

ECONOMIC BRIEF

State final demand

September quarter 2020

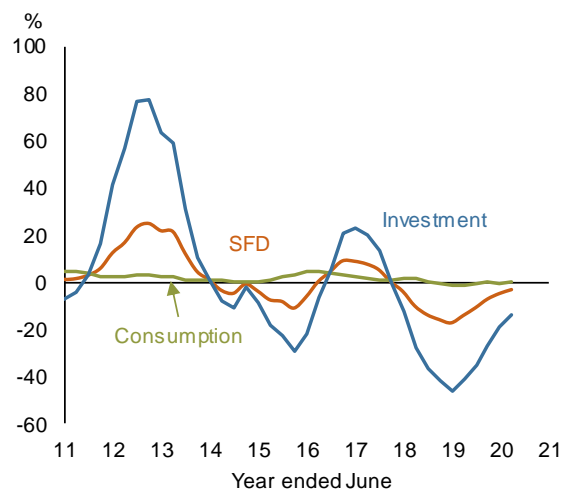
Released: 2 December 2020 | Next release: 3 March 2021

Chart 1: State final demand (quarterly change, seasonally inflation adjusted)



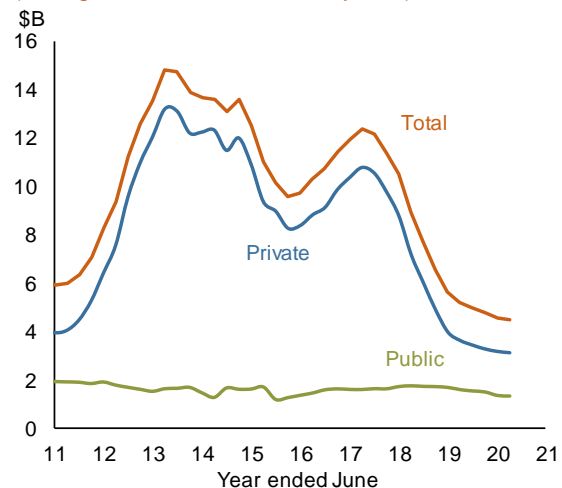
Source: Department of Treasury and Finance; ABS Cat. No. 5206.0

Chart 2: Territory state final demand (year-on-year change, inflation adjusted)



Source: Department of Treasury and Finance; ABS Cat. No. 5206.0

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



Source: Department of Treasury and Finance; ABS Cat. No. 5206.0

State final demand	NT	Aust
Quarterly change (seasonally adjusted)	↑6.0%	↑4.5%
Annual change (seasonally adjusted)	↓0.1%	↓3.5%
Year-on-year change (original)	↓3.1%	↓2.2%

Quarterly results

Territory state final demand (SFD) increased by 6.0 per cent to \$6 billion in the September quarter 2020, reporting a strong rebound in household consumption and investment.

Investment in the Territory increased by 6.6 per cent to \$1.1 billion with private investment increasing 6.2 per cent to \$790 million, led by business investment (up by 6.3 per cent). Strong growth was reported in non-dwelling investment (up by 7.3 per cent) and machinery and equipment (up by 6.7 per cent). Dwelling investment remained flat in the quarter. Public investment increased by 7.8 per cent to \$318 million (mainly state and local public corporations).

Consumption increased by 5.8 per cent to \$4.9 billion, with a 7.3 per cent increase in household consumption reflecting a rebound in spending for hotels, cafes and restaurants, health, transport, and recreation and culture. Public consumption increased by 4.0 per cent due to increased GP visits and elective surgeries as COVID-19 restrictions eased.

The Territory reported the fourth largest increase in SFD of the jurisdictions, which ranged from a decrease of 1.0 per cent in Victoria to an increase of 6.8 per cent in Queensland. National domestic final demand increased by 4.5 per cent (Chart 1).

Year-on-year results

In the year to September 2020, Territory SFD decreased by 3.1 per cent to \$23.5 billion, reflecting weak investment (down by 14.3 per cent) (Chart 2). The Territory recorded the second largest decline in SFD, ahead of Victoria. Western Australia and the Australian Capital Territory were the only jurisdictions to record growth, up by 0.2 per cent and 3.0 per cent respectively.

Private investment decreased by 13.7 per cent to \$3.1 billion (Chart 3), primarily due to weak business investment (down by 17.4 per cent).

Public investment decreased by 15.8 per cent to \$1.3 billion, with a 13.4 per cent decline in general government and a 27.2 per cent decline in public corporations investment.

Household consumption decreased by 2.6 per cent to \$10.5 billion, with expenditure on transport down 21.7 per cent, and hotels, cafes and restaurants down 21.9 per cent.

Public consumption increased by 3.2 per cent to \$8.6 billion, with an increase in national government consumption and state and local government consumption.

State final demand September quarter 2020

Table 1: State final demand (\$M, original, inflation adjusted)

	September Quarter 2020		Change (%)		
	Quarter	Year to date	Quarterly ¹	Annual ²	Year-on-year ³
Northern Territory (original)					
State final demand	6 008	23 516	2.6	0.1	-3.1
Consumption	4 909	19 041	3.3	1.7	-0.1
– household	2 755	10 488	11.3	-0.1	-2.6
– public	2 154	8 553	-5.4	4.0	3.2
Investment	1 099	4 474	-0.5	-6.5	-14.3
– private	819	3 139	9.3	-6.1	-13.7
– business investment	568	2 360	2.5	-17.4	-19.2
– dwellings investment	208	627	26.8	40.5	9.2
– ownership transfer costs	43	152	38.7	19.4	7.8
– public	280	1 335	-21.1	-7.6	-15.8

Table 2: State final demand (\$M, seasonally adjusted and trend, inflation adjusted)

	September Quarter 2020		Change (%)		Contribution (ppt.)
	Quarter	Year to date	Quarterly ¹	Annual ²	Annual ⁴
Northern Territory (seasonally adjusted)					
State final demand	5 965	23 504	6.0	-0.1	-0.1
Consumption	4 857	19 047	5.8	1.8	1.5
– household	2 663	10 497	7.3	0.3	0.1
– public	2 194	8 550	4.0	3.8	1.3
Investment	1 108	4 457	6.6	-7.8	-1.6
– private	790	3 125	6.2	-7.9	-1.1
– business investment	571	2 358	6.3	-17.6	-2.0
– dwellings investment	174	612	0.0	35.9	0.8
– ownership transfer costs	44	152	37.5	18.9	0.1
– public	318	1 332	7.8	-7.6	-0.4
Northern Territory (trend)					
– trend series suspended from the March 2020 release					

ppt: percentage points;

1 Compares the latest quarter with the previous quarter.

2 Compares the latest quarter with the same quarter last year.

3 Compares the 4 quarters up to and including the latest quarter with the previous 4 quarter period.

4 Annual percentage point contribution.

Components may not add to totals due to rounding.

Source: Department of Treasury and Finance, ABS Cat. No. 5206.0

Caution is advised when using quarterly 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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