

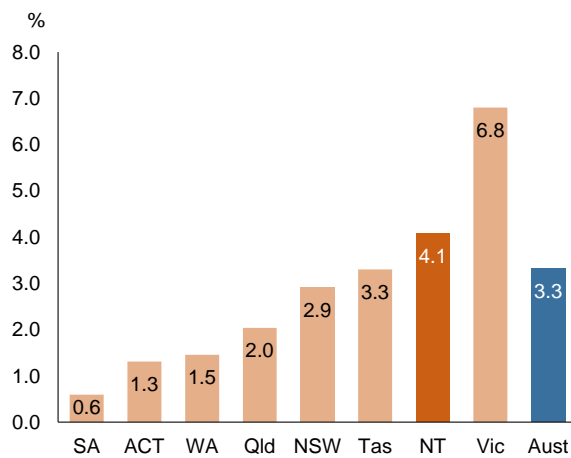
ECONOMIC BRIEF

State final demand

December quarter 2020

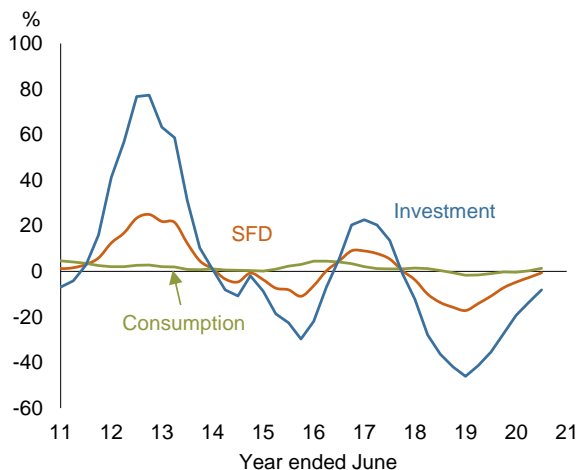
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Chart 1: State final demand
(quarterly change, seasonally inflation adjusted)



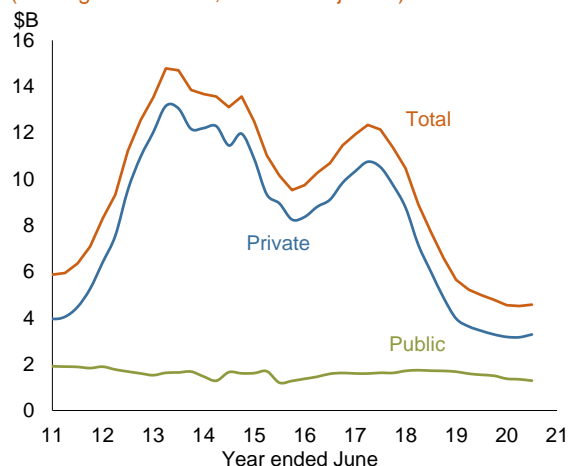
Source: Department of Treasury and Finance; ABS Cat. No. 5206.0

Chart 2: Territory state final demand
(year-on-year change, inflation adjusted)



Source: Department of Treasury and Finance; ABS Cat. No. 5206.0

Chart 3: Territory investment
(moving annual total, inflation adjusted)



Source: Department of Treasury and Finance; ABS Cat. No. 5206.0

State final demand	NT	Aust
Quarterly change (seasonally adjusted)	↑4.1%	↑3.3%
Annual change (seasonally adjusted)	↑4.8%	↓0.3%
Year-on-year change (original)	↓0.7%	↓2.6%

Quarterly results

Territory state final demand (SFD) increased by 4.1 per cent to \$6.3 billion in the December quarter 2020, reporting growth in household consumption and investment.

Investment in the Territory increased by 10.1 per cent to \$1.3 billion with private investment increasing 14.2 per cent to \$943 million, led by business investment (up by 18.5 per cent). Strong growth was reported in non-dwelling investment (up by 5.9 per cent) and machinery and equipment (up by 65.1 per cent). Dwelling investment decreased by 3.4 per cent to \$170 million and public investment decreased by 0.6 per cent to \$314 million (mainly state and local public corporations).

Consumption increased by 2.7 per cent to \$5.0 billion, with a 5.1 per cent increase in household consumption reflecting increased spending for hotels, cafes and restaurants, recreation and culture, transport, and other goods and services. Public consumption decreased by 0.3 per cent due to reduced COVID support by defence.

The Territory reported the second largest increase in SFD of the jurisdictions, which ranged from an increase of 0.6 per cent in South Australia to an increase of 6.8 per cent in Victoria. National domestic final demand increased by 3.3 per cent (Chart 1).

Year-on-year results

In 2020, Territory SFD decreased by 0.7 per cent to \$23.9 billion, with investment down by 8.2 per cent (Chart 2). The Territory recorded the fourth best result in SFD. The change in other jurisdictions ranged from a 5.3 per cent decline in Victoria to an increase of 3.6 per cent in the Australian Capital Territory.

Private investment decreased by 4.6 per cent to \$3.3 billion (Chart 3), primarily due to weak business investment (down by 12.0 per cent).

Public investment decreased by 16.4 per cent to \$1.3 billion, with a 14.1 per cent decline in general government and a 27.8 per cent decline in public corporations investment.

Household consumption decreased by 0.6 per cent to \$10.7 billion, with expenditure on transport down 25.5 per cent and hotels, cafes and restaurants down 24.8 per cent.

Public consumption increased by 3.6 per cent to \$8.7 billion, with an increase in national government consumption and state and local government consumption.

State final demand December quarter 2020

Table 1: State final demand (\$M, original, inflation adjusted)

	Period				Change (%)		
	Dec qtr 19	Sep qtr 20	Dec qtr 20	Year to date	Quarterly ¹	Annual ²	Year-on-year ³
Northern Territory (original)							
State final demand	6 091	6 088	6 381	23 896	4.8	4.8	-0.7
Consumption	4 807	4 952	5 037	19 319	1.7	4.8	1.3
– household	2 729	2 780	2 874	10 666	3.4	5.3	-0.6
– public	2 078	2 172	2 163	8 653	-0.4	4.1	3.6
Investment	1 283	1 135	1 345	4 575	18.5	4.8	-8.2
– private	883	856	1 003	3 289	17.2	13.6	-4.6
– business investment	706	604	756	2 439	25.2	7.1	-12.0
– dwellings investment	134	210	185	679	-11.9	38.1	27.9
– ownership transfer costs	43	43	62	171	44.2	44.2	19.6
– public	400	279	342	1 286	22.6	-14.5	-16.4

Table 2: State final demand (\$M, seasonally adjusted and trend, inflation adjusted)

	Period				Change (%)		Contribution (ppt.)
	Dec qtr 19	Sep qtr 20	Dec qtr 20	Year to date	Quarterly ¹	Annual ²	Annual ⁴
Northern Territory (seasonally adjusted)							
State final demand	5 995	6 035	6 281	23 878	4.1	4.8	4.8
Consumption	4 797	4 893	5 024	19 324	2.7	4.7	3.8
– household	2 685	2 688	2 826	10 673	5.1	5.3	2.4
– public	2 112	2 205	2 198	8 651	-0.3	4.1	1.4
Investment	1 198	1 142	1 257	4 554	10.1	4.9	1.0
– private	832	826	943	3 265	14.2	13.3	1.9
– business investment	670	606	718	2 435	18.5	7.2	0.8
– dwellings investment	123	176	170	661	-3.4	38.2	0.8
– ownership transfer costs	39	44	56	169	27.3	43.6	0.3
– public	366	316	314	1 289	-0.6	-14.2	-0.9
Northern Territory (trend)							
– trend series suspended from the March 2020 release							

ppt: percentage points;

1 Compares the latest quarter with the previous quarter.

2 Compares the latest quarter with the same quarter last year.

3 Compares the 4 quarters up to and including the latest quarter with the previous 4 quarter period.

4 Annual percentage point contribution.

Components may not add to totals due to rounding.

Source: Department of Treasury and Finance, ABS Cat. No. 5206.0

Caution is advised when using quarterly data for the Territory, which is often derived from small samples and highly volatile.

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

More information:

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