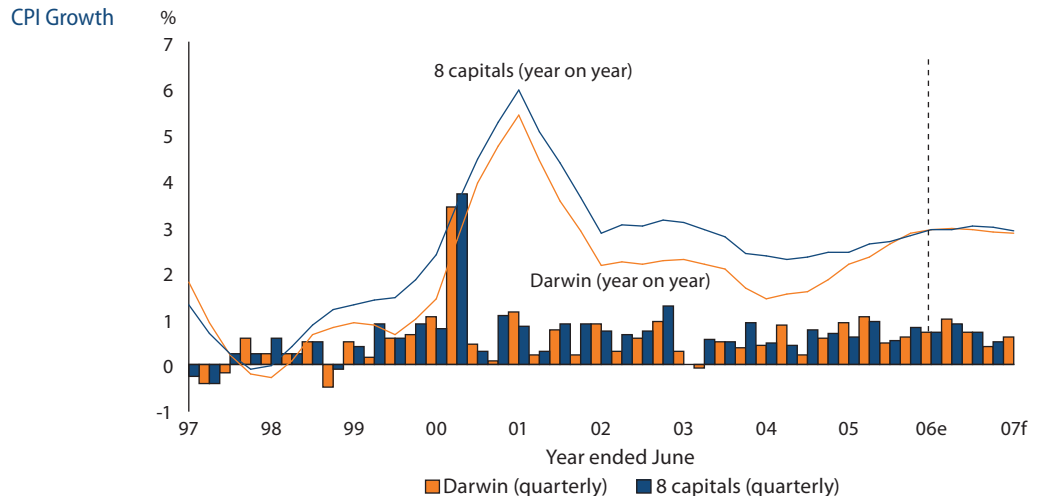




# Prices and Wages

- In 2005, Darwin's Consumer Price Index (CPI) increased by 2.6 per cent, compared to a 2.7 per cent increase nationally.
- Inflation in the Territory is expected to continue to track closely to the national rate, and remain at the higher end of the Reserve Bank's target band of 2 to 3 per cent in the short to medium term.
- Darwin CPI growth of 2.9 per cent and 2.6 per cent is forecast for 2006 and 2007 respectively.



e: estimate; f: forecast  
 Source: Northern Territory Treasury, ABS Cat. No. 6401.0

- In 2005, the Territory Labour Price Index (LPI) increased by 4.5 per cent compared to 4.1 per cent nationally.
- Strong wages growth in the Territory and nationally in 2005 reflects the tight labour market and skilled labour shortages, especially in construction, mining, education and health.
- Wages growth in the Territory is expected to moderate in 2006 and 2007, but remain around 4 per cent as economic activity remains strong and skilled labour shortages persist.

## Wages Growth

| Year on Year % Growth     | 2000       | 2001       | 2002       | 2003       | 2004       | 2005       |
|---------------------------|------------|------------|------------|------------|------------|------------|
| <b>Northern Territory</b> | <b>2.6</b> | <b>2.9</b> | <b>3.1</b> | <b>3.1</b> | <b>3.3</b> | <b>4.5</b> |
| Public                    | 2.6        | 2.9        | 3.2        | 3.7        | 3.3        | 4.8        |
| Private                   | 2.6        | 2.9        | 3.1        | 2.6        | 3.4        | 4.1        |
| <b>Australia</b>          | <b>3.0</b> | <b>3.6</b> | <b>3.2</b> | <b>3.6</b> | <b>3.6</b> | <b>4.1</b> |
| Public                    | 2.8        | 3.7        | 3.3        | 4.4        | 4.1        | 4.6        |
| Private                   | 3.1        | 3.5        | 3.3        | 3.3        | 3.4        | 3.9        |

Source: ABS Cat. No. 6345.0