

Gross State Product

(value, year on year % change, inflation adjusted)

Northern Territory	\$26.2B	▲1.7%
Australia	\$1 814.5B	▲2.8%

In 2017-18, the Territory's gross state product (GSP) increased by 1.7 per cent, to \$26.2 billion. This was the lowest increase of all jurisdictions, behind Western Australia (up 1.9 per cent) (Chart 1).

Gross State Product (Expenditure)

In terms of expenditure, the GSP increase of 1.7 per cent in 2017-18 was primarily driven by increases in household and public consumption and net exports (Chart 2).

Private investment decreased by 15.0 per cent to \$8.5 billion. This primarily reflects a 15.9 per cent decrease in business investment, in particular for construction (down 17.3 per cent to \$6.2 billion). This investment is associated with work on major projects including the Ichthys liquefied natural gas (LNG) project. Public investment increased by 1.8 per cent to \$1.5 billion.

Consumption expenditure increased by 3.5 per cent, mainly reflecting a 2.6 per cent increase in private consumption and a 4.8 per cent increase in public consumption.

Growth in private consumption was driven by increases across all categories with the largest increases in recreation and culture (up 6.9 per cent), hotels, cafes and restaurants (up 5.5 per cent).

Net exports of goods and services increased by 68.8 per cent to \$2.6 billion, mainly reflecting an increase in goods exports (up 8.2 per cent) and a decline in goods imports (down 18.9 per cent). Net services (down 111.0 per cent) detracted from net exports of goods and services.

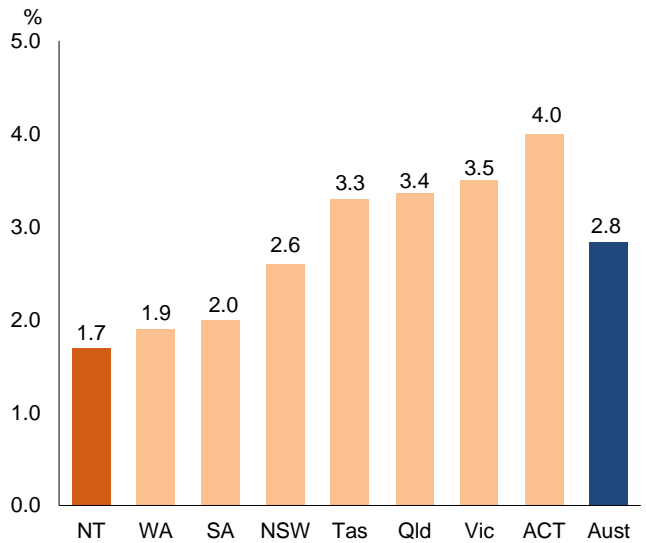
Gross State Product (Production)

In 2017-18, the major industry contributors to economic growth in gross value added terms in the Territory were (Chart 3):

- health care and social assistance (adding 0.4 percentage points to growth)
- construction (adding 0.2 percentage points to growth); and
- ownership of dwellings (adding 0.2 percentage points).

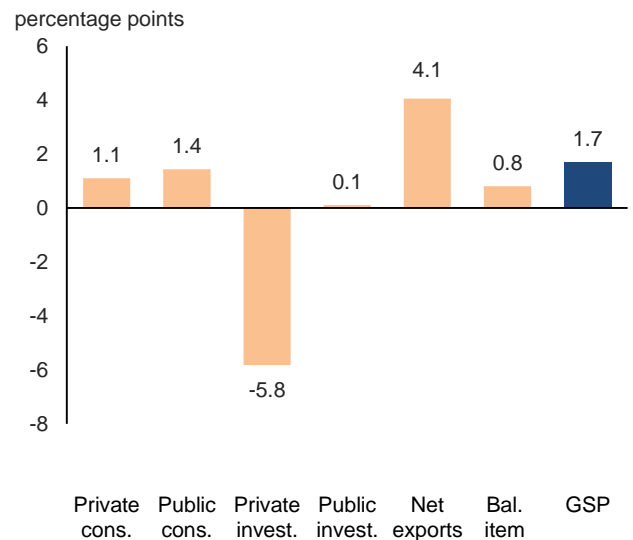
The main industries that detracted from Territory economic growth in 2017-18 were transport, postal and warehousing services (detracting 0.1 percentage points) and manufacturing (detracting 0.1 percentage points).

Chart 1: 2017-18 Gross State Product
(year on year percentage change, inflation adjusted)



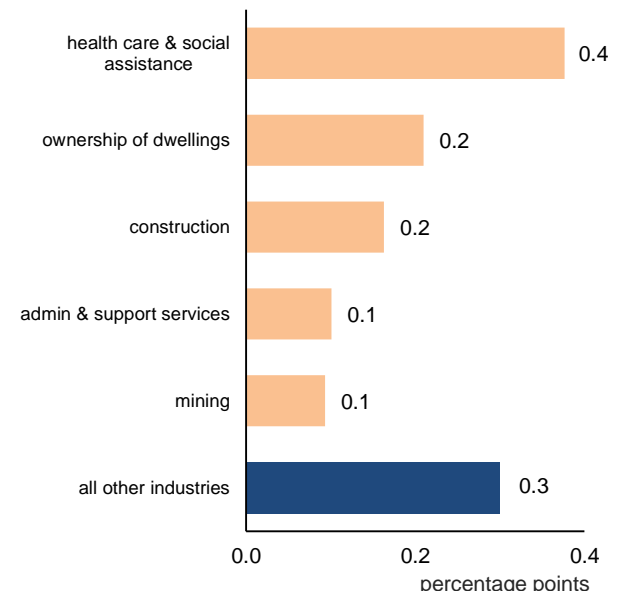
Source: DTF; ABS Cat. No. 5220.0

Chart 2: 2017-18 GSP(E) major components
(contribution to year on year growth, inflation adjusted)



Source: DTF; ABS Cat No. 5220.0

Chart 3: 2017-18 GSP(P) by Industry
(contribution to year on year growth, inflation adjusted)



Source: DTF; ABS Cat No. 5220.0

Compensation of Employees

On the income side, in current price terms, total compensation of employees (CoE) (wages and salaries excluding taxes and employer social contributions) in the Territory increased by 3.0 per cent in 2017-18. National CoE increased by 4.5 per cent over the same period.

The major drivers of Territory CoE in 2017-18 were mining (up 4.9 per cent), transport, postal and warehousing (up 4.5 per cent), education and training (up 4.7 per cent) and health care and social assistance (up 7.0 per cent) (Chart 4). The main detractors from the CoE was manufacturing (down 1.3 per cent)

The 2017-18 result reflects higher wages and number of employed people within these sectors. This is likely driven by the relative size of public sector employment.

Gross Operating Surplus

Territory gross operating surplus (GoS) is combined with gross mixed income and reflects the surplus accruing from production of corporations, unincorporated enterprises and dwellings owned by persons.

Territory GoS in current price terms, increased by 2.0 per cent in 2017-18. National GoS increased by 5.2 per cent over the same period.

The main contributors to the Territory GoS were mining (up 4.2 per cent) and rental hiring and real estate services (up 7.0 per cent). Professional, scientific and technical services and information (down 4.2 per cent) media and telecommunications (down 2.8 per cent) were the main industries to offset the increase in the year (Chart 5).

Real GSP Per Capita

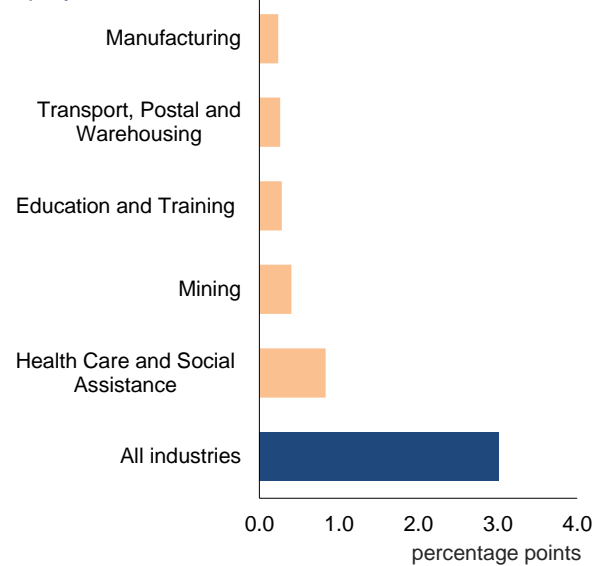
In 2017-18 the Territory's real GSP per capita increased by 1.4 per cent to \$106 191, the highest level overall of all jurisdictions (Chart 6). The change in real GSP per capita in other jurisdictions ranged from an increase of 1.0 per cent in New South Wales to 2.3 per cent in Tasmania. Nationally, real GSP per capita increased by 1.2 per cent to \$73 267.

Gross Household Income Per Capita

GSP per capita does not provide a complete measure of income received by Territory residents. For example, some income generated in the production process may be transferred out of the Territory (or conversely, income may be received from outside the jurisdictional borders of the Territory). As such, gross household income per capita is therefore the preferred measure of households' economic wellbeing.

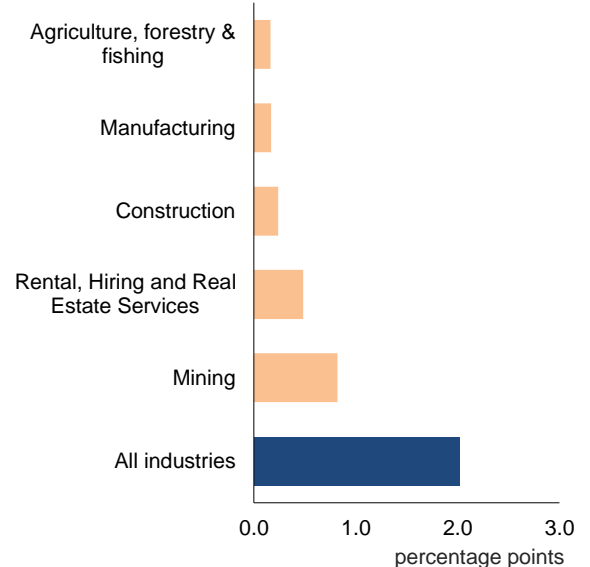
In 2017-18, Territory gross household income per capita (in current price terms) increased by 1.2 per cent to \$64 559, the second highest behind the Australian Capital Territory. Nationally, gross household income per capita increased by 1.6 per cent to \$48 426.

Chart 4: 2017-18 Industry Compensation of Employees (contribution to year on year, current prices)



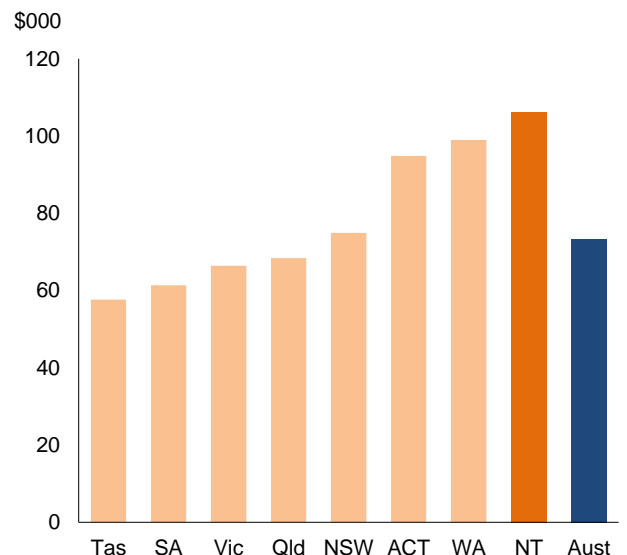
Source: DTF; ABS Cat No. 5220.0

Chart 5: 2017-18 Industry Gross Operating Surplus (contribution to year on year, current prices)



Source: DTF; ABS Cat No. 5220.0

Chart 6: 2017-18 Real GSP per capita (inflation adjusted)



Source: DTF; ABS Cat. No. 5220.0

Definitions:

- Gross state product (GSP) is calculated using three different measures: expenditure (GSP (E)), production (GSP (P)) and income (GSP (I)). The headline figure reported for GSP is an average of these three measures.
- GSP (E) is a measure based on state final demand (a combination of consumption and investment) as well as net exports.
- GSP (P) is a measure of the level of production of each industry, as well as the contribution of 'ownership of dwellings' and taxes less subsidies.
- GSP (I) is a measure based on the level of compensation of employees (wages and salaries, plus employers' social contributions) and gross operating surplus and gross mixed income (revenues generated by the business sector, after compensation of employees has been deducted).
- GSP is also measured in both chain volume and current price terms.
- Current price terms mean that estimates are valued at the prices of the period to which the observation relates. Therefore, estimates for 2015-16 in current price terms will be the value in 2015-16.
- Chain volume terms are when an adjustment has been made to account for fluctuations in prices (inflation adjusted), in order to give a measure of changes to volumes, rather than value.

Gross State Product, Expenditure Measure (\$M, inflation adjusted)

			change		
	2016-17	2017-18	\$M	%	% point cont.
Northern Territory	25 767	26 200	433	1.7%	1.7 ppt
consumption	18 762	19 418	656	3.5%	2.5 ppt
<i>private</i>	11 041	11 326	285	2.6%	1.1 ppt
<i>public</i>	7 721	8 091	370	4.8%	1.4 ppt
investment	11 506	10 033	- 1 473	-12.8%	-5.7 ppt
<i>private investment</i>	9 985	8 484	- 1 501	-15.0%	-5.8 ppt
- <i>business investment</i>	9 139	7 688	- 1 451	-15.9%	-5.6 ppt
<i>construction</i>	7 532	6 229	- 1 303	-17.3%	-5.1 ppt
<i>machinery & equip.</i>	723	777	54	7.5%	0.2 ppt
<i>cultivated biological res.</i>	203	169	- 34	-16.7%	-0.1 ppt
<i>intellectual prop. prod.</i>	681	513	- 168	-24.7%	-0.7 ppt
- <i>dwellings</i>	652	613	- 39	-6.0%	-0.2 ppt
- <i>ownership trans. costs</i>	195	183	- 12	-6.2%	0.0 ppt
<i>public investment</i>	1 521	1 549	28	1.8%	0.1 ppt
state final demand	30 268	29 450	- 818	-2.7%	-3.2 ppt
net goods	1 428	2 574	1 146	80.3%	4.4 ppt
<i>exports</i>	5 226	5 653	427	8.2%	1.7 ppt
<i>imports</i>	3 798	3 079	- 719	-18.9%	2.8 ppt
net services	91	- 10	- 101	-111.0%	-0.4 ppt
<i>exports</i>	762	702	- 60	-7.9%	-0.2 ppt
<i>imports</i>	671	712	41	6.1%	-0.2 ppt
net exports of goods and services	1 519	2 564	1 045	68.8%	4.1 ppt
balancing item	- 3 446	- 3 172	274	-8.0%	1.1 ppt
statistical discrepancy	- 2 575	- 2 642	- 67	n.a.	-0.3 ppt

Source: Department of Treasury and Finance; ABS. Cat. No. 5220.0

Gross State Product, Production Measure (\$M, inflation adjusted)

			change		
	2016-17	2017-18	\$M	%	% point cont.
Northern Territory	25 767	26 200	433	1.7%	1.7 ppt
agr, forestry & fisheries	742	735	- 7	-0.9%	0.0 ppt
mining	3 142	3 166	24	0.8%	0.1 ppt
manufacturing	996	965	- 31	-3.1%	-0.1 ppt
electricity, gas & water	432	437	5	1.2%	0.0 ppt
construction	2 903	2 945	42	1.4%	0.2 ppt
wholesale trade	532	556	24	4.5%	0.1 ppt
retail trade	706	709	3	0.4%	0.0 ppt
accom. & food services	647	663	16	2.5%	0.1 ppt
transport, postal & ware.	882	862	- 20	-2.3%	-0.1 ppt
information media & telecom.	118	116	- 2	-1.7%	0.0 ppt
financial & insurance services	604	628	24	4.0%	0.1 ppt
rental, hiring & real est. serv.	375	378	3	0.8%	0.0 ppt
pro., scientific & tech. serv.	774	792	18	2.3%	0.1 ppt
admin. & support serv.	414	440	26	6.3%	0.1 ppt
public administration & safe.	3 133	3 156	23	0.7%	0.1 ppt
education & training	1 191	1 212	21	1.8%	0.1 ppt
health care & social assist.	1 652	1 749	97	5.9%	0.4 ppt
arts & recreational services	307	299	- 8	-2.6%	0.0 ppt
other services	430	445	15	3.5%	0.1 ppt
ownership of dwellings	2 211	2 265	54	2.4%	0.2 ppt
taxes less sub	999	1 023	24	2.4%	0.1 ppt
statistical discrepancy	2 575	2 658	83	n.a.	0.3 ppt

Source: Department of Treasury and Finance; ABS. Cat. No. 5220.0

Gross State Product, Income Measure (\$M, current prices)

	CoE ¹		GOS ²		TFI ³	
	2017-18	change	2017-18	change	2017-18	change
Northern Territory	11 769	3.0%	15 796	2.0%	27 566	2.4%
agr, forestry & fisheries	164	5.1%	577	4.5%	741	4.7%
mining	978	4.9%	3 148	4.2%	4 125	4.4%
manufacturing	806	3.5%	596	4.6%	1 403	4.0%
electricity, gas & water	84	1.2%	462	-3.3%	546	-2.7%
construction	2 138	0.3%	4 026	0.9%	6 163	0.7%
wholesale trade	234	-1.3%	219	5.8%	453	2.0%
retail trade	456	0.0%	318	1.3%	775	0.6%
accom. & food services	58	1.8%	201	0.0%	259	0.0%
transport, postal & ware.	699	4.5%	856	2.3%	1 555	3.3%
information media & telecom.	103	0.0%	173	-2.8%	277	-1.8%
financial & insurance services	146	6.6%	534	4.9%	680	5.3%
rental, hiring & real est. serv.	489	4.5%	1 140	7.0%	1 629	6.2%
pro., scientific & tech. serv.	708	2.2%	115	-4.2%	823	1.2%
admin. & support serv.	535	4.5%	52	-3.7%	587	3.7%
public administration & safe.	1 738	0.8%	442	1.4%	2 180	0.9%
education & training	708	4.7%	152	7.8%	859	5.1%
health care & social assist.	1 445	7.0%	214	6.5%	1 658	6.9%
arts & recreational services	184	5.1%	93	-1.1%	277	3.0%
other services	97	14.1%	100	-2.0%	197	5.3%
ownership of dwellings	n.a.		2 379	-1.4%	2 379	-1.4%

¹ Compensation of employees

² Gross operation surplus and gross mixed income

³ Total factor income

Source: Department of Treasury and Finance; ABS. Cat. No. 5220.0