

Deloitte Access Economics

December quarter 2023 | Economic brief

Economic growth

Economic growth forecasts	NT	Aust
2023-24 (estimate)	↓1.3%	↑1.5%
2024-25 (forecast)	↑2.7%	↑1.6%
Five year average (2023-24 to 2027-28)	↑2.4%	↑2.0%

2023-24

Deloitte Access Economics (DAE) estimates the Territory economy to contract by 1.3% in 2023-24 (Chart 1). The decline in economic activity is underpinned by lower international goods and services exports (down by 8.5%) partly offset by increased domestic demand (up by 1.4%).

The Territory is expected to experience the weakest economic growth of the jurisdictions in 2023-24, which otherwise range from an estimated contraction of 0.7% in Western Australia to an increase of 2.5% in Victoria. Nationally, the economy is expected to grow by 1.5% in 2023-24.

Outlook 2024-25

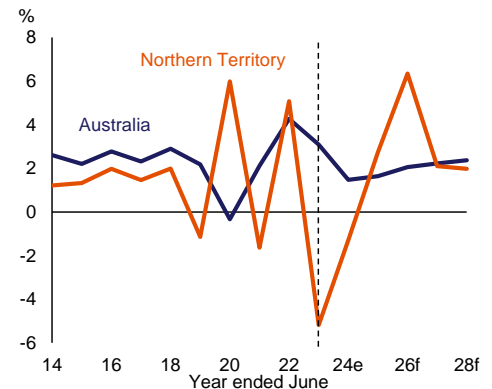
DAE forecasts the Territory economy to grow by 2.7% in 2024-25. DAE forecasts domestic demand to increase by 2.5%, partly offset by a 2.5% decline in goods and services exports.

DAE forecasts the Territory economy to grow at an average rate of 2.4% per annum over the five years to 2027-28. This is the strongest growth rate of the jurisdictions, with other jurisdictions ranging from 1.3% per annum in Tasmania to 2.3% per annum in Victoria. 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 gross state product is projected to contract in the short term, largely due to declining exports and rising imports. Export growth over the rest of the economic outlook is dependent on expansion in gas production.

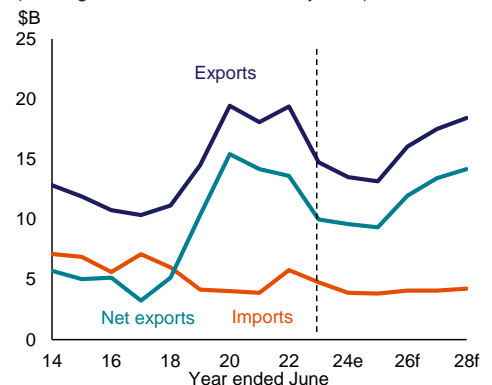
International goods and services exports is forecast to grow by an average rate of 5.0% per annum (Chart 2), and private engineering and commercial investment is forecast to grow by an average rate of 0.2% per annum in the five years to 2027-28 (Chart 3).

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



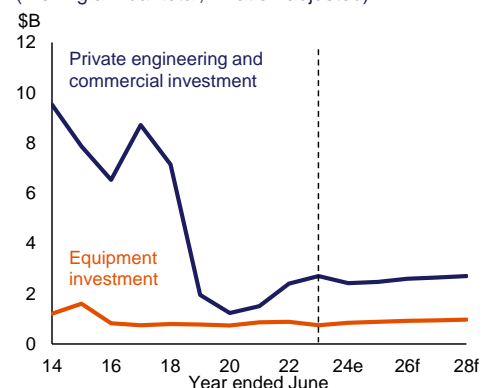
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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
2023-24 (estimate)	↓1.1%	↑2.5%
2024-25 (forecast)	↑0.4%	↑1.1%
Five year average annual growth rate	↑0.7%	↑1.7%

Territory employment is estimated to decline by 1.1% in 2023-24 (Chart 4). Nationally, employment is forecast to grow by 2.5%.

In the five years to 2027-28, employment growth in the Territory is forecast to average 0.7% per annum. In other jurisdictions, employment growth is forecast to range from 0.5% in Tasmania to 2.0% per annum in Victoria. Nationally, employment growth is forecast to average 1.7% per annum over the same period.

The Territory's unemployment rate is forecast to average 5.1% over the five years to 2027-28, above the national average of 4.4%. In other jurisdictions, the average annual unemployment rate is forecast to range from 4.0% in New South Wales to 5.0% in Queensland.

Population

Population change	NT	Aust
2023-24 (estimate)	↑1.5%	↑2.1%
2024-25 (forecast)	↑1.6%	↑1.6%
Five year average annual growth rate	↑1.5%	↑1.6%

DAE estimates the Territory population to increase by 1.5% in 2023-24 (Chart 5). In the five years to 2027-28, DAE forecasts Territory population to grow at an average rate of 1.5% per annum, slightly below the national average of 1.6% per annum.

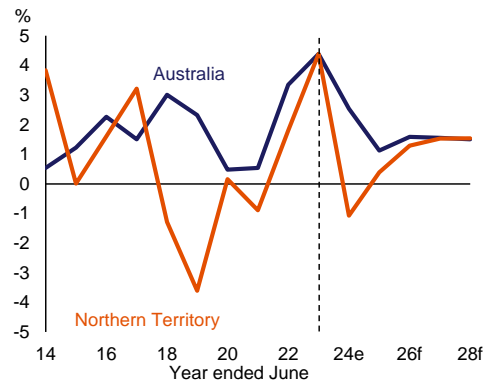
The Territory's five year average annual population growth forecast is the third weakest of the jurisdictions. In other jurisdictions, the average annual population growth is forecast to range from 0.5% in Tasmania to 1.9% in Victoria.

Consumer price index (CPI)

CPI growth	NT	Aust
2023-24 (estimate)	↑3.7%	↑4.2%
2024-25 (forecast)	↑2.9%	↑2.9%
Five year average annual growth rate	↑2.9%	↑3.0%

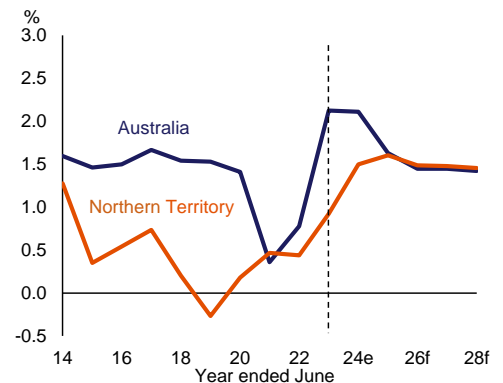
Darwin's CPI is forecast to increase by 3.7% in 2023-24 (Chart 6). Over the five years to 2027-28, DAE expects growth to average 2.9% per annum, slightly below the national rate of 3.0%, remaining within the Reserve Bank of Australia's target range of 2% to 3% in 2024-25.

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



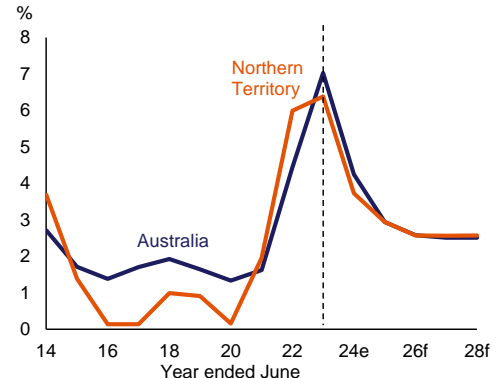
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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

		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	5 year forecast average
Northern Territory								
Gross state product	Constant price (\$M)	30 145	29 757	30 572	32 512	33 195	33 851	
	% change	-5.2	-1.3	2.7	6.3	2.1	2.0	2.4
NT as a share of Australian output	%	1.3	1.2	1.2	1.3	1.3	1.3	
Real final demand	Constant price (\$M)	29 512	29 928	30 686	31 743	32 531	33 339	
	% change	1.4	1.4	2.5	3.4	2.5	2.5	2.5
Private consumption	Constant price (\$M)	11 978	12 078	12 269	12 560	12 735	12 918	
	% change	0.4	0.8	1.6	2.4	1.4	1.4	1.5
Private housing investment	Constant price (\$M)	669	618	573	609	648	690	
	% change	1.4	-7.6	-7.4	6.3	6.4	6.5	0.9
Private engineering and commercial investment	Constant price (\$M)	2 701	2 418	2 474	2 596	2 651	2 701	
	% change	12.6	-10.5	2.3	4.9	2.1	1.9	0.2
Private equipment investment	Constant price (\$M)	751	841	881	918	946	972	
	% change	-14.8	12.0	4.7	4.2	3.0	2.8	5.4
International goods and services exports	Constant price (\$M)	14 748	13 499	13 165	16 040	17 514	18 415	
	% change	-23.9	-8.5	-2.5	21.8	9.2	5.1	5.0
International goods and services imports	Constant price (\$M)	4 763	3 897	3 832	4 084	4 085	4 244	
	% change	-17.5	-18.2	-1.7	6.6	0.0	3.9	-1.9
Total population	Persons (000)	251	255	259	263	267	271	
	% change	0.9	1.5	1.6	1.5	1.5	1.5	1.5
Population aged 15 and over	Persons (000)	199	203	207	211	215	218	
	% change	1.4	2.0	1.9	1.8	1.8	1.7	1.8
Employment	Persons (000)	139	138	138	140	142	144	
	% change	4.4	-1.1	0.4	1.3	1.5	1.5	0.7
Unemployment	Persons (000)	5	7	8	8	8	8	
Unemployment rate	%	3.7	4.6	5.3	5.3	5.1	5.0	5.1
Consumer Price Index	% change	6.4	3.7	2.9	2.6	2.6	2.6	2.9
Average Weekly Earnings	\$	1 457	1 514	1 577	1 643	1 696	1 746	
	% change	3.8	3.9	4.2	4.1	3.2	3.0	3.7
Wage Price Index	% change	2.8	4.1	3.6	3.7	3.0	2.9	3.5

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

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

Rank	2023-24e							
	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GSP growth	8	6	1	3	2	7	5	4
State final demand	7	5	4	8	3	1	6	2
Population growth	6	4	1	3	7	2	8	5
Employment growth	8	5	2	3	4	1	7	6
Unemployment rate*	8	1	6	7	5	3	4	2
CPI*	3	7	4	6	8	5	1	2
WPI	5	2	1	8	3	6	7	4
2024-25f								
GSP growth	1	6	5	2	7	3	8	4
State final demand	3	7	5	4	6	2	8	1
Population growth	3	4	1	2	7	6	8	5
Employment growth	6	4	2	1	7	3	8	5
Unemployment rate*	8	1	6	7	5	3	4	2
CPI*	6	1	2	7	5	8	3	4
WPI	8	2	3	7	4	5	1	6
Five year average annual growth 2023-24 to 2027-28								
GSP growth	1	4	2	3	6	7	8	5
State final demand	4	5	3	7	6	1	8	2
Population growth	6	5	1	2	7	3	8	4
Employment growth	7	4	1	3	6	2	8	5
Unemployment rate*	8	1	6	7	5	3	4	2
CPI*	3	5	4	7	8	6	1	2
WPI	7	4	3	8	2	6	1	5

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

Economic Group | Department of Treasury and Finance

P: 08 8999 6718 | E: economics.dtf@nt.gov.au | W: nteconomy.nt.gov.au