

Territory Economic Review

July 2006

Territory Population Growth Exceeds National Growth

Territory population growth has been strengthening over the past year, with the annual growth rate increasing from 1.1 per cent in 2004 to 1.8 per cent in 2005. As chart 1 shows the Territory's annual population growth rate has exceeded national growth during 2005. In 2005 Queensland was the only jurisdiction to report a population growth rate above that of the Northern Territory.

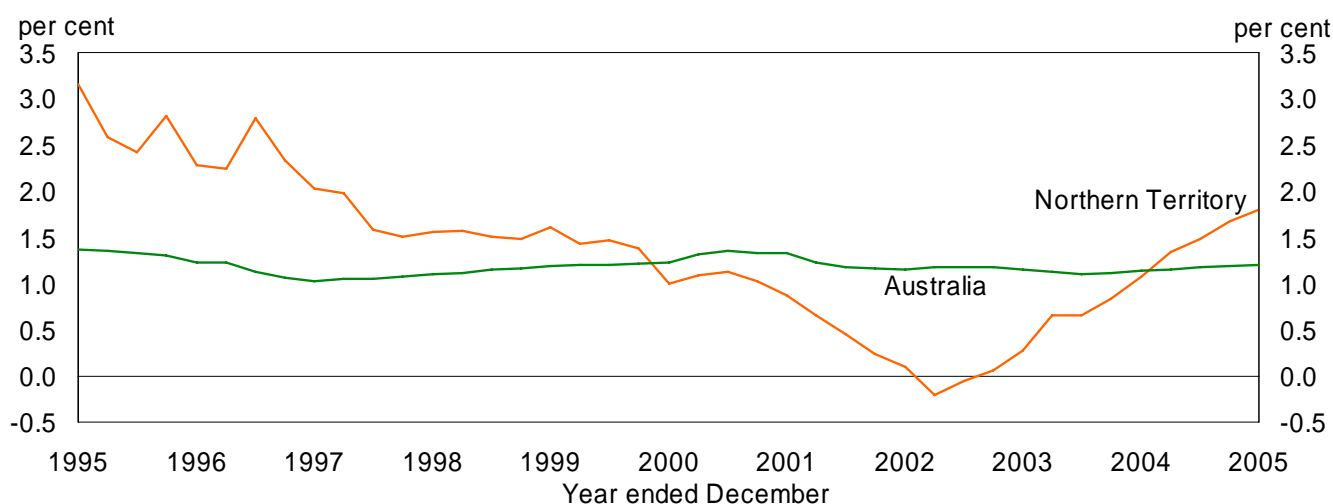
Importance of Population estimates

Population growth is an indicator of economic growth, and figures are released quarterly by the Australian Bureau of Statistics (ABS) with a 6-month time lag. As such the latest available population estimates are for the December quarter 2005. The growth rate experienced in each calendar year is of particular importance to the eight Australian jurisdictions as population numbers, along with the recommendations of the Commonwealth Grants Commission (CGC) are used to determine the distribution of national GST collections among the states and territories. The CGC is an independent organisation which makes recommendations to the Australian Government on the distribution of GST revenue.

August 8 Census

Census counts form the basis of population estimates for the five years following the ABS Census of Population and Housing. The Census will be held on 8 August this year. It is vitally important to get as accurate a count of the Territory population as possible at that time. An important issue for the Territory is addressing the apparent under-count that has occurred in previous censuses. This is of particular importance for the Indigenous population who are both highly mobile and predominantly live in remote locations. Following the Census the ABS will conduct a post-enumeration survey (PES) from which estimates of under-counts will be derived by matching survey and census records. The PES will cover all geographical areas of Australia, including for the first time remote Indigenous communities.

Chart 1
Annual Population Growth*



Source: ABS Cat. No. 3101.0

* Population at end of quarter compared with same quarter in the previous year

1. Budget Paper no. 2 pp. 46, 2006-07 Budget.



Territory Economic Review - July 2006

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

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

Latest Northern Territory Economic Indicators									
Year ended June Percentage Change*	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Latest	Annual % change**
Real Retail Turnover	5.9	5.8	-0.7	4.1	2.2	5.1	5.3	Mar Q 06	0.6
New Motor Vehicle Sales	-3.4	-8.8	-4.2	-0.3	3.3	8.4	10.7	May Q 06	-4.5
Tourist Accommodation Takings	7.0	16.8	1.5	-1.0	-0.1	2.8	13.6	Dec Q 05	1.2
Number of Dwellings Approved	0.0	-30.6	-28.4	-13.8	0.0	23.4	18.4	Apr Q 06	4.6
Number of Dwellings Commenced	-9.7	-21.1	-34.0	0.1	-4.1	6.0	29.1	Mar Q 06	-24.1
Employment	5.3	-2.3	1.1	5.4	-0.1	-2.2	-2.0	May Q 06	6.8
Unemployment rate	4.0	4.4	5.6	6.8	5.8	5.2	6.3	May Q 06	0.2ppt
Darwin Consumer Price Index (year average) ^{###}	0.7	0.7	3.9	3.6	2.2	2.1	1.6	Mar Q 06	3.4
AWOTE [#] (year average)	3.1	4.6	3.7	2.3	5.0	6.5	7.0	Mar Q 06	1.4
Wage Price index (year average)	2.8	2.5	2.8	3.1	3.0	3.3	3.7	Mar Q 06	3.9
Population, December (levels - thousands) ^{###}	191.3	194.3	196.3	198.0	198.2	198.7	200.8	Dec Q 05	204.5
Population (annual % change) ^{###}	1.6	1.6	1.0	0.9	0.1	0.3	1.1	Dec Q 05	1.8
Net Interstate Migration (levels - number) ^{###}	-688	-817	-1621	-2049	-3069	-2895	-1097	Dec Q 05	-4

* Year ended, or year on year ** Quarter on corresponding quarter the previous year, or through the year per cent change [#] Average Weekly Ordinary Time Earnings
^{###} Denotes calendar year
 Source: NT Treasury, Australian Bureau of Statistics data

Financial Indicators									
Year Ended June	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Latest	Level
Interest Rates									
90 Day Bank Bill (as at 30 June)	4.92	6.17	5.02	5.11	4.67	5.50	5.66	30 Jun 06	5.97
10 Year Govt Bond Yield (as at 30 June)	6.27	6.16	6.04	5.99	5.01	5.87	5.11	30 Jun 06	5.79
Exchange Rates									
US\$ per A\$ (year average)	0.63	0.63	0.54	0.52	0.58	0.71	0.75	30 Jun 06	0.75
US\$ per A\$ (as at 30 June)	0.66	0.60	0.51	0.56	0.67	0.69	0.76	30 Jun 06	0.74
Special Drawing Rights [*] per A\$ (as at 30 June)	0.49	0.45	0.41	0.43	0.47	0.47	0.52	30 Jun 06	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 Jun 06	62.24

* 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

July 2006			
ABS	8501.0	Retail Trade, May 2006	03-Jul-06
ABS	8731.0	Building Approvals, May 2006	03-Jul-06
ABS	5368.0	International Trade in Goods and Services, May 2006	04-Jul-06
ABS	3401.0	Overseas Arrivals and Departures, May 2006	06-Jul-06
ANZ		ANZ job ads series, June 2006	10-Jul-06
ABS	5609.0	Housing Finance, May 2006	11-Jul-06
Westpac- MI		Consumer Sentiment Index July 2006	12-Jul-06
ABS	5671.0	Lending Finance, May 2006	12-Jul-06
ABS	6202.0	Labour Force, June 2006	13-Jul-06
ABS	8762.0	Engineering Activity, March quarter 2006	18-Jul-06
ABS	8752.0	Building Activity, March quarter 2006	19-Jul-06
ABS	8782.0	Construction Activity, March quarter 2006	19-Jul-06
DEWRSB		Vacancy Report, July 2006	19-Jul-06
Westpac-MI		Leading Index, July 2006	19-Jul-06
ABS	6457.0	International Trade Price Indexes, June Quarter 2006	21-Jul-06
ABS	9314.0	Sales of New Motor Vehicles, June 2006	21-Jul-06
ABS	6427.0	Producer Price Indexes, June Quarter 2006	24-Jul-06
ABS	6401.0	Consumer Price Index, June Quarter 2006	26-Jul-06
Access		Access Economics Five Year Business Outlook	31-Jul-06
August 2006			
ABS	8731.0	Building Approvals, Australia June 2006	01-Aug-06
ABS	5368.0	International Trade in Goods and Services, Australia, June 2006	02-Aug-06
ABS	8501.0	Retail Trade, Australia, June 2006	02-Aug-06
ABS	6403.0	Average Retail Prices of selected Items, June Quarter 2006	02-Aug-06
ABS	3401.0	Overseas Arrivals and Departures, Australia, June 2006	07-Aug-06
ABS	5609.0	Housing Finance, Australia, June 2006	09-Aug-06
ABS	6202.0	Labour Force, Australia, July 2006	10-Aug-06
ABS	5671.0	Lending Finance, Australia, June 2006	11-Aug-06
ABS	6345.0	Labour Price Index, Australia, June Quarter 2006	16-Aug-06
ABS	6302.0	Average Weekly Earnings, June Quarter 2006	17-Aug-06
ABS	9314.0	Sales of New Motor Vehicles, Australia (Electronic Publication), July 2006	22-Aug-06
DEWRSB		Skilled Vacancy Survey, July 2006	23-Aug-06
ABS	6416.0	House Price Indexes: Eight Capital Cities, June Quarter 2006	24-Aug-06
Sensis		Sensis Business Index, July Quarter 2006	29-Aug-06
ABS	8501.0	Retail Trade, Australia, July 2006	30-Aug-06
ABS	8755.0	Construction Work Done, June Quarter 2006	30-Aug-06
ABS	5368.0	International Trade in Goods and Services, Australia, July 2006	31-Aug-06
ABS	5625.0	Private New Capital Expenditure and Expected Expenditure, Australia, June Quarter 2006	31-Aug-06

State Final Demand

Territory State Final Demand (SFD) increased by 2.7 per cent in the March quarter 2006, influenced by the timing of investment for major projects. In the year to March 2006 Territory SFD increased by 10.2 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 12.1 per cent (see chart).

In the year to March 2006, total investment increased by 27.8 per cent contributing 7.4 (of the 10.2 percentage points) of SFD growth. The largest component of total investment is private investment, which accounted for 6.9 percentage points of SFD growth. Public investment contributed 0.5 percentage points to SFD growth. Total consumption increased by 3.7 per cent in the year to March 2006, contributing 2.7 percentage points to SFD growth. Household consumption expenditure was the main contributor to the increase in consumption, accounting for 2.1 percentage points, with the remaining 0.6 of a percentage point attributable to government consumption expenditure.

Population

Northern Territory resident population is estimated to have increased by 0.4 per cent in the December quarter 2005, to 204 453. This is the eighth consecutive quarterly population increase. In annual terms, Territory population growth strengthened to 1.8 per cent. This was greater than nationally (for the fourth consecutive quarter) where population increased by 1.2 per cent through the year, to an estimated 20.4 million persons.

The Territory's estimated resident population increased by 732 persons in the December quarter 2005, compared to an increase of 474 in the December quarter 2004. Natural increase (births less deaths) and net overseas migration made positive contributions to growth in the quarter while net interstate migration had a small negative contribution.

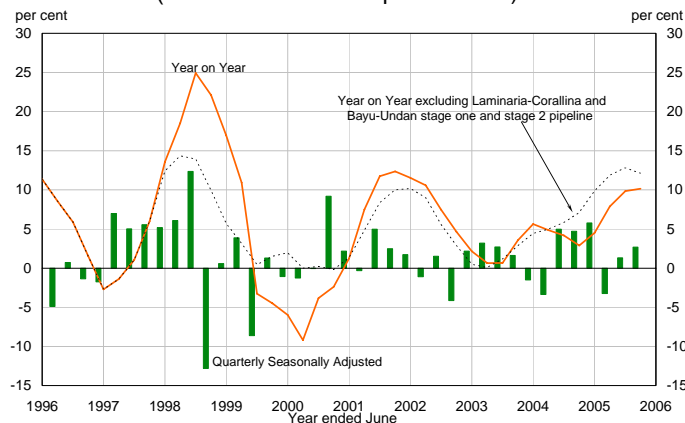
▪ Natural increase (births less deaths)	604
▪ Net overseas migration	132
▪ Net interstate migration	-4
▪ Total population growth	732

Gross Domestic Product

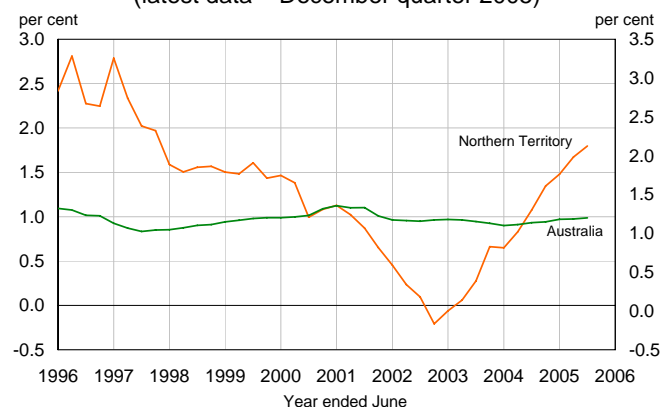
Australia's Gross Domestic Product (GDP) increased by 0.9 per cent in the March quarter 2006, and by 2.9 per cent in the year to March. GDP growth was underpinned by solid domestic demand (that is consumption and investment), which increased by 4.6 per cent. Growth in the year was partly offset by the ongoing weakness in net exports, which subtracted 1.4 percentage points from growth.

On the production side, the construction industry continued to drive growth in the year to March, and was supported by growth in the 'finance and insurance' industry. Other industries reporting solid but more modest growth in the year were; 'wholesale trade', 'communication services' and 'health and community services'. The only industry to detract from growth in the year was the 'agricultural, forestry and fishing' industry, subtracting 0.1 percentage points from growth.

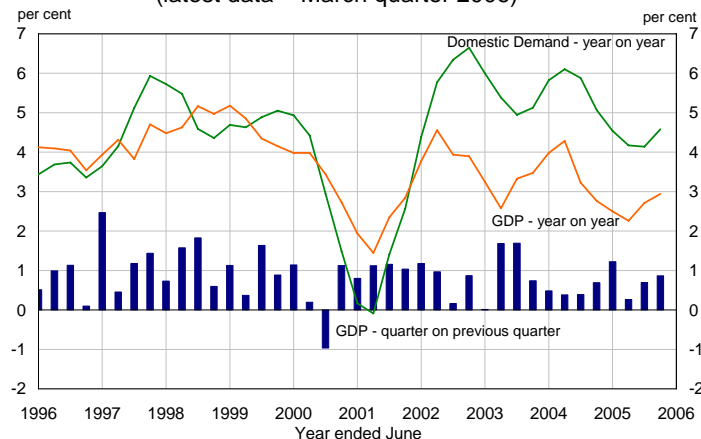
State Final Demand (latest data – March quarter 2006)



Population Growth* (latest data – December quarter 2005)



Gross Domestic Product (latest data – March quarter 2006)



Retail Turnover

Seasonally adjusted retail turnover in the Territory increased by 3.1 per cent in April 2006, compared to a 1.4 per cent increase nationally. In the year to April 2006, retail turnover growth remained at 3.6 per cent in the Territory, the fifth highest growth of the jurisdictions, and lower than nationally.

As the chart shows, retail turnover growth in the Territory has been moderating in recent months, but appears to have reached a turning point, lagging the national economy, which reached a turning point in January 2006. However this latest survey of retail outlets was conducted prior to the May 3 interest rate hike by the Reserve Bank of Australia. This rate hike may be expected to dampen consumer spending, particularly on non-essential items, as many Australian households face higher mortgage payments, and higher petrol prices.

Sales of New Motor Vehicles

Territory seasonally adjusted new motor vehicle sales decreased by 1.1 per cent in May 2006 to 737. Nationally, sales increased by 0.5 per cent in the month. In the year to May 2006 Territory new motor vehicle sales increased by 3.9 per cent, continuing to moderate from the record growth reported in 2005. At the national level sales of new motor vehicle sales were flat in the year.

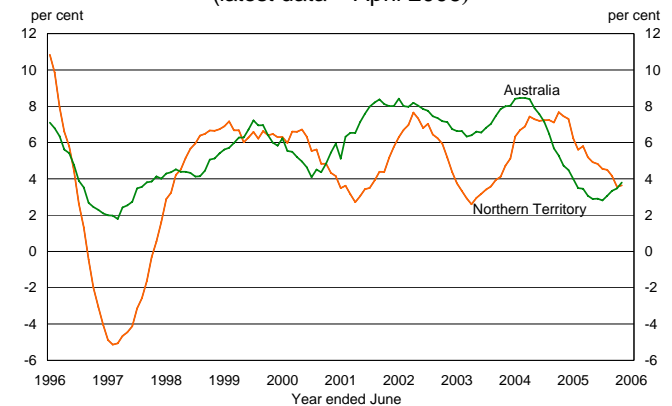
In the year to May 2006, the sale of 'utes and other light commercial vehicles, trucks and buses' continued to be the primary driver of growth in motor vehicle sales in the Territory, increasing by 19.3 per cent (to 3 091) and contributing 5.5 percentage points to growth (see chart). In contrast sales of sports utility vehicles (SUV's) continued to decline, decreasing by 4.2 per cent in the year, and subtracting 0.9 percentage points from growth. In the year to May 2006, the sale of passenger vehicles decreased by 1.4 per cent (to 4 439).

Petrol Prices

In May 2006, fuel prices increased by 7.5 cpl in Darwin while the eight capital cities weighted average price increased by 3.1 cpl. Darwin recorded an average unleaded petrol price of 142.2 cpl, compared to 133.1 cpl for the eight capital cities weighted average. This represents a 9.1 cpl price differential between Darwin and the eight capital cities weighted average, higher than the twelve month average differential of 7.9 cpl. Compared to May 2005 petrol prices in Darwin have increased by 24.1 per cent, compared to a 27.4 per cent increase in the eight capital cities weighted average.

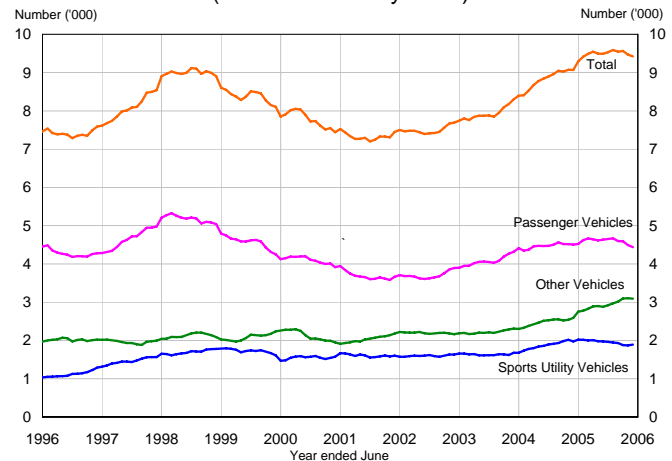
In \$US terms, crude oil prices increased by 0.8 per cent in May 2006 averaging \$US70.81 a barrel. The recent rise in crude oil prices reflects the combination of strong global demand, limited spare production capacity and continuing uncertainty in the relationship between the United States and Iran, as well as instability in Nigeria, the world's eighth largest oil exporter.

Retail Turnover*
(latest data – April 2006)



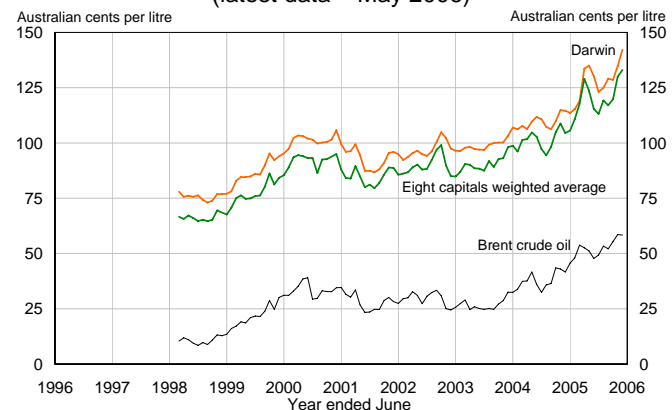
* year on year percentage change
Source: ABS Cat. No. 8501.0

Motor Vehicle Sales*
(latest data – May 2006)



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

Petrol Prices
(latest data – May 2006)



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

Tourist Accommodation

Tourist accommodation data report modest growth in tourism activity in the Territory in the year to the March quarter 2006. Takings increased 6.0 per cent in the year, and while solid represents a decline from the high growth of 13.6 per cent reported in the year to June 2005 (see chart). The number of guest nights reported more modest growth of 2.4 per cent in the year, significantly lower than the growth of 11.3 per cent reported in the year to March 2005. Room occupancy rates experienced a decline of 8.0 percentage points in the quarter, however are up 1.4 percentage points compared to the March quarter 2005.

In the March quarter 2006 *International Visitors in Australia*, it is reported that the Territory received 114 600 backpacker visitors, in the year to March 2006, representing 23 per cent of the total number of backpackers to visit Australia.

Sensis Business Index

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 in the May quarter 2006. Nevertheless, business confidence in the Territory is now 10 percentage points higher than that reported nationally (see chart). The net balance is defined as the difference between the percentage of positive and negative responses. Of the jurisdictions, Western Australia and the Northern Territory had the most confident perceptions of the national economy, and businesses in the Northern Territory expressed the strongest employment expectations for the year ahead. In addition, businesses in the Northern Territory had the highest expectations for profitability for the upcoming year.

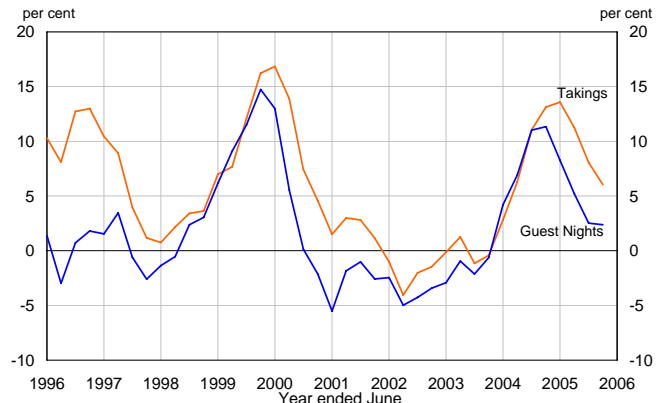
The May quarter 2006 survey reports that fuel costs and their impact on consumer spending was the 'most nominated problem by small and medium enterprises in the past quarter'.

Sensis Consumer Report

The *Sensis Consumer Report* 'is a quarterly survey designed to measure the confidence and behaviour of Australia's consumer population'. The June quarter 2006 *Sensis Consumer Report* finds that confidence decreased across all jurisdictions.

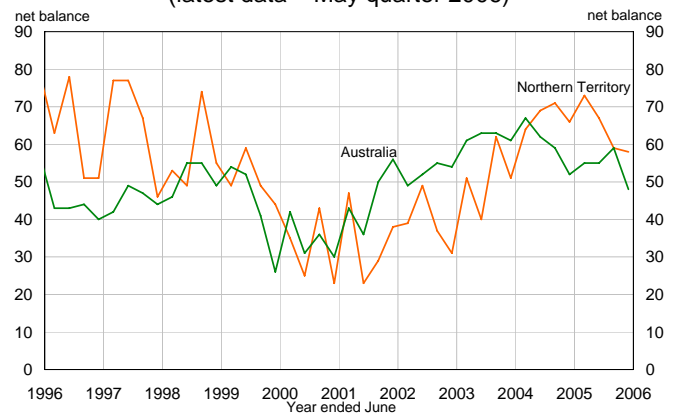
Nevertheless the most confident Australians were still those living in the Northern Territory and Western Australia, where a net balance of 62 per cent of consumers expressed confidence in their financial prospects for the year ahead (see chart). The main reasons expressed for feeling confident about the year ahead were; 'secure employment', 'everything going well generally' and 'had a good job'. Rising fuel prices and interest rate worries were the main reasons provided for the overall drop in confidence, in all jurisdictions, regarding financial prospects for the year ahead. Sensis reports that the two areas of consumer expenditure most likely to be curtailed were 'entertainment and going out' and 'dining out at restaurants'.

Tourist Accommodation*
(latest data – March quarter 2006)



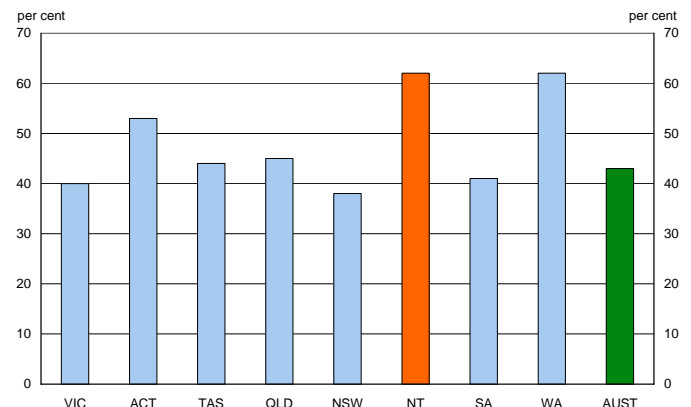
* year on year percentage change
Source: ABS Cat. Nos. 8635.0

Business Confidence
(latest data – May quarter 2006)



Source: Sensis Business Index

Consumer Confidence in the Year Ahead
(latest data – June quarter 2006)



Source: Sensis Consumer Report

Residential Building Approvals

In the Territory, residential building approvals decreased by 93 to 70 (in original terms) in April 2006, with private sector approvals accounting for all of the decrease. Of the total change in the number of approvals in the month, house approvals decreased by 44 (to 34), and approvals for 'alterations and additions' decreased by 54 (to zero). There was an increase of 5 (to 36) approvals in the 'other residential' category. There were zero approvals for both 'conversions' and 'residential building in a non-residential facility' (such as a care-taker or park-ranger dwelling).

In the year to April 2006, there were 1 367 residential building approvals in the Territory, a decrease of 4.9 per cent. Of this total, 706 were approvals for houses (an increase of 9.3 per cent), 600 were approvals for 'other residential' (a decrease of 23.2 per cent) and 61 were for alterations and additions, conversions and residential building in a non-residential facility.

Dwelling Commencements

In original terms, Territory dwelling commencements decreased by 47.1 per cent (to 230) in the March quarter 2006. Nationally, seasonally adjusted quarterly commencements (the figure usually reported in the media) increased by 10.6 per cent in the quarter.

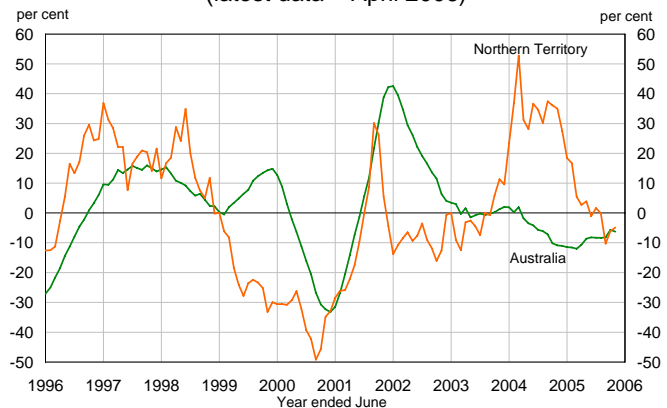
In the year to the March quarter 2006, total Territory dwelling commencements decreased by 6.8 per cent. This was led by a significant decline in private sector 'other dwelling' commencements, which decreased by 12.7 per cent in the year (see chart). Also declining significantly in the year were public sector housing commencements which fell by 48.7 per cent, and public sector 'other' commencements which decreased by 53.2 per cent. Partially offsetting the decrease in commencements across these three categories was the 24.9 per cent increase in commencements for private sector houses.

Housing Finance for Owner Occupation

In April 2006, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory increased by 6 to 683, while nationally, commitments declined by 0.5 per cent in the month. In the year to April 2006 the number of Territory finance commitments increased by 1 651, or 26 per cent to 7 992, compared to a 10.4 per cent increase nationally. Excluding refinancing, Territory commitments increased by 26.9 per cent compared to a 10 per cent increase nationally.

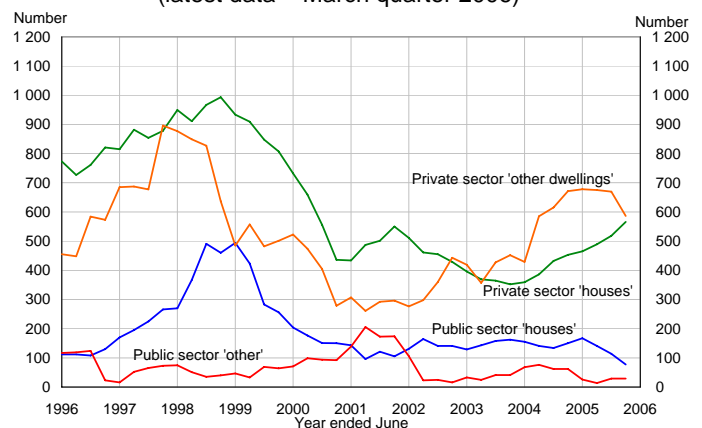
Of the 1 651 additional commitments in the Territory 1 178 were for the purchase of an established dwelling, 142 were for the construction and purchase of a new dwelling and there were 331 refinancing commitments (for established dwellings). As the chart shows the value of housing finance commitments in the Territory (excluding refinancing) has experienced considerable growth over the past three years, averaging 29 per cent.

Residential Building Approvals* (latest data – April 2006)



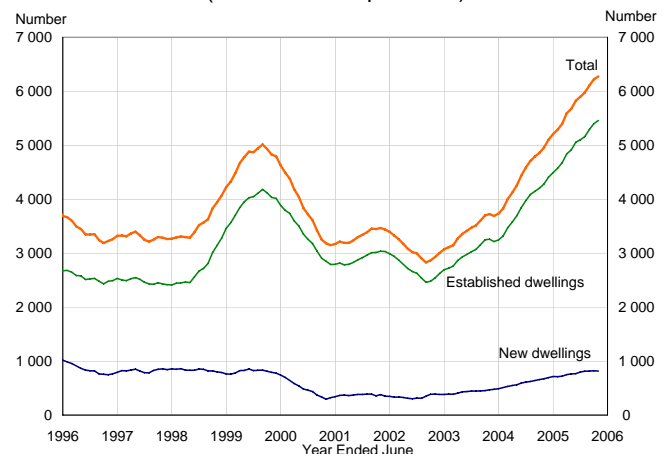
* year on year percentage change
Source: ABS Cat. No. 8731.0

Dwelling Commencements* (latest data – March quarter 2006)



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

Housing Finance for Owner Occupation* (latest data – April 2006)



* moving annual total, excluding refinancing
Source ABS Cat. No. 5609.0

Housing Affordability

Territory housing remains considerably more affordable than nationally, and as the chart shows, is the second most affordable of the jurisdictions (second to the Australian Capital Territory). This is despite a modest decrease of affordability in the Territory, (by 2.6 per cent) in the March quarter 2006, which contrasts with the 1.3 per cent increase in affordability at the national level. When compared to the March quarter 2005, housing affordability in the Territory has declined by 6.6 per cent, larger than the deterioration of 1.6 per cent at the national level.

The decrease in Territory housing affordability in the quarter was despite a modest drop in the average housing loan size (by 0.3 per cent) to \$191 675. The main contributing factor to the decrease in affordability was the decline in median family income (down by 3.1 per cent in the quarter). In the March quarter 2006 Darwin's median house price increased by 2.1 per cent to \$335 000, nearly 22 per cent higher than the median house price in March 2005.

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 500 to 99 300 in May 2006. Nationally, seasonally adjusted employment increased by 56 000 in the month to around 10.1 million employed persons.

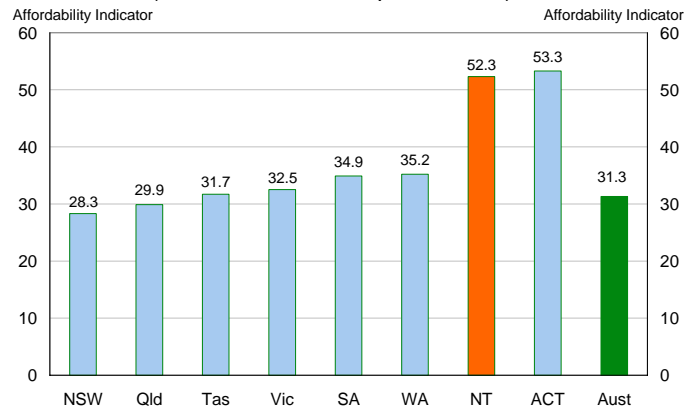
A comparison of Territory resident employment in May 2006 with employment in May 2005 shows an increase of 5.9 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of growth, employment has increased by 3.3 per cent, the highest year on year growth rate in Territory employment for three and a half years.

Unemployment

The Territory's trend unemployment rate decreased to 6.0 per cent in May 2006, down from 6.2 per cent reported in April. Compared to May 2005, the unemployment rate has increased by 0.7 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's reported unemployment rate is significantly higher than nationally and the second highest of the jurisdictions.

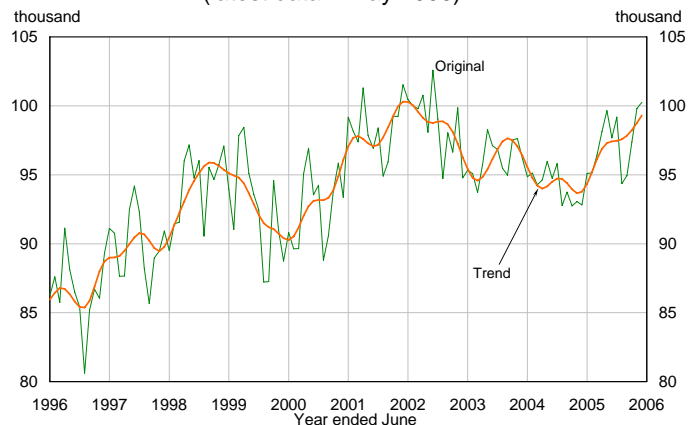
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased to 4.9 per cent in May 2006. This is the first time in 30 years that the reported unemployment rate has fallen below 5 per cent.

Housing Affordability Indicator (latest data – March quarter 2006)



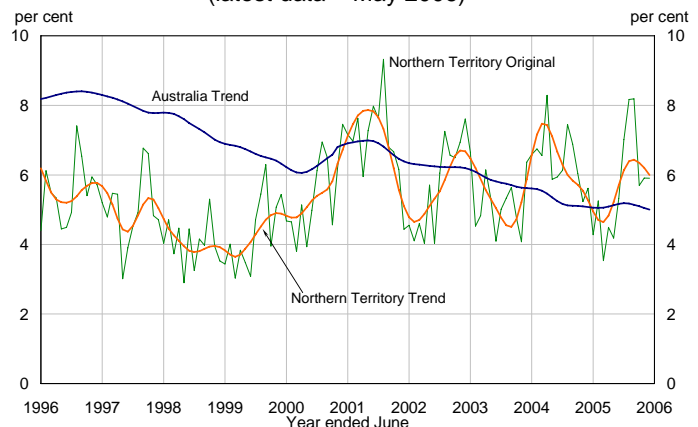
Source: AMP, REIA

Territory Employment (latest data – May 2006)



Source: ABS Cat. Nos. 6202.0

Territory Unemployment (latest data – May 2006)



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

GLOSSARY

Consumer Price Index

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

Current Dollars

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

Dwelling Unit

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

Employed

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

Final Consumption Expenditure

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

Fixed Capital Formation

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

Goods and Services Tax

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

Gross Domestic Product

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

Gross State Product

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

Labour Force

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

Original Terms

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

Participation Rate

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

Business Investment

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

Real Dollars

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

Seasonally Adjusted Terms

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

State Final Demand

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

Trend Terms

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

Unemployed

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

Unemployment rate

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

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross State/Domestic Product ^(a)	2004-05	% change	3.6	1.1	2.3	4.0	2.6	2.7	4.0	3.0	2.3
State Final Demand ^(a)	Year to March 06	% change	10.2	2.9	4.0	6.1	3.6	9.0	6.2	2.0	4.6
International Goods Exports	Year to April 06	% change	18.0	14.2	0.5	37.8	9.4	23.2	7.4	n.a.	19.4
International Goods Imports	Year to April 06	% change	28.5	6.5	8.5	12.2	7.7	32.3	-12.0	-72.0	10.7
Demography											
Population	Dec-04 Qtr to Dec-05 Qtr	% change	1.8	0.8	1.2	1.9	0.6	1.7	0.7	0.8	1.2
Labour Market											
Employment (trend)	May 05 to May 06	% change	5.9	0.8	1.2	1.5	0.4	2.5	2.3	2.2	1.2
Participation Rate (trend)	As at May 05	%	67.8	62.9	64.5	66.6	62.1	67.9	59.7	72.3	64.6
	As at May 06	%	70.4	62.9	64.4	66.2	62.1	67.6	61.0	73.3	64.5
Unemployment Rate (trend)	As at May 05	%	5.3	5.1	5.4	4.9	5.0	4.8	5.9	3.2	5.1
	As at May 06	%	6.0	5.3	5.2	4.9	5.4	3.7	6.5	3.4	5.0
ANZ Job Ads	Year to May 06	% change	2.9	-9.9	-13.1	-12.6	-4.7	9.5	-8.9	11.0	-6.8
Prices and Wages											
Consumer Price Index	Mar 05 Q to Mar 06 Q	% change	3.4	2.7	2.8	2.9	3.1	4.2	2.8	3.5	3.0
	Year to Mar 06 Q	% change	2.9	2.6	2.7	2.7	2.7	4.0	3.1	2.9	2.8
Average Weekly Earnings (full-time adult total earnings)	As at February 06	\$	1065.0	1124.1	1087.4	1012.6	1022.0	1119.5	967.1	1209.3	1085.1
Housing Sector											
Building Approvals (number)	Year to April 06	% change	-4.9	-18.8	-5.8	-0.2	-0.2	6.0	-10.2	-41.1	-6.3
Housing Finance for Owner Occupation (number)	Year to March 06	% change	27.0	4.6	11.7	10.9	5.9	14.6	3.5	3.9	9.2
Housing Affordability Indicator ^(b)	As at December 05 Qtr	Level	53.7	27.4	32.0	30.0	35.6	37.2	32.5	53.6	31.1
Consumer Spending											
Retail Trade (current \$)	Year to April 06	% change	3.6	2.6	3.6	5.1	1.9	6.4	6.6	4.6	3.8
New Motor Vehicle Sales (No.)	Year to May 06	% change	3.9	-3.3	-0.8	2.0	-1.8	10.7	-4.1	-0.6	0.0
Tourist Accommodation - Takings (current \$)	Year to March 06	% change	6.0	6.6	11.3	8.3	7.6	14.7	10.1	10.2	8.8

* original data unless otherwise stated

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

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

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

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

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