

Territory Economic Review

January 2006

Households continue to spend freely, supported by solid business investment

Territory state final demand (SFD) increased by 7.9 per cent in the year to the September 2005, significantly stronger than national growth of 4.0 per cent, with consumers and investors each making solid contributions to growth. Consumption increased by 4.2 per cent and investment by 18.1 per cent.

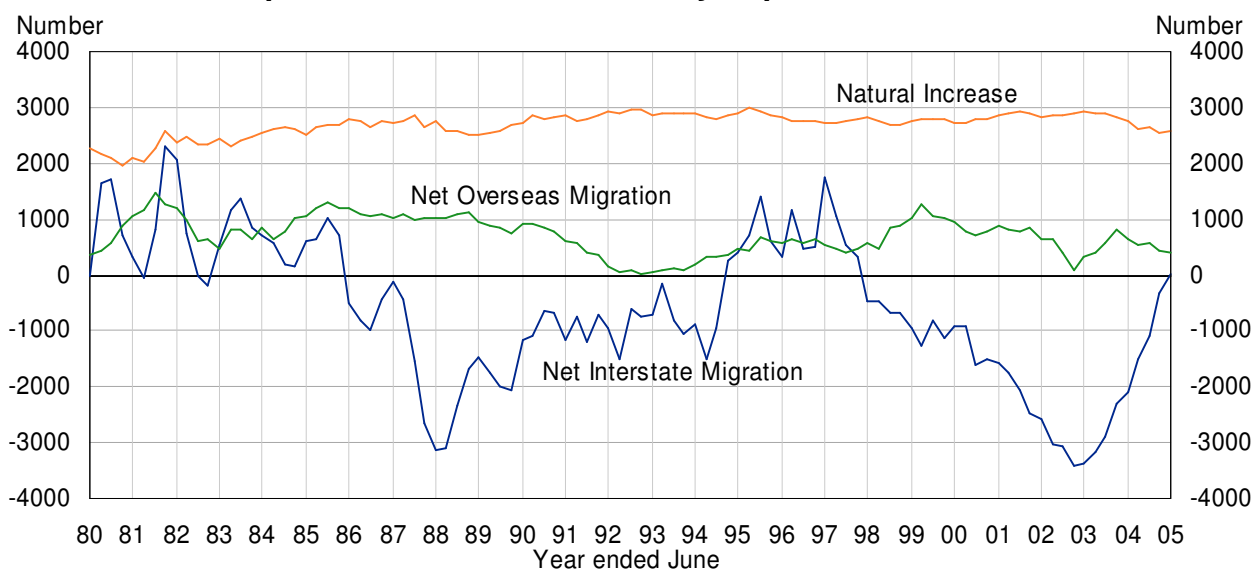
Private consumption in the Territory continues to report strong growth, increasing by 5.4 per cent. Consumer sentiment remains high, supported by employment opportunities and the strength of property markets (Darwin house prices have increased by more than 20 per cent in the past year compared to about one per cent nationally). Further, while fuel prices to September have been increasing, the rate of growth in the Territory has been weaker than nationally and, is having less of an impact on sentiment and spending. However, since September fuel prices have been declining, although at lower pace in Darwin than in other capital cities.

Private sector investment has also performed solidly over the past year, increasing by 17.0 per cent. Business investment, which has been dominated by major projects recently, has also been supported by local firms. Local business confidence has rebounded over the past eighteen months, and is reflected in the Sensis *Business Index* which reports a significant pick up in capital spending. Private sector house and unit construction, the other major component of private sector investment, is also reporting strong growth, increasing by more than 20 per cent in the year. With major projects underway, significant new residential projects planned and, already a significant backlog of work to be done, the outlook for construction activity remains positive. Nonetheless, skilled labour supply remains a constraint, though recent strong interstate migration outcomes may help to alleviate some of the current skills shortages.

Population growth reflects strength of onshore economy

Excluding the period of the defence force build up in the mid to late 1990s, net interstate migration is at its highest level in 20 years (see chart below) and, is responsible for the rebound in population growth over the past two years (see chart on page 4). At 1.5 per cent, annual growth to June 2005 is the highest since December 1999. Improved net interstate migration outcomes reflect employment opportunities across a broad range of industries, notably mining and construction. Net interstate migration is the most volatile component of population growth in the Territory (see chart) and, with a considerable lag, tends to follow the economic cycle while also being influenced by employment opportunities elsewhere in Australia and the world. As such, the strong recovery in net interstate migration is likely to include a significant proportion of skilled persons who will play an integral role in supporting onshore economic growth.

Components of Northern Territory Population Growth*



* moving annual total
Source: ABS Cat. Nos. 3101.0



Territory Economic Review - January 2006

Northern Territory State Final Demand and Gross State Product									
Year on Year Ended June	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Latest	Annual % change [*]
Expenditure on GSP (2002-03 prices)									
Private Consumption	5.3	6.7	3.7	5.9	4.1	7.9	4.0	Sep Q 05	9.1
Public Consumption	4.8	5.4	0.0	0.4	2.7	2.3	3.2	Sep Q 05	0.8
Total Consumption Expenditure	5.1	6.1	2.1	3.5	3.5	5.6	3.7	Sep Q 05	5.8
Private Investment									
<i>Dwellings</i>	43.5	-25.3	-40.4	3.4	11.8	-2.4	24.7	Sep Q 05	15.2
<i>Other buildings and structures</i>	173.6	-58.9	-22.7	124.7	29.4	8.2	-3.3	Sep Q 05	50.2
<i>Machinery and equipment</i>	47.0	9.3	33.5	-1.6	1.4	3.6	-8.3	Sep Q 05	28.4
<i>Livestock</i>	112.5	-11.8	46.7	9.1	-54.2	145.5	0.0	Sep Q 05	-11.1
<i>Intangible fixed assets**</i>	-21.3	-17.6	-17.6	50.9	-42.1	-19.2	59.8	Sep Q 05	170.6
<i>Ownership transfer costs</i>	4.7	-7.8	-21.7	15.4	4.0	28.2	6.0	Sep Q 05	16.0
Business Investment [#]	89.0	-40.5	-0.7	52.1	7.9	7.7	-1.2	Sep Q 05	51.3
Total Private Investment	71.9	-36.8	-10.9	43.3	8.3	6.6	2.1	Sep Q 05	43.7
Public Investment	-34.3	43.6	46.1	18.9	-35.7	-0.2	30.2	Sep Q 05	18.0
Total Investment	52.5	-30.4	-1.6	37.4	-0.9	5.7	5.7	Sep Q 05	39.9
State Final Demand	16.9	-6.0	1.3	11.5	2.1	5.6	4.3	Sep Q 05	14.0
State Final Demand less L-C and B-U^{##}	5.7	1.9	1.4	10.1	0.5	4.4	9.6	Sep Q 05	14.2
International Trade - export of goods	-1.5	47.2	30.0	-22.6	-11.0	-23.8	-6.2	Sep Q 05	-23.1
International Trade - import of goods	-27.7	177.9	-62.0	15.3	29.9	4.1	107.6	Sep Q 05	31.7
Total Gross State Product	7.1	-0.4	5.2	1.2	0.1	0.2	3.6	Sep Q 05	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 One
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	Sep Q 05	2.1
New Motor Vehicle Sales	-3.4	-8.8	-4.2	-0.3	3.3	8.4	10.6	Nov Q 05	0.0
Tourist Accommodation Takings	7.0	16.8	1.5	-1.0	-0.1	2.8	13.6	Jun Q 05	14.1
Number of Dwellings Approved	0.0	-30.6	-28.4	-13.8	0.0	23.4	18.4	Oct Q 05	-22.2
Number of Dwellings Commenced	-9.7	-21.1	-34.0	0.1	-4.1	6.0	29.1	Sep Q 05	-4.4
Employment	5.3	-2.3	1.1	5.4	-0.1	-2.2	-2.0	Nov Q 05	3.5
Unemployment rate	4.0	4.4	5.6	6.8	5.8	5.2	6.3	Nov Q 05	-2ppt
Darwin Consumer Price Index (year average) ^{##}	0.7	0.7	3.9	3.6	2.2	2.1	1.6	Sep Q 05	2.8
AWOTE [#] (year average)	3.1	4.6	3.7	2.3	5.0	6.5	7.0	Sep Q 05	7.5
Wage Price index (year average)	2.8	2.5	2.8	3.1	3.0	3.3	3.7	Sep Q 05	4.5
Population, December (levels - thousands) ^{##}	191.3	194.3	196.3	198.0	198.2	198.7	200.8	Jun Q 05	202.8
Population (annual % change) ^{##}	1.6	1.6	1.0	0.9	0.1	0.3	1.1	Jun Q 05	1.5
Net Interstate Migration (levels - number) ^{##}	-688	-817	-1621	-2049	-3069	-2895	-1097	Jun Q 05	233

^{*} 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	30 Dec 05	5.64
10 Year Govt Bond Yield (as at 30 June)	6.27	6.16	6.04	5.99	5.01	5.87	5.11	30 Dec 05	5.20
Exchange Rates									
US\$ per A\$ (year average)	0.63	0.63	0.54	0.52	0.58	0.71	0.75	30 Dec 05	0.76
US\$ per A\$ (as at 30 June)	0.66	0.60	0.51	0.56	0.67	0.69	0.76	30 Dec 05	0.73
Special Drawing Rights [*] per A\$ (as at 30 June)	0.49	0.45	0.41	0.43	0.47	0.47	0.52	30 Dec 05	0.51
Trade Weighted Index of A\$ (as at 30 June)	58.40	53.60	49.80	52.30	58.98	59.06	64.50	30 Dec 05	62.71

^{*} 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

January 2006			
ABS	8731.0	Building Approvals, November 2005	6 Jan
ANZ		ANZ job ads series, December 2005	9 Jan
ABS	8501.0	Retail Trade, November 2005	9 Jan
ABS	5368.0	International Trade in Goods and Services, November 2005	10 Jan
ABS	8635.0	Tourist Accommodation, September quarter 2005	10 Jan
Westpac/MI		Consumer Sentiment Index, January 2006	11 Jan
ABS	6202.0	Labour Force, December 2005	12 Jan
ABS	3401.0	Overseas Arrivals and Departures, November 2005	12 Jan
Access Economics		Five Year Business Outlook, December quarter 2005	13 Jan
ABS	5609.0	Housing Finance, November 2005	17 Jan
Westpac/MI		Leading Index, January 2006	18 Jan
ABS	5671.0	Lending Finance, November 2005	19 Jan
ABS	8731.0	Building Activity, September quarter 2005	20 Jan
February 2006			
DEWRSB		Vacancy Report, January 2006	1 Feb
ABS	8731.0	Building Approvals, November 2005	2 Feb
ABS	5368.0	International Trade in Goods and Services, December 2005	3 Feb
ABS	8501.0	Retail Trade, December 2005	3 Feb
ANZ		ANZ job ads, January 2006	6 Feb
ABS	3401.0	Overseas Arrivals and Departures, December 2005	7 Feb
Westpac/MI		Consumer Sentiment Index, February 2006	8 Feb
ABS	6202.0	Labour Force, January 2006	9 Feb
ABS	5609.0	Housing Finance, December 2005	10 Feb
ABS	5671.0	Lending Finance, December 2005	14 Feb
Westpac/MI		Leading Index, February 2006	15 Feb
Sensis		Sensis Business Index, November quarter 2005	21 Feb
ABS	9314.0	Sales of New Motor Vehicles, January 2006	21 Feb
ABS	6345.0	Labour Price Index, December quarter 2005	22 Feb
ABS	8755.0	Construction Work Done, December quarter 2005	22 Feb
DEWRSB		Vacancy Report, February 2006	22 Feb
ABS	6302.0	Average Weekly Earnings, November quarter 2005	23 Feb
ABS	6416.0	House Price Index, December quarter 2005	24 Feb
ABS	5676.0	Business Indicators, December quarter 2005	27 Feb
ABS	5302.0	Balance of Payments, December quarter 2005	28 Feb

Gross Domestic Product

Australia's Gross Domestic Product (GDP) increased by 0.2 per cent in the September quarter 2005, and by 2.1 per cent in the year to September 2005. GDP growth was underpinned by solid domestic demand (that is consumption and investment), which increased by 4.0 per cent. Growth was partly offset by the ongoing weakness in net exports, where strong growth in imports, which increased by 10.5 per cent, outpaced exports growth of 2.2 per cent.

On the production side, construction, finance & insurance and the culture & recreational services industries contributed positively to quarterly growth, while in the year to the September 2005, the largest contributions to growth were by the construction and health & community services industries. The major detractor to growth over the period was in the agricultural, forestry and fishing industry, reflecting the ongoing drought conditions still prevalent in large parts of rural Australia.

State Final Demand

Territory State Final Demand (SFD) decreased by 2.2 per cent in the September quarter 2005, influenced by the timing of investment for major projects. Nevertheless, in year on year terms Territory SFD increased by 7.9 per cent (the highest growth of the jurisdictions) and, excluding investment for Bayu-Undan stage one and the pipeline for stage two, growth is estimated at 11.9 per cent.

In the year to the September quarter 2005, total investment increased by 18.1 per cent, of which the private and public investment components increased by 17.0 and 24.5 per cent respectively. The largest contributor to growth in private investment was business investment, particularly non-dwelling construction activity. On the consumption side, household consumption expenditure experienced a growth rate more than twice that of government consumption.

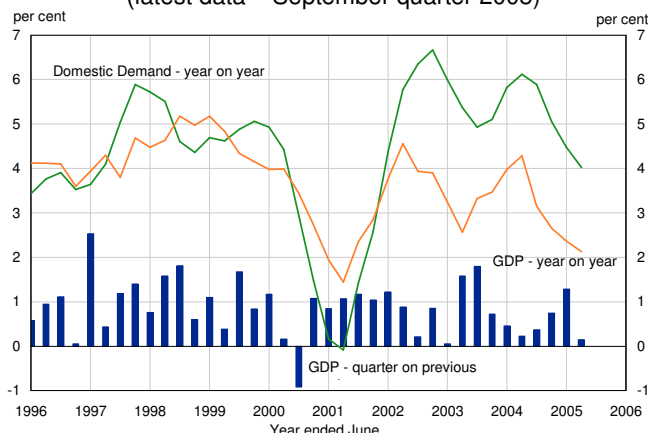
Population

Northern Territory resident population is estimated to have increased by 0.5 per cent in the June quarter 2005, to 202 793. This is the eighth consecutive quarterly population increase. In annual terms, Territory population growth strengthened to 1.5 per cent. This was greater than nationally (for the second consecutive quarter) where population increased by 1.2 per cent through the year, to an estimated 20.3 million persons.

The Territory's estimated resident population increased by 1 026 persons in the June quarter 2005, compared to an increase of 746 in the June quarter 2004. Natural increase (births less deaths), net overseas migration and net interstate migration all made positive contributions to growth in the quarter.

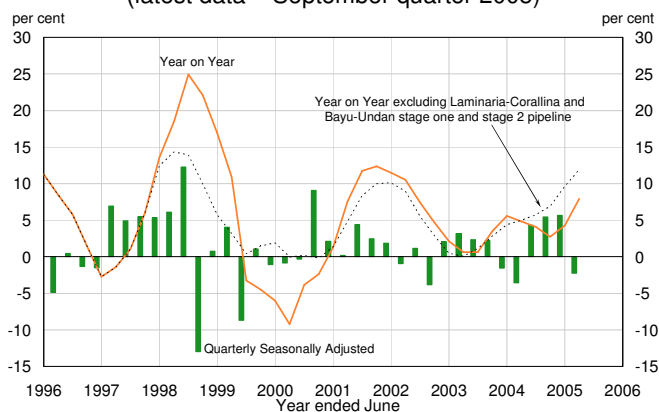
§ Natural increase (births less deaths)	696
§ Net overseas migration	97
§ Net interstate migration	233
§ Total population growth	1 026

Gross Domestic Product (latest data – September quarter 2005)



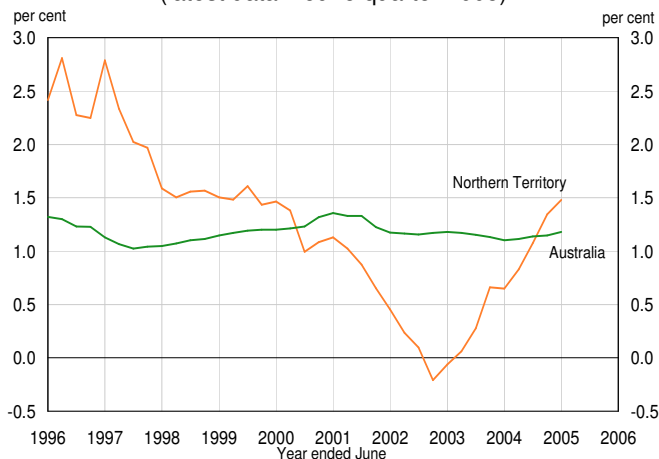
Source: ABS Cat. No. 5206.0

State Final Demand (latest data – September quarter 2005)



Source: ABS Cat. No. 5206.0

Population Growth* (latest data – June quarter 2005)



* annual growth
Source: ABS Cat. No. 3101.0

Motor Vehicle Sales

Territory seasonally adjusted new motor vehicle sales decreased by 0.1 per cent in November to 723. Nationally, sales increased by 2.2 per cent in the month. Year on year growth, a more stable measure of activity, indicates that growth in Territory new motor vehicle sales is still solid at 7.2 per cent, but has been moderating over 2005, down from 14.2 per cent January 2005. As the chart shows, Territory motor vehicle sales are at record high levels.

In the year to November, the sale of 'utes and other light commercial vehicles, trucks and buses' continued to be the primary driver of growth in overall motor vehicle sales in the Territory, increasing by 14.3 per cent to 2 876 vehicles, followed by sports utility vehicles increasing by 6.0 per cent to 1 969 and passenger vehicles increasing by 3.8 per cent to 4 636.

Petrol Prices

In November 2005, fuel prices decreased across Australia. In Darwin prices fell by 4.7 cpl and the eight capital cities weighted average price fell by 8.3 cpl. Darwin recorded an average unleaded petrol price of 130.3 cpl, compared to 115.4 cpl for the eight capital cities weighted average. At 14.9 cpl, this is the largest price differential between Darwin and the eight capital cities weighted average since the series began. Compared to November 2004 petrol prices in Darwin have increased by 16.5 per cent, compared to a 12.2 per cent increase in the eight capital cities weighted average.

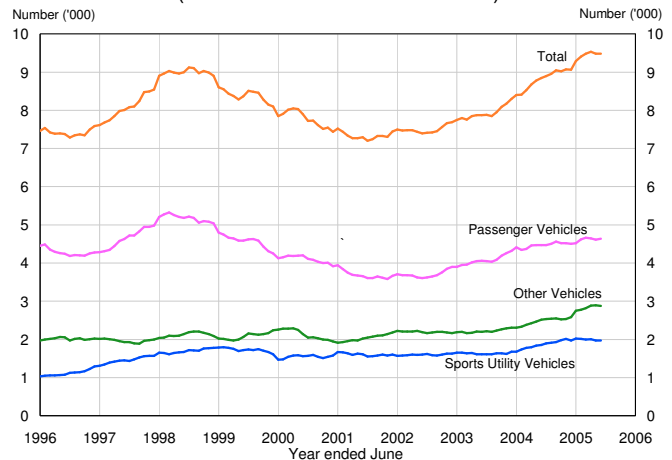
Crude oil prices fell for the third consecutive month in November 2005, decreasing by 5.8 per cent, and averaging \$US56.18 a barrel. The recent decline in crude oil prices primarily reflects increased US and OPEC production.

Retail Turnover

Seasonally adjusted retail turnover in the Territory decreased by 0.2 per cent in October 2005, compared to a 0.5 per cent increase nationally. Trend turnover, an estimate of underlying retail activity, increased by 0.4 per cent in the Territory and by 0.3 per cent nationally. In the year to October 2005, retail turnover increased by 4.9 per cent in the Territory, the third highest growth of the jurisdictions, and higher than nationally (see chart).

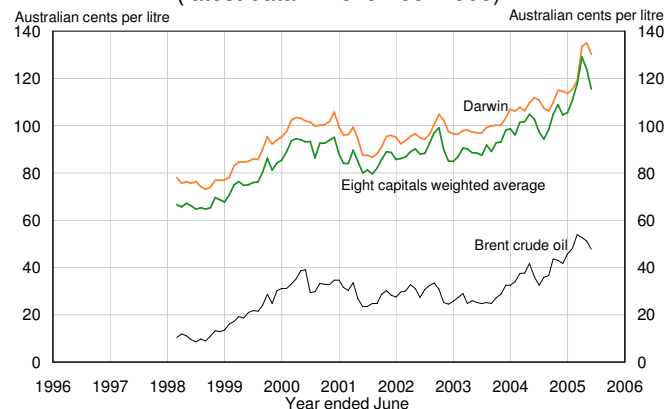
Territory retail turnover by category shows that in the year to October, 'hospitality and services' increased by 23.6 per cent to \$365.8 million, 'recreation goods' was up by 6.4 per cent to \$71.0 million, 'food' turnover was up by 2.2 per cent to \$935.1 million, 'household goods' increased by 2.1 per cent to \$253.4 million, while 'other retailing' (such as pharmaceutical, toiletry, jewellery, florist, cosmetic, nursery, and other goods) decreased by 0.9 per cent to \$302.7 million and 'clothing and soft goods' decreased by 1.8 per cent to \$96.5 million.

Motor Vehicle Sales*
(latest data – November 2005)



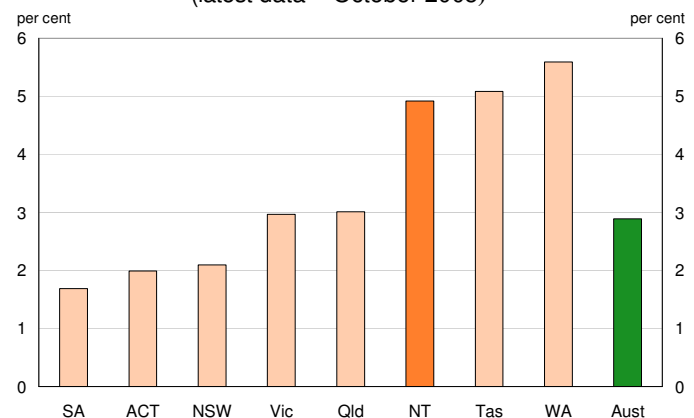
* moving annual total
Source: ABS Cat. No. 9314.0.55.001

Petrol Prices
(latest data – November 2005)



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

Nominal Retail Turnover*
(latest data – October 2005)



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

House Price Index

The ABS price index for established houses increased by 7.7 per cent in Darwin in the September quarter 2005, the strongest quarterly growth of the jurisdictions. The rate of prices growth in Darwin is strengthening, up from 2.0 per cent growth in the June quarter 2005. Nationally, the index fell by 1.0 per cent in the quarter, with the most significant fall reported in Sydney. Prices also fell in Melbourne, Brisbane, Hobart and Canberra while increasing in Adelaide, Perth and Darwin.

Comparing the September quarter 2005 with the September quarter 2004, the index increased by 21.9 per cent in Darwin, the highest of the jurisdictions, and by 1.0 per cent nationally (see chart). In annual terms, prices growth in Darwin has been strengthening, and at 21.9 per cent is the strongest on record. The cost of constructing a new home in Darwin (excluding land costs) increased by 7.3 per cent in annual terms to September 2005, compared to a 5.3 per cent increase nationally.

Housing Finance for Owner Occupation

In October, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 18 to 743. Nationally, commitments increased by 1.1 per cent. In the year to October 2005 the number of Territory commitments increased by 1 469, or 25.9 per cent to 7 145, compared to 6.4 per cent increase nationally. In year on year terms, Territory commitments, excluding refinancing, increased by 33.5 per cent compared to an 8.1 per cent increase nationally.

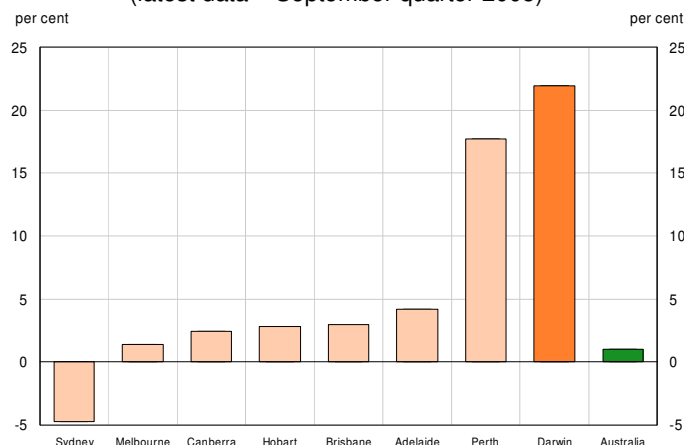
Of the 1 469 additional commitments in the Territory in the year to October, 1 220 were for the purchase of an established dwelling, 202 were for the construction and purchase of a new dwelling and there were an additional 47 refinancing commitments. Growth in the first homebuyer segment in the Territory has been quite dramatic, increasing 42.3 per cent in the year to October 2005, supported by low interest rates and initiatives encouraging home ownership.

Residential Building Approvals

In original terms, residential building approvals in the Territory decreased by 78 to 70 in October 2005. In trend terms, October approvals increased by 1 to 112. While year on year growth in Territory residential building approvals has eased in recent months, at 3.9 per cent it remains the strongest of the jurisdictions. Nationally, seasonally adjusted approvals decreased by 0.2 per cent in October, and decreased by 9.1 per cent in the year to October.

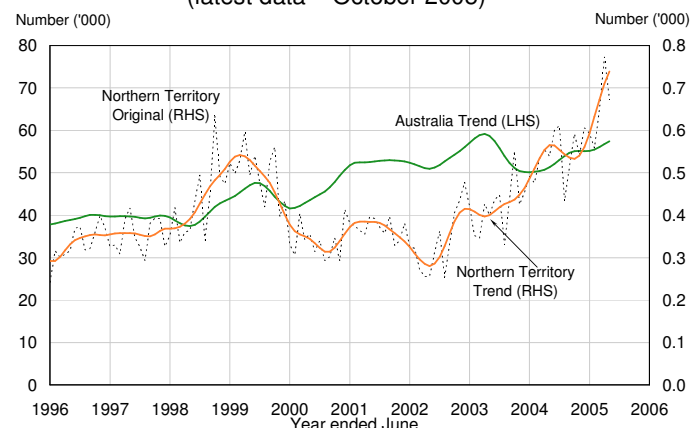
In the Territory, private sector 'other residential' approvals decreased by 63 (to 23) in October, while private sector house approvals increased by 23 (to 38). Total public sector approvals increased by 8 (to 10) in the month. In year on year terms, the number of Territory residential building approvals increased by 3.9 per cent to 1 329 and the corresponding value of these approvals increased by 33.1 per cent to \$393.9 million.

Established House Price Index* (latest data – September quarter 2005)



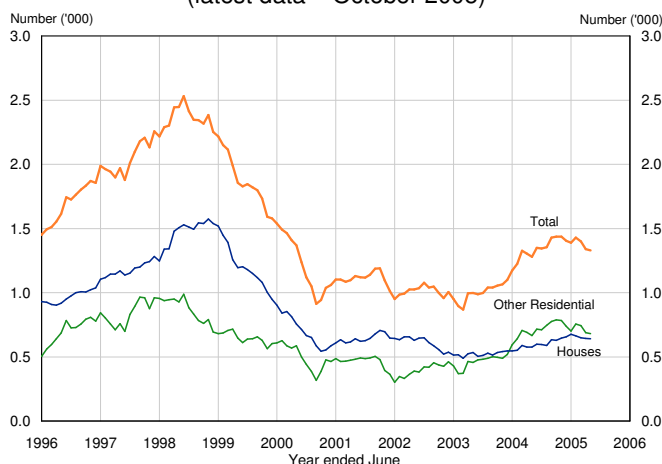
* annual percentage change
Source: ABS Cat. No. 6416.0

Housing Finance for Owner Occupation (latest data – October 2005)



Source: ABS Cat. No. 5609.0

Northern Territory Building Approvals* (latest data – October 2005)



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

Dwelling Commencements

In original terms, Territory dwelling commencements increased by 130 to 366 in the September quarter 2005. Nationally, seasonally adjusted quarterly commencements (the figure usually reported in the media) decreased by 5.0 per cent in the quarter. The ABS does not report seasonally adjusted data for the Territory.

Territory private sector commencements increased by 170 dwellings to 350, while public commencements decreased by 40 to 16. Of the 170 private sector commencements in the quarter, house commencements increased by 48, unit commencements by 124, and conversions decreased by two to zero. In year on year terms, total commencements increased by 109 to 1 332, with private 'other residential' dwellings accounting for 50.8 per cent of commencements. Private commencements increased by 16.9 per cent (to 1 176) in the year to September and public commencements, which tend to be volatile, decreased by 62 to 155.

Home Loan Affordability

Territory home loans remain considerably more affordable than nationally, and as the chart shows, are the most affordable of the jurisdictions. In the September quarter 2005, home loan affordability in the Territory improved by 1.5 per cent compared to a 1.3 per cent decline in affordability at the national level. When compared to the September quarter 2004, home loan affordability in the Territory has improved by 2.8 per cent, in contrast to a 0.6 per cent deterioration at the national level.

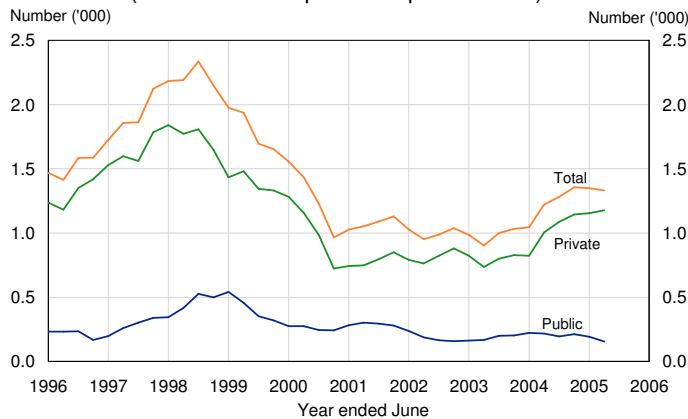
The improvement in affordability in the quarter was due to the median weekly family income increasing by 3.0 per cent (to \$1 643), which exceeded the increase in the average monthly loan repayments of 1.4 per cent (to \$1 348). Over the same quarter, the average loan size in the Territory increased by 1.6 per cent (to \$190 403) and Darwin's median house price increased by 7.2 per cent to \$300 000.

Consumer Sentiment

At the national level, consumer sentiment as reported by the Westpac-Melbourne Institute fell by 2.7 per cent in December 2005. Compared to December 2004 the index has decreased by 11.5 per cent. The decrease in consumer sentiment was unexpected given recent falls in crude oil and retail fuel prices.

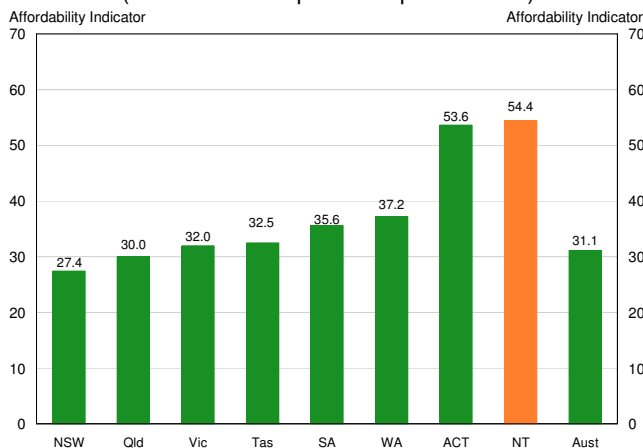
In its September quarter 2005 *Consumer Report*, Sensis reports that Territory households had the equal second highest confidence level regarding their financial prospects, second only to Western Australia. Territorians were also the most likely to feel 'better off' than they had reported a year earlier. In particular, consumers identified 'earning more money' as the key reason for their improved confidence. Nevertheless, residents of the Northern Territory were significantly more concerned about fuel prices, than residents of other jurisdictions.

Total Dwelling Commencements*
(latest data – September quarter 2005)



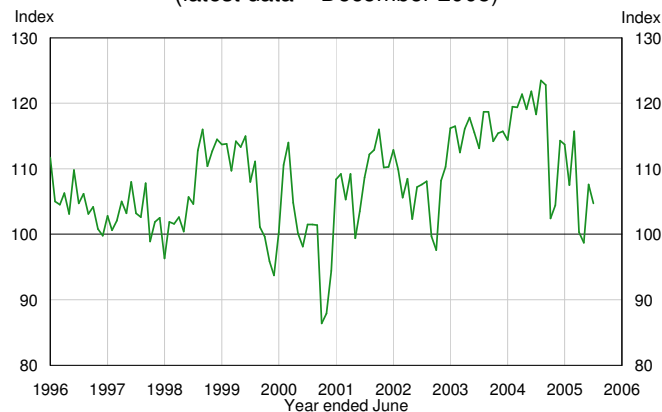
* moving annual total
Source: ABS Cat. No. 8750.0

Housing Affordability Index*
(latest data – September quarter 2005)



* quarterly index numbers
Source: AMP, REIA

Consumer Sentiment
(latest data – December 2005)



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, further reducing the confidence that users should place on the figures. Bearing this in mind, the ABS reports that trend employment increased by around 300 to 97 600 in November 2005. Nationally, seasonally adjusted employment increased by 28 000 in the month to just over 10 million employed persons.

Trend employment in the Territory has increased quite sharply in the past six months (see chart), driven by the strength of employment as reported in original terms. Given the extreme seasonality in the Territory labour market, this recent growth is somewhat difficult to interpret, especially as it occurs over a period historically associated with falling employment levels. To some extent this probably reflects a "correction" from the unexpectedly weak employment outcomes reported in 2004-05. The full-time Territory employment figure of 74 700, remains the highest on record for more than two and a half years.

Unemployment

The Territory's trend unemployment rate increased from 4.7 per cent in October to 4.8 per cent in November 2005. Compared to November 2004, the unemployment rate has fallen by 1.8 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).

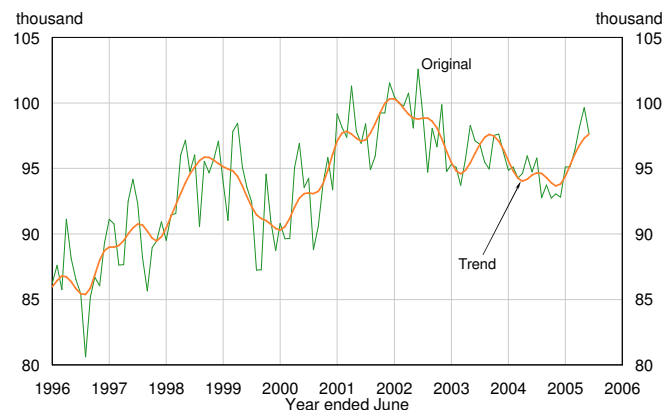
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased to 5.1 per cent in November, down from 5.2 per cent in October. The Territory's unemployment rate was reported as significantly higher than nationally in November 2004, and the highest of the jurisdictions. In the past year however, the Territory's unemployment rate has fallen below the national level and now has the third lowest rate of the jurisdictions.

International Trade

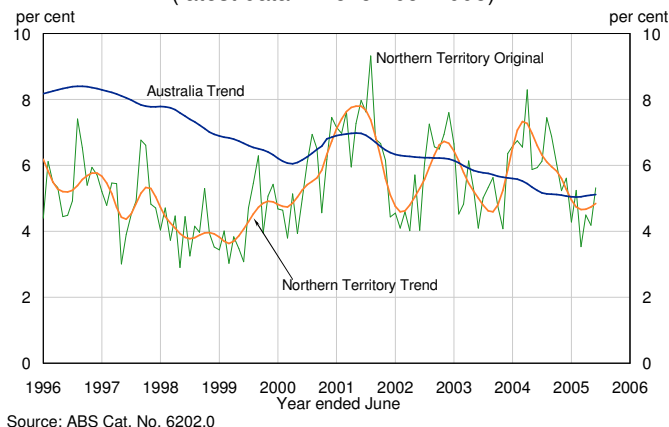
In October 2005, Territory merchandise exports increased by 58.1 per cent, driven by the timing of offshore oil exports. Imports to the Territory decreased by 7.6 per cent in October resulting in an improvement in the balance of trade from a negative \$167 million in September to negative \$57 million in October.

In the year to October 2005 there was a deterioration in the Territory's trade surplus from \$519 million to \$133 million. There was a 48.7 per cent increase in imports to the Territory over this period, largely attributable to the importation of new aircraft to Australia with Darwin the 'port of entry' for customs purposes. It is expected that Darwin will continue to be the preferred 'port of entry' for the importation of new aircraft in the short to medium term. As a result, higher imports could well become a feature of the Territory trade picture for the immediate future.

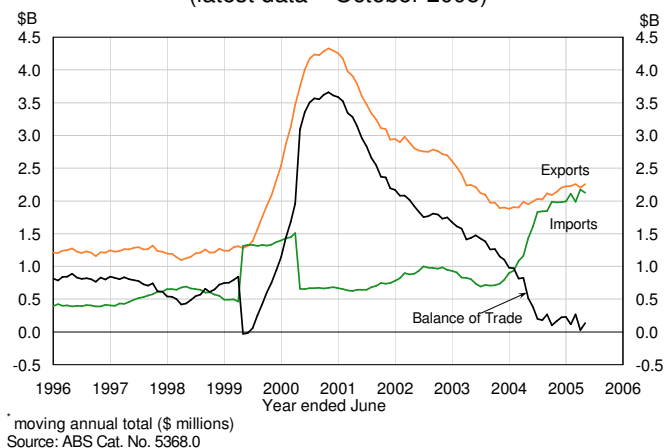
Northern Territory Employment
(latest data – November 2005)



Northern Territory Unemployment
(latest data – November 2005)



Territory Merchandise Trade Balance*
(latest data – October 2005)



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 September 05	% change	7.9	3.1	3.9	4.4	3.4	6.3	7.0	2.5	4.0
International Goods Exports	Year to October 05	% change	15.9	16.7	-1.4	31.7	1.9	21.7	16.4	n.a.	16.4
International Goods Imports	Year to October 05	% change	48.7	9.9	8.6	17.3	9.5	19.2	-0.7	575.0	11.5
Demography											
Population	Jun-04 Qtr to Jun-05 Qtr	% change	1.5	0.8	1.2	2.0	0.6	1.6	0.6	0.3	1.2
Labour Market											
Employment (trend)	November 04 to November 05	% change	3.3	1.6	1.7	3.2	1.9	5.0	3.7	0.3	2.3
Participation Rate (trend)	As at November 04	%	69.9	62.2	64.2	65.6	61.4	65.9	58.9	72.2	63.8
	As at November 05	%	69.4	62.8	64.3	66.3	61.8	67.7	61.4	71.5	64.4
Unemployment Rate (trend)	As at November 04	%	6.6	5.2	5.8	4.9	5.5	4.6	5.9	3.9	5.2
	As at November 05	%	4.8	5.3	5.5	4.8	4.9	3.9	7.1	3.4	5.1
ANZ Job Ads	Year to November 05	% change	14.2	-7.9	-8.7	-10.3	0.6	14.9	7.7	7.3	-3.5
Prices and Wages											
Consumer Price Index	Sep 04 Q to Sep 05 Q	% change	2.8	2.9	3.1	2.8	3.0	4.1	3.5	2.9	3.0
	Year to Sep 05 Q	% change	2.3	2.5	2.4	2.6	2.5	3.6	3.4	2.4	2.6
Average Weekly Earnings (full-time adult total earnings)	As at August 05	\$	1102.8	1129.0	1057.5	1000.2	973.5	1089.5	938.0	1218.0	1069.5
Housing Sector											
Building Approvals (number)	Year to October 05	% change	3.9	-18.8	-7.9	-9.7	-1.5	3.2	-11.7	2.9	-9.1
Housing Finance for Owner Occupation (number)	Year to October 05	% change	25.9	1.2	9.2	7.4	6.0	12.8	1.7	-2.9	6.4
Housing Affordability Indicator ^(b)	As at September 05 Qtr	Level	54.4	27.4	32.0	30.0	35.6	37.2	32.5	53.6	31.1
Consumer Spending											
Retail Trade (current \$)	Year to October 05	% change	4.9	2.1	3.0	3.0	1.7	5.6	5.1	2.0	2.9
New Motor Vehicle Sales (No.)	Year to November 05	% change	7.2	-0.1	2.6	7.4	0.6	9.7	6.0	3.1	3.4
Tourist Accommodation - Takings (current \$)	Year to June 05	% change	13.6	4.4	8.3	7.7	3.6	10.0	8.2	0.6	6.7

* 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.