

Deloitte Access Economics

September quarter 2023 | Economic brief

Economic growth

Economic growth forecasts	NT	Aust
2022-23 (estimate)	↓1.2%	↑3.3%
2023-24 (forecast)	↓0.5%	↑1.2%
Five year average (2023-24 to 2027-28)	↑2.7%	↑2.2%

2022-23

Deloitte Access Economics (DAE) estimates the Territory economy to decrease by 1.2% in 2022-23 (Chart 1). The decrease in economic activity is underpinned by decreased international goods and services exports (down by 21.8%) partly offset by increased domestic demand (up by 2.0%).

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 of 5.1% in Western Australia. Nationally, the economy is expected to grow by 3.3% in 2022-23.

Outlook

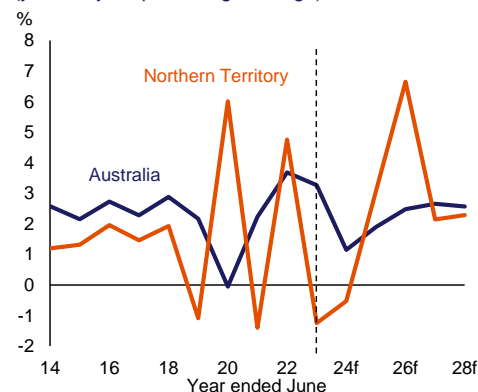
DAE forecasts the Territory economy to decline by 0.5% in 2023-24. DAE forecasts domestic demand to decrease by 0.3%, partly offset by stronger international net exports, with exports forecast to increase by 9.2% and imports forecast to increase by 1.0%.

DAE forecasts the Territory economy to grow at an average rate of 2.7% per annum over the five years to 2027-28. This is the strongest growth rate of the jurisdictions, with other jurisdictions ranging from 1.5% per annum in Tasmania to 2.4% per annum in Victoria and Queensland. DAE forecasts the national economy to grow at an average rate of 2.2% per annum over the five year period.

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

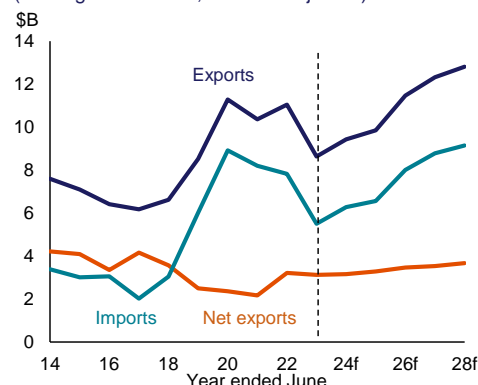
- International goods and services exports, increasing at an average rate of 8.3% per annum (Chart 2)
- Private engineering and commercial investment, increasing at an average rate of 0.1% per annum (Chart 3).

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



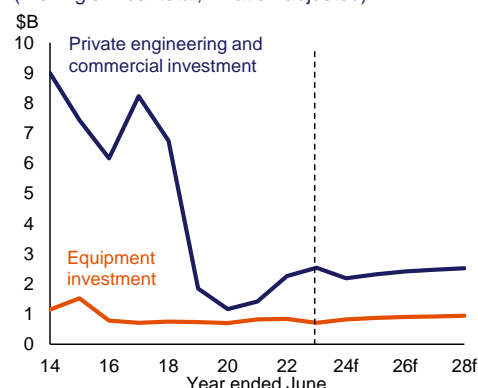
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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
2023-24 (forecast)	↓2.0%	↑1.7%
Five year average annual growth rate	↑0.6%	↑1.4%

Territory employment is estimated to decrease by 2.0% in 2023-24 (Chart 4), while increasing by 1.7% nationally.

In the five years to 2027-28, employment growth in the Territory is forecast to average 0.6% per annum. In other jurisdictions, employment growth is forecast to range from 0.5% in Tasmania to 1.8% per annum in Victoria. Nationally, employment growth is forecast to average 1.4% per annum over the same period.

The Territory's unemployment rate is forecast to average 5.2% over the five years to 2027-28, above the national average of 4.5%. In other jurisdictions, the average annual unemployment rate is forecast to range from 5.3% in Tasmania to 4.2% in Victoria.

Population

Population change	NT	Aust
2022-23 (estimate)	↑0.9%	↑2.0%
2023-24 (forecast)	↑1.3%	↑1.8%
Five year average annual growth rate	↑1.4%	↑1.5%

DAE forecasts the Territory population to increase by 1.3% in 2023-24 (Chart 5). In the five years to 2027-28, DAE forecasts Territory population to grow at an average rate of 1.4% per annum, below the national average of 1.5% per annum.

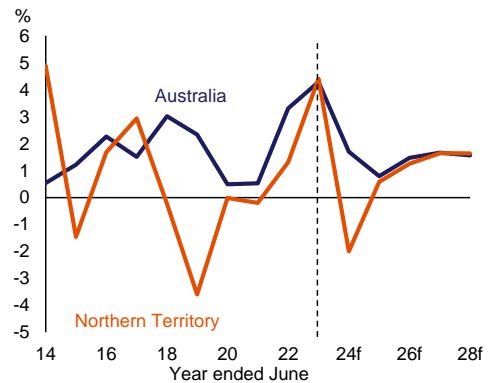
The Territory's five year average annual population growth forecast is the third weakest of the jurisdictions. In other jurisdictions, the average annual population growth is forecast to range from 0.5% in Tasmania to 1.9% in Victoria.

Consumer price index (CPI)

CPI growth	NT	Aust
2023-24 (forecast)	↑4.3%	↑4.0%
Five year average annual growth rate	↑3.0%	↑2.9%

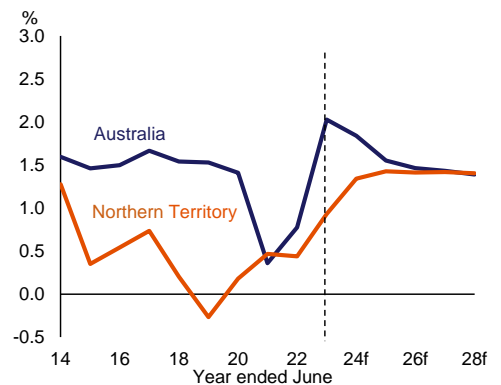
Darwin's CPI is forecast to increase by 4.3% in 2023-24 (Chart 6). Over the five years to 2027-28, DAE expects growth to average 3.0% per annum, slightly above the national rate of 2.9%, remaining within the Reserve Bank of Australia's target range of 2 to 3% in 2024-25.

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



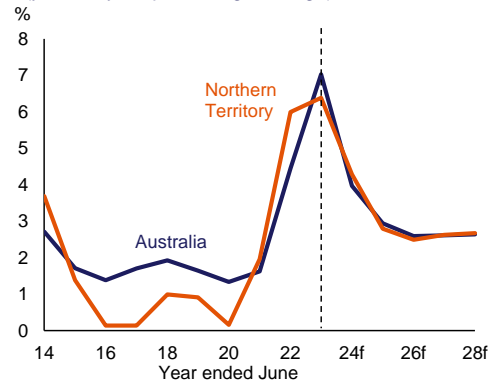
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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)	25 750	25 614	26 399	28 156	28 760	29 419	
	% change	-1.2	-0.5	3.1	6.7	2.1	2.3	2.7
NT as a share of Australian output	%	1.2	1.1	1.1	1.2	1.2	1.2	
Real final demand	Constant price (\$M)	28 253	28 161	29 045	30 044	30 833	31 619	
	% change	2.0	-0.3	3.1	3.4	2.6	2.5	2.3
Private consumption	Constant price (\$M)	11 231	11 245	11 442	11 692	11 881	12 113	
	% change	0.5	0.1	1.8	2.2	1.6	1.9	1.5
Private housing investment	Constant price (\$M)	642	632	667	739	797	841	
	% change	-0.5	-1.6	5.6	10.8	7.8	5.5	5.6
Private engineering and commercial investment	Constant price (\$M)	2 538	2 192	2 320	2 418	2 476	2 520	
	% change	12.1	-13.6	5.8	4.2	2.4	1.8	0.1
Private equipment investment	Constant price (\$M)	711	825	876	905	924	944	
	% change	-15.8	16.1	6.1	3.3	2.2	2.1	6.0
International goods and services exports	Constant price (\$M)	8 630	9 426	9 850	11 468	12 315	12 812	
	% change	-21.8	9.2	4.5	16.4	7.4	4.0	8.3
International goods and services imports	Constant price (\$M)	3 123	3 154	3 288	3 462	3 533	3 667	
	% change	-2.9	1.0	4.3	5.3	2.0	3.8	3.3
Total population	Persons (000)	251	255	258	262	266	269	
	% change	0.9	1.3	1.4	1.4	1.4	1.4	1.4
Population aged 15 and over	Persons (000)	199	202	206	209	213	217	
	% change	1.4	1.6	1.7	1.7	1.7	1.7	1.7
Employment	Persons (000)	141	138	139	140	143	145	
	% change	4.4	-2.0	0.6	1.3	1.6	1.6	0.6
Unemployment	Persons (000)	6	7	8	8	8	8	
Unemployment rate	%	3.8	4.8	5.4	5.4	5.2	5.1	5.2
Consumer Price Index	% change	6.4	4.3	2.8	2.5	2.6	2.7	3.0
Average Weekly Earnings	\$	1 605	1 681	1 753	1 822	1 878	1 935	
	% change	5.2	4.7	4.3	3.9	3.1	3.0	3.8
Wage Price Index	% change	2.8	3.5	3.8	3.5	2.9	2.9	3.3

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

Rank	2022-23e							
	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GSP growth	8	2	5	6	3	1	7	4
State final demand	7	1	2	5	6	3	8	4
Population growth	7	5	2	3	6	1	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	6	5	8	7	2
2023-24f								
GSP growth	8	3	2	1	5	6	7	4
State final demand	8	5	4	6	2	3	7	1
Population growth	6	4	1	2	7	3	8	5
Employment growth	8	6	2	5	1	3	7	4
Unemployment rate*	7	3	2	6	4	5	8	1
CPI*	5	4	2	7	8	3	1	6
WPI	3	4	5	6	2	7	1	8
Five year average annual growth 2023-24 to 2027-28								
GSP growth	1	4	2	3	7	6	8	5
State final demand	5	4	2	7	6	3	8	1
Population growth	6	5	1	2	7	3	8	4
Employment growth	7	4	1	2	6	3	8	5
Unemployment rate*	7	3	1	6	4	5	8	2
CPI*	4	5	2	8	6	3	1	7
WPI	6	3	4	8	2	5	1	7

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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