

Territory Economic Review

August 2006

August 8 2006 is Census Day

Census of Population and Housing (the Census)

The Census will be held next Tuesday 8 August. The quality and completeness of the Census is vitally important to the Territory and to every community, organisation and business that receives funding based on population numbers or uses demographic data for planning purposes. The Australian Government bases the distribution of goods and services tax revenue to the Territory on population numbers derived from Census data. Missing just a few hundred people in the Census can mean millions of dollars of lost GST revenue.

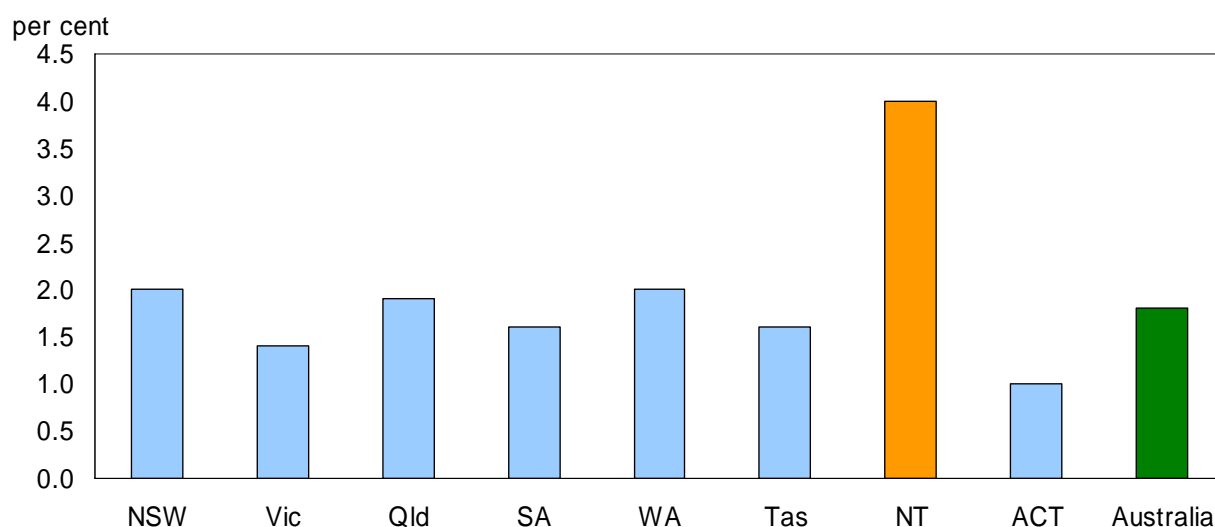
With the aim of obtaining an accurate count and in recognition of the many challenges involved in counting the Territory's population, the Territory Government has provided extensive support to the Australian Bureau of Statistics to run the Census this year. An interdepartmental Census Steering Committee, coordinated by Treasury, has implemented a number of strategies including assistance in the ABS recruitment campaigns for Census field staff, operational assistance to the ABS Census field staff, and an awareness-raising and media campaign.

On 8 August, it is important that all people living in or visiting the Territory are included on a Census form. Forms are currently being delivered to urban and rural households. In Indigenous communities, the Census is conducted differently, and interviews are now underway. An ABS Census Inquiry Service is available for anyone who is concerned they may not be counted or who needs any other help in relation to the Census – 1300 362 883.

The Post-Enumeration Survey (PES)

Several weeks after the Census, the PES is conducted to estimate the net undercount from the Census. PES records are matched with Census records to estimate the number of people counted more than once or missed in the Census. This is an important issue for the Territory which historically records a far higher net undercount than other states and territories, because of the high rates of population mobility, remoteness and sparsely distributed nature of the population, and the high number of visitors (see Table 1).

Table 1
Net under-count from the 2001 Census*



Source: ABS Cat. No. 2940.0, Data Quality-Undercount 2001

* The net undercount rate is the estimate of the net undercount of usual residents in the Census expressed as a percentage of the total number of usual residents counted in the Census.



Territory Economic Review - August 2006

Northern Territory State Final Demand and Gross State Product									
Year ended June Percentage Change	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Latest	Annual % change
Expenditure on GSP (2003-04 prices)									
Private Consumption	5.4	6.7	3.7	6.0	4.2	8.0	4.2	Mar Q 06	3.5
Public Consumption	4.7	5.5	0.0	0.4	2.7	2.3	4.2	Mar Q 06	0.3
Total Consumption Expenditure	5.1	6.2	2.1	3.5	3.6	5.6	4.2	Mar Q 06	2.2
Private Investment									
<i>Dwellings</i>	43.5	-25.3	-40.4	3.4	11.8	-2.4	24.7	Mar Q 06	12.5
<i>Other buildings and structures</i>	173.6	-58.9	-22.7	124.7	29.4	8.2	-3.4	Mar Q 06	2.0
<i>Machinery and equipment</i>	47.2	9.0	33.7	-1.4	1.4	3.6	-10.4	Mar Q 06	94.3
<i>Livestock</i>	112.5	-11.8	46.7	9.1	-54.2	145.5	0.0	Mar Q 06	-11.1
<i>Intangible fixed assets**</i>	-21.3	-17.6	-17.6	50.9	-42.1	-19.2	59.8	Mar Q 06	86.8
<i>Ownership transfer costs</i>	4.7	-7.8	-21.7	15.4	4.0	28.2	6.0	Mar Q 06	0.0
Business Investment#	89.0	-40.5	-0.8	52.2	7.9	7.7	-1.6	Mar Q 06	21.9
Total Private Investment	71.9	-36.8	-11.0	43.4	8.2	6.6	1.8	Mar Q 06	19.7
Public Investment	-34.3	43.6	46.1	18.9	-35.7	-0.2	30.2	Mar Q 06	-5.6
Total Investment	52.5	-30.4	-1.7	37.5	-0.9	5.7	5.4	Mar Q 06	16.3
State Final Demand	16.9	-6.0	1.2	11.5	2.2	5.6	4.5	Mar Q 06	6.0
State Final Demand less L-C and B-U##	5.7	2.0	1.3	10.2	0.5	4.4	9.9	Mar Q 06	8.3
International Trade - export of goods	-1.5	47.2	30.0	-22.6	-11.0	-23.8	-6.2	Mar Q 06	-6.6
International Trade - import of goods	-27.7	177.9	-62.0	15.3	29.9	4.1	107.5	Mar Q 06	67.5
Total Gross State Product	7.1	-0.4	5.2	1.2	0.1	0.2	3.6	Mar Q 06	3.6
Contribution to GSP Growth									
Private Consumption	2.3	2.9	1.8	2.6	1.9	3.9	2.4	n.a	
Public Consumption	1.7	1.9	0.0	0.1	0.9	0.8	1.4	n.a	
Private Investment	15.3	-12.5	-2.4	7.9	2.1	1.8	0.0	n.a	
Public Investment	-1.6	1.3	1.9	1.1	-2.4	0.0	1.3	n.a	
State Final Demand	17.7	-6.8	1.5	11.9	2.5	6.5	5.2	n.a	
Net International Exports	1.8	2.8	21.3	-10.0	-6.7	-7.9	-12.0	n.a	
Balancing item	-12.5	3.7	-17.6	-0.7	4.3	1.6	10.4	n.a	
Gross State Product	7.1	-0.4	5.2	1.2	0.1	0.2	3.6	n.a	

* Quarter on corresponding quarter the previous year, or through the year annual per cent change ** Predominantly computer software and mineral exploration
Private investment less dwellings investment and ownership transfer costs *** Investment for the Laminaria-Corallina oilfields and Bayu-Undan Stage 1 and Stage 2 pipeline
Source: NT Treasury, Australian Bureau of Statistics data

Latest Northern Territory Economic Indicators									
Year ended June Percentage Change*	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Latest	Annual % change**
Real Retail Turnover	5.9	5.8	-0.7	4.1	2.2	5.1	5.3	Mar Q 06	0.6
New Motor Vehicle Sales	-3.4	-8.8	-4.2	-0.3	3.3	8.4	10.7	Jun Q 06	-9.2
Tourist Accommodation Takings	7.0	16.8	1.5	-1.0	-0.1	2.8	13.6	Mar Q 06	2.3
Number of Dwellings Approved	0.0	-30.6	-28.4	-13.8	0.0	23.4	18.4	Jun Q 06	-17.5
Number of Dwellings Commenced	-9.7	-21.1	-34.0	0.1	-4.1	6.0	29.1	Mar Q 06	-24.1
Employment	5.3	-2.3	1.1	5.4	-0.1	-2.2	-2.0	Jun Q 06	7.9
Unemployment rate	4.0	4.4	5.6	6.8	5.8	5.2	6.3	Jun Q 06	0.4ppt
Darwin Consumer Price Index (year average)##	0.7	0.7	3.9	3.6	2.2	2.1	1.6	Jun Q 06	4.2
AWOTE# (year average)	3.1	4.6	3.7	2.3	5.0	6.5	7.0	Mar Q 06	1.4
Wage Price index (year average)	2.8	2.5	2.8	3.1	3.0	3.3	3.7	Mar Q 06	3.9
Population, December (levels - thousands)##	191.3	194.3	196.3	198.0	198.2	198.7	200.8	Dec Q 05	204.5
Population (annual % change)###	1.6	1.6	1.0	0.9	0.1	0.3	1.1	Dec Q 05	1.8
Net Interstate Migration (levels - number)###	-688	-817	-1621	-2049	-3069	-2895	-1097	Dec Q 05	-4

* Year ended, or year on year ** Quarter on corresponding quarter the previous year, or through the year per cent change # Average Weekly Ordinary Time Earnings

Denotes calendar year

Source: NT Treasury, Australian Bureau of Statistics data

Financial Indicators									
Year Ended June	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Latest	Level
Interest Rates									
90 Day Bank Bill (as at 30 June)	4.92	6.17	5.02	5.11	4.67	5.50	5.66	31 Jul 06	6.20
10 Year Govt Bond Yield (as at 30 June)	6.27	6.16	6.04	5.99	5.01	5.87	5.11	31 Jul 06	5.84
Exchange Rates									
US\$ per A\$ (year average)	0.63	0.63	0.54	0.52	0.58	0.71	0.75	31 Jul 06	0.75
US\$ per A\$ (as at 30 June)	0.66	0.60	0.51	0.56	0.67	0.69	0.76	31 Jul 06	0.77
Special Drawing Rights* per A\$ (as at 30 June)	0.49	0.45	0.41	0.43	0.47	0.47	0.52	31 Jul 06	0.52
Trade Weighted Index of A\$ (as at 30 June)	58.40	53.60	49.80	52.30	58.98	59.06	64.50	31 Jul 06	63.92

* A measure of the Australian dollar against an IMF determined, weighted basket of currencies consisting of the US dollar, the Euro, the yen and pound sterling
Source: NT Treasury, Reserve Bank of Australia data

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ECONOMIC INDICATORS DUE FOR RELEASE

August 2006			
ABS	8731.0	Building Approvals, June 2006	01-Aug-06
ABS	8501.0	Retail Trade, June 2006	02-Aug-06
ABS	6403.0	Average Retail Prices of selected Items, June Quarter 2006	02-Aug-06
ABS	3401.0	Overseas Arrivals and Departures, June 2006	03-Aug-06
ANZ		ANZ job ads series, July 2006	07-Aug-06
ABS	5609.0	Housing Finance, June 2006	09-Aug-06
Westpac-MI		Consumer Sentiment Index August 2006	09-Aug-06
ABS	6202.0	Labour Force, July 2006	10-Aug-06
ABS	5671.0	Lending Finance, June 2006	11-Aug-06
ABS	5368.0	International Trade in Goods and Services, June 2006	11-Aug-06
ABS	6345.0	Labour Price Index, June Quarter 2006	16-Aug-06
Westpac-MI		Leading Index, August 2006	
ABS	6302.0	Average Weekly Earnings, May Quarter 2006	17-Aug-06
ABS	9314.0	Sales of New Motor Vehicles, July 2006	22-Aug-06
DEWRSB		Skilled Vacancy Survey, July 2006	23-Aug-06
ABS	6416.0	House Price Indexes: Eight Capital Cities, June Quarter 2006	24-Aug-06
Sensis		Sensis Business Index, July Quarter 2006	29-Aug-06
ABS	8501.0	Retail Trade, July 2006	30-Aug-06
ABS	8755.0	Construction Work Done, June Quarter 2006	30-Aug-06
ABS	5625.0	Private New Capital Expenditure and Expected Expenditure, June Quarter 2006	31-Aug-06
September 2006			
ABS	5302.0	Balance of Payments and International Investment Position, June Quarter	01-Sep-06
ABS	5676.0	Business Indicators, June Quarter 2006	04-Sep-06
ABS	8731.0	Building Approvals, July 2006	04-Sep-06
ANZ		ANZ job ads series, August 2006	04-Sep-06
		Australian National Accounts: National Income, Expenditure and Product, June Quarter 2006	06-Sep-06
ABS	5206.0		
ABS	6202.0	Labour Force, Australia, August 2006	07-Sep-06
ABS	5368.0	International Trade in Goods and Services	08-Sep-06
ABS	5609.0	Housing Finance, Australia, July 2006	08-Sep-06
ABS	5671.0	Lending Finance, Australia, July 2006	11-Sep-06
Westpac-MI		Consumer Sentiment Index September 2006	13-Sep-06
ABS	8750.0	Dwelling Unit Commencements, Preliminary, June Quarter 2006	14-Sep-06
Westpac-MI		Leading Index, September 2006	20-Sep-06
DEWRSB		Skilled Vacancy Survey, August 2006	20-Sep-06
ABS	9314.0	Sales of New Motor Vehicles, August 2006	21-Sep-06
ABS	6354.0	Job Vacancies, August Quarter 2006	28-Sep-06

Consumer Price Index

Darwin's Consumer Price Index (CPI) increased by 1.7 per cent in the June quarter 2006, above the 1.6 per cent increase at the national level. Darwin's consumer inflation rate has strengthened over the past year, with annual inflation to June 2006 at 4.2 per cent compared to 4.0 per cent nationally (see chart). The more stable year on year measure of inflation increased to 3.4 per cent in Darwin and 3.2 per cent nationally. At the national level, annual 'core' inflation was 2.4 per cent. Core inflation is defined as: annual 'all-groups' CPI growth minus growth in prices of volatile items including both 'fruit and vegetables' and 'automotive fuel', and is one of the parameters on which the Reserve Bank of Australia (RBA) bases changes to its cash rate.

In Darwin, strong prices growth for new and established homes led to a 6.5 per cent increase in the 'housing' component of the annual measure of the Darwin CPI, significantly stronger than nationally and making the largest contribution to annual inflation

Producer Price Index

The producer price index (PPI) measures changes in input prices paid by producers of commodities and providers of services. The PPI for final goods has a domestic and imported goods component. In the June quarter 2006 the PPI increased by 1.6 per cent, with the domestic and imported goods components increasing by 1.8 per cent and 0.7 per cent respectively. The increase in the PPI in the quarter was driven by increased prices for domestic goods.

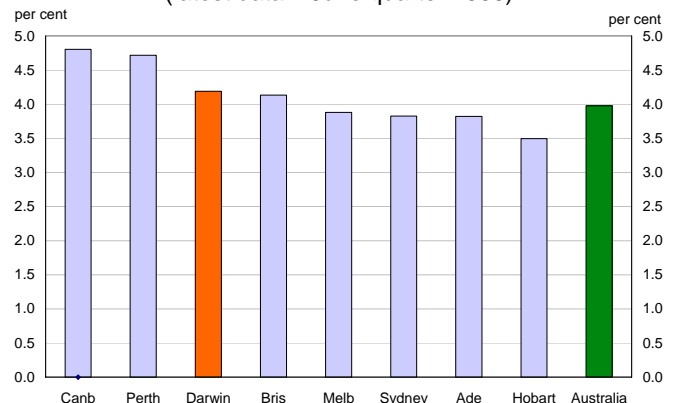
In 2005-06, the PPI increased by 3.7 per cent, with domestic goods prices increasing by 4.4 per cent while imported goods prices decreased by 0.1 per cent. Imported capital goods prices decreased by 3.0 per cent while prices of imported consumer goods increased by 2.4 per cent. Domestically produced consumer and capital goods prices increased over the same period.

Commodity Price Index

The Reserve Bank of Australia (RBA) reports monthly on Australia's commodity price index. The index is measured in units of 'special drawing rights' (SDR), which is an international reserve asset, created by the International Monetary Fund (IMF), the value of which is based on a basket of international currencies. In 2005-06 the total commodity price index increased by 31.7 per cent, just short of the historic high of 32.5 per cent recorded in the year to May 2006. The 'other resources' category comprises more than half of the commodity price index, and includes; coking and steaming coal, gold, iron ore, alumina and liquefied natural gas. In 2005-06, the price index for 'other resources' increased 40.3 per cent (see chart), representing historically high growth.

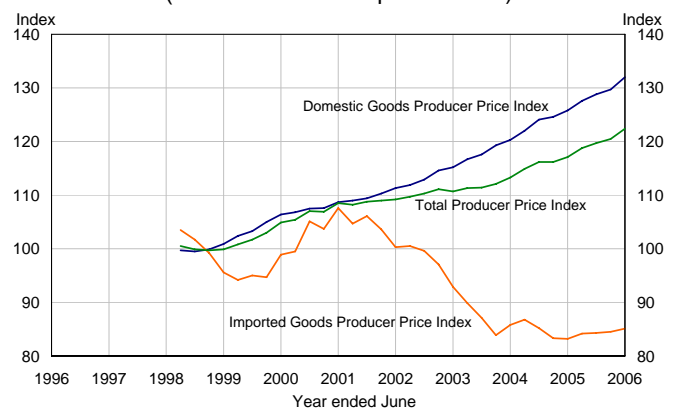
'Base metals' comprise a further 16 per cent of the commodity price index and includes; aluminium, copper, nickel, zinc and lead. In 2005-06 this component of the index reported 34.8 per cent growth. As the chart shows, growth in prices of rural commodities (at almost 10 per cent in 2005-06) is substantially less than other resources and base metals.

Consumer Price Index*
(latest data – June quarter 2006)



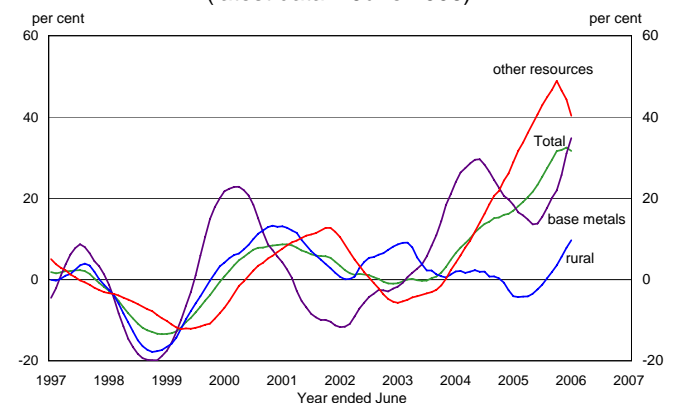
* annual percentage change
Source: ABS Cat. Nos. 6401.0

Producer Price Index*
(latest data – June quarter 2006)



* moving annual total
Source: ABS Cat. No. 5625.0

Commodity Price Index*
(latest data – June 2006)



* year on year percentage change, Index measured in Special Drawing Rights, 2001-02 = 100
Source: Reserve Bank of Australia, NT Treasury

Retail Turnover

Seasonally adjusted retail turnover in the Territory increased by 2.0 per cent in May 2006, compared to a 0.3 per cent decrease nationally. In the year to May 2006, retail turnover increased by 4.2 per cent in the Territory, the fifth highest growth of the jurisdictions, and higher than nationally. As the chart shows, retail turnover growth in the Territory is now recovering after more than twelve months of moderation.

In the year to May 2006 growth was driven by expenditure in the 'hospitality and services' category, which includes hotels, pubs, clubs, taverns, restaurants, cafes, hair salons, beauty stores and video hire, and which contributed 2.8 percentage points to growth. This was supported by growth in expenditure on 'household goods' which contributed 0.9 percentage points, 'other' retailing, which contributed 0.6 percentage points and 'food' which contributed 0.4 percentage points to growth.

Sales of New Motor Vehicles

Territory seasonally adjusted new motor vehicle sales decreased by 3.7 per cent in June 2006 to 766. Nationally, sales decreased by 1.7 per cent in the month. In 2005-06 the level of new motor vehicle sales in the Territory remained unchanged from the previous financial year. At the national level sales of new motor vehicle sales decreased 1.1 per cent in the year.

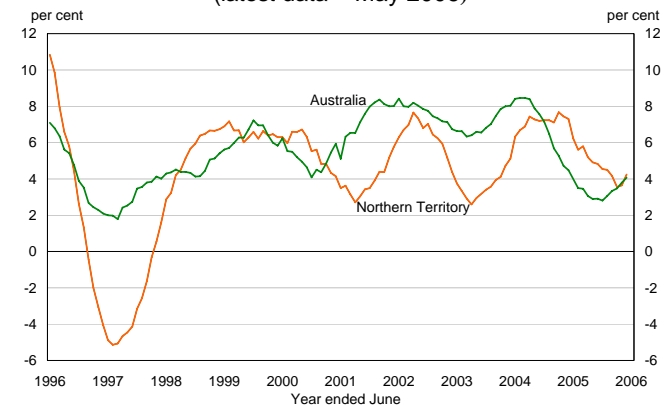
In 2005-06, the sale of 'utes and other light commercial vehicles, trucks and buses' continued to be the primary driver of growth in motor vehicle sales in the Territory, increasing by 10.4 per cent (to 3 036) and contributing 3.1 percentage points to growth (see chart). In contrast sales of sports utility vehicles (SUV's) continued to decline, decreasing by 8.5 per cent in the year, and subtracting 1.8 percentage points from growth. In 2005-06, the sale of passenger vehicles decreased by 2.5 per cent, also subtracting 1.2 percentage points from growth.

Petrol Prices

In June 2006, fuel prices increased by 1.2 cpl in Darwin while the eight capital cities weighted average price increased by 3.3 cpl. Darwin recorded an average unleaded petrol price of 143.4 cpl, compared to 136.4 cpl for the eight capital cities weighted average. This represents a 7.0 cpl price differential between Darwin and the eight capital cities weighted average for the month of June, and an average price differential of 7.8 cpl over 2005-06. Compared to June 2005 petrol prices in Darwin have increased by 26.2 per cent, and by 29.1 per cent in the eight capital cities weighted average.

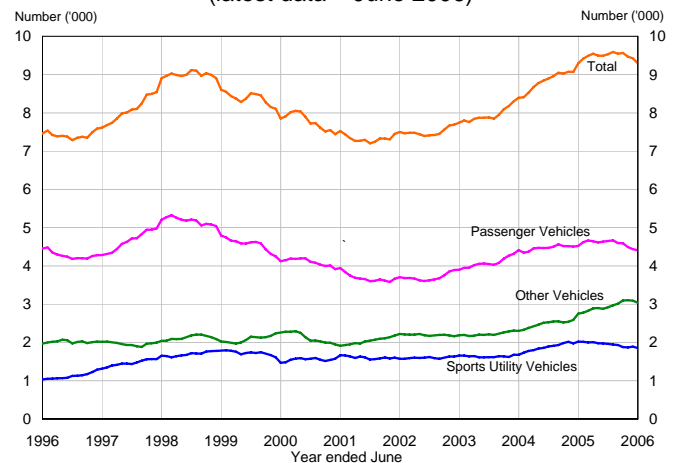
In \$US terms, crude oil prices decreased by 1.6 per cent in June 2006 averaging \$US69.66 a barrel. Despite the fall, strong global demand and geopolitical uncertainty, particularly in relation to Iran's nuclear ambitions, continue to place upward pressure on crude oil prices.

Retail Turnover* (latest data – May 2006)



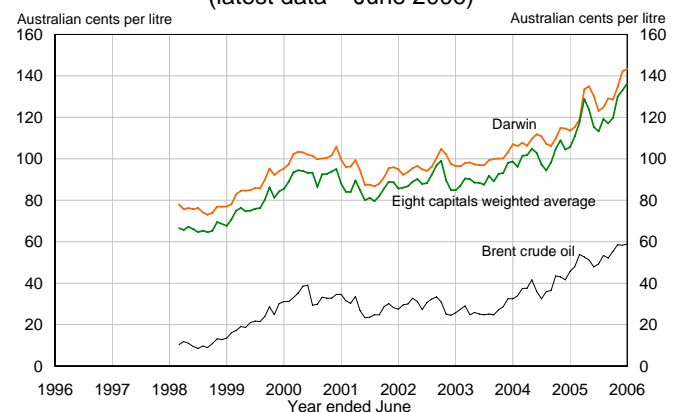
* year on year percentage change
Source: ABS Cat. No. 8501.0

Motor Vehicle Sales* (latest data – June 2006)



* moving annual total
Source: ABS Cat. No. 9314.0.55.001

Petrol Prices (latest data – June 2006)



Source: Australian Automobile Association, Reserve Bank of Australia and Oilnergy

Building Work Done

In the March quarter 2006, the seasonally and inflation adjusted value of building work done in the Territory decreased by 6.9 per cent. However in the year to March 2006 the value of building work done increased by 16.3 per cent. The Territory recorded the second strongest growth of the jurisdictions (behind the Australian Capital Territory) in the year, and significantly stronger than the 1.3 per cent growth reported nationally.

Of the total building work done in the Territory in the year to March 2006, 58 per cent was in the residential market, with the remaining 42 per cent attributable to non-residential activity. The value of building activity in the non-residential market was \$214.4 million. Of the \$294.7 million in residential building activity (see chart), 45 per cent (\$132.7 million) was for new houses, 38 per cent (\$113.0 million) for new 'other residential' and the remaining 17 per cent (\$49.0 million) was for alterations and additions.

Engineering Work Done

In seasonally adjusted real terms, engineering construction work done in the Territory increased by 10 per cent in the March quarter 2006 and by 19.1 per cent (to \$1.82 billion) in the year to March (see chart). The current value of engineering construction work done remains close to the historic high of \$1.94 billion achieved in calendar year 2002.

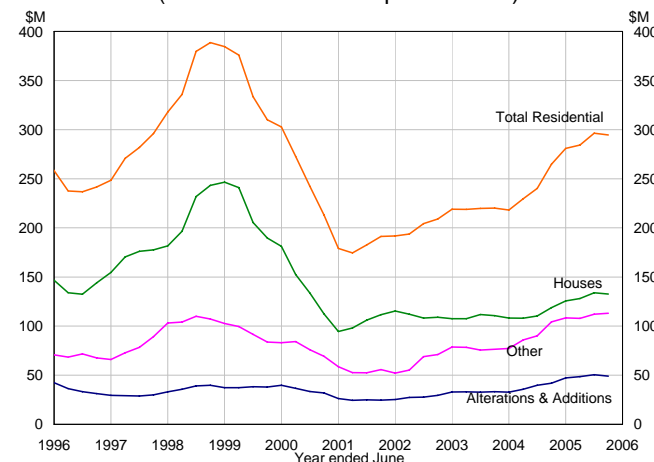
Engineering construction has been dominated by the private sector over the past five years, with the private sector accounting for 90 per cent, or \$1.65 billion, of total work done in the year to March 2006. With work valued at \$1.55 billion, 'heavy industry' was by far the dominant engineering category in the private sector. The value of engineering work done for the public sector was \$174.9 million in the year to March 2006, with 35 per cent of this activity on 'roads, highways and subdivisions', 31 per cent in 'telecommunications' and 14 per cent on water storage and supply, sewerage and drainage.

Total Construction Work Done

In seasonally and inflation adjusted terms, total construction work done in the Territory, increased by 5.9 per cent, to \$579.9 million, in the March quarter 2006 (see chart). In the year to March 2006, the value of total construction activity in the Territory increased by 18.5 per cent (to \$2.33 billion), the third strongest growth of the jurisdictions.

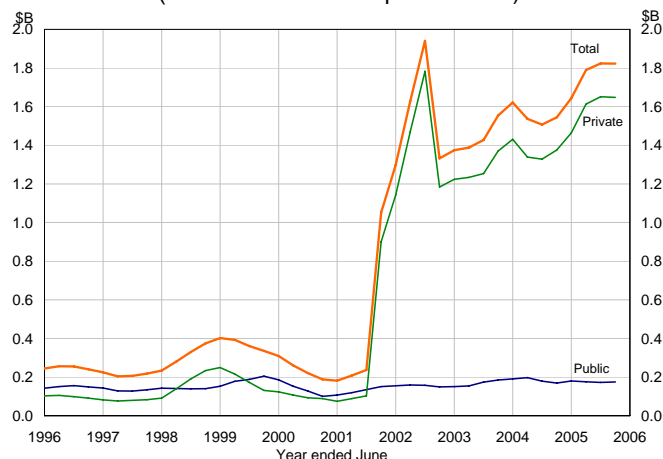
At \$2.33 billion, the value of total construction activity is at historically high levels (see chart). These high levels of activity reflect the impact that major projects, such as the Bayu-Undan stage 2 subsea pipeline and LNG plant and the construction of the Alcan G3 refinery expansion at Gove, can have on the Territory economy. In addition to strong growth in the 'heavy industry' component of engineering construction work done, the high level of total construction work done reflects significant growth in both residential and non-residential construction.

Value of Building Work Done*
(latest data – March quarter 2006)



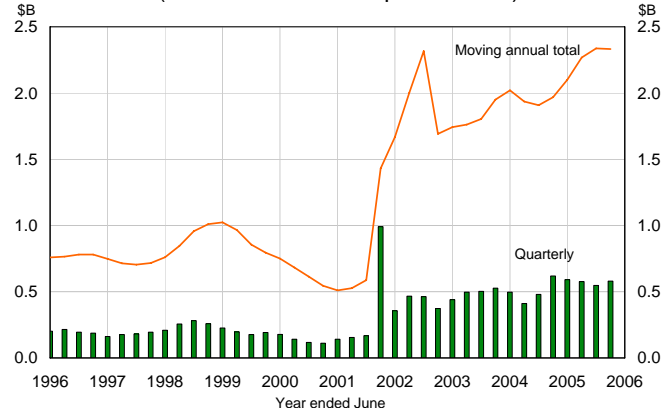
* moving annual total
Source: ABS Cat. No. 8752.0

Value of Engineering Work Done*
(latest data – March quarter 2006)



* moving annual total
Source: ABS Cat. No. 8762.0

Total Construction Work Done
(latest data – March quarter 2006)



Source: ABS Cat. No. 8752.0, 8762.0

Residential Building Approvals

In the Territory, residential building approvals decreased by 1 to 71 (in original terms) in May 2006. A decrease in approvals for private sector 'other dwellings' more than offset the increase in approvals for both private sector 'houses' and 'alterations and additions'. There was one public sector approval in the month.

In the year to May 2006, residential building approvals decreased by 4.6 per cent in the Territory (to 1 340), a more modest decrease than the 6.7 per cent reported nationally. Of the 1 308 private sector approvals, 667 or 51 per cent were for 'houses' and 580 or 44 per cent were for 'other residential'. The remaining 61 private sector residential approvals were predominantly for 'alterations and additions' with zero conversions in the year, and two approvals for residential dwellings in non-residential facilities. Of the 32 public sector approvals in the year, 29 were for houses and 3 were for residential dwellings in non-residential facilities.

Housing Finance for Owner Occupation

In May 2006, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 35 to 645. Nationally, commitments increased by 4.7 per cent in the month. In the year to May 2006 the number of Territory commitments increased by 1 608, or 24.8 per cent to 8 102, compared to a 10.7 per cent increase nationally. Of the 1 608 total commitments in the Territory in the year to May 2006, 1 138 were for the purchase of an established dwelling, 130 were for the construction and purchase of a new dwelling and there were an additional 340 refinancing commitments.

At the national level the size of the average home loan has increased by \$89 022 (or 66.8 per cent) to \$222 203, since May 2000 (see chart). In the Territory, over the same period, the average home loan has increased by \$92 176 (or 90.4 per cent) to \$194 116.

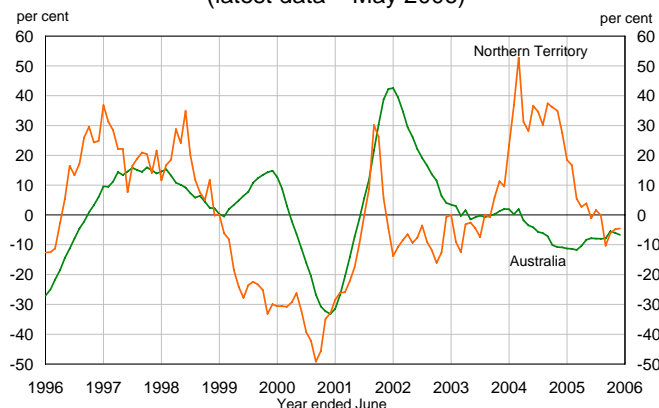
Consumer Sentiment Index

At the national level, consumer sentiment, as reported by the Westpac-Melbourne Institute, increased by 3.5 per cent, from 103.8 in June to 107.4 in July 2006. Compared to July 2005, the index has decreased by 0.2 per cent. Nevertheless consumer sentiment appears to be rebounding from the negative impact of the rate hike in May this year. This recovery in sentiment is attributed to three factors; a slight easing in petrol prices, the recovery in the share market and the July 1 tax cuts.

The Westpac-Melbourne Institute report that consumers feel more confident about their finances than they did a year ago, possibly reflecting the implementation of the tax cuts. In addition the number of households indicating that now is a good time to buy a major appliance, has increased, along with household expectations of economic conditions over the next 12 months.

Residential Building Approvals*

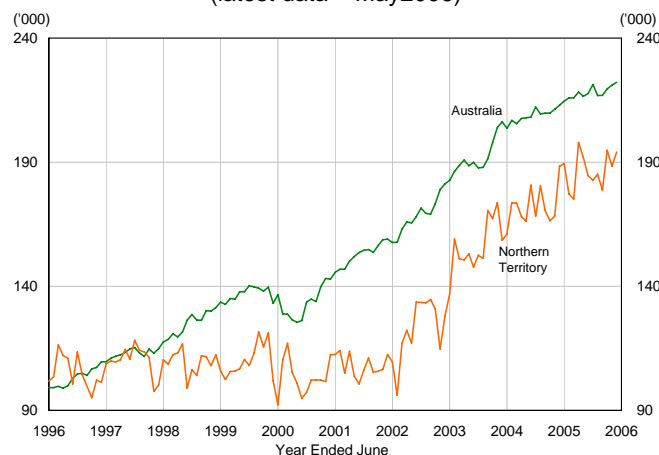
(latest data – May 2006)



* moving annual total
Source: ABS Cat. No. 8731.0

Average Home Loan Size*

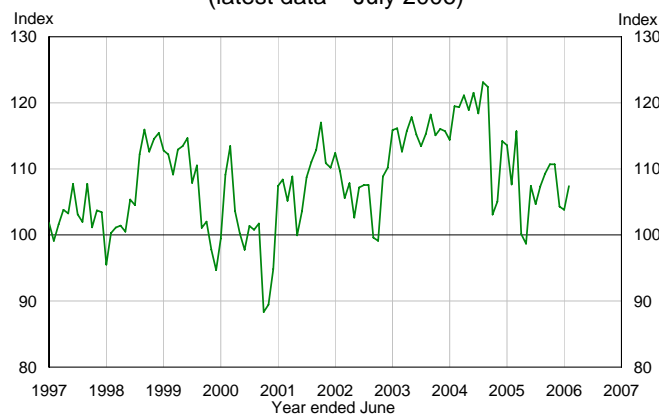
(latest data – May 2006)



* original data
Source: ABS Cat. No. 5609.0

Consumer Sentiment Index

(latest data – July 2006)



Source Westpac-Melbourne Institute

Employment

ABS labour force data for the Territory are characterised by extreme volatility and as such should be interpreted with caution. The ABS now estimates that standard errors of labour force statistics for the Territory are much larger than previously published. Bearing this in mind, the ABS reports that trend employment increased by around 800 to 101 100 in June 2006. Nationally, seasonally adjusted employment increased by 52 000 in the month to around 10.1 million employed persons.

A comparison of Territory resident employment in June 2006 with employment in June 2005 shows an increase of 7.2 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of growth, employment has increased by 4.0 per cent in the Territory.

Unemployment

The Territory's trend unemployment rate was 5.3 per cent in June 2006, a decrease from 5.6 per cent reported in May. Compared to June 2005, the unemployment rate has increased by 0.3 of a percentage point. Volatility in the Territory's trend unemployment rate has been quite extreme over the past few years, relative to the national trend unemployment rate (see chart).

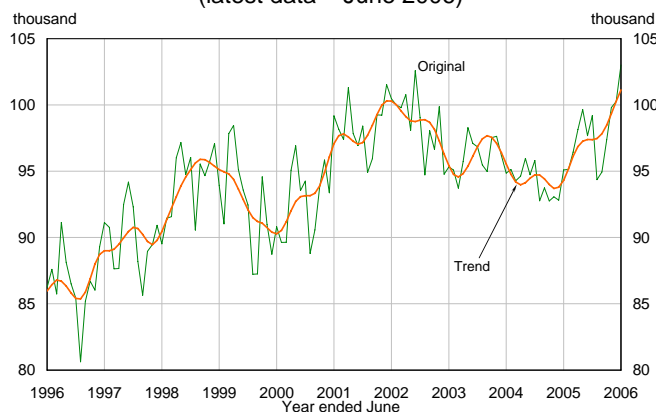
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) was unchanged at 4.9 per cent in June 2006. The Territory's unemployment rate has now declined for the fourth consecutive month. However, it remains higher than nationally and equal second highest of the jurisdictions.

International Trade

Territory merchandise exports increased by 15.1 per cent in the year to May 2006 as higher crude oil and commodity prices offset weaker production from the Laminaria-Corallina oilfields. Exports were also boosted by the sale of liquefied natural gas (LNG) from the Wickham Point plant. Over the same period, the value of merchandise imports to the Territory increased by 40.4 per cent, mainly attributable to aircraft imports to Australia where the Territory was recorded as the 'port of entry' for customs purposes. This is primarily a fleet of 20 new Airbus A-320's imported from France, by Jetstar.

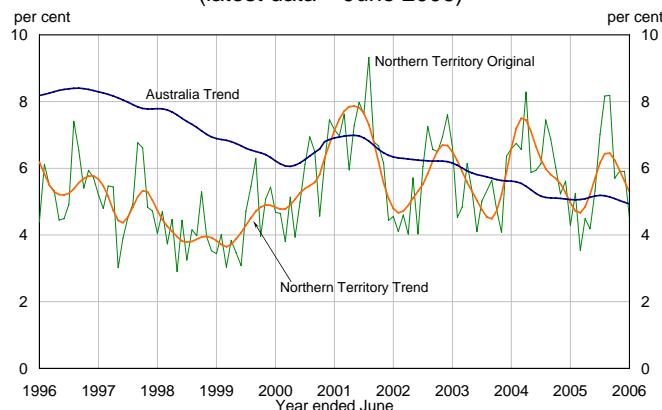
The Territory's goods trade balance decreased by 211.8 per cent (\$468 million) in the year to May 2006, to a deficit of \$247 million (see chart). This is only the second time the Territory has reported a trade deficit (over a twelve month period), the last time being in late 1999 which was attributable to the importation of the *Northern Endeavour*, an off-shore floating production storage facility for the Lamanaria-Corrallina oil fields.

Territory Employment
(latest data – June 2006)



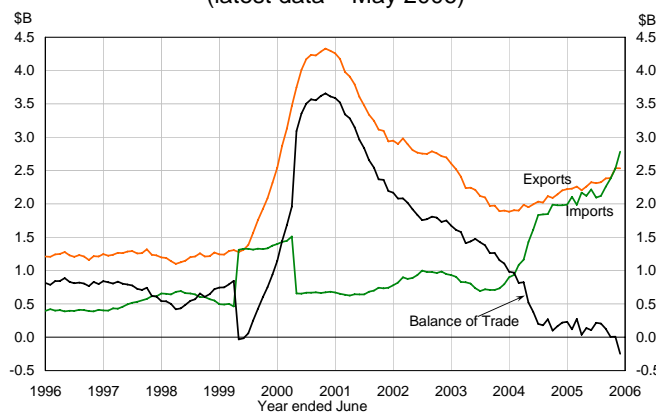
Source: ABS Cat. Nos. 6202.0

Unemployment
(latest data – June 2006)



Source: ABS Cat. Nos. 6202.0

Territory Merchandise Trade Balance*
(latest data – May 2006)



* moving annual total
Source: ABS Cat. Nos. 5368.0

GLOSSARY

Consumer Price Index

A general indicator of the prices paid by household consumers for a specific basket of goods and services in one period relative to the cost of the same basket in a base period.

Current Dollars

Nominal. A measure that is not adjusted for inflation or changes in the purchasing power of money. Current dollars specify the value at a certain point in time and are not used to compare value over a series of time periods. Also referred to as nominal dollars.

Dwelling Unit

A self-contained suite of rooms, including cooking and bathing facilities, intended for long-term residential use.

Employed

Persons 15 years and older who worked for one hour or more in the week of the labour force survey.

Final Consumption Expenditure

The value of purchases of goods and services for consumption. Excludes purchases of fixed assets, intermediate goods or additions to inventories. Intermediate goods are those used as inputs for making other goods.

Fixed Capital Formation

Additions to the stock of real capital. Real capital represents assets, except land and natural resources, which are capable of producing income. For example, new and second-hand buildings, plant and equipment and roads.

Goods and Services Tax

From 1 July 2000 the Australian Government introduced a 10 per cent tax on goods and services replacing the previous wholesale sales tax regime. Some items like basic food, health, education and exports are GST free.

Gross Domestic Product

The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. GDP can be calculated by either summing total output, total income, or total expenditure.

Gross State Product

Similar to GDP, except it measures the total value of goods and services produced in a jurisdiction. It is the sum of all income, namely wages, salaries and profits, plus indirect taxes less subsidies.

Labour Force

All persons 15 years and over, who are available for work. That is, employed plus unemployed persons actively seeking work. Excludes defence force personnel and non-residents.

Original Terms

Data in original terms is basic, raw data as collected in a survey or a census. It is not adjusted for seasonality or smoothed to remove irregularities to form a trend series.

Participation Rate

The proportion of the population over 15 years of age who are working or looking for work.

Business Investment

Private fixed capital formation for non-residential buildings and structures, machinery and equipment, livestock, intangible fixed assets before depreciation.

Real Dollars

Used to remove the impact of price changes (inflation) in time series data. In the base year current prices equal constant prices. To convert current dollar values to constant dollar values it is necessary to deflate/inflate by the appropriate inflation index number. Also referred to as constant dollars or values in chain volume terms.

Seasonally Adjusted Terms

The seasonally adjusted series is a time series of estimates with the effects of normal seasonal variation removed (that is those fluctuations that exhibit a regular pattern at a particular time of year). Seasonally adjusted terms allow the effects of other non-seasonal influences on the series to be more clearly recognised.

State Final Demand

Final consumption expenditure plus gross fixed capital formation. It represents the total expenditure on consumption and investment in a jurisdiction.

Trend Terms

The trend series is used to analyse the underlying behaviour of the series over time. Trend terms are derived by smoothing the seasonally adjusted series so as to reduce the impact of any irregular components of that series.

Unemployed

Persons 15 years and older who were not employed during the week of the labour force survey and were actively seeking work in the past four weeks.

Unemployment rate

The number of unemployed persons expressed as a percentage of the labour force.

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross State/Domestic Product ^(a)	2004-05	% change	3.6	1.1	2.3	4.0	2.6	2.7	4.0	3.0	2.3
State Final Demand ^(a)	Year to March 06	% change	10.2	2.9	4.0	6.1	3.6	9.0	6.2	2.0	4.6
International Goods Exports	Year to May 06	% change	15.1	14.6	1.6	35.1	11.9	19.5	6.6	n.a.	18.8
International Goods Imports	Year to May 06	% change	40.4	6.9	7.4	14.5	7.7	33.6	-14.2	-89.3	11.4
Demography											
Population	Dec-04 Qtr to Dec-05 Qtr	% change	1.8	0.8	1.2	1.9	0.6	1.7	0.7	0.8	1.2
Labour Market											
Employment (trend)	June 05 to June 06	% change	7.2	0.9	1.6	2.0	0.6	2.1	2.5	2.9	1.5
Participation Rate (trend)	As at June 05	%	67.9	62.9	64.5	66.7	62.1	68.1	59.8	72.1	64.6
	As at June 06	%	71.0	63.0	64.6	66.3	62.0	67.5	61.3	73.4	64.6
Unemployment Rate (trend)	As at June 05	%	5.0	5.1	5.4	5.0	4.9	4.7	6.0	3.2	5.1
	As at June 06	%	5.3	5.3	5.1	4.7	5.1	3.6	6.6	3.2	4.9
ANZ Job Ads	Year to June 06	% change	2.3	-9.5	-13.0	-12.2	-4.8	9.6	-10.3	11.7	-6.5
Prices and Wages											
Consumer Price Index	Jun 05 Q to Jun 06 Q	% change	4.2	3.8	3.9	4.1	3.8	4.7	3.5	4.8	4.0
	Year to Jun 06 Q	% change	3.4	3.0	3.1	3.1	3.2	4.3	3.2	3.6	3.2
Average Weekly Earnings (full-time adult total earnings)	As at February 06	\$	1065.0	1124.1	1087.4	1012.6	1022.0	1119.5	967.1	1209.3	1085.1
Housing Sector											
Building Approvals (number)	Year to June 06	% change	-6.3	-15.2	-14.3	-3.6	3.9	7.2	-4.7	-18.1	-7.3
Housing Finance for Owner Occupation (number)	Year to May 06	% change	24.8	4.6	11.7	10.9	5.9	14.6	3.5	3.9	9.2
Housing Affordability Indicator ^(b)	As at December 05 Qtr	Level	53.7	27.4	32.0	30.0	35.6	37.2	32.5	53.6	31.1
Consumer Spending											
Retail Trade (current \$)	Year to May 06	% change	4.2	2.9	3.5	5.6	2.3	6.7	6.9	5.0	4.1
New Motor Vehicle Sales (No.)	Year to June 06	% change	0.0	-3.8	-2.4	0.0	-2.7	10.7	-5.0	0.0	-1.1
Tourist Accommodation - Takings (current \$)	Year to March 06	% change	6.0	6.6	11.3	8.3	7.6	14.7	10.1	10.2	8.8

* original data unless otherwise stated

(a) in real, inflation adjusted terms (b) the higher the number, the more affordable the housing

Source: Australian Bureau of Statistics data, ANZ Bank job advertisement series, AMP Home Loan Affordability Report

Note: Care should be taken in using monthly estimates for the Territory, in view of the small numbers and the volatile nature of the data.

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

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