

Deloitte Access Economics

March quarter 2023 | Economic brief

Economic growth

Economic growth forecasts	NT	Aust
2022-23 (forecast)	↓0.5%	↑3.1%
2023-24 (forecast)	↓0.1%	↑0.9%
Five year average (2022-23 to 2026-27)	↑1.6%	↑2.0%

2022-23

Deloitte Access Economics (DAE) estimates the Territory economy to decrease by 0.5% in 2022-23 (Chart 1). The decrease in economic activity is underpinned by decreased international goods exports (down by 27.0%) partly offset by increased domestic demand (up by 3.2%).

The Territory is expected to experience the weakest economic growth of the jurisdictions in 2022-23, which otherwise range from an estimated increase of 0.4% in Tasmania to 5.3% in Western Australia. Nationally, the economy is expected to grow by 3.1% in 2022-23.

Outlook

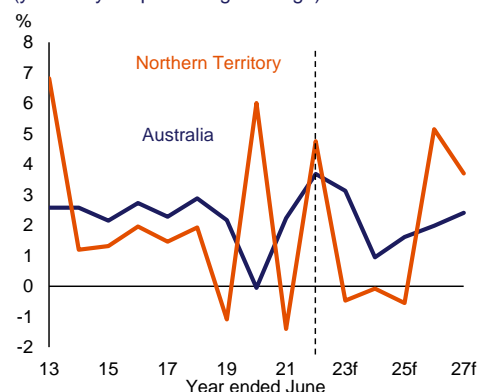
DAE forecasts the Territory economy to fall slightly by 0.1% in 2023-24. DAE forecasts domestic demand to increase by 1.8%, offset by increased international imports forecast to increase by 7.6% and decreased international exports forecast to decrease by 3.9%.

DAE forecasts the Territory economy to grow at an average rate of 1.6% per annum over the five years to 2026-27. This is the third weakest growth rate of the jurisdictions, with other jurisdictions ranging from 1.1% per annum in Tasmania to 2.3% per annum in the 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 relatively positive domestic economic conditions are expected to be offset by a continued decline in net exports over the coming year, largely related to liquefied natural gas. The Territory's relatively strong business and public sector demand will contribute significantly in the near term.

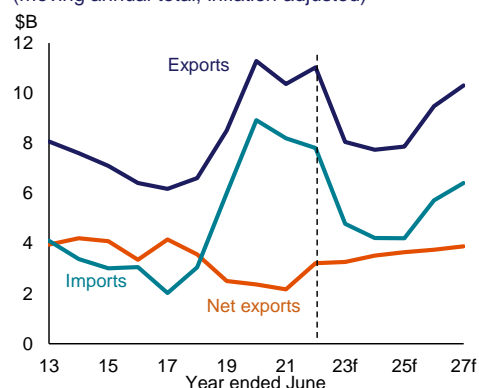
- International goods and services exports, average no change over the five years to 2026-27 (Chart 2)
- Private engineering and commercial investment, increasing at an average rate of 4.5% per annum (Chart 3).

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



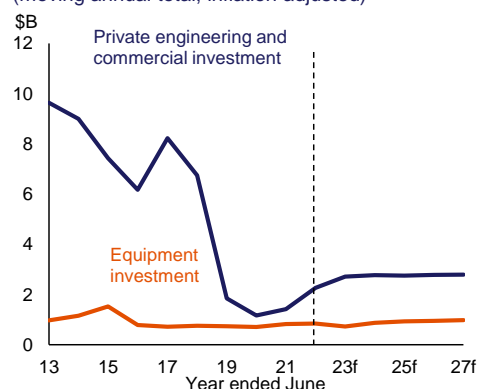
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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%	↑3.8%
Five year average annual growth rate	↑2.1%	↑1.8%

Territory employment is estimated to increase by 4.3% in 2022-23 (Chart 4), while increasing by 3.8% 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 0.8% in Tasmania to 2.1% per annum in New South Wales and the Australian Capital Territory. Nationally, employment growth is forecast to average 1.8% per annum over the same period.

The Territory's unemployment rate is forecast to average 4.6% over the five years to 2026-27, above the national average of 4.3%. In other jurisdictions, the average annual unemployment rate over the five years ranges from 4.8% in South Australia and Tasmania to 3.3% in the Australian Capital Territory.

Population

Population change	NT	Aust
2022-23 (forecast)	↑0.6%	↑1.7%
Five year average annual growth rate	↑1.3%	↑1.5%

DAE forecasts the Territory population to increase by 0.6% in 2022-23 (Chart 5). Over the next five years, DAE forecasts Territory population to grow at an average rate of 1.3% per annum, below an average of 1.5% per annum nationally.

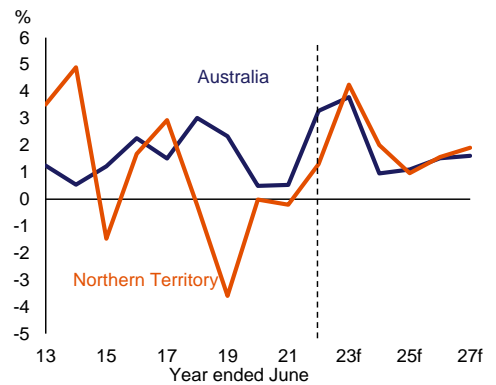
The Territory's five year average annual population growth forecast is the fourth weakest of the jurisdictions. In the other jurisdictions, average annual population growth over the five years to 2026-27 ranges from 0.5% in Tasmania to 1.7% in Victoria.

Consumer price index (CPI)

CPI growth	NT	Aust
2022-23 (forecast)	↑6.4%	↑7.2%
Five year average annual growth rate	↑3.4%	↑3.8%

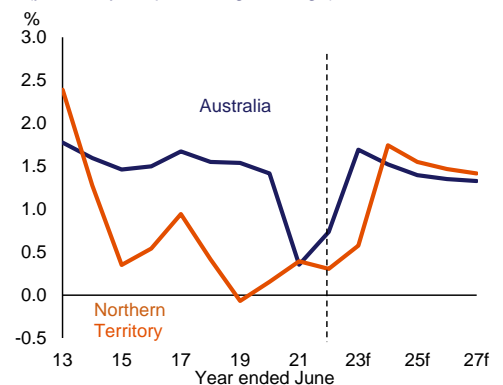
Darwin's CPI is forecast to increase by 6.4% in 2022-23 (Chart 6). Over the five years to 2026-27, DAE expects growth to average 3.4% per annum, below the national growth of 3.8%, and returning to the Reserve Bank of Australia's target range of 2 to 3% in 2024-25.

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



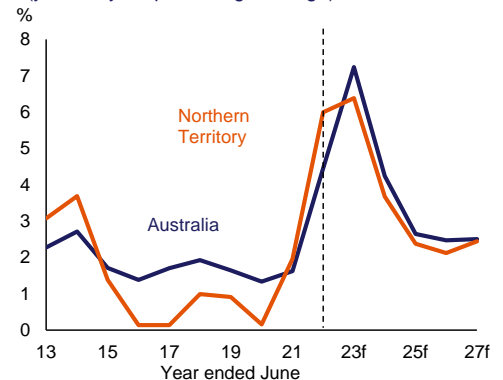
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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
Northern Territory								
Gross state product	Constant price (\$M)	26 075	25 953	25 933	25 791	27 120	28 123	
	% change	4.8	-0.5	-0.1	-0.5	5.2	3.7	1.6
NT as a share of Australian output	%	1.2	1.2	1.2	1.1	1.2	1.2	
Real final demand	Constant price (\$M)	27 682	28 567	29 092	29 851	30 704	31 637	
	% change	7.7	3.2	1.8	2.6	2.9	3.0	2.7
Private consumption	Constant price (\$M)	11 177	11 299	11 303	11 499	11 765	12 107	
	% change	2.3	1.1	0.0	1.7	2.3	2.9	1.6
Private housing investment	Constant price (\$M)	646	681	724	745	766	799	
	% change	-11.6	5.4	6.3	3.0	2.8	4.2	4.3
Private engineering and commercial investment	Constant price (\$M)	2 266	2 718	2 772	2 755	2 778	2 794	
	% change	60.0	20.0	2.0	-0.6	0.8	0.6	4.5
Private equipment investment	Constant price (\$M)	846	723	877	932	956	979	
	% change	2.2	-14.5	21.3	6.2	2.6	2.4	3.6
International goods and services exports	Constant price (\$M)	11 029	8 049	7 736	7 868	9 473	10 303	
	% change	6.4	-27.0	-3.9	1.7	20.4	8.8	0.0
International goods and services imports	Constant price (\$M)	3 217	3 264	3 513	3 657	3 753	3 889	
	% change	48.2	1.5	7.6	4.1	2.6	3.6	3.9
Total population	Persons (000)	250	251	256	260	264	267	
	% change	0.3	0.6	1.7	1.5	1.5	1.4	1.3
Population aged 15 and over	Persons (000)	197	199	203	207	211	214	
	% change	0.5	0.9	2.0	1.8	1.7	1.7	1.6
Employment	Persons (000)	135	140	143	145	147	150	
	% change	1.3	4.3	2.0	1.0	1.6	1.9	2.1
Unemployment	Persons (000)	5	6	7	7	7	7	
Unemployment rate	%	3.9	4.2	4.5	4.8	4.8	4.8	4.6
Consumer Price Index	% change	6.0	6.4	3.7	2.4	2.1	2.4	3.4
Average Weekly Earnings	\$	1 526	1 607	1 688	1 754	1 812	1 872	
	% change	5.0	5.3	5.0	3.9	3.3	3.3	4.2
Wage Price Index	% change	2.1	2.9	3.6	3.4	3.1	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	4	1	3	5	7	6	8	2
Population growth	8	5	1	2	6	3	7	4
Employment growth	3	1	4	5	6	7	8	2
Unemployment rate*	8	2	5	3	7	4	6	1
CPI*	1	5	6	4	8	3	7	2
WPI	1	3	4	5	6	8	7	2
2023-24f								
GSP growth	8	4	5	2	6	3	7	1
State final demand	2	5	4	8	6	3	7	1
Population growth	2	6	1	3	7	5	8	4
Employment growth	2	4	3	5	8	7	6	1
Unemployment rate*	8	2	3	4	7	6	5	1
CPI*	1	7	6	3	5	8	4	2
WPI	3	4	7	5	2	8	1	6
Five year average annual growth 2022-23 to 2026-27								
GSP growth	6	3	4	5	7	1	8	2
State final demand	2	5	3	7	6	4	8	1
Population growth	5	6	1	2	7	4	8	3
Employment growth	1	2	4	5	7	6	8	3
Unemployment rate*	6	2	3	4	8	5	7	1
CPI*	1	6	7	3	8	5	4	2
WPI	1	4	6	7	3	8	5	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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