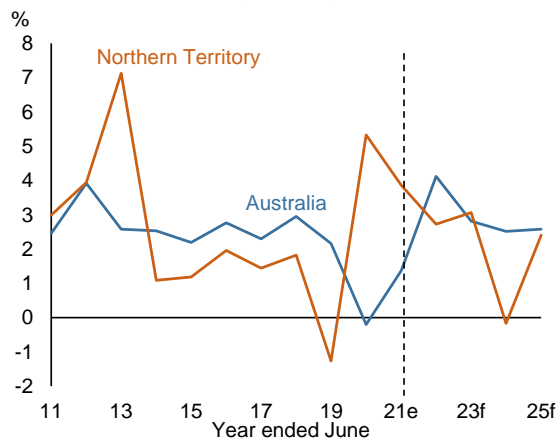


ECONOMIC BRIEF

Deloitte Access Economics

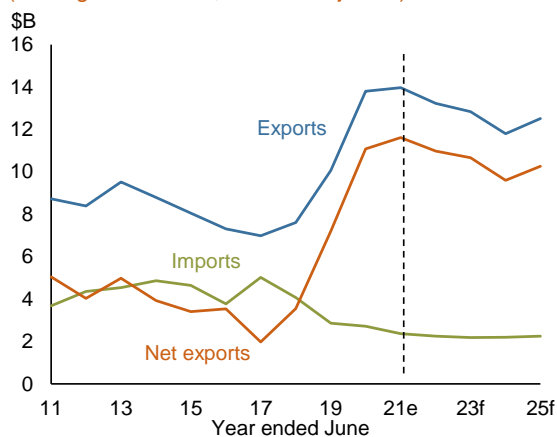
June quarter 2021

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



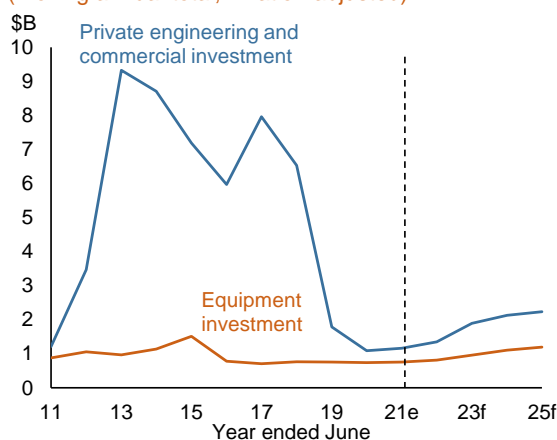
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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

Economic growth

Economic growth forecasts	NT	Aust
2020-21 (estimate)	↑3.9%	↑1.4%
2021-22 (forecast)	↑2.7%	↑4.1%
2022-23 (forecast)	↑3.1%	↑2.8%
Five year average annual growth rate (2020-21 to 2024-25)	↑2.4%	↑2.7%

2020-21

Deloitte Access Economics (DAE) estimates the Territory economy to grow by 3.9% in 2020-21 (Chart 1). Growth is underpinned by private consumption, and is supported by stronger private housing investment as well as private engineering, commercial investment and equipment investment.

The Territory is expected to experience the second strongest economic growth of the jurisdictions in 2020-21, which range from an estimated decrease of 1.4% in Victoria to a 4.1% increase in Tasmania. Nationally, the economy is estimated to grow by 1.4% in 2020-21.

Outlook

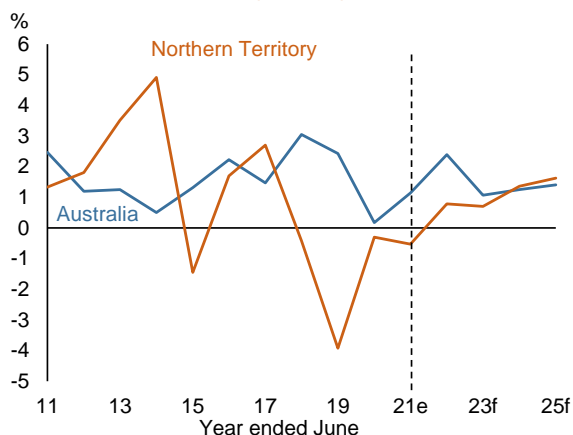
DAE forecasts growth across all jurisdictions to be within a relatively narrow band over the next five years, with the Territory economy to grow at an average rate of 2.4% per annum over the five years to 2024-25. This is the lowest growth rate of the jurisdictions, where economic growth ranges from 2.5% per annum in New South Wales to 2.9% per annum in Queensland, Western Australia and the Australian Capital Territory. DAE forecasts the national economy to grow at an average rate of 2.7% per annum over the five year period.

DAE notes that private investment will be a key driver in Territory economic growth over the next five years, with:

- private engineering and commercial investment, increasing at an average rate of 16.2% per annum (Chart 3)
- private equipment investment, increasing at an average rate of 10.3% per annum
- private housing investment, increasing at an average rate of 5.1% per annum
- private consumption, increasing at an average rate of 2.8% per annum.

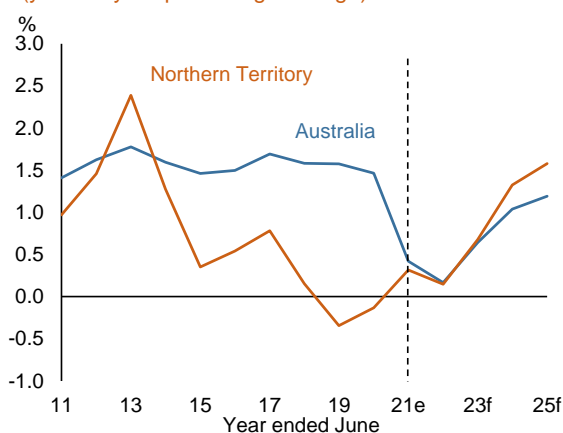
International visitor arrivals are not expected to return to pre-COVID-19 levels until 2022-23.

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



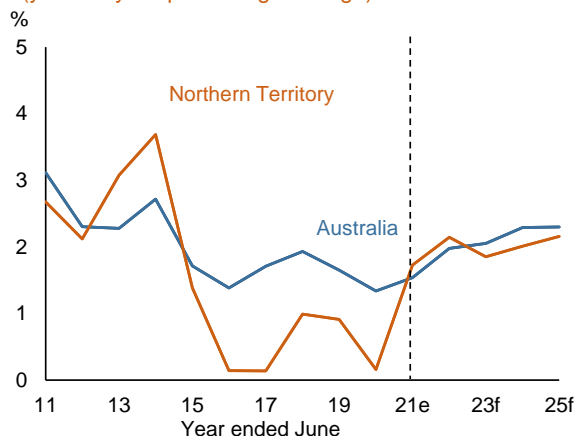
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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
2020-21 (estimate)	↓0.5%	↑1.1%
2021-22 (forecast)	↑0.8%	↑2.4%
Five year average annual growth rate	↑0.8%	↑1.5%

Territory employment is estimated to decline by 0.5% in 2020-21 (Chart 4).

In the five years to 2024-25, employment growth in the Territory is forecast to average 0.8% per annum. In other jurisdictions employment growth is forecast to range from 1.0% in South Australia to 2.1% per annum in Queensland. Nationally, employment growth is forecast to average 1.5% per annum over the same period.

The Territory's unemployment rate is forecast to average 4.1% over the five years to 2024-25, below the national average of 4.7%. In other jurisdictions, the average annual unemployment rate over the five years ranges from 5.2% in Queensland and South Australia to 3.3% in the Australian Capital Territory.

Population

Population change	NT	Aust
2020-21 (estimate)	↑0.3%	↑0.4%
2021-22 (forecast)	↑0.1%	↑0.2%
Five year average annual growth rate	↑0.8%	↑0.7%

DAE estimates Territory population to increase by 0.3% in 2020-21 (Chart 5). Over the next five years, DAE forecasts Territory population to grow at an average rate of 0.8% per annum, in line with an average of 0.7% per annum nationally.

The Territory's five year average annual population growth forecast is the fourth highest of the jurisdictions, behind Queensland, the Australian Capital Territory and Western Australia. In the other jurisdictions, average annual population growth over the five years to 2024-25 ranges from 0.2% in South Australia to 1.1% in Queensland.

Consumer price index (CPI)

CPI growth	NT	Aust
2020-21 (estimate)	↑1.7%	↑1.5%
2021-22 (forecast)	↑2.1%	↑2.0%
Five year average annual growth rate	↑2.0%	↑2.0%

Darwin's CPI is estimated to increase by 1.7% in 2020-21 (Chart 6). Over the five years to 2024-25 DAE expects growth to average 2.0% per annum, in line with national growth of 2.0%, and at the lower threshold of the Reserve Bank of Australia's target range.

Deloitte Access Economics June quarter 2021

Table 1: Deloitte Access Economics Business Outlook

		2020-21	2021-22	2022-23	2023-24	2024-25	5 year average
Northern Territory							
Gross state product	Constant price (\$M)	27 163	27 904	28 759	28 711	29 401	
	% change	3.9	2.7	3.1	-0.2	2.4	2.4
NT as a share of Australian output	%	1.4	1.4	1.4	1.3	1.3	
Real final demand	Constant price (\$M)	24 711	25 900	27 146	28 076	28 868	
	% change	4.9	4.8	4.8	3.4	2.8	4.1
Private consumption	Constant price (\$M)	11 134	11 390	11 483	11 743	12 057	
	% change	6.1	2.3	0.8	2.3	2.7	2.8
Private housing investment	Constant price (\$M)	719	776	758	718	704	
	% change	27.0	8.0	-2.3	-5.4	-1.9	5.1
Private engineering and commercial investment	Constant price (\$M)	1 156	1 346	1 895	2 127	2 233	
	% change	6.3	16.4	40.8	12.3	5.0	16.2
Private equipment investment	Constant price (\$M)	755	810	957	1 101	1 193	
	% change	2.5	7.3	18.1	15.1	8.4	10.3
International goods exports	Constant price (\$M)	13 967	13 225	12 835	11 798	12 504	
	% change	1.3	-5.3	-2.9	-8.1	6.0	-1.8
International goods imports	Constant price (\$M)	2 359	2 246	2 178	2 199	2 249	
	% change	-13.1	-4.8	-3.0	1.0	2.3	-3.5
Retail turnover	Constant price (\$M)	3 386	3 414	3 402	3 430	3 486	
	% change	9.0	0.8	-0.4	0.8	1.6	2.4
Total population	Persons (000)	247	247	249	252	256	
	% change	0.3	0.1	0.7	1.3	1.6	0.8
Population aged 15 and over	Persons (000)	194	195	197	200	204	
	% change	0.4	0.4	1.0	1.7	1.9	1.1
Employment	Persons (000)	131	132	133	135	137	
	% change	-0.5	0.8	0.7	1.4	1.6	0.8
Unemployment	Persons (000)	7	6	5	5	6	
Unemployment rate	%	4.9	4.1	3.9	3.8	3.9	4.1
Consumer Price Index	% change	1.7	2.1	1.8	2.0	2.2	2.0
Average Weekly Earnings	\$	1 445	1 464	1 508	1 554	1 598	
	% change	1.7	1.3	3.0	3.0	2.9	2.4
Wage Price Index	% change	1.8	1.4	2.6	2.6	2.6	2.2

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

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

Rank	2020-21e							
	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GSP growth	2	6	8	7	5	4	1	3
State final demand	1	7	8	2	6	3	4	5
Population growth	5	7	8	1	6	2	4	3
Employment growth	8	6	7	1	5	4	2	3
Unemployment rate*	2	3	5	7	8	4	6	1
CPI*	6	2	3	7	4	1	5	8
WPI	7	5	2	4	6	3	8	1
2021-22f								
GSP growth	7	6	1	4	3	5	2	8
State final demand	2	6	1	5	7	3	4	8
Population growth	5	6	7	1	8	3	4	2
Employment growth	8	5	1	2	4	3	6	7
Unemployment rate*	2	5	3	8	7	4	6	1
CPI*	7	5	4	3	2	6	1	8
WPI	1	7	8	4	3	5	6	2
Five year average annual growth 2020-21 to 2024-25								
GSP growth	8	7	5	2	6	1	4	3
State final demand	1	5	4	3	7	2	6	8
Population growth	4	6	5	1	8	3	7	2
Employment growth	8	5	4	1	7	2	6	3
Unemployment rate*	2	4	3	8	7	5	6	1
CPI*	2	5	3	7	4	6	1	8
WPI	7	8	5	6	2	4	1	3

e: estimate f: forecast
Highest = 1 Lowest = 8

*Ranking reversed

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

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

More information:

Economic Group | Department of Treasury and Finance

P: 08 8999 6801 | E: economics.dtf@nt.gov.au | W: <https://nteconomy.nt.gov.au/>