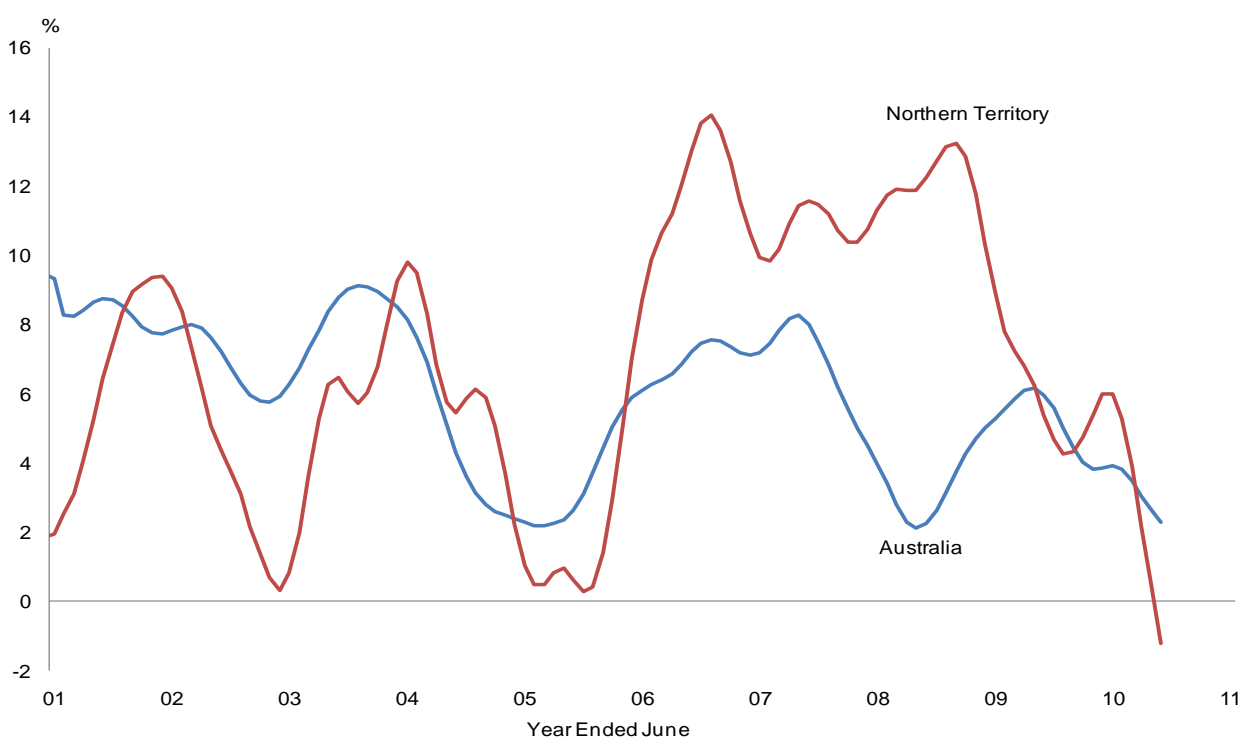


## Retail Trade November 2010

Economic growth, which supports employment and wages, population growth and the purchasing power of the Australian dollar are key drivers of retail trade turnover. Over the five years to 2009, the Territory experienced strong economic, population, employment and household income growth primarily driven by several major projects, including the construction of the Darwin Waterfront development, Darwin LNG plant, Alcan G3 refinery expansion, Eni Blacktip gas project and the GEMCO manganese refinery expansion. Household income has also been supported by Commonwealth stimulus in recent years. As a result of the above factors, the Territory experienced strong growth in retail sales activity in the five years to 2009 (Chart 1).

**Chart 1: Retail Trade Turnover, Annual % Change, Trend Data**



Source: ABS Cat. No. 8501.0, current prices

In 2010, rising interest rates, the absence of new major onshore projects and as the effects of Commonwealth stimulus spending began to diminish, the Territory economy slowed. This led to moderating employment and population growth, placing downward pressure on retail trade turnover. In addition, the Australian dollar appreciated strongly against our major trading partners over 2010, reducing the price of imports, which comprise a significant proportion of retail sales. As a result, annual growth in trend retail trade activity moderated from 4.2 per cent in January 2010 to 0.4 per cent in October 2010, before declining by 1.2 per cent in November 2010. This is the first decline in retail trade in the Territory, in annual trend terms, since September 1997.

Food retailing, which accounts for 39.8 per cent of retail turnover, has led the decline in activity, experiencing a 7.0 per cent fall through the year to November 2010 and subtracting 3.1 percentage points from overall growth. 'Other recreational goods' and 'pharmaceutical, cosmetic and toiletry' also declined over this period, subtracting 1.0 percentage point and 0.8 percentage points from growth respectively. In contrast, 'cafes, restaurants and take-away food' retailing continued to enjoy strong growth, increasing by 28.7 per cent and contributing 3.6 percentage points to growth.

The decline in food retailing at the same time as continued strong cafe, restaurant and take-away food turnover has been a feature of the Territory's retail trade data over 2010 and is broadly consistent with movements in national data. The relative underperformance of food retailing in the Territory and nationally appears to have been driven by falling prices for food and grocery items, through both discounting and lower import prices.

Falling prices arising from discounting appears to have been a response to softer trading conditions over 2010, particularly in the second half of the year. However, the dominant driver of falling food prices over 2010 has been the appreciation of the Australian dollar (Chart 2), which has seen the price of imported food, liquor, and general merchandise decline, with savings passed on to consumers by retailers competing for market share. Nevertheless, the dampening effect of falling prices may soon be coming to an end as the impact of flooding in the eastern states and Cyclone Yasi in Northeast Queensland counteracts the deflationary impact of lower import prices.

**Chart 2: Food Retailing Turnover, Trend Data, and Trade Weighted Index, Annual % Change**



Source: ABS Cat. No. 8501.0; Reserve Bank of Australia

The November 2010 interest rate rise and subsequent independent mortgage rate increases by the major banks are also likely to continue to dampen retail trade activity over the coming months, both in the Territory and nationally.

## Northern Territory State Final Demand and Gross State Product

Year ended June Percentage Change	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Latest available	Year on Year % change*
<b>Expenditure on GSP (2006-07 prices)</b>											
Private Consumption	6.0	3.3	6.0	5.2	4.2	6.2	9.5	4.3	0.7	Sep Q 10	1.1
Public Consumption	0.6	2.3	3.5	1.3	2.9	5.6	3.3	4.7	2.7	Sep Q 10	3.6
<b>Total Consumption Expenditure</b>	<b>3.5</b>	<b>2.9</b>	<b>4.9</b>	<b>3.5</b>	<b>3.6</b>	<b>5.9</b>	<b>6.9</b>	<b>4.5</b>	<b>1.5</b>	Sep Q 10	<b>2.1</b>
<b>Private Investment</b>											
<i>Dwellings</i>	2.1	11.5	-3.6	27.3	15.2	-7.7	-5.9	-5.2	17.4	Sep Q 10	7.6
<i>Other buildings and structures</i>	125.3	27.0	7.0	-0.2	5.5	-2.4	-23.2	79.9	-55.7	Sep Q 10	-59.6
<i>Machinery and equipment</i>	-0.8	15.5	12.6	-8.1	32.5	8.3	83.6	-14.4	-5.8	Sep Q 10	17.7
<i>Livestock</i>	7.8	-55.4	197.3	-7.3	13.7	-31.0	8.7	12.6	6.1	Sep Q 10	1.0
<i>Intangible fixed assets**</i>	125.3	27.0	7.0	-0.2	5.5	-2.4	-23.2	79.9	-55.7	Sep Q 10	-59.6
<i>Ownership transfer costs</i>	17.1	4.6	27.2	6.4	9.8	-2.0	-15.2	-2.4	-4.3	Sep Q 10	-16.4
Business Investment#	50.5	11.8	10.9	-0.8	20.7	-0.3	9.2	26.9	-35.6	Sep Q 10	-33.4
Total Private Investment	42.0	11.7	9.6	2.4	19.5	-1.4	6.1	21.6	-28.9	Sep Q 10	-27.7
Public Investment	15.8	-29.3	0.3	33.2	1.2	-13.7	18.3	5.4	54.0	Sep Q 10	62.9
<b>Total Investment</b>	<b>34.8</b>	<b>2.0</b>	<b>8.1</b>	<b>7.1</b>	<b>16.0</b>	<b>-3.4</b>	<b>7.9</b>	<b>19.0</b>	<b>-17.1</b>	Sep Q 10	<b>-13.4</b>
<b>State Final Demand</b>											
International Trade - export of goods	-22.8	-10.7	-23.4	-5.7	-1.4	34.3	-7.9	19.1	10.0	Sep Q 10	3.1
International Trade - import of goods	15.3	29.7	4.0	107.6	27.5	-6.0	-20.1	32.9	-24.4	Sep Q 10	-18.0
<b>Total Gross State Product</b>	<b>1.5</b>	<b>1.0</b>	<b>2.1</b>	<b>5.5</b>	<b>6.7</b>	<b>4.4</b>	<b>4.4</b>	<b>5.1</b>	<b>1.3</b>		
<b>Contribution to GSP Growth</b>											
Private Consumption	2.4	1.4	2.5	2.2	1.8	2.6	4.1	2.0	0.3		
Public Consumption	0.2	0.8	1.2	0.5	0.9	1.8	1.1	1.5	0.7		
Private Investment	7.1	2.8	2.5	0.7	5.3	-0.4	1.8	6.4	-9.9		
Public Investment	1.0	-2.1	0.0	1.7	0.1	-0.8	0.9	0.3	3.2		
<b>State Final Demand</b>	<b>11.0</b>	<b>2.8</b>	<b>6.3</b>	<b>5.0</b>	<b>8.2</b>	<b>3.2</b>	<b>7.9</b>	<b>10.3</b>	<b>-5.8</b>		
<b>Net International Exports</b>	<b>-18.0</b>	<b>-10.0</b>	<b>-12.4</b>	<b>-16.1</b>	<b>-7.7</b>	<b>11.6</b>	<b>2.4</b>	<b>-0.8</b>	<b>10.2</b>		
Balancing item	8.5	8.2	8.2	16.6	6.2	-10.4	-5.8	-4.3	-3.1		
<b>Gross State Product</b>	<b>1.5</b>	<b>1.0</b>	<b>2.1</b>	<b>5.5</b>	<b>6.7</b>	<b>4.4</b>	<b>4.4</b>	<b>5.1</b>	<b>1.3</b>		

\* Compares the 4 quarters up to and including the latest quarter with the previous 4 quarter period \*\* 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*	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Latest	Year on Year % change*
Real Retail Turnover	4.7	2.3	6.6	4.2	0.8	8.7	8.4	9.1	2.6	Sep Q 10	2.6
New Motor Vehicle Sales	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	-10.4	5.8	Dec 10	12.9
Tourist Accommodation Takings	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	10.9	0.4	Sep Q 10	3.2
Number of Dwellings Approved	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	-16.0	35.1	Nov 10	16.2
Number of Dwellings Commenced	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	5.2	9.7	Sep Q 10	11.5
Employment	4.8	1.5	-2.0	-0.2	3.2	5.0	6.1	4.4	2.5	Dec 10	1.3
Unemployment rate	6.7	5.5	5.2	5.7	5.5	3.8	4.4	3.6	3.4	Dec 10	2.0
Darwin Consumer Price Index##	3.6	2.2	2.1	1.6	2.6	4.4	3.4	4.0	2.8	Dec Q 10	2.8
AWOTE# (year average)	2.1	4.7	6.0	6.6	4.0	1.7	5.6	4.8	4.3	Aug Q 10	5.6
Wage Price index (year average)	3.1	3.1	3.3	3.7	4.4	3.9	3.9	4.5	3.4	Aug Q 10	3.4
Population, December (levels - thousands)##	198.3	199.3	200.6	203.8	208.4	212.3	217.5	222.9	227.9	Jun Q 10	
Population Growth Rate	1.1	0.5	0.6	1.6	2.3	1.9	2.4	2.5	2.3	Jun Q 10	2.0
Net Interstate Migration (levels - number)##	-1751	-2440	-2283	-482	726	-428	885	691	186	Jun Q 10	-842.0

\* 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	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Latest	Level
<b>Interest Rates</b>											
90 Day Bank Bill (as at 30 June)	5.11	4.67	5.50	5.66	5.97	6.43	7.80	3.20	4.89	01 Feb 11	4.92
10 Year Govt Bond Yield (as at 30 June)	5.99	5.01	5.87	5.11	5.79	6.26	6.45	5.52	5.10	01 Feb 11	5.50
<b>Exchange Rates</b>											
US\$ per A\$ (year average)	0.52	0.58	0.71	0.75	0.75	0.79	0.90	0.75	0.88	01 Feb 11	0.93
US\$ per A\$ (as at 30 June)	0.56	0.67	0.69	0.76	0.74	0.85	0.96	0.81	0.85	01 Feb 11	1.00
Special Drawing Rights per A\$ (as at 30 June)	0.43	0.48	0.47	0.52	0.51	0.56	0.59	0.52	0.58	01 Feb 11	0.64
Trade Weighted Index of A\$ (as at 30 June)	52.30	59.40	59.06	64.50	62.24	68.92	73.40	64.65	67.27	01 Feb 11	74.6

\* 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

February 2011			
ABS	6416.0	House Price Indexes: Eight Capital Cities, December 2010	1-Feb-11
ABS	5368.0	International Trade in Goods and Services, Australia, December 2010	3-Feb-11
ABS	8731.0	Building Approvals, Australia, December 2010	3-Feb-11
ABS	8501.0	Retail Trade, Australia, December 2010.	7-Feb-11
ANZ		ANZ Job Advertisement Series	7-Feb-11
ABS	3401.0	Overseas Arrivals and Departures, Australia, December 2010	8-Feb-11
Westpac-MI		Consumer Sentiment (no brief)	9-Feb-11
ABS	6202.0	Labour Force, Australia, January 2011	10-Feb-11
ABS	5609.0	Housing Finance, Australia, December 2010	14-Feb-11
AAA		Petrol Prices, January 2011	Mid-February
ABS	5671.0	Lending Finance, Australia, December 2010 (no brief)	15-Feb-11
ABS	9314.0	Sales of New Motor Vehicles, Australia, January 2010	16-Feb-11
Westpac-MI		Leading Index (no brief)	16-Feb-11
ABS	8755.0	Construction Work Done, Australia, Preliminary, December 2010	23-Feb-11
ABS	5625.0	Private New Capital Expenditure, Australia, December 2010	24-Feb-11
ABS	6302.0	Average Weekly Earnings, Australia, November 2010	24-Feb-11
ABS	5676.0	Business Indicators, Australia, December 2010 (no brief)	28-Feb-11
March 2011			
ABS	5302.0	Balance of Payments and International Investment Position, Australia, December 2010	1-Mar-11
ABS	8501.0	Retail Trade, Australia, January 2011	1-Mar-11
ABS	5206.0	State Final Demand, Australia, December 2010	2-Mar-11
ABS	5368.0	International Trade in Goods and Services, Australia, January 2011	3-Mar-11
ABS	8731.0	Building Approvals, Australia, January 2011	3-Mar-11
ABS	3401.0	Overseas Arrivals and Departures, Australia, January 2011 (no brief)	7-Mar-11
ANZ		ANZ Job Advertisement Series	7-Mar-11
ABS	5609.0	Housing Finance, Australia, January 2011	9-Mar-11
Westpac-MI		Consumer Sentiment (no brief)	9-Mar-11
ABS	6202.0	Labour Force, Australia, February 2011	10-Mar-11
ABS	5671.0	Lending Finance, Australia, January 2011 (no brief)	15-Mar-11
ABS	9314.0	Sales of New Motor Vehicles, Australia, February 2011	15-Mar-11
ABS	8750.0	Dwelling Unit Commencements, Australia, December 2010	16-Mar-11
Westpac-MI		Leading Index (no brief)	16-Mar-11
AAA		Petrol Prices, February 2011	Mid-March
ABS	3101.0	Population, Australia, September 2010	29-Mar-11
ABS	6354.0	Job Vacancies, Australia, February 2011	30-Mar-11
ABS	8635.0	Tourist Accommodation, Australia, December 2010	30-Mar-11
ABS	8501.0	Retail Trade, Australia, February 2011	31-Mar-11
ABS	8731.0	Building Approvals, Australia, February 2011	31-Mar-11

## Tourist Accommodation

The seasonally adjusted value of tourism accommodation takings in the Territory decreased by 0.7 per cent in the September quarter 2010. Over the same period, the seasonally adjusted room occupancy rate decreased by 0.6 percentage points to 66.1 per cent.

In the year to September 2010, guest nights occupied in the Territory increased by 4.1 per cent, while takings increased by 3.2 per cent (see Chart). The increase in guest nights was primarily driven by increases in the Darwin region, up 5.6%, and in the Alice Springs region, up 8.2%. This was partly offset by decreases in the Katherine region.

In the year to September 2010, room occupancy rates in Darwin increased by 0.6 percentage points to 70.5 per cent. Over the same period, room occupancy rates in Alice Springs increased by 6.6 percentage points to 67.7 per cent, likely due to lower room numbers as a result of the conversion of holiday accommodation into residential apartments.

## International Merchandise Goods Trade

In November 2010, the Northern Territory's trade surplus decreased by 20.9 per cent to \$155 million. The decline in the month was predominately due to an 11.3 per cent decrease in exports, as exports of base metal ores and concentrates returned to more normal levels after a sharp increase in October 2010.

The decrease in exports was partly offset by a 5.5 per cent decline in imports, driven by a 32.4 per cent reduction in natural gas imports from the Joint Petroleum Development Area, which can be quite volatile from month to month.

In the year to November 2010, the Territory's goods trade surplus increased by 16.8 per cent to \$1.9 billion (see Chart), primarily due to declining imports. The decline in imports was mainly the result of a 35-day planned maintenance shutdown at the Darwin LNG plant in early 2010.

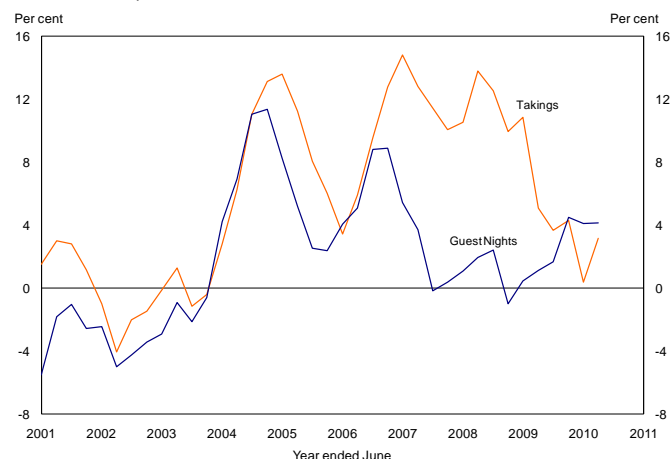
## Residential Building Approvals

The trend number of residential building approvals in the Territory declined by 16.7 per cent to 70 in November 2010. Nationally, residential building approvals decreased by 0.4 per cent to 12 953 over the same period.

Residential building approvals nationally have been declining since March 2010, mainly due to increasing interest rates, tighter credit conditions for residential housing and the end of the First Home Owners Boost on 31 December 2009.

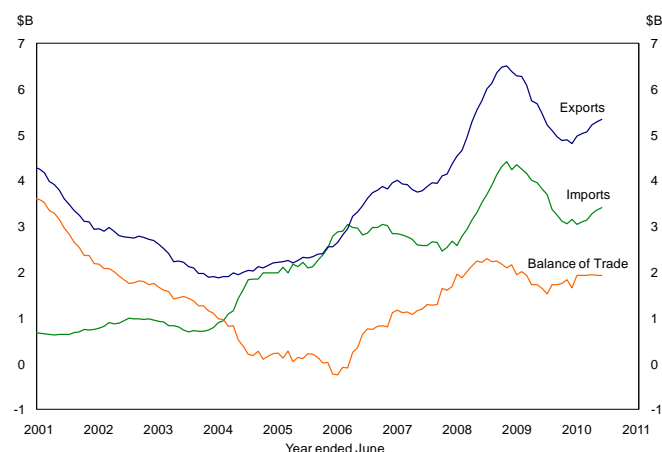
In the year to November 2010, residential building approvals growth in the Territory moderated to 16.2 per cent to 1368 (see Chart). Growth was primarily driven by increased approvals for public and private unit developments. Growth in public unit approvals was driven by projects related to the Nation Building and Jobs Plan, while private sector growth reflects unit approvals recovering from decade low levels recorded in 2008-09.

**Takings and Guest Nights\***  
(Latest data – September quarter 2010)



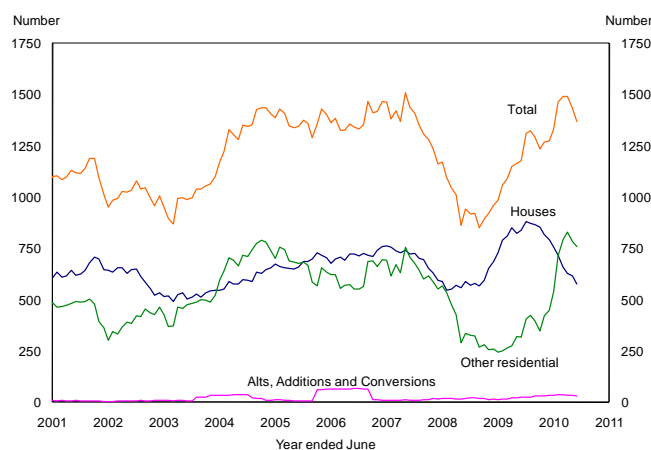
\* year on year  
Source: ABS Cat No. 8635.0

**International Merchandise Goods Trade (NT)\***  
(Latest data – November 2010)



\* moving annual total, current prices  
Source: ABS Cat. No. 5368.0

**Residential Building Approvals (number)\***  
(Latest data – November 2010)



\* moving annual total, original data  
Source: ABS Cat. No. 8731.0

## Housing Finance for Owner Occupation

In November 2010, the number of monthly seasonally adjusted housing finance commitments for owner occupation in the Territory increased by 7.4 per cent to 319. Nationally, housing finance commitments increased by 2.5 per cent, the fifth consecutive monthly increase.

In year on year terms, Territory housing finance commitments for owner occupation, excluding refinancing, decreased by 30.9 per cent in November 2010 (see Chart), reflecting the seven increases in official interest rates between October 2009 and November 2010, the cessation of the First Home Owners Boost and the Buildstart Scheme and tighter borrowing conditions. First home buyer commitments in the Territory declined by 51.2 per cent over the same period.

In the year to November 2010, the average loan size increased by 3.3 per cent to \$305 100 in the Territory and by 7.7 per cent to \$287 300 nationally.

## Residential Building Work Done, Inflation Adjusted

In the year to September 2010, residential building work done in the Territory increased by 3.8 per cent to \$463M (see Chart), driven by increasing construction of new houses.

New house construction in the Territory increased by 4.3 per cent to \$240 million over this period. This was a result of relatively low interest rates, a temporary boost to Government housing initiatives and increased construction activity by Defence Housing Australia.

Partly offsetting growth in the year was a 0.2 per cent decrease in 'other residential' (units, townhouses and flats) work done to \$146 million. This reflects a slowdown of the high levels of apartment construction in the Darwin CBD over the previous few years. Tighter credit markets and increased risk aversion also contributed to lower levels of high rise unit construction in the year.

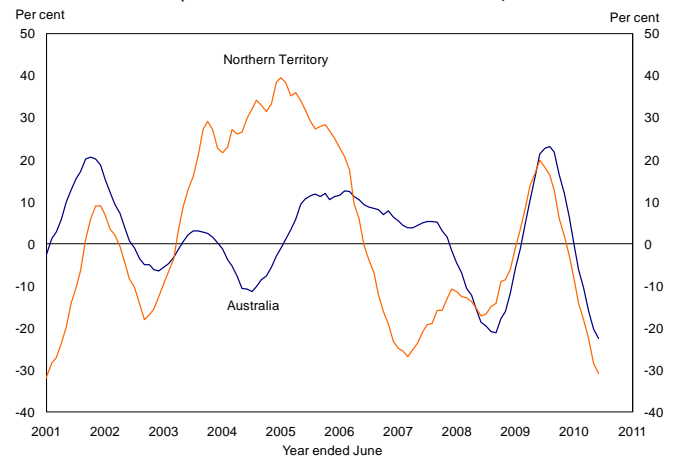
## Consumer Price Index

In the December quarter 2010, Darwin's Consumer Price Index (CPI) decreased by 0.1 per cent from the September quarter 2010. Nationally, the CPI increased by 0.4 per cent.

The 'recreation' category was the primary contributor to the decrease in quarterly growth in the Darwin CPI, subtracting 0.35 percentage points from growth. The decrease in 'recreation' was driven by lower prices for domestic holiday travel and accommodation in the quarter and was partially offset by price increases in the 'housing category', driven by higher house purchase prices.

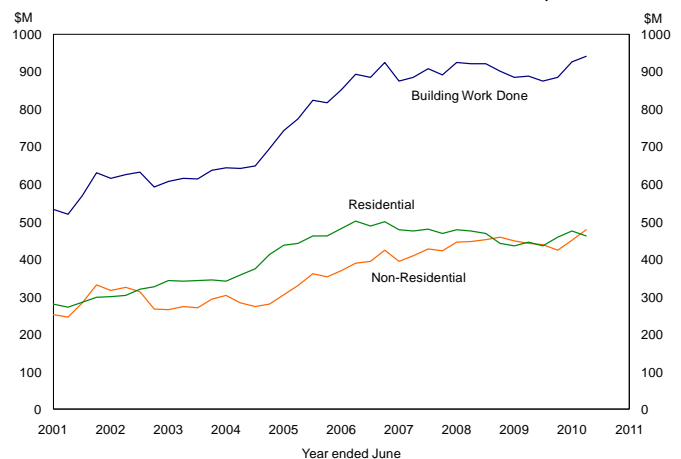
In annual terms, growth in Darwin's CPI strengthened to 2.4 per cent in the December quarter 2010, while nationally growth moderated to 2.7 per cent (see Chart). The main contributors to the annual increase in Darwin's CPI were housing (1.2 percentage points), tobacco and alcohol (1.0 percentage point) and financial and insurance services (0.3 percentage points).

## Housing Finance Commitments\* (Latest data – November 2010)



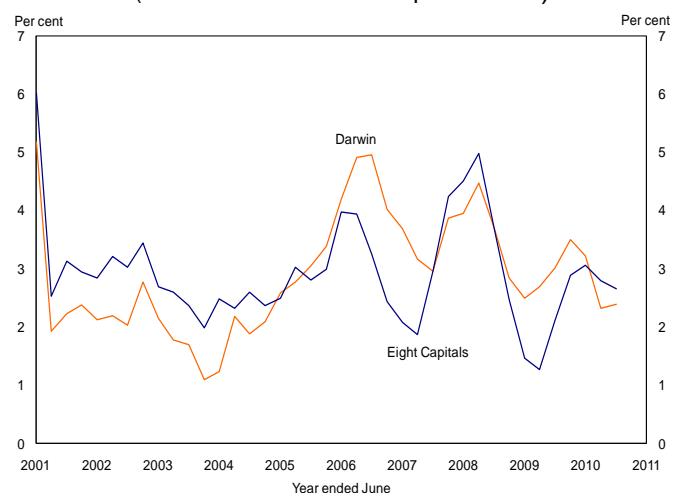
\* Excluding refinancing, year on year percentage change, original data  
Source: ABS Cat. No. 5609.

## Residential Building Work Done\* (Latest data – September quarter 2010)



\* moving annual total, original data  
Source: ABS Cat. No. 8755.0

## Consumer Price Index\* (Latest data – December quarter 2010)



\* annual percentage change  
Source: ABS Cat. No. 6401.0

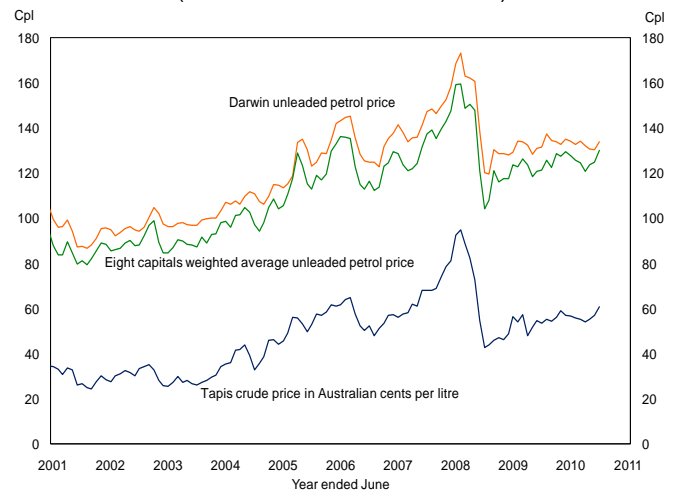
## Unleaded Petrol Prices

In December 2010, the average retail unleaded petrol (ULP) price in Darwin increased by 3.3 cents per litre (cpl) to 133.8 cpl (see Chart). Over the same period, the eight capital cities weighted average retail ULP price increased by 5.3 cpl to 130.2 cpl.

Darwin retail fuel prices tend to be higher than other capital cities, due to distance from refineries, lower levels of competition and other supply factors. Over the long term, movements in Darwin retail fuel prices closely mirror national trends. However, in the short term they can be highly volatile.

The average monthly \$USD price of Tapis crude oil increased by 6.2 per cent to US\$95.53 per barrel in December 2010. In \$A terms, the average monthly price of Tapis crude oil increased by 6.4 per cent to A\$96.64 per barrel over the same period. The higher increase in \$A terms reflects the 0.2 per cent depreciation of the Australian dollar versus the US dollar over the month.

## Unleaded Petrol Prices\* (Latest data – December 2010)



\* monthly data, original data  
Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

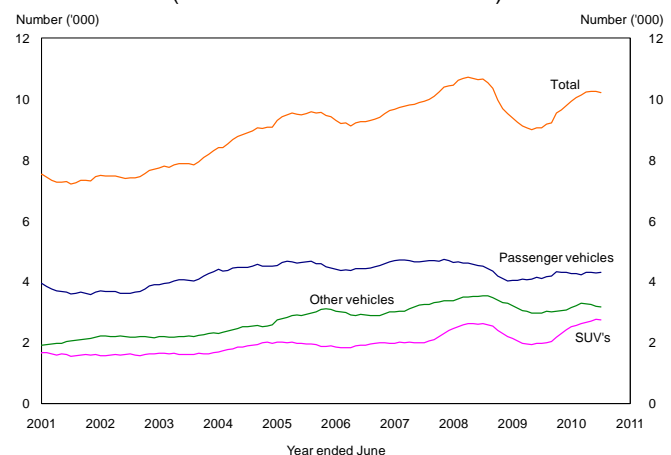
## Sales of New Motor Vehicles

Compared to November 2010, the number of seasonally adjusted new motor vehicle sales in the Territory decreased by 6.2 per cent in December 2010.

The decrease was due to a 0.3 per cent decrease in passenger vehicle sales and a 24.4 per cent decrease in the sale of SUVs. This was partly offset by a 3.4 per cent increase in 'other vehicles' (utes, trucks and vans) sales.

In 2010, the number of new motor vehicle sales in the Territory increased by 12.9 per cent to 10 233 (see Chart). Growth was primarily driven by tariff cuts on new motor vehicle imports from January 1 2010, the appreciation of the Australian dollar over the year and strong growth in purchases by rental companies in the first half of the year.

## Sales of New Motor Vehicles\* (Latest data – December 2010)



\* moving annual total, original data  
Source: ABS Cat. No. 9314.0.55.001

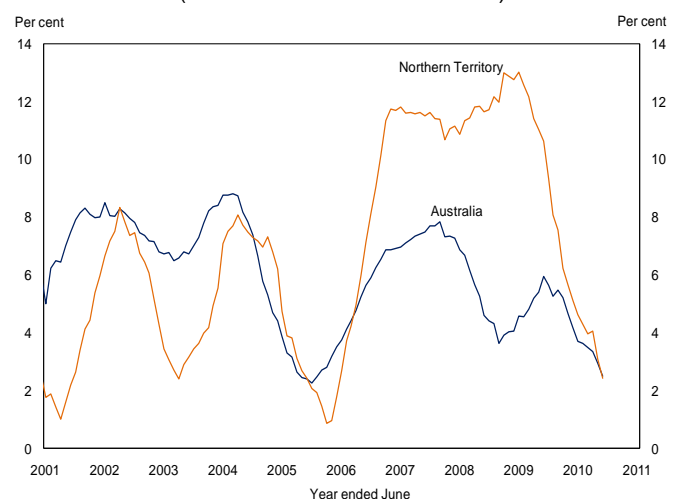
## Retail Trade Turnover

In November 2010, seasonally adjusted retail trade turnover in the Territory decreased by 0.9 per cent to \$216 million. Lower retail trade turnover was driven by decreases in 'pharmaceuticals, cosmetics and toiletries', 'household goods' and 'food retailing'.

In the year to November 2010, growth in retail trade turnover in the Territory moderated to 2.4 per cent (see Chart). Growth was driven by increases in 'cafes, restaurants and takeaway food' (up 23.7 per cent), and 'household goods' (up 4.7 per cent). Growth was partially offset by decreases in 'food retailing' (down 2.1 per cent).

In the year to November 2010, the Territory recorded the fifth highest growth rate of the jurisdictions behind Victoria (3.9 per cent), New South Wales (3.2 per cent), the Australian Capital Territory (2.6 per cent) and Western Australia (2.5 per cent).

## Retail Trade Turnover\* (Latest data – November 2010)



\* year on year percentage change, original data  
Source: ABS Cat. No. 8501.0

## Employment

ABS labour force survey (LFS) data for the Territory is characterised by extreme levels of volatility and as such, should be interpreted with caution. While nationally analysis is focussed on seasonally adjusted data, the ABS only publishes original and trend data for the Territory.

In trend terms, there were 121 591 people employed in the Territory in December 2010, a decrease of 0.4 per cent from November 2010. Nationally, the number of people employed increased by 0.2 per cent to 11.4 million persons over this period. In 2010, employment growth in the Territory moderated to 1.3 per cent while strengthening to 2.7 per cent nationally (see Chart).

In December 2010, the Territory's trend labour force participation rate decreased by 0.5 percentage points from the previous month to 72.2 per cent. The Territory has the second highest trend labour force participation rate of all jurisdictions behind the Australian Capital Territory (73.4 per cent).

## Unemployment Rate

In December 2010, the Territory's trend unemployment rate decreased by 0.2 percentage points to 2.6 per cent, a historically low rate. Nationally, the trend unemployment rate remained at 5.1 per cent in December 2010 (see Chart).

The decrease in the unemployment rate in the Territory over the four months to December 2010 has mainly been driven by corresponding decreases in the Territory's participation rate which fell from 73.6 per cent in August 2010 to 72.2 per cent in December 2010.

The Territory had the lowest trend unemployment rate of the jurisdictions in December 2010. The unemployment rate in other jurisdictions varied between 3.3 per cent in the Australian Capital Territory to 5.7 per cent in Queensland.

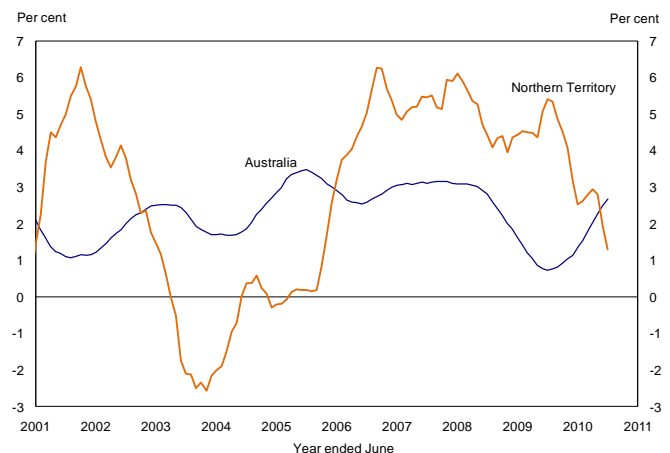
## Engineering Construction Activity

In the year to September 2010, engineering construction activity in the Territory decreased by 59.9 per cent to \$1.0 billion (see Chart), driven by a 65.4 per cent decline in the private sector reflecting the completion of several major projects. Public engineering construction increased by 22.5 per cent due to increased expenditure on roads, highways and subdivision projects.

In the September quarter 2010, engineering work yet to be done in the Territory decreased by 0.3 per cent to \$685 million. Engineering work yet to be done in the public sector increased by 0.7 per cent to \$165M while work yet to be done in the private sector decreased by 0.6 per cent to \$520M in the quarter.

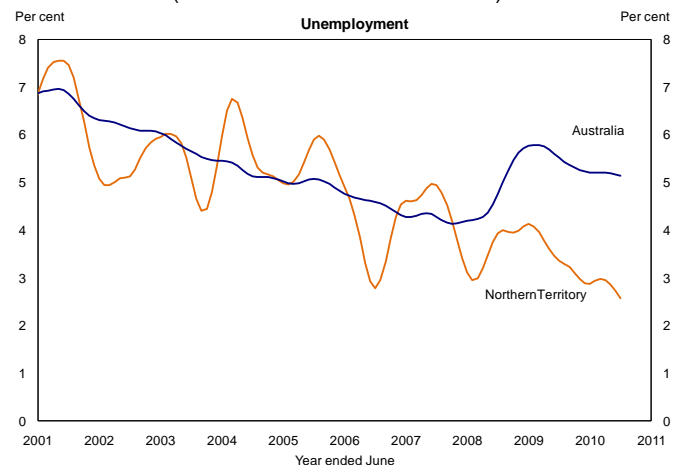
Private sector engineering work yet to be done spiked in the June quarter 2010, reflecting remediation work to be carried out on the Montara oil field redevelopment and work associated with the Kitan oil field in the Timor Sea. These projects are expected to translate into higher engineering construction activity over the coming year.

**Employment\***  
(Latest data - December 2010)



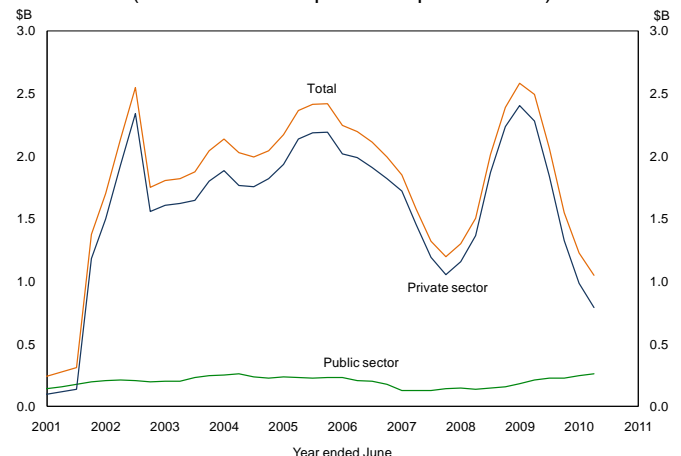
\* year on year percentage change, original data  
Source: ABS Cat. No. 6202.0

**Unemployment Rate\***  
(Latest data - December 2010)



\* monthly rate, trend data  
Source: ABS Cat. No. 6202.0

**Engineering Construction Activity\***  
(Latest data - September quarter 2010)



\*moving annual total, original  
Source: ABS Cat. No. 8762.0

## **Consumer Price Index**

A general indicator of prices paid by households 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 expenditure, total income, or total production. GDP is the headline measure of economic growth for Australia

## **Gross State Product**

GSP is the headline measure of economic growth for each jurisdiction. Similar to GDP, the ABS produces three measures of GSP; GSP (Expenditure), GSP (Income) and GSP (Production). The main measure of GSP growth is GSP (Average), the average growth rate of the three measures.

GSP (Expenditure) approach sums all final consumption expenditures (general government and household); private and public gross fixed capital formation; net international and interstate exports (exports - imports) and changes in inventories in each jurisdiction.

GSP (Income) is the sum of: compensation of employees; gross operating surplus; gross mixed income and taxes less subsidies on production and imports in that jurisdiction.

GSP (Production) is the sum of the value of all goods and services produced by an industry less the cost of goods and services used up by the industry in producing the goods and

services (ie Gross value added (GVA) by industry). The industry GVA's and taxes less subsidies on products are then summed to form GSP.

## **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**

SFD measures the final demand for goods and services within the state or territory borders. It encompasses personal and government expenditure on goods and services, and government and business fixed capital investment. It does not have the same coverage as GSP as it does not include international (or interstate) trade nor change in inventories. Therefore, unlike GSP, SFD is not a measure of the output or production of a state or territory economy.

## **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 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.

# Territory Economic Review February 2011

Indicator	Period	Measure	Comparative Economic Indicators*								
			NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
<b>Economic Growth</b>											
Gross Domestic Product <sup>(a)</sup>	2009-10	% change	1.3	1.7	2.0	1.6	1.5	4.3	0.4	0.9	2.3
State Final Demand <sup>(a)</sup>	Year to Sep 10	% change	-3.0	4.4	4.3	0.4	3.3	4.6	0.3	2.0	3.4
International Goods Exports	Year to Nov 10	% change	-2.2	-3.2	3.6	9.8	4.9	27.9	2.6	-80.0	12.5
International Goods Imports	Year to Nov 10	% change	-10.5	6.1	6.9	8.1	1.9	-10.4	-10.9	-16.7	3.8
<b>Demography</b>											
Population	Jun-09 Qtr to Jun-10 Qtr	% change	1.5	1.5	1.8	2.0	1.2	2.2	0.9	1.8	1.7
<b>Labour Market</b>											
Employment (trend)	Dec 09 to Dec 10	% change	0.4	3.9	3.2	3.4	1.3	3.3	2.1	3.0	3.3
Participation Rate (trend)	As at December 09	%	74.2	63.3	65.4	67.4	63.4	68.4	60.5	72.9	65.4
	As at December 10	%	72.2	64.1	66.0	68.1	63.6	68.4	60.8	73.4	66.0
Unemployment Rate (trend)	As at December 09	%	3.4	5.8	5.4	5.8	5.2	5.1	5.6	3.7	5.5
	As at December 10	%	2.6	4.9	5.2	5.7	5.6	4.6	5.0	3.3	5.1
ANZ Job Ads	Year to Dec 10	% change	19.1	-44.4	-47.2	-58.0	-38.8	-56.0	-14.5	-29.9	-46.5
<b>Prices and Wages</b>											
Consumer Price Index	Dec-09 Qtr to Dec-10 Qtr	% change	2.4	2.4	3.1	3.0	2.5	2.6	2.3	2.1	2.7
	Year to Dec 10 Qtr	% change	2.8	2.7	3.0	3.0	2.6	3.1	2.8	2.3	2.8
Average Weekly Earnings (full-time adult total earnings)	As at August 10	\$	1309.80	1322.90	1273.10	1290.80	1192.40	1461.00	1134.90	1486.90	1309.70
<b>Housing Sector</b>											
Building Approvals (number)	Year to Nov 10	% change	16.2	28.3	28.9	12.2	9.3	15.4	-4.1	38.3	21.3
Housing Finance for Owner Occupation (number)	Year to Nov 10	% change	-26.3	-23.8	-10.2	-26.4	-27.6	-20.8	-27.1	-12.8	-21.0
Housing Affordability Indicator <sup>(b)</sup>	As at Jun 10 Qtr	Level	42.6	26.6	28.0	29.2	29.3	35.7	33.5	53.3	28.7
<b>Consumer Spending</b>											
Retail Trade (current \$)	Year to Nov 10	% change	2.4	3.2	3.9	0.2	1.8	2.5	-0.8	2.6	2.5
New Motor Vehicle Sales (No.)	Year to Dec 10	% change	12.9	9.7	14.1	4.3	9.1	17.1	9.8	8.0	10.5
Tourist Accommodation - Takings (current \$)	Year to Sep 10	% change	3.2	7.2	5.9	0.6	3.3	-0.8	-1.8	8.9	3.8

\*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 Job Advertisement Series, REIA Housing 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.