

# Deloitte Access Economics

December quarter 2022 | Economic brief

## Economic growth

Economic growth forecasts	NT	Aust
2022-23 (forecast)	↓4.1%	↑3.1%
2023-24 (forecast)	↑0.3%	↑1.4%
Five year average (2022-23 to 2026-27)	↑1.1%	↑2.3%

## 2022-23

Deloitte Access Economics (DAE) estimates the Territory economy to decrease by 4.1% in 2022-23 (Chart 1). The decrease in economic activity is underpinned by decreased international goods exports (down by 24.6%) partly offset by increased domestic demand (up by 4.4%).

The Territory is expected to experience the weakest economic growth of the jurisdictions in 2022-23, which otherwise range from an estimated increase of 0.7% in Queensland to 4.2% in New South Wales. Nationally, the economy is expected to grow by 3.1% in 2022-23.

## Outlook

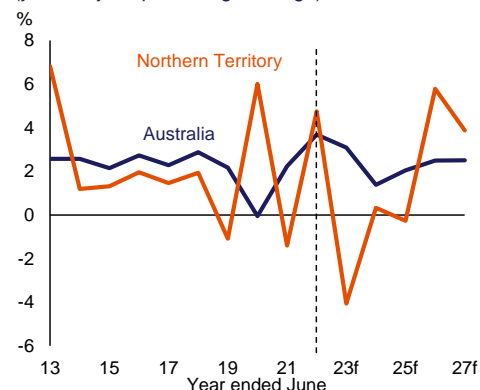
DAE forecasts the Territory economy to grow by 0.3% in 2023-24. Despite the weak overall growth forecast, DAE forecasts strong growth for many individual sectors of the NT economy, with domestic demand forecast to increase by 2.3%, international exports forecast to increase by 6.2% and private equipment investment forecast to increase by 13.7%. DAE attribute the perceived gap in GSP growth to the balancing item, which captures net interstate trade (among other things).

DAE forecasts the Territory economy to grow at an average rate of 1.1% per annum over the five years to 2026-27. This is the weakest growth rate of the jurisdictions, with other jurisdictions ranging from 1.9% per annum in South Australia to 2.7% per annum in the Australian Capital Territory. DAE forecasts the national economy to grow at an average rate of 2.3% per annum over the five year period.

DAE notes that the Territory's economic growth is subject to substantial uncertainty around international goods exports, largely related to liquefied natural gas, with international trade taking over from business investment as projects transition from construction to production.

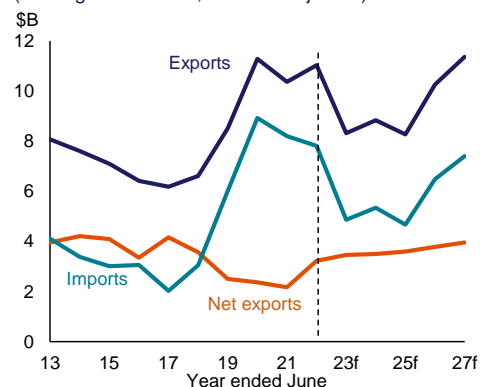
- International goods and services exports, increasing at an average rate of 2.0% per annum (Chart 2)
- Private engineering and commercial investment, increasing at an average rate of 3.6% per annum (Chart 3).

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



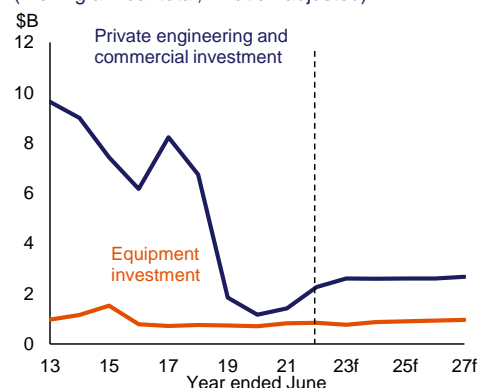
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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)	↑5.8%	↑3.5%
Five year average annual growth rate	↑2.5%	↑1.7%

Territory employment is estimated to increase by 5.8% in 2022-23 (Chart 4), while increasing by 3.5% nationally.

In the five years to 2026-27, employment growth in the Territory is forecast to average 2.5% per annum. In other jurisdictions employment growth is forecast to range from 0.7% in South Australia to 2.0% per annum in New South Wales. Nationally, employment growth is forecast to average 1.7% per annum over the same period.

The Territory's unemployment rate is forecast to average 4.2% over the five years to 2026-27, below the national average of 4.3%. In other jurisdictions, the average annual unemployment rate over the five years ranges from 5.0% in South Australia to 3.1% in the Australian Capital Territory.

## Population

Population change	NT	Aust
2022-23 (forecast)	↑1.2%	↑1.3%
Five year average annual growth rate	↑1.5%	↑1.3%

DAE forecasts the Territory population to increase by 1.2% in 2022-23 (Chart 5). Over the next five years, DAE forecasts Territory population to grow at an average rate of 1.5% per annum, above an average of 1.3% per annum nationally.

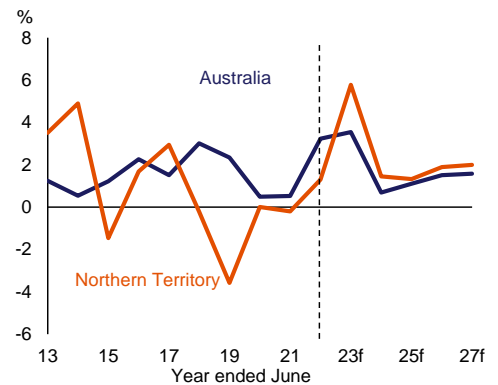
The Territory's five year average annual population growth forecast is the second highest of the jurisdictions. In the other jurisdictions, average annual population growth over the five years to 2026-27 ranges from 0.5% in Tasmania to 1.6% in Queensland.

## Consumer price index (CPI)

CPI growth	NT	Aust
2022-23 (forecast)	↑6.9%	↑7.2%
Five year average annual growth rate	↑3.5%	↑3.7%

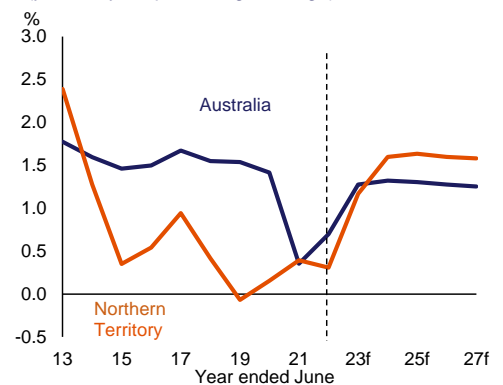
Darwin's CPI is forecast to increase by 6.9% in 2022-23 (Chart 6). Over the five years to 2026-27, DAE expects growth to average 3.5% per annum, below the national growth of 3.7%, and returning to the Reserve Bank of Australia's target range of 2 to 3% in 2024-25.

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



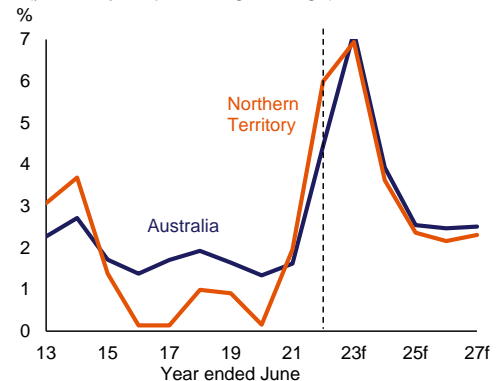
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Chart 5: Population (year-on-year percentage change)



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

Chart 6: Consumer price index (year-on-year percentage change)



Source: Australian Bureau of Statistics; 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
<b>Northern Territory</b>								
Gross state product	Constant price (\$M)	26 074	25 015	25 099	25 034	26 482	27 510	
	% change	4.8	-4.1	0.3	-0.3	5.8	3.9	1.1
NT as a share of Australian output	%	1.2	1.1	1.1	1.1	1.1	1.1	
Real final demand	Constant price (\$M)	27 667	28 880	29 533	30 226	31 059	32 032	
	% change	7.7	4.4	2.3	2.3	2.8	3.1	3.0
Private consumption	Constant price (\$M)	11 175	11 455	11 802	12 009	12 283	12 565	
	% change	2.3	2.5	3.0	1.8	2.3	2.3	2.4
Private housing investment	Constant price (\$M)	644	689	701	723	749	789	
	% change	-12.0	7.0	1.7	3.2	3.6	5.3	4.2
Private engineering and commercial investment	Constant price (\$M)	2 262	2 609	2 599	2 609	2 608	2 673	
	% change	59.6	15.3	-0.4	0.4	0.0	2.5	3.6
Private equipment investment	Constant price (\$M)	847	768	873	907	928	957	
	% change	2.2	-9.3	13.7	3.8	2.3	3.1	2.7
International goods and services exports	Constant price (\$M)	11 029	8 319	8 833	8 270	10 260	11 355	
	% change	6.4	-24.6	6.2	-6.4	24.1	10.7	2.0
International goods and services imports	Constant price (\$M)	3 220	3 457	3 494	3 597	3 781	3 956	
	% change	48.4	7.4	1.1	3.0	5.1	4.6	4.2
Total population	Persons (000)	250	253	257	261	265	270	
	% change	0.3	1.2	1.6	1.6	1.6	1.6	1.5
Population aged 15 and over	Persons (000)	197	200	204	208	212	216	
	% change	0.5	1.5	1.9	1.9	1.9	1.8	1.8
Employment	Persons (000)	135	142	145	146	149	152	
	% change	1.3	5.8	1.5	1.3	1.9	2.0	2.5
Unemployment	Persons (000)	5	5	6	7	7	7	
	% change	3.9	3.7	3.9	4.4	4.4	4.4	4.2
Consumer Price Index	% change	6.0	6.9	3.6	2.4	2.2	2.3	3.5
	Average Weekly Earnings	\$	1 526	1 600	1 673	1 736	1 797	1 858
Wage Price Index	% change	5.0	4.9	4.6	3.7	3.5	3.4	4.0
	% change	2.1	2.8	3.5	3.2	3.2	3.2	3.2

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

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	1	5	7	3	2	6	4
State final demand	3	1	4	5	7	6	8	2
Population growth	5	6	2	1	7	4	8	3
Employment growth	1	2	6	4	7	8	5	3
Unemployment rate*	5	2	6	3	8	4	7	1
CPI*	3	5	6	4	8	1	7	2
WPI	1	3	4	6	5	7	8	2
2023-24f								
GSP growth	8	5	4	2	7	3	6	1
State final demand	3	5	4	8	7	2	6	1
Population growth	1	5	3	2	7	6	8	4
Employment growth	1	3	4	2	8	7	6	5
Unemployment rate*	3	2	6	4	8	5	7	1
CPI*	1	6	7	2	3	8	5	4
WPI	1	5	8	4	3	6	2	7
Five year average annual growth 2022-23 to 2026-27								
GSP growth	8	2	4	6	7	3	5	1
State final demand	2	5	3	7	6	4	8	1
Population growth	2	6	3	1	7	5	8	4
Employment growth	1	2	5	3	8	6	7	4
Unemployment rate*	3	2	6	4	8	5	7	1
CPI*	1	5	6	2	8	3	7	4
WPI	1	4	7	6	5	8	3	2

e: estimate f: forecast

Highest = 1 Lowest = 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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