

# Deloitte Access Economics

June quarter 2023 | Economic brief

## Economic growth

Economic growth forecasts	NT	Aust
2022-23 (forecast)	↓1.1%	↑3.1%
2023-24 (forecast)	↓1.8%	↑0.9%
Five year average (2022-23 to 2026-27)	↑1.4%	↑2.0%

## 2022-23

Deloitte Access Economics (DAE) estimates the Territory economy to decrease by 1.1% in 2022-23 (Chart 1). The decrease in economic activity is underpinned by decreased international goods and services exports (down by 25.3%) partly offset by increased domestic demand (up by 2.7%).

The Territory is expected to experience the weakest economic growth of the jurisdictions in 2022-23, which otherwise range from an estimated decline of 0.3% in Tasmania to an increase 5.0% in Western Australia. Nationally, the economy is expected to grow by 3.1% in 2022-23.

## Outlook

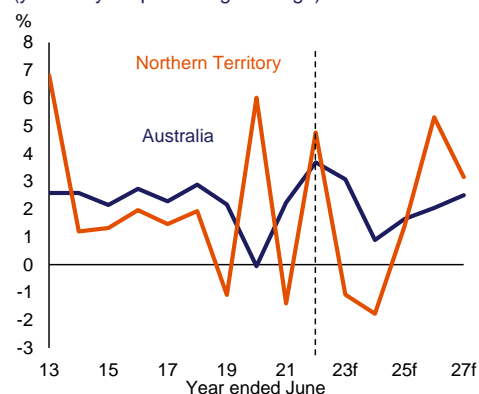
DAE forecasts the Territory economy to decline by 1.8% in 2023-24. DAE forecasts domestic demand to increase by 1.5%, offset by weaker international net exports, with exports forecast to decrease by 4.0% and imports forecast to decrease by 3.3%.

DAE forecasts the Territory economy to grow at an average rate of 1.4% per annum over the five years to 2026-27. This is the second weakest growth rate of the jurisdictions, with other jurisdictions ranging from 0.8% per annum in Tasmania to 2.3% per annum in Western Australia. DAE forecasts the national economy to grow at an average rate of 2.0% per annum over the five year period.

DAE notes that the Territory's near-term outlook remains relatively weak, largely due to a decline in liquefied natural gas exports and weaker household consumption. Growth over the rest of the economic outlook is dependent on expansion in gas production.

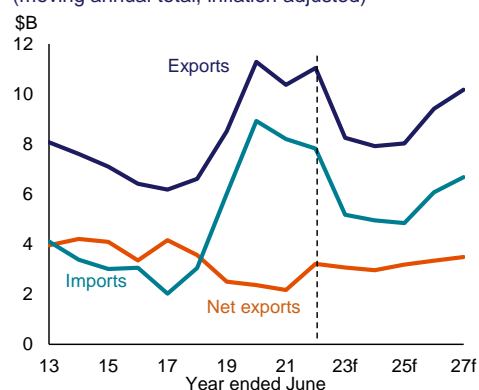
- International goods and services exports, decreasing at an average rate of 0.5% per annum (Chart 2)
- Private engineering and commercial investment, increasing at an average rate of 5.1% per annum (Chart 3).

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



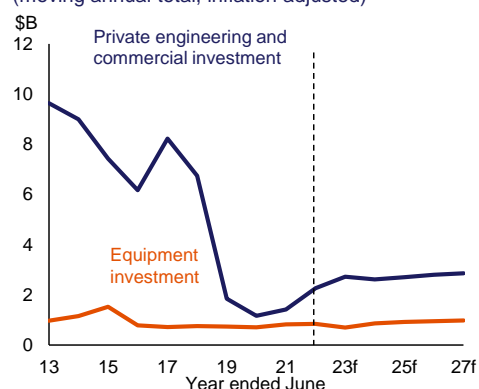
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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

## Labour market

Employment change	NT	Aust
2022-23 (forecast)	↑4.3%	↑4.2%
Five year average annual growth rate	↑2.1%	↑2.0%

Territory employment is estimated to increase by 4.3% in 2022-23 (Chart 4), while increasing by 4.2% nationally.

In the five years to 2026-27, employment growth in the Territory is forecast to average 2.1% per annum. In other jurisdictions employment growth is forecast to range from 0.7% in Tasmania to 2.2% per annum in the Australian Capital Territory. Nationally, employment growth is forecast to average 2.0% per annum over the same period.

The Territory's unemployment rate is forecast to average 4.1% over the five years to 2026-27, below the national average of 4.3%. In other jurisdictions, the average annual unemployment rate over the five years ranges from 5.1% in Tasmania to 3.4% in the Australian Capital Territory.

## Population

Population change	NT	Aust
2022-23 (forecast)	↑0.9%	↑1.9%
Five year average annual growth rate	↑1.4%	↑1.6%

DAE forecasts the Territory population to increase by 0.9% in 2022-23 (Chart 5). Over the next five years, DAE forecasts Territory population to grow at an average rate of 1.4% per annum, below an average of 1.6% per annum nationally.

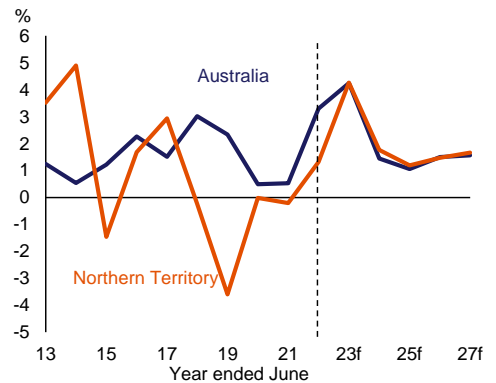
The Territory's five year average annual population growth forecast is the third weakest of the jurisdictions. In the other jurisdictions, average annual population growth over the five years to 2026-27 ranges from 0.5% in Tasmania to 1.9% in Victoria.

## Consumer price index (CPI)

CPI growth	NT	Aust
2022-23 (forecast)	↑6.4%	↑7.1%
Five year average annual growth rate	↑3.5%	↑3.7%

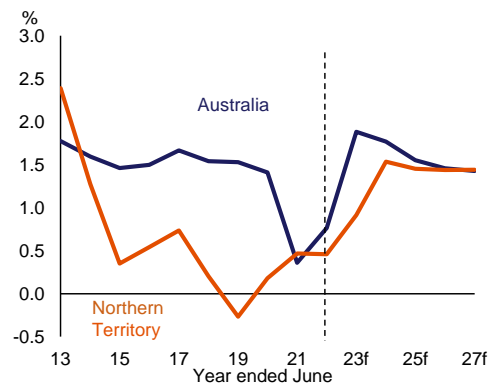
Darwin's CPI is forecast to increase by 6.4% in 2022-23 (Chart 6). Over the five years to 2026-27, DAE expects growth to average 3.5% per annum, below the national growth of 3.7%, and returning to the Reserve Bank of Australia's target range of 2 to 3% in 2024-25.

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



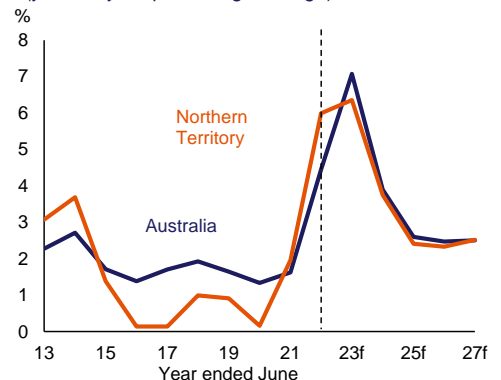
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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

		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	5 year forecast average
<b>Northern Territory</b>								
Gross state product	Constant price (\$M)	26 074	25 793	25 338	25 691	27 054	27 908	
	% change	4.8	-1.1	-1.8	1.4	5.3	3.2	1.4
NT as a share of Australian output	%	1.2	1.2	1.1	1.1	1.2	1.2	
Real final demand	Constant price (\$M)	27 671	28 412	28 839	29 654	30 518	31 373	
	% change	7.7	2.7	1.5	2.8	2.9	2.8	2.5
Private consumption	Constant price (\$M)	11 170	11 150	11 113	11 283	11 482	11 724	
	% change	2.2	-0.2	-0.3	1.5	1.8	2.1	1.0
Private housing investment	Constant price (\$M)	646	639	631	658	695	739	
	% change	-11.7	-1.0	-1.4	4.4	5.6	6.3	2.8
Private engineering and commercial investment	Constant price (\$M)	2 266	2 727	2 621	2 703	2 804	2 863	
	% change	60.0	20.3	-3.9	3.1	3.7	2.1	5.1
Private equipment investment	Constant price (\$M)	844	702	861	926	956	981	
	% change	1.8	-16.8	22.6	7.4	3.3	2.7	3.8
International goods and services exports	Constant price (\$M)	11 040	8 243	7 916	8 026	9 406	10 168	
	% change	6.5	-25.3	-4.0	1.4	17.2	8.1	-0.5
International goods and services imports	Constant price (\$M)	3 217	3 065	2 963	3 186	3 338	3 491	
	% change	48.2	-4.7	-3.3	7.5	4.8	4.6	1.8
Total population	Persons (000)	249	251	255	259	263	266	
	% change	0.5	0.9	1.5	1.5	1.4	1.4	1.4
Population aged 15 and over	Persons (000)	197	199	203	206	210	213	
	% change	0.7	1.3	1.8	1.7	1.7	1.7	1.7
Employment	Persons (000)	135	140	143	145	147	149	
	% change	1.3	4.3	1.8	1.2	1.5	1.7	2.1
Unemployment	Persons (000)	5	6	5	6	7	7	
Unemployment rate	%	3.9	3.8	3.6	4.2	4.3	4.4	4.1
Consumer Price Index	% change	6.0	6.4	3.7	2.4	2.3	2.5	3.5
Average Weekly Earnings	\$	1 526	1 612	1 698	1 765	1 825	1 886	
	% change	5.0	5.6	5.3	3.9	3.4	3.3	4.3
Wage Price Index	% change	2.1	2.8	3.5	3.5	3.2	3.1	3.2

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

Rank	2022-23f							
	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GSP growth	8	2	5	6	4	1	7	3
State final demand	5	1	2	6	7	4	8	3
Population growth	7	5	1	3	6	2	8	4
Employment growth	3	1	5	4	6	7	8	2
Unemployment rate*	6	2	5	4	7	3	8	1
CPI*	2	5	4	7	8	1	6	3
WPI	1	3	4	5	6	7	8	2
2023-24f								
GSP growth	8	5	1	6	4	3	7	2
State final demand	3	6	4	8	5	2	7	1
Population growth	6	5	1	2	7	3	8	4
Employment growth	3	6	4	5	2	7	8	1
Unemployment rate*	3	2	5	6	7	4	8	1
CPI*	2	8	6	3	5	1	4	7
WPI	1	5	7	2	3	8	4	6
Five year average annual growth 2022-23 to 2026-27								
GSP growth	7	4	2	6	5	1	8	3
State final demand	4	5	3	7	6	2	8	1
Population growth	6	5	1	2	7	3	8	4
Employment growth	3	4	2	5	6	7	8	1
Unemployment rate*	3	2	5	6	7	4	8	1
CPI*	1	6	5	7	8	2	4	3
WPI	1	4	5	3	6	8	7	2

e: estimate f: forecast

Highest = 1 Low est = 8

\*Ranking reversed

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

Caution is advised when using data for the Territory, as it is often derived from small samples and can be highly volatile. Although due care has been exercised in preparing this material, no responsibility is accepted for any errors or omission.

## More information

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