Treasurer Dave Tollner said independent analysis of the Territory economy points to continued above average performance and job growth.

The Treasurer told Parliament this morning the Territory economy was exceeding expectations.

Mr Tollner said both the latest CommSec State of the States report and the 2013 Business Outlook Publication from Deloitte Access Economics were bullish in their outlook for the Territory economy.

“Both reports indicate our economy is performing strongly. This growth is expected to continue in 2014, driven by healthy retail spending and low unemployment,” Mr Tollner said.

Deloitte Access is forecasting:

- The Territory economy to grow at an average annual rate of 4.7 per cent between 2013-14 and 2017-18. This is the highest growth rate of the jurisdictions and well above the 2.9 per cent forecast for Australia over the same period.
- The Territory economy to grow by 4.9 per cent in 2013-14, the highest growth rate of the jurisdictions. Growth in 2013-14 is expected to be primarily driven by private equipment investment related to major projects.
- Private construction investment will remain at record high levels.
- Growth in the Territory between 2013-14 and 2017-18 will be driven by international exports, private housing investment, private sector consumption, private equipment investment and retail.
- International exports are expected to grow by 4.6 per cent in 2013-14 and by 18.7 per cent in 2014-15.
- Private sector consumption growth to average 3.7 per cent between 2013-14 and 2017-18, while private housing investment is expected to grow at an average of 10.2 per cent per annum over this period. Retail is expected to grow by an average of 3.3 per cent per annum through to 2017-18.
ComSec’s analysis found the Territory has the second strongest economy and economic activity in the Top End is more than 40 per cent above long term output levels.

Mr Tollner said one of the challenges was to continue to attract private sector investment.

“Our job growth will be driven by continuing to develop opportunities for Territory business,” he said.

“The private sector is where the real economic growth potential exists and the Country Liberals Government will continue to work hard to attract private and overseas investment and to create an environment that is good for business.”

Research by Colliers International predicts the Territory Government’s focus on re-zoning of land will drive sales of large development sites in 2014. The Colliers research found there had already been a steady improvement in land supply for development and this trend was expected to continue.

Mr Tollner said the Territory Government was determined to ensure land supply was able to support continued growth – both in terms of residential construction and larger industrial projects.

“The private sector continues to have an appetite for major construction projects. As a government we need to ensure we can support construction activity because these investments diversify our economy and make it less reliant on the resources sector.

“A development application was recently lodged for a $60 million, 20-storey apartment tower on the corner of McMinn and Daly streets.

“Projects such as this represent confidence in the Territory economy – not just for this financial year but also for the future.

“The Giles Government is committed to a thriving private sector and we will do what’s needed to support this,” Mr Tollner said.

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