>							
Gross state product	Constant price (\$M)	27 316	27 562	29 167	30 252	31 248	
	% change	4.6	0.9	5.8	3.7	3.3	3.7
NT as a share of Australian output	%	1.4	1.5	1.5	1.5	1.5	
Real final demand	Constant price (\$M)	23 537	24 617	26 537	27 993	29 054	
	% change	-4.0	4.6	7.8	5.5	3.8	3.5
Private consumption	Constant price (\$M)	10 547	10 552	10 886	11 082	11 355	
	% change	-2.6	0.0	3.2	1.8	2.5	1.0
Private housing investment	Constant price (\$M)	517	448	540	631	635	
	% change	-14.1	-13.3	20.5	16.9	0.6	2.1
Private engineering and commercial investment	Constant price (\$M)	977	1 420	2 025	2 634	3 045	
	% change	-43.8	45.4	42.6	30.1	15.6	18.0
Private equipment investment	Constant price (\$M)	787	750	925	1 088	1 196	
	% change	5.7	-4.8	23.4	17.5	10.0	10.4
International goods exports	Constant price (\$M)	11 865	15 520	17 403	19 447	19 757	
	% change	46.6	30.8	12.1	11.7	1.6	20.6
International goods imports	Constant price (\$M)	1 918	2 280	2 278	2 409	2 645	
	% change	-19.1	18.9	-0.1	5.7	9.8	3.0
Retail turnover	Constant price (\$M)	2 994	3 045	3 188	3 287	3 371	
	% change	-1.7	1.7	4.7	3.1	2.5	2.1
Total population	Persons (000)	245	244	246	249	253	
	% change	-0.4	-0.3	0.7	1.3	1.5	0.5
Population aged 15 and over	Persons (000)	192	192	194	197	201	
	% change	-0.3	-0.1	1.0	1.6	1.8	0.8
Employment	Persons (000)	131	133	133	134	138	
	% change	-0.5	1.1	0.4	0.6	2.6	0.8
Unemployment	Persons (000)	8	12	10	9	8	
Unemployment rate	%	5.7	8.0	7.2	6.3	5.5	6.5
Consumer Price Index	% change	0.3	0.2	1.1	1.6	2.1	1.1
Average Weekly Earnings	\$	1 417	1 447	1 459	1 468	1 496	
	% change	2.8	2.1	0.8	0.6	1.9	1.7
Wage Price Index	\$	134	136	138	139	142	
	% change	2.5	1.4	1.1	1.0	1.9	1.6

		2019-20	2020-21	2021-22	2022-23	2023-24	5 year average
<b>Australia</b>							
Gross domestic product	Constant price (\$M)	1 885 156	1 878 391	1 978 198	2 056 651	2 110 750	
	% change	-0.1	-0.4	5.3	4.0	2.6	2.3
International exports	Constant price (\$M)	324 726	362 936	378 571	381 207	395 903	
	% change	0.3	11.8	4.3	0.7	3.9	4.2
International imports	Constant price (\$M)	298 137	325 647	333 099	355 570	375 547	
	% change	-1.1	9.2	2.3	6.7	5.6	4.6
Total population	Persons (000)	25 562	25 644	25 902	26 205	26 535	
	% change	1.3	0.3	1.0	1.2	1.3	1.0
Population aged 15 to 64	Persons (000)	20 792	20 871	21 118	21 409	21 716	
	% change	1.4	0.4	1.2	1.4	1.4	1.2
Employment	Persons (000)	12 758	12 586	12 898	13 237	13 551	
	% change	0.2	-1.3	2.5	2.6	2.4	1.3
Unemployment	Persons (000)	762	1 131	1 005	859	761	
Unemployment rate	%	5.6	8.2	7.2	6.1	5.3	6.5
Consumer price index	% change	1.3	0.7	1.3	1.7	2.1	1.4
Average weekly earnings	\$	1 261	1 281	1 287	1 296	1 319	
	% change	2.7	1.5	0.5	0.7	1.8	1.5
Wage price index	% change	2.1	0.9	0.8	1.0	1.8	1.3
Trade weighted index	Index	58.5	60.2	61.1	62.0	62.4	60.8
Exchange rates	\$US per \$A	0.67	0.69	0.70	0.70	0.70	0.7
	Yen per \$A	72.33	81.13	82.27	82.78	82.54	80.2
	Euro per \$A	0.60	0.57	0.57	0.58	0.58	0.6
Crude Oil	(Tapis, \$US/barrel)	48.72	57.61	59.66	61.71	63.74	58.29
	% change	-32.0	18.3	3.6	3.4	3.3	-0.7

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

# Deloitte Access Economics June quarter 2020

Table 2: Deloitte Access Economics Business Outlook forecasts by jurisdiction

	Year-on-year percentage change 2019-20e								
	Australia	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GDP/GSP growth	-0.1	4.6	-0.2	0.8	-0.1	-1.4	-0.8	0.0	1.9
State final demand	-0.6	-4.0	-1.0	-0.5	-0.4	-1.7	1.0	0.7	2.5
Population growth	1.3	-0.4	1.1	1.8	1.5	0.7	1.0	0.8	1.4
Employment growth	0.2	-0.5	-0.5	0.9	0.3	-0.8	0.0	0.6	2.4
Unemployment rate	5.6	5.7	5.0	5.4	6.5	6.8	6.2	5.9	3.3
CPI	1.3	0.3	1.2	1.7	1.3	1.6	1.2	2.3	1.4
WPI	2.1	2.5	2.1	2.5	2.0	2.3	1.7	2.4	2.4
	Year-on-year percentage change 2020-21f								
GDP/GSP growth	-0.4	0.9	-0.1	-1.6	-0.4	0.2	0.5	-0.2	1.0
State final demand	-0.3	4.6	-0.8	-0.9	0.7	-1.2	1.8	1.0	4.6
Population growth	0.8	-0.3	0.1	0.6	0.6	-0.2	0.3	-0.2	0.6
Employment growth	-1.3	1.1	-1.9	-0.7	-1.1	-1.4	-1.9	-1.8	1.0
Unemployment rate	8.2	8.0	7.5	8.1	9.1	9.3	8.8	8.6	5.7
CPI	0.7	0.2	0.8	0.9	0.3	0.6	0.0	1.0	0.7
WPI	0.9	1.4	0.8	0.5	0.9	0.9	1.0	0.7	1.3
	Five year average annual growth 2019-20 to 2023-24								
GDP/GSP growth	2.3	3.7	2.1	2.5	2.5	1.6	2.2	1.9	3.1
State final demand	2.3	3.5	2.0	2.3	2.9	1.2	3.0	2.2	3.3
Population growth	1.2	0.5	0.8	1.3	1.2	0.4	0.9	0.3	1.1
Employment growth	1.3	0.8	1.0	1.6	1.6	0.4	1.2	0.7	1.6
Unemployment rate	6.5	6.5	5.9	6.3	7.2	7.5	7.0	6.8	4.6
CPI	1.4	1.1	1.4	1.6	1.3	1.5	1.2	1.7	1.4
WPI	1.3	1.6	1.2	1.4	1.4	1.2	1.3	1.2	1.6

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

	2019-20e								
Rank	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	
GSP growth	1	6	3	5	8	7	4	2	
State final demand	8	6	5	4	7	2	3	1	
Population growth	8	4	1	2	7	5	6	3	
Employment growth	7	6	2	4	8	5	3	1	
Unemployment rate*	4	2	3	7	8	6	5	1	
CPI*	1	3	7	4	6	2	8	5	
WPI	8	3	7	2	4	1	6	5	
	2020-21f								
GSP growth	2	5	8	7	4	3	6	1	
State final demand	1	6	7	5	8	3	4	2	
Population growth	8	5	3	1	7	4	6	2	
Employment growth	1	7	3	4	5	8	6	2	
Unemployment rate*	3	2	4	7	8	6	5	1	
CPI*	2	6	7	3	4	1	8	5	
WPI	8	3	1	5	4	6	2	7	
	Five year average annual growth 2019-20 to 2023-24								
GSP growth	1	6	4	3	8	5	7	2	
State final demand	1	7	5	4	8	3	6	2	
Population growth	6	5	1	2	7	4	8	3	
Employment growth	6	5	3	2	8	4	7	1	
Unemployment rate*	4	2	3	7	8	6	5	1	
CPI*	1	5	7	3	6	2	8	4	
WPI	7	2	5	6	1	4	3	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

Caution is advised when using data for the Territory, which is often derived from small samples and highly volatile.

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

## More information:

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