

Territory Economic Review

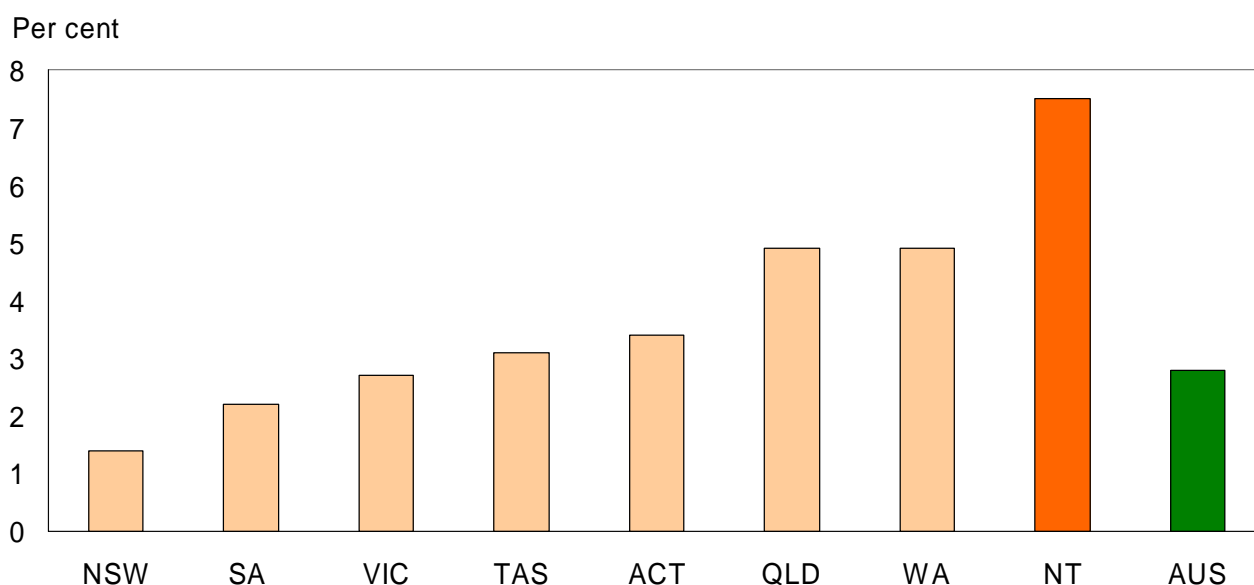
December 2006

Northern Territory reports strongest economic growth of the jurisdictions in 2005-06

In November 2006 the Australian Bureau of Statistics (ABS) released the annual state accounts. This publication reports on the latest economic growth performance of the Australian jurisdictions. As shown in Chart 1, at 7.5 per cent, the Northern Territory reported the strongest economic growth of the jurisdictions in 2005-06, followed by Western Australia and Queensland at 4.9 per cent, the Australian Capital Territory with reported growth of 3.4 per cent, Tasmania with reported growth of 3.1 per cent, Victoria and South Australia with growth rates of 2.7 and 2.2 per cent respectively, and New South Wales with very modest economic growth of 1.4 per cent in the year.

This latest economic growth information provides evidence of the impact that the resources and commodities boom has had on the economy's of the resource rich states of Queensland, Western Australia and the Northern Territory.

Chart 1
Economic Growth for 2005-06



Source: ABS Cat. No. 5220.0

Growth across the household and business sectors

The strong outcome in the Territory in 2005-06 was across both the household and business sectors, with private household consumption reporting growth of 5.7 per cent (contributing 2.8 percentage points to growth in the year) and business investment growing by 18.0 per cent (and contributing 4.3 percentage points to growth). Within the household consumption expenditure category, the strongest growth was in the sub-category 'hotels, cafes and restaurants' which increased by 9.8 per cent, followed by expenditure on 'furnishings and equipment' which grew by 7.4 per cent in 2005-06.

Within the business investment category, the largest growth in 2005-06 was in the sub-category of 'intangible fixed assets' which includes expenditure on mineral and energy exploration licenses, which grew by 97.5 per cent in the year. The other sub-category of business investment to experience very substantial growth was expenditure on 'machinery and equipment', growing by 32.1 per cent in 2005-06.



Northern Territory State Final Demand and Gross State Product									
Year ended June Percentage Change	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Latest	Annual % change
Expenditure on GSP (2003-04 prices)									
Private Consumption	6.7	3.7	6.0	4.2	7.9	4.3	6.0	Jun Q 06	5.1
Public Consumption	5.6	0.0	0.4	2.7	2.4	4.2	1.7	Jun Q 06	1.9
Total Consumption Expenditure	6.2	2.0	3.5	3.5	5.6	4.3	4.2	Jun Q 06	3.8
Private Investment									
<i>Dwellings</i>	-25.2	-40.4	3.7	11.3	-2.1	24.7	16.3	Jun Q 06	8.9
<i>Other buildings and structures</i>	-58.9	-22.8	125.4	29.4	8.2	-3.8	8.8	Jun Q 06	-15.8
<i>Machinery and equipment</i>	9.1	33.5	-1.5	1.5	3.6	-9.9	30.9	Jun Q 06	-15.1
<i>Livestock</i>	-11.1	43.8	8.7	-56.0	163.6	-3.4	-10.7	Jun Q 06	-10.7
<i>Intangible fixed assets **</i>	-17.5	-17.1	50.0	-41.9	-19.1	58.3	97.5	Jun Q 06	59.5
<i>Ownership transfer costs</i>	-7.3	-20.2	15.5	4.9	24.4	7.5	8.7	Jun Q 06	10.7
Business Investment [#]	-40.4	-0.6	52.0	7.8	7.7	-1.4	19.2	Jun Q 06	-7.5
Total Private Investment	-36.7	-11.0	43.4	8.2	6.6	1.8	18.4	Jun Q 06	-4.8
Public Investment	43.6	46.6	19.4	-35.4	-0.5	29.2	-6.2	Jun Q 06	-21.8
Total Investment	-30.7	-2.0	37.8	-0.6	5.7	5.2	14.7	Jun Q 06	-7.7
State Final Demand	-6.0	1.3	11.5	2.1	5.6	4.6	7.2	Jun Q 06	0.0
State Final Demand less L-C and B-U^{##}	1.6	1.4	10.2	0.6	4.5	9.7	8.7	Jun Q 06	1.8
International Trade - export of goods	47.2	30.0	-22.6	-11.0	-23.7	-6.2	-1.2	Jun Q 06	26.1
International Trade - import of goods	177.7	-62.0	15.3	29.7	4.2	107.3	27.4	Jun Q 06	108.2
Total Gross State Product	1.1	5.5	1.6	0.2	0.2	6.0	7.5		
Contribution to GSP Growth									
Private Consumption	2.7	1.6	2.7	2.0	3.6	2.4	2.8		
Public Consumption	2.6	0.4	0.1	0.9	1.2	1.2	0.8		
Private Investment	-12.2	-2.5	8.1	2.1	2.1	1.6	4.4		
Public Investment	1.2	1.8	1.0	-2.1	0.0	1.1	-0.2		
State Final Demand	-5.6	1.7	12.1	2.6	7.0	6.4	7.7		
Net International Exports	2.8	23.4	-12.4	-7.5	-8.9	-12.1	-5.9		
Balancing item	3.9	-19.6	1.9	5.2	2.0	11.7	5.7		
Gross State Product	1.1	5.5	1.6	0.2	0.2	6.0	7.5		

* 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*	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Latest	Annual % change**
Real Retail Turnover	5.8	-0.7	4.1	2.2	5.1	5.3	2.8	Sep Q 06	7.5
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	Oct Q 06	0.4
Tourist Accommodation Takings	16.8	1.5	-1.0	-0.1	2.8	13.6	3.4	Jun Q 06	3.4
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-5.8	Sep Q 06	-8.4
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.1	Jun Q 06	40.7
Employment	-2.3	1.1	5.4	-0.1	-2.2	-2.0	4.0	Oct Q 06	5.6
Unemployment rate	4.4	5.6	6.8	5.8	5.2	6.3	5.7	Oct Q 06	-44.1
Darwin Consumer Price Index (year average) ^{##}	1.4	5.4	2.2	2.3	1.4	2.2	3.4	Sep Q 06	4.9
AWOTE [#] (year average)	4.6	3.7	2.3	5.0	6.5	7.0	3.9	Aug Q 06	-0.5
Wage Price index (year average)	2.5	2.8	3.1	3.0	3.3	3.7	4.4	Aug Q 06	4.1
Population, December (levels - thousands) ^{##}	194.3	196.3	198.0	198.2	198.7	201.2	205.2	Mar Q 06	205.9
Population (annual % change) ^{##}	1.6	1.0	0.9	0.1	0.3	1.2	2.0	Mar Q 06	1.8
Net Interstate Migration (levels - number) ^{##}	-817	-1621	-2049	-3069	-2895	-1097	520	Mar Q 06	-252.0

* 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	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Latest	Level
Interest Rates									
90 Day Bank Bill (as at 30 June)	6.17	5.02	5.11	4.67	5.50	5.66	5.97	27 Nov 06	6.37
10 Year Govt Bond Yield (as at 30 June)	6.16	6.04	5.99	5.01	5.87	5.11	5.79	27 Nov 06	5.56
Exchange Rates									
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	27 Nov 06	0.75
US\$ per A\$ (as at 30 June)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	27 Nov 06	0.78
Special Drawing Rights [*] per A\$ (as at 30 June)	0.45	0.41	0.43	0.47	0.47	0.52	0.51	27 Nov 06	0.52
Trade Weighted Index of A\$ (as at 30 June)	53.60	49.80	52.30	58.98	59.06	64.50	62.24	27 Nov 06	64.11

* 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

CONTENTS

Page

OVERVIEW	1
TERRITORY SFD AND GSP; TABLE OF LATEST ECONOMIC AND FINANCIAL INDICATORS	2
CONTENTS	3
Economic Indicators Due for Release	
ECONOMIC INDICATORS.....	4
Gross State Product, Wage Price Index, Average Weekly Earnings	4
Retail Turnover, Sales of New Motor Vehicles, Petrol Prices	5
Housing Finance for Owner Occupation, House Price Index, Building Approvals	6
Regional House Prices, Regional Vacancy Rates, Sensis Business Index	7
Employment, Unemployment, International trade	8
GLOSSARY	9
STATE AND TERRITORY COMPARATIVE INDICATORS	10

ECONOMIC INDICATORS DUE FOR RELEASE

December 2006

ABS	8731.0	Building Approvals, October 2006	04-Dec-06
ANZ		ANZ job ads series, November 2006 (<i>no brief</i>)	04-Dec-06
ABS	5676.0	Business Indicators, September quarter 2006 (<i>no brief</i>)	04-Dec-06
ABS	3401.0	Overseas Arrivals and Departures, October 2006 (<i>no brief</i>)	05-Dec-06
ABS	5302.0	Balance of Payments, September quarter 2006	05-Dec-06
ABS	5206.0	National Accounts - State Final Demand, September quarter 2006	06-Dec-06
ABS	6202.0	Labour Force, November 2006	07-Dec-06
ABS	3101.0	Population, June quarter 2006	07-Dec-06
ABS	5609.0	Housing Finance, November 2006	08-Dec-06
ABS	5671.0	Lending Finance, September 2006 (<i>no brief</i>)	12-Dec-06
Westpac-MI		Consumer Sentiment Index, December 2006 (<i>no brief</i>)	13-Dec-06
ABS	8412.0	Mineral and Petroleum Exploration, September quarter 2006 (<i>no brief</i>)	13-Dec-06
ABS	8750.0	Dwelling Unit Commencements, Preliminary, September quarter 2006	14-Dec-06
Australian Automobile Assoc.		Petrol Prices, November 2006	Mid Dec
Westpac-MI		Leading Index, November 2006 (<i>no brief</i>)	20-Dec-06
DEWRSB		Skilled Vacancy Survey, November 2006 (<i>no brief</i>)	20-Dec-06
ABS	9314.0	Sales of New Motor Vehicles, October 2006	21-Dec-06

January 2006

ANZ		ANZ job ads series (<i>no brief</i>)	08-Jan-07
ABS	8731.0*	Building Approvals	08-Jan-07
ABS	8501.0*	Retail Trade	09-Jan-07
ABS	8635	Tourist Accommodation (8635.7.55.001)	09-Jan-07
ABS	5368	International Trade in Goods & Services	10-Jan-07
ABS	6354	Job Vacancies, Australia	10-Jan-07
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	10-Jan-07
ABS	3401	Overseas Arrivals and Departures, Australia (<i>no brief</i>)	11-Jan-07
	6202.0*	Labour Force	11-Jan-07
ABS	(6202.0.55.001)		
ABS	6291.0.04.001	Labour Force by Industry (<i>no brief</i>)	11-Jan-07
ABS	5609.0*	Housing Finance	15-Jan-07
ABS	5671	Lending Finance	17-Jan-07
Westpac-MI		Leading Index (<i>no brief</i>)	17-Jan-07
ABS	6457	International Trade Price Indexes, Australia	19-Jan-07
ABS	8762	Engineering Activity	19-Jan-07
ABS	8752	Building Activity	22-Jan-07
ABS	8782.0.65.001	Construction Activity (Private Sector) (<i>no brief</i>)	22-Jan-07
ABS	9314.0.55.001	Sales of New Motor Vehicles (<i>NT breakup : 89 247305</i>)	22-Jan-07
ABS	6401	Consumer Price Index	24-Jan-07

Gross State Product

Northern Territory Gross State Product (GSP) increased by 7.5 per cent in 2005-06, the highest growth rate of the jurisdictions. The Territory's growth rate for 2004-05 has been revised up from 3.6 per cent to 6.0 per cent, also highest of the jurisdictions. The ABS GSP measure is experimental and volatile, with the series subject to significant revisions (see chart).

The latest data indicate that the onshore economy strengthened in 2005-06. 'Private household consumption' increased by 5.7 per cent, and 'business investment' increased by 18.0 per cent. 'Public consumption' expenditure increased by 2.2 per cent, while 'public investment' decreased by 4.7 per cent. Merchandise exports, which have been dominated by oil in recent years, declined by 1.2 per cent in real terms, in 2005-06, while merchandise imports increased by 27.4 per cent. In nominal terms, GSP growth was 14.6 per cent in 2005-06, with more than half of this growth from the mining industry.

Wage Price Index

The Territory wage price index (WPI) increased by 1.3 per cent in the September quarter 2006, above the national increase of 1.1 per cent. The WPI measures the change in the cost of employing a standard 'basket' of jobs in each jurisdiction in Australia. In the year to September 2006, the Territory WPI increased by 4.3 per cent, above the increase of 4.0 per cent reported nationally. In the Territory the public sector component of the WPI increased by 2.2 per cent in the quarter and 5.0 per cent in the year, compared to private sector growth of 0.6 per cent in the quarter and 3.7 per cent in the year (see chart).

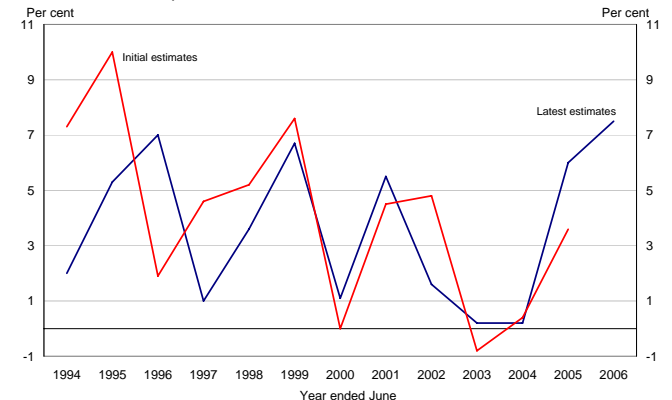
The WPI reports solid growth in labour prices over the past year, reflecting the strong demand for skilled labour. Comparing the September quarter 2005 with the September quarter 2006 the WPI increased 4.1 per cent in the Territory compared to 3.8 per cent nationally.

Average Weekly Earnings

In the September quarter 2006, average weekly full time adult earnings (AWE), which includes overtime and bonuses, decreased by 0.7 per cent in the Territory, compared to the 0.9 per cent growth reported nationally. In the year to September 2006, growth in Territory AWE has moderated to 2.1 per cent, from the record growth of 8.0 per cent reported in calendar year 2005. Nationally AWE increased by 3.2 per cent in the year representing moderation from the 5.6 per cent growth reported in calendar year 2005.

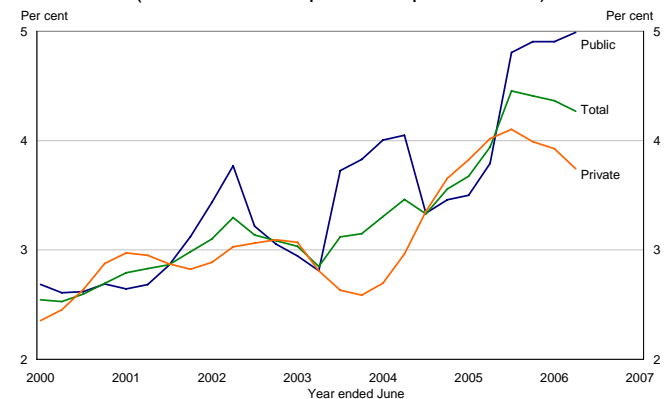
In dollar terms, Territory AWE was \$1 085 in the September quarter 2006, below the national level of \$1 099, and fifth highest of the jurisdictions. In the year to September 2006, average weekly ordinary time earnings (which excludes over-time and bonuses) increased by 1.9 per cent in the Territory compared to 4.0 per cent nationally.

Gross State Product*
(latest data – June quarter 2006)



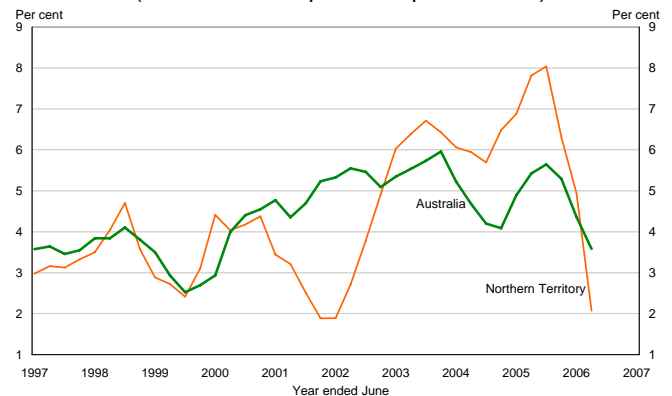
* year on year percentage change
Source: ABS Cat. Nos. 6401.0

Territory Wage Price Index
(latest data – September quarter 2006)



Source: ABS Cat. No. 6345.0

Average Weekly Earnings*
(latest data – September quarter 2006)



* year on year percentage change
Source: ABS Cat. No. 6302.0

Retail Turnover

Seasonally adjusted retail turnover in the Territory increased by 0.3 per cent in September 2006, compared to a 0.1 per cent increase nationally. In the year to September 2006, current price retail turnover increased by 7.0 per cent in the Territory, the second highest growth of the jurisdictions, and higher than nationally (see chart). Total retail expenditure is divided, by the Australian Bureau of Statistics (ABS), into six broad categories.

In the month of September 2006 retail turnover in the Territory totalled \$189 million. Of this total expenditure, 46 per cent (or \$87 million) was on 'food', 18.5 per cent (\$35 million) was on 'hospitality', 14.2 per cent (\$27 million) was on 'department stores and other' retailing, 13.7 per cent (or \$26 million) was on 'household goods', 4.7 per cent (or \$9 million) was on 'clothing and soft goods' and the remaining 2.9 per cent (\$6 million) was on recreation related goods.

Sales of New Motor Vehicles

Territory seasonally adjusted new motor vehicle sales increased by 9.4 per cent in October 2006 to 835. Passenger vehicle sales increased 8.0 per cent in the month, while SUV sales increased by 25.2 per cent and sales of 'other' vehicles increased by 7.8 per cent. The increase in sales of all categories of vehicles in the month reflects Territory consumer's response to lower fuel prices, and strong economic conditions. Nationally, the total level of sales remained unchanged in the month.

Nevertheless, in the year to October 2006 Territory new motor vehicle sales decreased by 2.9 per cent, continuing the moderation in year on year growth reported over the past seven months, (see chart). At the national level sales of new motor vehicle sales decreased 2.4 per cent in the year to October 2006.

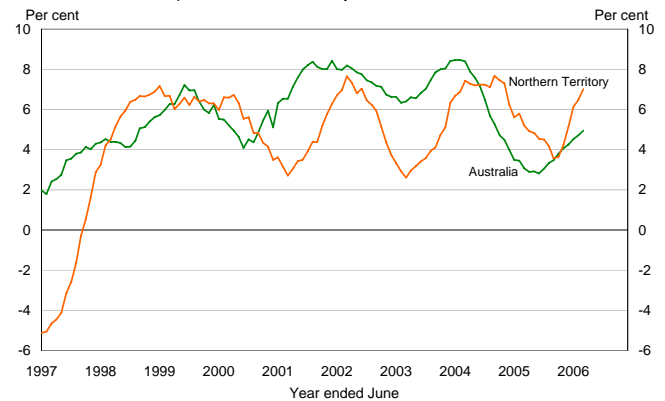
Petrol Prices

In October 2006, fuel prices decreased by 6.7 cpl in Darwin while the eight capital cities weighted average price decreased by 8.7 cpl. Darwin recorded an average unleaded petrol price of 128.3 cpl, compared to 114.9 cpl for the eight capital cities weighted average. This represents a 13.4 cpl price differential between Darwin and the eight capital cities weighted average, the highest differential since November 2005. Compared to October 2005 petrol prices in Darwin have decreased by 5.0 per cent, compared to a 7.1 per cent decrease in the eight capital cities weighted average. As the chart shows, petrol prices in Darwin track other capital cities, though tend to remain higher.

In \$US terms, crude oil prices decreased by 9.6 per cent in October 2006 averaging \$US62.84 a barrel. The recent fall in crude oil prices reflects the combination of modest increases in capacity, along with modest reductions in global demand and an uneventful hurricane season in the U.S.

Retail Turnover*

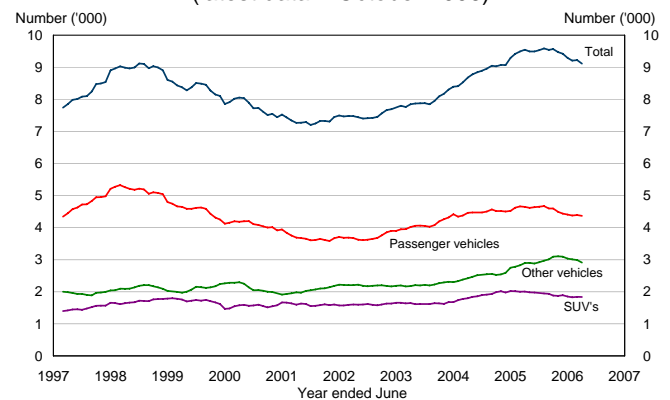
(latest data – September 2006)



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

Motor Vehicle Sales*

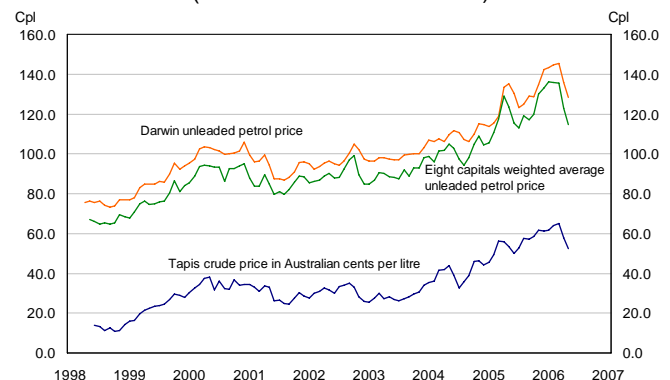
(latest data – October 2006)



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

Petrol Prices

(latest data – October 2006)



Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

Housing Finance for owner Occupation

In September 2006, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 73 to 574, while nationally, commitments decreased by 1.2 per cent in the month. In the year to September 2006 the number of Territory finance commitments increased by 952, or 13.6 per cent to 7 963, compared to an 11.2 per cent increase nationally.

Of the 952 additional commitments in the Territory 525 were for the purchase of an established dwelling, 52 were for the purchase of a new dwelling, there were 412 refinancing commitments, while construction of dwellings decreased by 37. As the chart shows, growth in the number of commitments in the Territory has been quite stable over the past two years until the most recent low of 13.6 per cent. Over the same period growth in the value of housing finance commitments has further moderated from 56 per cent to 21 per cent.

House Price Index

The ABS house price index (HPI) measures the growth in prices of established homes, across capital cities and nationally. In the September quarter 2006 prices of established houses increased by 3.1 per cent in Darwin, the third highest quarterly growth rate of the jurisdictions behind Perth and Canberra. Compared to the September quarter 2005, prices of established homes have increased 17.3 per cent in Darwin, the second highest annual growth rate of the jurisdictions, and behind the very substantial 45.9 per cent annual growth rate in Perth (see chart). Sydney was the only capital city to report a decline in the index (decreasing by 1.4 per cent in annual terms).

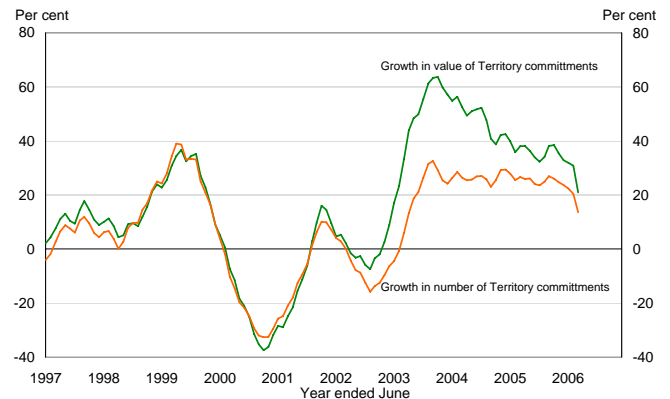
The ABS also reports on price growth associated with the construction of new homes (excluding land value), and reports an increase of 3.4 per cent for Darwin in the September quarter 2006. Annually the price of constructing a new home in Darwin increased by 13.6 per cent, significantly higher than the 2.6 per cent growth reported nationally.

Building Approvals

In the Territory, residential building approvals increased by 62 to 146 (in original terms) in September 2006, with 146 private and zero public sector approvals. Of the private sector approvals in the month, 44 were for houses and 101 were for 'other residential'. There was one approval for 'alterations & additions'. There were zero approvals for 'residential building in a non-residential facility' (such as a care-taker or park-ranger dwelling), and conversions. In the public sector there were zero approvals in all categories.

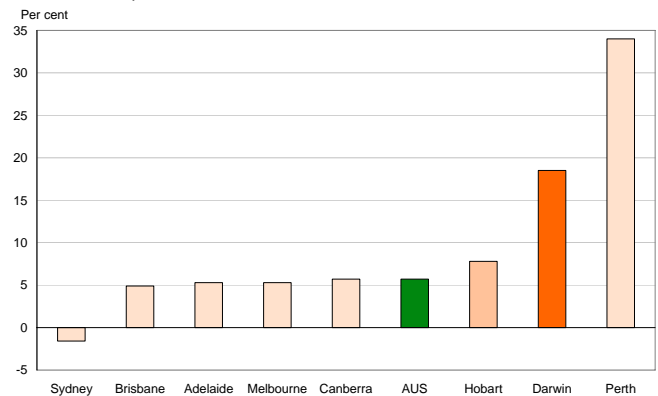
In the year to September 2006, residential building approvals in the Territory decreased by 5.7 per cent to 1 270 (see chart). Of the 1 270 residential building approvals in the Territory in the year, 1 241 were in the private sector, with the remaining 29 approvals in the public sector.

Growth in number and value of commitments* (latest data – September 2006)



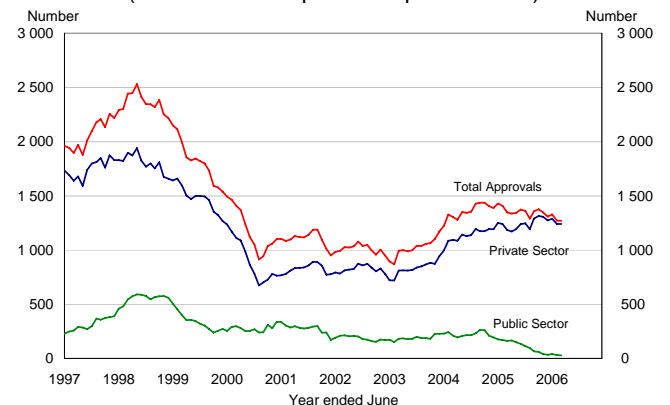
* year on year percentage change
Source: ABS Cat. Nos. 5609.0

House Price Index* (latest data – September quarter 2006)



* annual percentage change
Source: ABS Cat. Nos. 6416.0

Residential Building Approvals* (latest data – September quarter 2006)



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

REINT Regional House Prices

Median house prices in the September quarter 2006, as reported by the Real Estate Institute of the Northern Territory (REINT), are at historic highs in Darwin, Palmerston and Katherine, while remaining close to historic highs in both Alice Springs and Tennant Creek (see chart). The median house price in Darwin is \$385 000, representing annual growth of 28.3 per cent. In Palmerston median prices have increased to \$317 800 an annual rate of growth of 20.8 per cent. In Alice Springs median prices have increased very modestly to \$272 500, an annual rate of growth of 1.3 per cent, whereas annual growth of 13.7 and 23.5 per cent have been experienced in Tennant Creek and Katherine, respectively.

The reported increases in median house prices tend to mirror changes in both population growth and employment opportunities in the major centres, while in Alice Springs land shortages have also played an important role.

REINT Regional Vacancy Rates

In their September quarter 2006 publication, data collected and reported by the REINT shows that, vacancy rates for rental accommodation, while volatile, have been decreasing in all regions surveyed (see chart). Total vacancy rates in Palmerston in the September quarter 2006, are 1.4 per cent, the lowest of the regions, and represent a historic low for Palmerston. Similarly, at 1.7 per cent, total vacancy rates in Darwin are at historically low levels. Total vacancy rates for Alice Springs and Katherine are 2.5 and 3.5 per cent respectively.

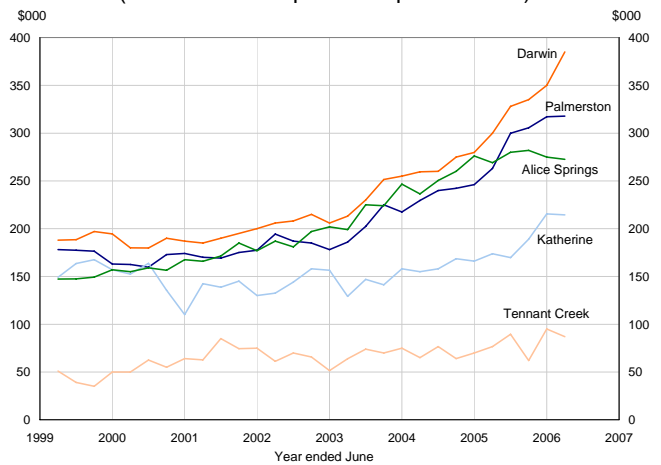
The historically low vacancy rates for rental accommodation in the Darwin and Palmerston regions, in the September quarter 2006, coincides with an 8.9 per cent increase in median weekly rental for a 3 bedroom house (to \$305) and a 2.3 per cent increase in rent for a 2 bedroom units (to \$225), in the year to September 2006.

Sensis Business Index

In the November quarter 2006, Sensis reports Territory business confidence regarding prospects for the next twelve months declined by 1 percentage point to a net balance of 58 per cent, second highest of the jurisdictions. Business confidence in the Territory has remained equal to or above national business confidence for the past two years (see chart). The net balance is defined as the difference between the percentage of positive and negative responses. The November survey reports on actual outcomes from the previous August quarter, as well as expectations for the upcoming quarter and year. The Northern Territory reported the second highest (behind Western Australia) actual growth in sales value in the previous quarter, double the actual growth in sales value reported nationally for the same period.

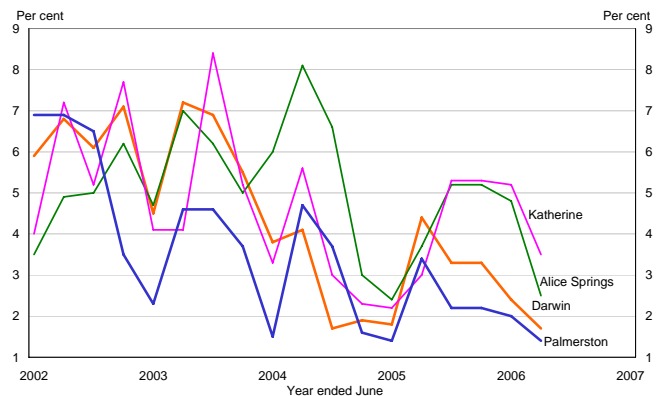
Territory businesses reported that in the November quarter 2006 their 'actual' experience in the previous quarter, exceeded their 'expectations' for sales value, profitability and capital expenditure, but was below 'expectations' for wages bill, size of workforce and prices.

Regional House Prices*
(latest data – September quarter 2006)



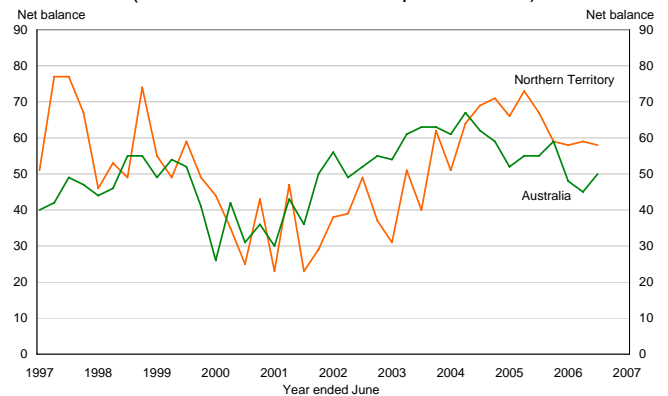
* median price
Source: REINT RELM Analysis, September Quarter 2006

REINT Vacancy Rates for Houses*
(latest data – September quarter 2006)



* per cent vacancy rate, original terms
Source: REINT RELM Analysis, September Quarter 2006

Sensis Business Index
(latest data – November quarter 2006)



Source: Sensis Business Report, November quarter 2006

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 120 to 103 008 in October 2006. Nationally, seasonally adjusted employment decreased by 32 100 in the month to around 10.3 million employed persons.

A comparison of Territory resident employment in October 2006 with employment in October 2005 shows an increase of 5.9 per cent, the second highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of growth, employment has increased by 5.2 per cent, the highest growth rate (in year on year terms) in the Territory since June 2002.

Unemployment

The Territory's trend unemployment rate decreased to 3.0 per cent in October 2006 down from 3.4 per cent reported in September 2006. The unemployment rate has now reported its eighth consecutive month of decline. Compared to October 2005, the unemployment rate has decreased by 2.4 percentage points. 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). The Territory now reports the lowest trend unemployment rate of the jurisdictions.

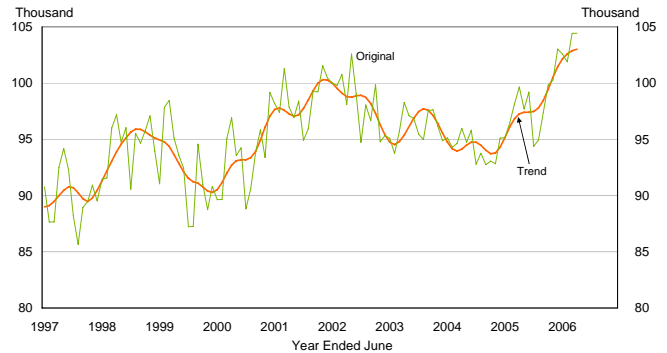
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased to 4.6 per cent in October 2006, a decrease of 0.2 percentage points from September.

International Trade

Territory merchandise exports increased by 48.3 per cent in the year to September 2006, as exports of LNG and higher crude oil and commodity prices, offset weaker production from the Laminaria-Corallina oilfields. Over the same period, the value of merchandise imports to the Territory increased by 37.6 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. Higher fuel prices and the importation of machinery and equipment for major projects, have also contributed to the increasing value of imports into the Territory in the year.

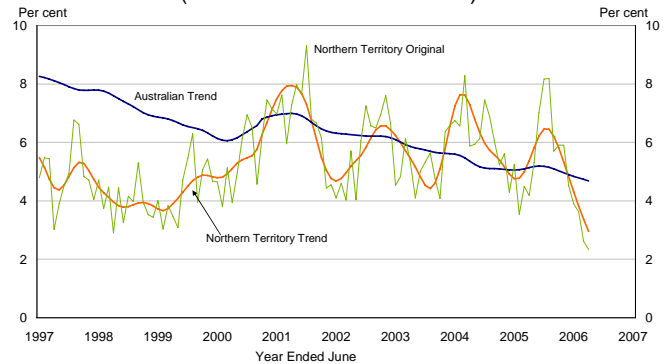
The Territory's goods trade balance increased by 691.7 per cent (\$447 million) in the year to September 2006, to a surplus of \$285 million (see chart). The Territory's trade surplus is expected to further improve in 2006-07 with increased LNG, alumina and manganese exports.

Territory Employment
(latest data – October 2006)



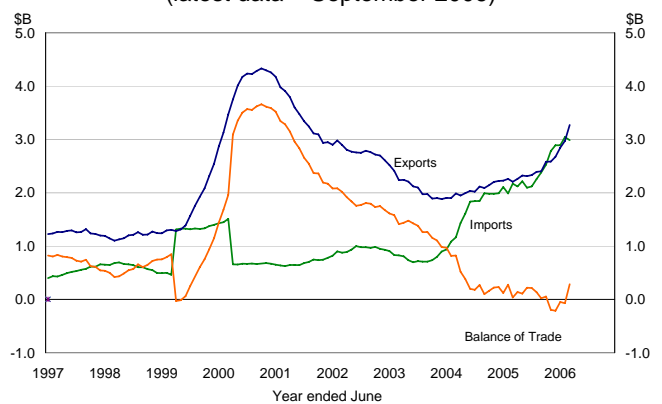
Source: ABS Cat. Nos. 6202.0

Territory Unemployment
(latest data – October 2006)



Source: ABS Cat. Nos. 6202.0

Territory Merchandise Trade Balance*
(latest data – September 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	7.5	1.4	2.7	4.9	2.2	4.9	3.1	3.4	2.8
State Final Demand ^(a)	Year to June 06	% change	7.2	2.2	2.9	6.7	2.6	10.4	5.1	3.6	4.2
International Goods Exports	Year to September 06	% change	48.3	16.9	6.7	27.0	12.7	25.9	17.3	-66.7	21.2
International Goods Imports	Year to September 06	% change	37.6	8.6	9.2	15.0	4.3	38.2	-12.4	-96.3	13.2
Demography											
Population	Mar-05 Qtr to Mar-06 Qtr	% change	1.8	0.8	1.3	2.0	0.8	1.9	0.7	0.8	1.3
Labour Market											
Employment (trend)	Oct 05 to Oct 06	% change	5.9	1.4	2.9	4.2	2.4	1.9	0.0	6.5	2.6
Participation Rate (trend)	As at October 05	%	69.6	62.9	64.3	66.4	61.9	67.9	61.1	71.7	64.5
	As at October 06	%	70.1	63.2	64.7	67.2	62.7	67.5	60.5	74.9	65.0
Unemployment Rate (trend)	As at October 05	%	5.4	5.3	5.5	5.0	5.0	4.2	6.6	3.3	5.1
	As at October 06	%	3.0	5.3	4.6	4.3	4.6	3.5	6.4	2.6	4.7
ANZ Job Ads	Year to Oct 06	% change	8.2	-11.5	-11.6	-7.6	-3.2	10.5	-10.1	11.6	-5.4
Prices and Wages											
Consumer Price Index	Sep 05 Q to Sep 06 Q	% change	4.9	3.7	3.4	4.4	3.8	4.8	3.3	4.2	3.9
	Year to Sep 06 Q	% change	3.9	3.2	3.2	3.5	3.4	4.4	3.2	3.9	3.4
Average Weekly Earnings (full-time adult total earnings)	As at August 06	\$	1083.6	1132.3	1079.4	1041.7	1037.9	1177.4	971.7	1272.1	1099.3
Housing Sector											
Building Approvals (number)	Year to September 06	% change	-5.7	-13.1	-6.6	-3.8	4.2	11.0	-3.4	-8.7	-4.0
Housing Finance for Owner Occupation (number)	Year to September 06	% change	13.6	10.8	8.4	11.3	7.8	18.6	8.0	14.7	11.2
Housing Affordability Indicator ^(b)	As at June quarter 06	Level	51.7	27.0	31.9	29.7	33.2	32.6	31.7	52.0	30.1
Consumer Spending											
Retail Trade (current \$)	Year to September 06	% change	7.0	3.8	3.8	6.9	3.2	7.9	7.0	6.1	4.9
New Motor Vehicle Sales (No.)	Year to October 06	% change	-2.9	-4.5	-4.1	-2.4	-3.4	11.1	-8.6	-4.5	-2.4
Tourist Accommodation - Takings (current \$)	Year to June 06	% change	3.4	7.0	11.5	8.2	9.9	13.9	8.6	9.6	8.9

* 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. For queries please contact Northern Territory Treasury, Economic and Social Analysis Unit, on (08) 8999 6801.