

The Territory's Recent Economic Strength

In 2007, Territory SFD reported growth of 1.5 per cent, while nationally domestic final demand growth strengthened to 5.2 per cent (see Table 1). The main driver of Territory SFD growth in 2007 was private consumption, comprising 43 per cent of total SFD. In 2007 the contribution of private investment to SFD growth decreased substantially, reflecting the completion of major projects. Supporting growth in household consumption expenditure, retail trade grew 10.5 per cent in the year to February 2008, providing further evidence that Territory consumers are confident about their financial prospects.

Territory retail trade growth has been supported by solid resident employment growth in the year to February 2008, which reported growth of 5.1 per cent, compared to 2.8 per cent nationally. Employment growth has been driven by a number of projects in the resource and construction industries. Strong jobs and employment prospects in the Territory has led to strong population growth. The Territory population grew by 2.2 per cent in annual terms to the September quarter 2007. Interstate workers have been attracted to the Territory's job opportunities, reflected in the positive net interstate migration flows to the Territory in both the June and September quarters 2007 and also responding to substantial job vacancies.

The strength of the Territory economy is also reflected in the Darwin consumer price index (CPI), which increased by 3.4 per cent in 2007, while the eight capital cities average grew by 2.3 per cent. The main contributor to the annual Darwin CPI figure was housing, which contributed 1.3 percentage points. The large contribution of housing to the Darwin CPI is due to strong house price growth over the period, where the house price index (HPI) for Darwin reports 13 per cent year on year growth in 2007, above the 10.7 per cent growth reported for the eight capital cities average. Another factor contributing to the growth in the Darwin CPI is rent increases, which were significant in 2007.

Table 1: Economic Indicators

Indicators	Latest	Territory ¹	Australia ¹
State Final Demand	2007	1.5	5.2
Retail Trade	February 2008	10.5	7.4
Employment	February 2008	5.1	2.8
Population ²	September 2007	2.2	1.5
Consumer Price Index	2007	3.4	2.3
House Price Index	2007	13.0	10.7

¹ year on year percentage change

² annual percentage change

Source: ABS Catalogue numbers: 5206.0, 8501.0, 6202.0, 3101.0, 6401.0, 6416.0

Even though the Territory economy is in a good position to continue to report strong growth, some moderating influences are expected in 2008. These include; higher interest rates and the global credit crisis. House price growth is expected to moderate in 2008, reducing its contribution to the Territory CPI in the coming year, while retail trade growth is also forecast to moderate as higher interest rates affect consumer credit purchase growth. However, in 2008 the price of crude oil is expected to keep upward pressure on the Darwin CPI. Crude oil is forecast by the Reserve Bank of Australia to average about \$US90 a barrel over 2008, offsetting some of the declining contribution to the Darwin CPI from the housing category.

Continuing its positive contribution to the Territory economy in 2008 is population growth which is forecast to remain strong, supported by solid employment growth. Employment growth is set to be underpinned by continued expansion in the construction, resource and retail trade sectors.

Northern Territory State Final Demand and Gross State Product											
Year ended June	Percentage Change	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Latest available	Annual % change
Expenditure on GSP (2003-04 prices)											
Private Consumption		6.6	3.5	6.5	4.6	6.4	4.8	5.7	4.6	Dec Q 07	9.8
Public Consumption		7.6	1.1	0.4	2.5	4.6	3.2	2.2	4.7	Dec Q 07	4.8
Total Consumption Expenditure		7.0	2.4	3.8	3.7	5.6	4.1	4.2	4.6	Dec Q 07	7.8
Private Investment											
<i>Dwellings</i>		-25.2	-40.1	3.4	9.8	-3.5	27.6	14.5	2.3	Dec Q 07	-13.4
<i>Other buildings and structures</i>		-59.0	-22.6	125.4	26.6	6.5	0.7	4.5	-3.6	Dec Q 07	-45.4
<i>Machinery and equipment</i>		11.5	30.9	2.3	6.7	11.7	-11.5	28.6	6.0	Dec Q 07	205.1
<i>Livestock</i>		-7.1	46.2	5.3	-55.0	222.2	-6.9	11.1	-53.3	Dec Q 07	42.9
<i>Intangible fixed assets**</i>		-18.5	-17.9	51.1	-41.5	-19.9	60.9	96.7	-4.0	Dec Q 07	35.1
<i>Ownership transfer costs</i>		-8.4	-21.1	15.1	5.1	27.9	6.8	10.6	-2.5	Dec Q 07	-5.3
Business Investment [#]		-40.2	-1.6	54.4	7.9	9.7	0.5	16.9	-3.5	Dec Q 07	5.1
Total Private Investment		-36.2	-11.7	45.7	8.0	8.6	3.6	16.1	-2.6	Dec Q 07	1.4
Public Investment		46.2	46.4	19.0	-33.2	1.5	25.5	2.2	-9.8	Dec Q 07	-9.4
Total Investment		-29.9	-2.3	39.3	-0.4	7.6	6.4	14.0	-3.6	Dec Q 07	-0.3
State Final Demand		-5.0	1.5	12.1	2.3	6.2	4.8	7.0	2.1	Dec Q 07	5.4
State Final Demand less L-C and B-U^{##}		2.5	1.6	10.8	0.8	5.1	9.7	8.5	2.5	Dec Q 07	
International Trade - export of goods		47.3	29.9	-22.6	-11.0	-23.7	-6.2	-1.8	44.1	Dec Q 07	-5.1
International Trade - import of goods		177.7	-62.0	15.1	29.9	4.3	107.3	27.4	-0.4	Dec Q 07	-30.9
Total Gross State Product		7.3	5.6	1.7	0.6	2.0	5.5	5.5	5.6		
Contribution to GSP Growth											
Private Consumption		2.7	1.4	2.6	1.9	2.8	2.1	2.6	1.5		
Public Consumption		2.5	0.4	0.1	0.8	1.5	1.0	0.7	1.4		
Private Investment		-12.3	-2.3	7.7	1.9	2.2	1.0	4.4	-0.9		
Public Investment		1.3	1.8	1.0	-2.1	0.1	1.1	0.1	-0.4		
State Final Demand		-5.5	1.5	11.4	2.4	6.5	5.3	7.7	1.6		
Net International Exports		3.5	24.4	-13.2	-7.8	-9.3	-12.2	-6.1	9.1		
Balancing item		9.4	-20.4	3.5	6.0	4.8	12.4	3.9	-5.1		
Gross State Product		7.3	5.6	1.7	0.6	2.0	5.5	5.5	5.6		

* 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*	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Latest	Annual % change**
Real Retail Turnover		5.7	-0.8	4.1	1.7	4.9	5.1	2.4	7.9	Dec Q 07	8.6
New Motor Vehicle Sales		-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	Feb 08	13.6
Tourist Accommodation Takings		0.0	1.5	-1.0	-0.1	2.8	13.6	3.4	14.8	Sep Q 07	7.4
Number of Dwellings Approved		-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	Jan 08	-51.0
Number of Dwellings Commenced		-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	Dec Q 07	-12.0
Employment		-2.3	1.5	4.6	1.1	-2.9	-1.3	3.0	5.3	Feb 08	5.2
Unemployment rate		4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	Feb 08	5.5
Darwin Consumer Price Index ^{##}		0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	Dec Q 07	2.9
AWOTE [#] (year average)		4.6	3.7	2.3	5.0	6.5	7.0	3.9	0.7	Nov Q 07	2.2
Wage Price index (year average)		2.5	2.8	3.1	3.0	3.3	3.7	4.4	3.9	Nov Q 07	3.9
Population, December (levels - thousands) ^{##}		194.3	196.3	198.4	199.4	200.7	203.9	208.5	212.6	Sep Q 07	216.5
Population (annual % change) ^{##}		1.6	1.0	1.1	0.5	0.7	1.6	2.3	2.0	Sep Q 07	2.2
Net Interstate Migration (levels - number) ^{##}		-817	-1621	-1730	-2397	-2241	-439	693	-489	Sep Q 07	381.0

* 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		1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Latest	Level
Interest Rates											
90 Day Bank Bill (as at 30 June)		6.17	5.02	5.11	4.67	5.50	5.66	5.97	6.43	31 Mar 08	7.84
10 Year Govt Bond Yield (as at 30 June)		6.16	6.04	5.99	5.01	5.87	5.11	5.79	6.26	31 Mar 08	6.04
Exchange Rates											
US\$ per A\$ (year average)		0.63	0.52	0.52	0.58	0.71	0.75	0.75	0.79	31 Mar 08	0.87
US\$ per A\$ (as at 30 June)		0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	31 Mar 08	0.92
Special Drawing Rights* per A\$ (as at 30 June)		0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	31 Mar 08	0.56
Trade Weighted Index of A\$ (as at 30 June)		53.30	49.70	52.30	59.40	59.06	64.50	62.24	68.92	31 Mar 08	68.90

* 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

April 2008			
ABS	8501.0	Retail Trade, February 2008	04-Apr-08
ABS	8731.0	Building Approvals, February 2008	07-Apr-08
ABS	5368.0	International Trade in Goods & Services, February 2008	07-Apr-08
ANZ		ANZ job ads series, March 2008 (<i>no brief</i>)	07-Apr-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, February 2008 (<i>no brief</i>)	09-Apr-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	09-Apr-08
ABS	6202.0	Labour Force, March 2008	10-Apr-08
ABS	5609.0	Housing Finance, February 2008	14-Apr-08
ABS	5671.0	Lending Finance, February 2008	15-Apr-08
AAA		Petrol Prices, March 2008	Mid-Apr-08
Westpac-MI		Leading Index (<i>no brief</i>)	16-Apr-08
ABS	8762.0	Engineering Activity, December 2007	17-Apr-08
ABS	6291.0.55.001	Labour Force by Industry, March 2008 (<i>no brief</i>)	17-Apr-08
ABS	8752.0	Building Activity, December 2007	18-Apr-08
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, December 2007 (<i>no brief</i>)	18-Apr-08
ABS	6457.0	International Trade Price Indexes, Australia, March 2008	18-Apr-08
ABS	9314.0	Sales of New Motor Vehicles, March 2008	21-Apr-08
ABS	6427.0	Producer Price Indexes, March 2008	21-Apr-08
ABS	6401.0	Consumer Price Index, March 2008	23-Apr-08
ABS	6403.0.55.001	Average Retail Prices of Selected Items, March 2008	30-Apr-08
May 2008			
ABS	8731.0	Building Approvals, Australia, March 2008	01-May-08
ABS	8501.0	Retail Trade, Australia, March 2008	02-May-08
ABS	6416.0	House Price Indexes: Eight Capital Cities, March Quarter 2008	05-May-08
ANZ		ANZ job ads series, April 2008 (<i>no brief</i>)	05-May-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, March 2008 (<i>no brief</i>)	06-May-08
ABS	5368.0	International Trade in Goods and Services, Australia, March 2008	06-May-08
ABS	6202.0	Labour Force, Australia, April 2008	08-May-08
ABS	5609.0	Housing Finance, Australia, March 2008	12-May-08
ABS	5671.0	Lending Finance, March 2008, (<i>no brief</i>)	13-May-08
ABS	6345.0	Labour Price Index, Australia, March Quarter 2008	14-May-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	14-May-08
ABS	6302.0	Average Weekly Earnings, February Quarter 2008	15-May-08
ABS	6291.0.55.001	Labour Force by Industry, April 2008 (<i>no brief</i>)	15-May-08
AAA		Petrol Prices, April 2008	Mid-May 08
ABS	9314.0	Sales of New Motor Vehicles, Australia, April 2008	21-May-08
Westpac-MI		Leading Index (<i>no brief</i>)	21-May-08
ABS	8755.0	Construction Work Done, March Quarter 2008	28-May-08
ABS	5625.0	Private New Capital Expenditure, March Quarter 2008 (<i>no brief</i>)	29-May-08

State Final Demand

Territory State Final Demand (SFD) increased by 5.0 per cent in seasonally adjusted terms in 2007. In year on year terms, Territory SFD increased by 1.5 per cent in 2007 (see chart).

In 2007 in seasonally adjusted terms, total investment decreased by 1.7 per cent subtracting 0.5 percentage points from SFD growth. The largest component of total investment that detracted from SFD growth was non-dwelling construction which subtracted 6.3 percentage points. Public investment decreased in the year subtracting 0.5 percentage points from growth. Total consumption increased by 7.7 per cent in the year, contributing 5.5 percentage points to SFD growth. Household consumption expenditure was the main contributor to the increase in total consumption, adding 4.1 percentage points, while an increase in government consumption expenditure contributed 1.4 percentage points to total SFD growth in 2007.

Gross Domestic Product

Australia's Gross Domestic Product (GDP) in seasonally adjusted terms increased by 0.6 per cent in the December quarter 2007, and increased by 3.9 per cent in 2007 (see chart). Growth in the December quarter 2007 was driven by increases in household consumption and private gross fixed capital formation (investment) which contributed 4.1 and 1.9 percentage points respectively to the quarterly growth rate. In 2007, GDP growth was underpinned by solid household consumption and business investment, contributing 2.6 and 1.7 percentage points respectively to total GDP growth.

On the production side, 'finance and insurance services' was the industry that drove growth over 2007, and was supported by growth in the 'property and business services' industry. The 'mining' and 'electricity, gas and water supply' industries subtracted from the overall growth rate in the year.

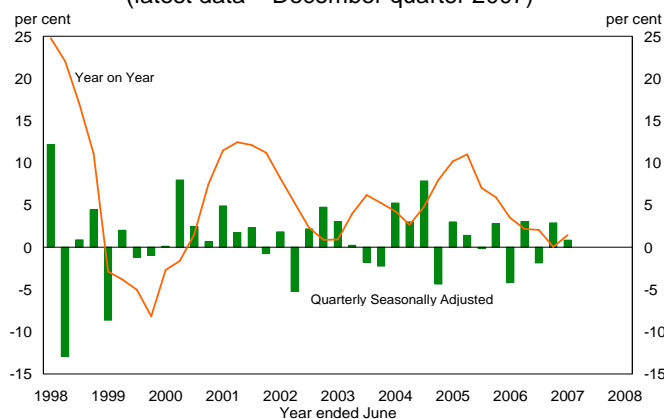
Population

In the September quarter 2007, the Northern Territory's resident population is estimated to have increased by 0.7 per cent (1 528) to 216 503. In annual terms to September 2007, Territory population growth is estimated to have increased by 2.2 per cent, the third highest growth rate of the jurisdictions. National population growth of 1.5 per cent over the same period increased Australia's population to an estimated 21.0 million.

The Territory's estimated resident population increased by 1 528 persons in the September quarter 2007, compared to an increase of 1 213 in the September quarter 2006. In the September quarter 2007 the components of population growth were:

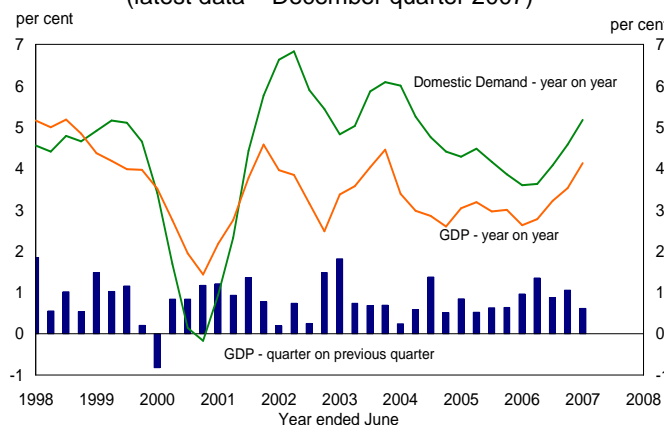
▪ Natural increase (births less deaths)	756
▪ Net overseas migration	384
▪ Net interstate migration	388
▪ Total population growth	1 528

State Final Demand
(latest data – December quarter 2007)



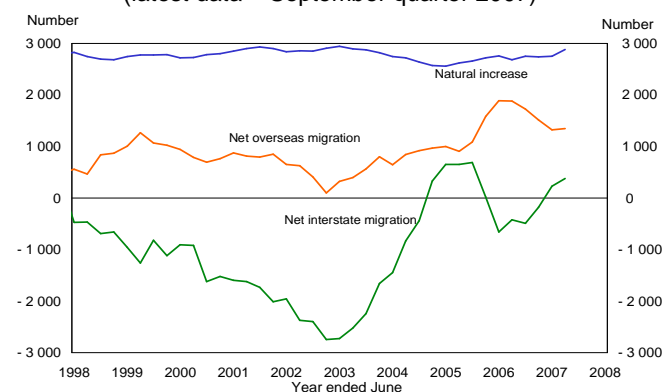
Source: ABS Cat. No. 5206.0

Gross Domestic Product
(latest data – December quarter 2007)



Source: ABS Cat. No. 5206.0

Northern Territory Population Components*
(latest data – September quarter 2007)



* moving annual total
Source: ABS Cat. No. 3101

Retail Turnover

In January 2008, seasonally adjusted retail turnover decreased by 1.1 per cent in the Territory, while remaining unchanged nationally. In the year to January 2008, current price retail turnover in the Territory increased by 10.5 per cent, the highest of the jurisdictions and well above the national average of 7.4 per cent growth (see chart).

In the month of January 2008, in original terms, current price retail turnover in the Territory totalled \$186 million. The ABS classifies retail expenditure into six broad categories. 'Food' was the largest category, contributing 48.9 per cent (\$91 million), followed by 'hospitality and services' 15.4 per cent (\$29 million), 'household goods' 15.1 per cent (\$28 million), 'department stores and other retailing' 13.4 per cent (\$25 million), 'clothing and soft goods' 4.5 per cent (\$8 million) while 'recreation related goods' accounted for the remaining 2.8 per cent (\$5 million).

Sales of New Motor Vehicles

In February 2008, total Territory new motor vehicle sales increased by 1.3 per cent to 889 in trend terms. By vehicle category, sales of passenger vehicles increased by 0.5 per cent in the month, sales of 'SUV's' increased by 3.5 per cent, and sales of 'other' vehicles (such as light and heavy trucks) increased by 0.7 per cent. Nationally, the total level of motor vehicle sales increased 0.4 per cent in the month of February 2008.

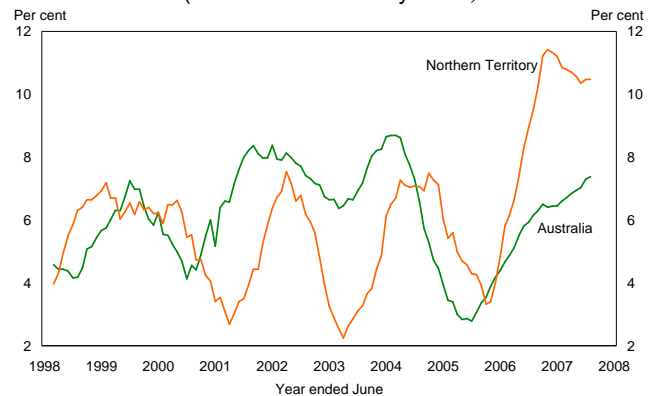
In the year to February 2008, new motor vehicle sales in the Territory increased by 8.2 per cent to 10 096, the highest level recorded for the Territory (see chart). In year on year terms, sales of passenger vehicles increased 4.6 per cent to 4 692, sales of 'other' vehicles increased 15.1 per cent to 3 317, and sales of SUV's increased 6.2 per cent to 2 087. Nationally, sales of new motor vehicles increased 8.8 per cent in the year to February 2008.

Petrol Prices

In February 2008, fuel prices decreased by 1.8 cpl in Darwin to 146.6 cpl while the eight capital cities weighted average price decreased by 3.7 cpl to 135.5 cpl. This represents an 11.1 cpl price differential between Darwin and the eight capital cities weighted average. Compared to February 2007 petrol prices in Darwin have increased by 23.6 cpl, while nationally the eight capital cities weighted average price increased by 21.6 cpl. Over the long term, petrol prices in Darwin track other capital cities, though tend to remain higher due to distance from refineries and other competitive factors (see chart).

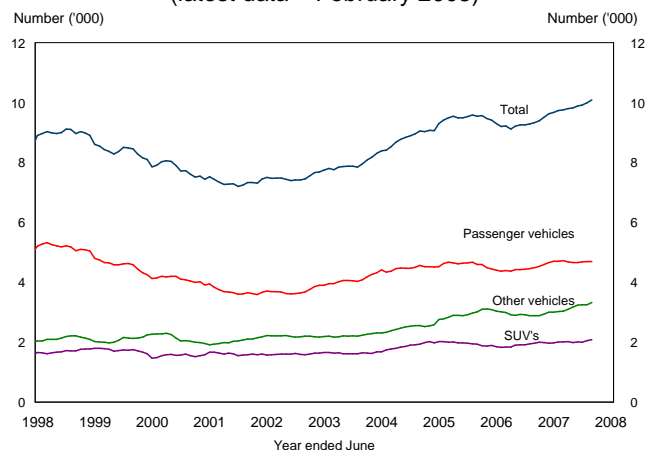
In annual terms, crude oil prices increased by 35 per cent in A\$ terms in the year to February 2008, while increasing by 57.4 per cent in US\$ terms. The current strength of the A\$ against the US\$ has offset some of the effects of rising oil prices. Price increases are due to increased global demand with strong economic growth in Asia, particularly from China and decreased oil supply as a result of tightness in global refining inventories and worldwide refining bottlenecks.

Retail Turnover*
(latest data – January 2008)



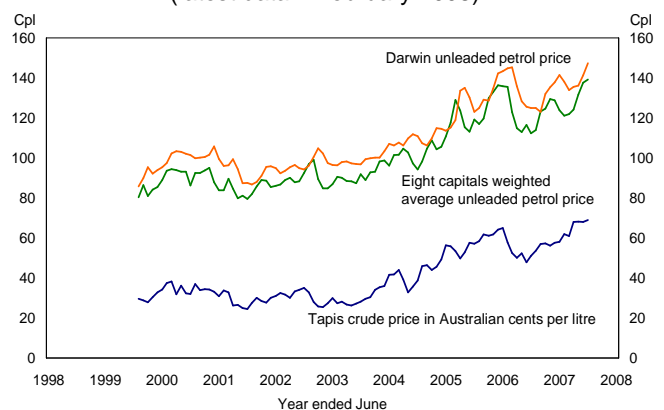
* year on year percentage change, current price
Source: ABS Cat. No. 8501.0

Motor Vehicle Sales*
(latest data – February 2008)



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

Petrol Prices
(latest data – February 2008)



Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

Building Approvals

In the Territory, residential building approvals decreased by 58 to 34 (in original terms) in January 2008. Of these 34 approvals, 28 were in the private sector and 6 were in the public sector. For the month, 20 of the private sector approvals were for 'houses', 7 for 'other residential' and 1 for alterations additions, and refurbishment. In the public sector, all 6 approvals were for 'houses'.

In the year to January 2008, residential building approvals in the Territory decreased by 0.3 per cent to 1 351, the third lowest growth of the jurisdictions and below the national average increase of 2.5 per cent. Of the 1 351 residential building approvals, 1 182 were in the private sector, with the remaining 169 approvals in the public sector (see chart). Private sector approvals are being driven by new housing developments in Palmerston and Lyons, as well as a number of high rise unit developments in the Darwin CBD.

Housing Finance for Owner Occupation

In January 2008, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 15.5 per cent to 430, compared to a 7.1 per cent increase nationally.

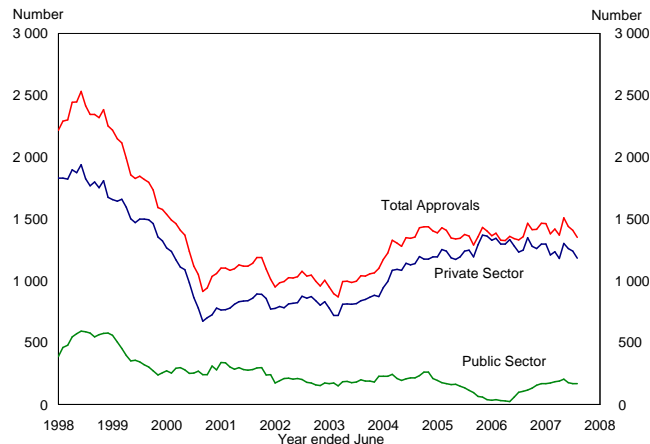
Since peaking in 2005-06 the number of housing finance commitments in the Territory has been steadily declining (see chart). However the decline in finance commitments since 2005-06 has been from historically high and unsustainable levels. In the year to January 2008, Territory housing finance commitments in original terms decreased by 18.2 per cent, driven by an 18.2 per cent decline in the purchase of established dwellings and a 22.6 per cent decline in the construction of new dwellings. The number of first home buyer finance commitments decreased in the Territory by 27.2 per cent in the year to January 2008. At the national level the number of first home buyer housing finance commitments increased by 4.2 per cent in the same period

Dwelling Commencements

In original terms, Territory dwelling commencements decreased by 37.9 per cent to 256 in the December quarter 2007. Nationally, seasonally adjusted commencements (the figure usually reported in the media) increased by 2.6 per cent in the quarter. In 2007, total Territory dwelling commencements increased by 20.9 per cent to 1 422. Of this total, 1 259 commencements were in the private sector and 163 were in the public sector (see chart).

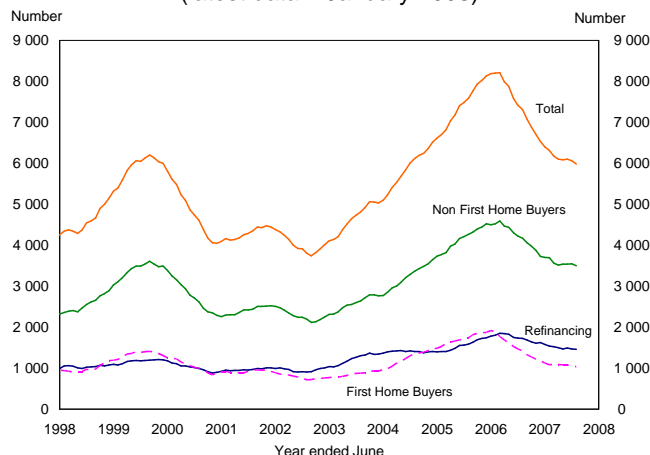
Further analysis of the dwelling commencement data over this period show that 714 of the total commencements were 'houses' while 700 were for 'other' dwellings and 9 were 'conversions'. The prospect for house and unit commencements is to continue at current levels for some time. Recent interest rate increases, as well as a decline in overall housing affordability in the Territory, have potential to dampen consumer and investor confidence.

Residential Building Approvals* (latest data – January 2008)



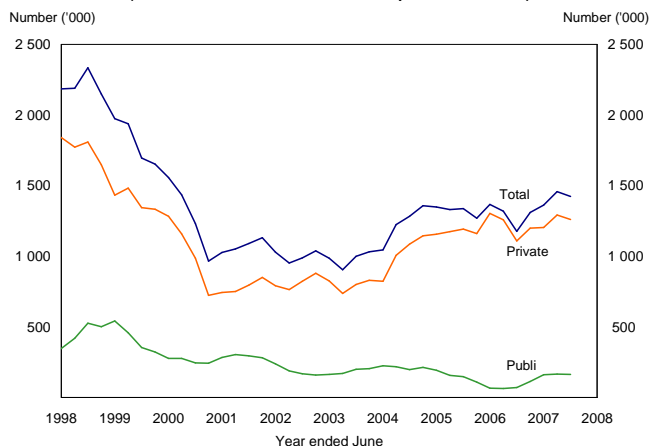
*moving annual total
Source: ABS Cat. No. 8731.0

Number of Housing Finance Commitments* (latest data – January 2008)



* moving annual total
Source: ABS Cat. Nos. 5609.0

Dwelling Commencements* (latest data – December quarter 2007)



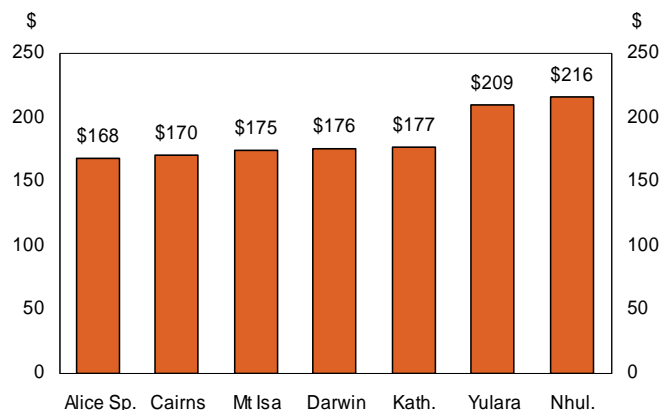
* moving annual; total
Source: ABS Cat. No. 8750.0

Grocery Price Survey

The December 2007 Grocery Price Survey (GPS) reports moderate price increases in most surveyed regions in the six months to December 2007. Nevertheless, growth in the basket has been strong compared to the June 2007 GPS. In Darwin, the cost of the basket increased by 2.0 per cent in the six months to December 2007, compared to a decrease of 0.2 per cent in the six months to June 2007. In other regions, the cost of the basket increased by 2.4 per cent in Alice Springs, 1.8 per cent in Katherine, 6.4 per cent in Nhulunbuy, 2.7 per cent in Yulara, 4.3 per cent in Cairns and 4.8 per cent in Mt Isa.

While individual centres varied, price increases were most consistent in Bread & Cereal Products, Non-Alcoholic Drinks & Snacks, Dairy & Related Products, and Fruit & Vegetables. Household Supplies was the most consistent category to record price decreases across the surveyed centres. A complete copy of the December 2007 GPS can be downloaded from the NT Treasury website.

Grocery Price Survey
(latest data – December 2007)



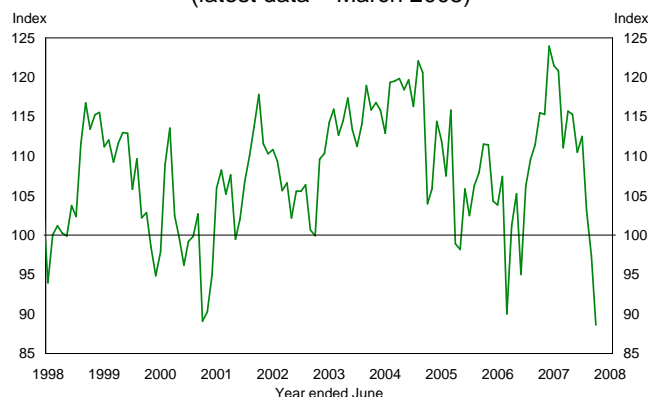
Source: NT Treasury.

Consumer Sentiment Index

At the national level, consumer sentiment, as reported by the Westpac-Melbourne Institute, fell from 97.4 in February 2008 to 88.6 in March 2008, a decrease of 9.1 per cent. Compared to March 2007, the index has decreased by 22.3 per cent. Factors that contributed to the decline in the month include; the two interest rate rises in 2008 and the continued global credit crisis.

The Westpac-Melbourne Institute reports that all the sub-components of the index were lower in the month of March 2008. For example, twelve month expectations for 'family finances' decreased 15.6 per cent, opinions on whether now is a good time to buy a major household item fell by 10.9 per cent. Opinions on 'where to save' declined dramatically with 'shares' falling by 6.7 percentage points to 7.9 per cent, much lower than the levels seen in the aftermath of the dot-com bubble burst in 2001.

Consumer Sentiment Index
(latest data – March 2008)



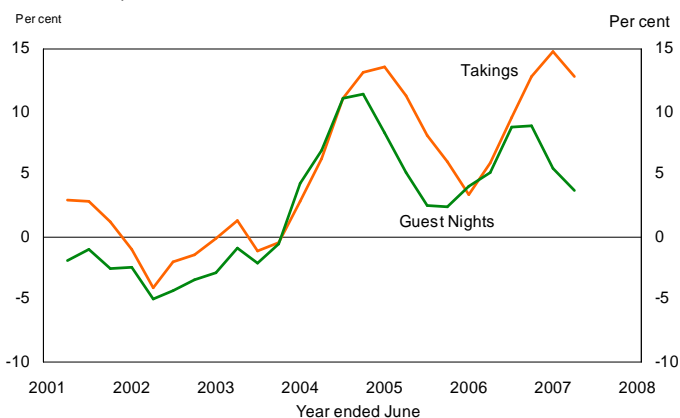
Source: Westpac-Melbourne Institute

Tourist Accommodation

In the September quarter 2007, tourist accommodation figures indicate an increase in the level of tourism activity in the Territory. In original terms, takings in the Northern Territory increased by 12.8 per cent in the year to the September quarter 2007, while room occupancy rates increased by 3.3 percentage points over the same period.

In annual terms, growth in accommodation takings increased by 7.4 per cent in the Territory, with substantial variation across major centres. Takings grew by 4.4 per cent in Darwin, 6.7 per cent in Alice Springs and 14.3 per cent in the 'rest of the Territory', while decreasing by 0.6 per cent in Katherine. Over the same period, room occupancy rates increased by; 2.0 percentage points in Darwin, 4.5 percentage points in Alice Springs and 3.8 percentage points in the 'rest of the Territory', while falling 3.2 percentage points in Katherine. The number of 'guest nights' reported increased in Katherine and in the 'rest of the Territory' however Darwin and Alice Springs reported decreases.

Tourist Accommodation*
(latest data – September quarter 2007)



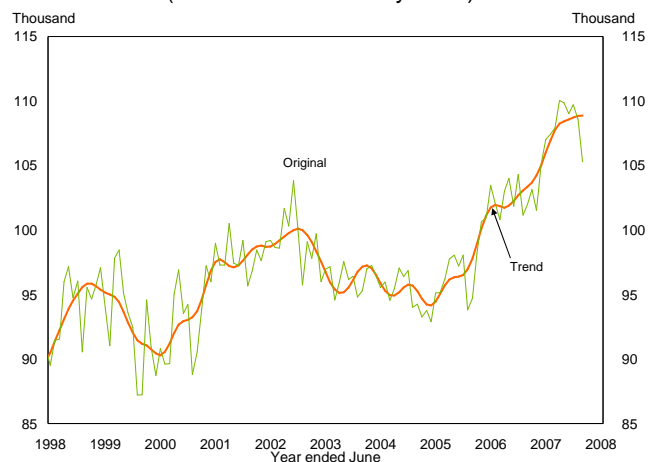
*year on year percentage change
Source: ABS Cat. No. 8635.0

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. Taking this into account, the ABS reports that trend employment increased marginally to 108 878 in February 2008 (see chart). This is the highest resident employment level on record for the Territory. Nationally, seasonally adjusted employment increased by 36 658 in the month to about 10.7 million employed persons.

A comparison of Territory (trend) resident employment in February 2008 with resident employment in February 2007 shows an increase of 5.3 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of growth, Territory employment increased by 5.1 per cent (in original terms) in the year to February 2008, compared to 2.8 per cent growth reported nationally.

Territory Employment (latest data – February 2008)



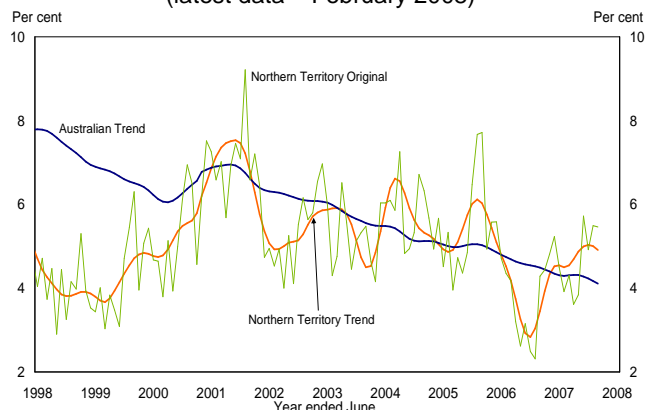
Source: ABS Cat. No. 6202.0

Unemployment

The Territory's trend unemployment rate was 4.9 per cent in February 2008, down from (a revised) 5.0 per cent reported in January 2008. Compared to February 2007, the unemployment rate has increased by 1.5 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). In February 2008 the Territory reported the second highest trend unemployment rate of the jurisdictions, behind Tasmania.

At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased to 4.0 per cent in February 2008, down from 4.1 per cent reported for January 2008, and the lowest reported figure on record.

Territory Unemployment (latest data – February 2008)



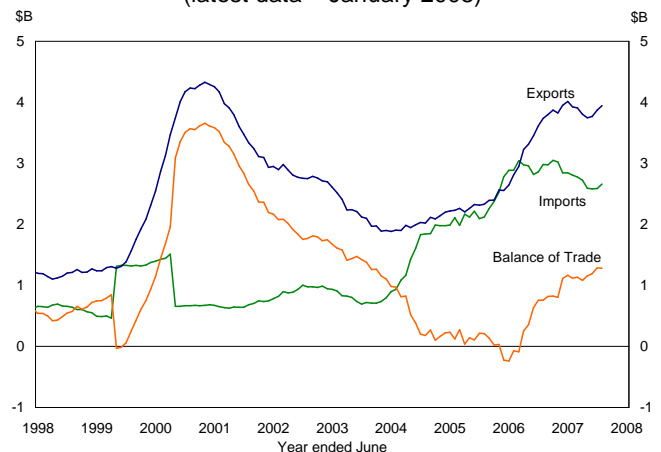
Source: ABS Cat. No. 6202.0

International Merchandise Trade

In the year to January 2008 the value of Territory merchandise exports increased by 5.6 per cent to \$3.9 billion mainly due to higher LNG exports as well as higher crude oil and commodity prices. Over the same period, the value of merchandise imports to the Territory decreased by 10.7 per cent. The decline in imports reflects the completion of Jetstar's fleet purchase (where Darwin was the port of entry for customs reporting purposes). Partially offsetting this decline was increased gas feedstock imports for the LNG plant at Wickham Point.

The Territory's goods trade balance increased by \$529 million in the year to January 2008, to a surplus of \$1.3 billion (see chart). The Territory's trade surplus is expected to further improve in the upcoming year with the combined effect of increased LNG, alumina and manganese exports and reduced imports to the Territory. Lower imports of machinery and equipment reflect the completion of major projects.

Territory Merchandise Trade Balance* (latest data – January 2008)



* moving annual total
Source: ABS Cat. No. 5368.0

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.

Territory Economic Review April 2008

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2006-07	% change	5.6	1.8	2.7	4.9	0.8	6.3	2.1	5.0	3.2
State Final Demand ^(a)	Year to Dec 07	% change	1.5	4.1	3.6	7.4	2.5	10.3	5.0	3.6	5.2
International Goods Exports	Year to Jan 08	% change	5.6	-0.2	-0.2	-8.7	8.8	10.7	5.2	-37.5	1.4
International Goods Imports	Year to Jan 08	% change	-10.7	6.1	7.1	9.4	8.8	12.4	1.8	-96.8	7.4
Demography											
Population	Sep-06 Qtr to Sep-07 Qtr	% change	2.2	1.0	1.5	2.2	1.0	2.4	0.8	1.5	1.5
Labour Market											
Employment (trend)	Feb 07 to Feb 08	% change	5.3	2.5	3.1	2.1	2.9	3.8	2.6	1.2	2.7
Participation Rate (trend)	As at February 07	%	70.0	63.1	64.7	67.4	62.3	67.5	60.1	73.4	64.9
	As at February 08	%	73.1	63.5	65.4	66.9	62.9	68.4	61.0	72.3	65.2
Unemployment Rate (trend)	As at February 07	%	3.5	5.0	4.8	3.9	5.2	3.0	5.5	3.0	4.5
	As at February 08	%	4.9	4.4	4.4	3.5	4.6	3.1	5.1	2.4	4.1
ANZ Job Ads	Year to Feb 08	% change	16.0	-0.9	-3.8	3.1	7.9	-2.2	9.5	10.6	0.5
Prices and Wages											
Consumer Price Index	Dec-06 Qtr to Dec-07 Qtr	% change	2.9	2.4	3.3	3.9	2.7	3.0	2.9	3.3	3.0
	Year to Dec 07 Qtr	% change	3.4	1.9	2.4	3.0	1.9	3.1	2.3	2.5	2.3
Average Weekly Earnings (full-time adult total earnings)	As at November 07	\$	1115.90	1194.80	1132.80	1090.10	1085.70	1278.20	1058.50	1332.50	1160.00
Housing Sector											
Building Approvals (number)	Year to Jan 08	% change	-0.3	-2.6	8.8	9.3	5.9	-12.4	1.4	10.8	2.5
Housing Finance for Owner Occupation (number)	Year to Jan 08	% change	-18.2	2.8	5.4	6.2	4.6	-7.0	6.1	15.4	2.9
Housing Affordability Indicator ^(b)	As at Sep 07 Qtr	Level	44.5	26.1	28.7	26.3	28.8	28.7	30.5	48.3	27.3
Consumer Spending											
Retail Trade (current \$)	Year to Jan 08	% change	10.5	6.6	5.3	9.9	7.9	9.7	5.8	5.9	7.4
New Motor Vehicle Sales (No.)	Year to Feb 08	% change	8.2	9.0	10.1	9.1	4.0	7.6	4.1	13.0	8.8
Tourist Accommodation - Takings (current \$)	Year to Sep 07	% change	12.8	11.4	9.9	10.2	7.9	18.2	7.4	15.0	11.3

*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, AMP 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.