

Major Territory Projects Driving State Final Demand

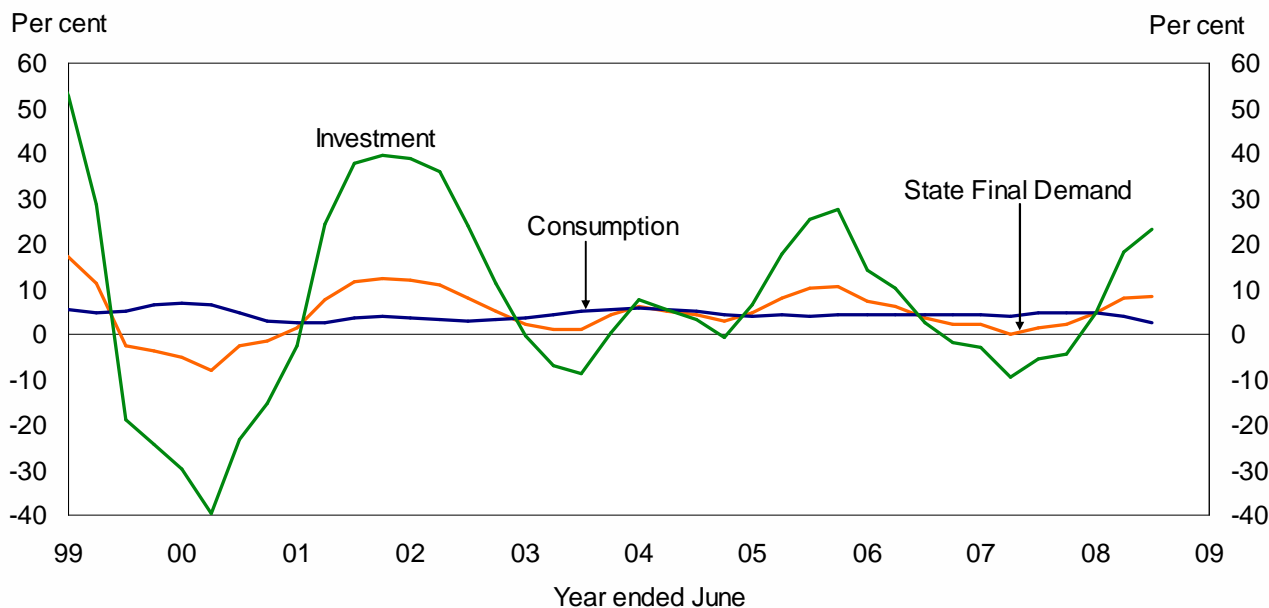
Territory state final demand (SFD) and Australian domestic demand figures released in March 2009 indicate that the Territory and national economies slowed in the December quarter 2008. National domestic demand increased marginally by 0.1 per cent, the lowest level of growth since the December quarter 2000, while Territory SFD decreased by 0.7 per cent in the quarter. The decrease in Territory SFD was driven by a decline in machinery and equipment investment, which decreased 16.7 per cent in the quarter. This reflects the moderating investment expenditure by businesses, mainly on resource projects in response to slowing global demand for commodities.

The main driver of the quarterly decline in Australian domestic final demand was public investment, which subtracted 0.07 percentage points from quarterly growth, while private investment contributed 0.09 percentage points. However, this contribution breakdown is likely to be reversed in coming months as business investment moderates and government investment in infrastructure projects increase as part of stimulus packages announced by the Commonwealth Government.

In year on year terms, Territory SFD strengthened to 8.5 per cent while Australian domestic demand reported a solid increase of 4.1 per cent. The strengthening of Territory SFD in the year was driven by strong growth in investment (see Chart), attributed to machinery and equipment and new engineering construction, which contributed 3.1 and 2.9 percentage points respectively to total year on year growth. The increase in these two categories reflects work on major projects such as GEMCO's \$167 million refinery upgrade at Groote Eylandt, ENI's \$750 million Blacktip project, and Coogee Resource's \$US700 million Montara oilfield development in the Timor Sea.

In the upcoming months, Territory SFD is likely to be influenced by the cuts to official interest rates since September 2008, with further cuts expected through 2009. Consumption in 2009 is expected to remain weak but a sustained recovery should begin to emerge in late 2009 as global economic conditions improve and consumer confidence returns.

Chart: Components of Territory State Final Demand (year on year percentage change)



Source: ABS Cat. No. 5206.0

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	2007-08	Latest available	Annual % change ¹
Expenditure on GSP (2005-06 prices)											
Private Consumption	6.5	3.5	6.5	4.6	6.4	4.8	5.8	3.8	5.4	Dec Q 08	-1.1
Public Consumption	7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	3.6	Dec Q 08	0.9
Total Consumption Expenditure	7.0	2.4	3.8	3.7	5.7	4.1	4.3	4.4	4.6	Dec Q 08	-0.3
Private Investment											
<i>Dwellings</i>	-24.7	-40.7	4.0	9.9	-4.0	27.5	14.7	-4.4	-8.4	Dec Q 08	7.9
<i>Other buildings and structures</i>	-58.9	-22.7	125.2	26.5	6.5	0.7	4.4	-3.9	-23.4	Dec Q 08	111.0
<i>Machinery and equipment</i>	11.3	31.3	2.6	6.3	11.8	-11.6	28.7	7.3	83.3	Dec Q 08	16.8
<i>Livestock</i>	-7.7	41.7	5.9	-55.6	225.0	-3.8	8.0	-29.6	10.5	Dec Q 08	4.8
<i>Intangible fixed assets**</i>	-18.9	-17.8	51.0	-42.0	-20.0	62.5	98.2	-3.9	1.4	Dec Q 08	-46.8
<i>Ownership transfer costs</i>	-6.3	-21.7	16.0	3.7	29.2	6.8	9.0	-1.2	-16.1	Dec Q 08	-5.0
Business Investment [#]	-40.2	-1.7	54.4	7.9	9.7	0.4	17.0	-2.5	4.7	Dec Q 08	38.1
Total Private Investment	-36.1	-11.6	45.0	8.1	8.5	3.8	16.3	-2.8	1.8	Dec Q 08	31.8
Public Investment	46.3	45.8	19.4	-33.3	1.9	25.6	2.1	-3.8	24.3	Dec Q 08	4.6
Total Investment	-29.8	-2.4	38.9	-0.5	7.6	6.7	14.2	-2.9	4.9	Dec Q 08	27.8
State Final Demand	-5.0	1.5	12.0	2.3	6.2	4.8	7.1	2.1	4.7	Dec Q 08	7.9
State Final Demand less L-C and B-U^{##}	2.1	1.6	10.8	0.8	5.2	9.5	8.5	2.5		Dec Q 08	
International Trade - export of goods	47.2	30.0	-22.6	-11.0	-23.9	-6.2	-1.6	44.1	-5.9	Dec Q 08	18.8
International Trade - import of goods	178.4	-62.0	15.2	30.1	4.0	107.5	27.5	-0.4	-21.8	Dec Q 08	62.9
Total Gross State Product	7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		
Contribution to GSP Growth											
Private Consumption	2.7	1.4	2.6	1.9	2.8	2.2	2.6	1.8	2.1		
Public Consumption	2.5	0.4	0.1	0.8	1.5	1.1	0.7	1.7	1.1		
Private Investment	-12.3	-2.3	7.6	1.9	2.2	1.1	4.5	-0.8	-0.2		
Public Investment	1.3	1.8	1.0	-2.1	0.1	1.1	0.1	-0.2	1.1		
State Final Demand	-5.5	1.5	11.4	2.4	6.6	5.4	7.8	2.4	4.1		
Net International Exports	4.0	23.7	-13.1	-7.6	-9.3	-11.7	-5.8	9.0	2.6		
Balancing item	8.8	-20.3	3.3	5.2	5.0	12.0	4.5	-6.2	-2.8		
Gross State Product	7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		

¹ 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	2007-08	Latest	Annual change**
Real Retail Turnover	7.6	-2.2	4.8	3.1	6.0	4.0	0.7	8.5	8.0	Dec Q 08	8.8
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Feb 09	-19.4
Tourist Accommodation Takings	0.0	0.0	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Sep Q 08	17.0
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	Jan 09	35.8
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	Dec Q 08	64.5
Employment	-2.3	1.5	4.8	1.5	-2.0	-0.2	3.2	5.1	5.9	Feb 09	4.1
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Feb 09	4.1
Darwin Consumer Price Index ^{##}	0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	Dec Q 08	3.7
AWOTE [#] (year average)	4.3	3.4	2.1	4.7	6.0	6.6	3.8	1.5	5.2	Nov Q 08	5.7
Wage Price index (year average)	0.0	2.8	3.1	3.0	3.3	3.7	4.4	3.9	3.9	Nov Q 08	4.8
Population, December (levels - thousands) ^{##}	194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.3	217.4	Sep Q 08	221.1
Population (annual % change) ^{##}	1.6	1.0	1.1	0.5	0.6	1.6	2.3	1.9	2.4	Sep Q 08	2.2
Net Interstate Migration (levels - number) ^{##}	-817	-1621	-1751	-2440	-2283	-482	726	-428	885	Sep Q 08	1071.0

* 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	2007-08	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	7.80	30 Mar 09	3.15
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	6.45	30 Mar 09	3.94
Exchange Rates											
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	30 Mar 09	0.79
US\$ per A\$ (as at 30 June)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	0.96	30 Mar 09	0.68
Special Drawing Rights ¹ per A\$ (as at 30 June)	0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	0.59	30 Mar 09	0.46
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	73.40	30 Mar 09	56.99

¹ 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 2009			
ABS	8501.0	Retail Trade, February 2009	01-Apr-09
ABS	8731.0	Building Approvals, February 2009	01-Apr-09
ABS	5368.0	International Trade in Goods & Services, February 2009	02-Apr-09
ABS	8762.0	Engineering Activity, December Quarter 2008	06-Apr-09
ABS	8635.0	Tourist Accommodation, December Quarter 2008	06-Apr-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, February 2009 (<i>no brief</i>)	06-Apr-09
ANZ		ANZ job ads series, March 2009 (<i>no brief</i>)	06-Apr-09
ABS	5609.0	Housing Finance, February 2009	08-Apr-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	08-Apr-09
ABS	6202.0	Labour Force, March 2009	09-Apr-09
AAA		Petrol Prices, March 2009	10-20 Apr 09
ABS	5671.0	Lending Finance, February 2009	14-Apr-09
Westpac-MI		Leading Index (<i>no brief</i>)	15-Apr-09
ABS	6291.0.55.001	Labour Force by Industry, March 2009 (<i>no brief</i>)	16-Apr-09
ABS	8752.0	Building Activity, December Quarter 2008	17-Apr-09
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, December Quarter 2008	17-Apr-09
ABS	6457.0	International Trade Price Indexes, Australia, March Quarter 2009	17-Apr-09
ABS	6427.0	Producer Price Indexes, March Quarter 2009	20-Apr-09
ABS	6401.0	Consumer Price Index, March Quarter 2009	22-Apr-09
ABS	9314.0.55.001	Sales of New Motor Vehicles, March 2009	23-Apr-09
ABS	6403.0.55.001	Average Retail Prices of Selected Items, March Quarter 2009	29-Apr-09
May 2009			
ABS	6416.0	House Price Indexes: Eight Capital Cities, March Quarter 2009	04-May-09
ANZ		ANZ job ads series, April 2009 (<i>no brief</i>)	04-May-09
ABS	8731.0	Building Approvals, March 2009	05-May-09
ABS	5368.0	International Trade in Goods & Services, March 2009	06-May-09
ABS	8501.0	Retail Trade, March 2009	06-May-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	06-May-09
ABS	6202.0	Labour Force, April 2009	07-May-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, March 2009 (<i>no brief</i>)	08-May-09
AAA		Petrol Prices, April 2009	10-20 May 09
ABS	5609.0	Housing Finance, March 2009	12-May-09
Westpac-MI		Leading Index (<i>no brief</i>)	13-May-09
ABS	5671.0	Lending Finance, March 2009	14-May-09
ABS	6291.0.55.001	Labour Force by Industry, April 2009 (<i>no brief</i>)	14-May-09
ABS	6345.0	Labour Price Index (Wage Cost Index), March Quarter 2009	20-May-09
ABS	6302.0	Average Weekly Earnings, February Quarter 2009	21-May-09
ABS	9314.0.55.001	Sales of New Motor Vehicles, April 2009	21-May-09
ABS	8755.0	Construction Work Done, March Quarter 2009	27-May-09
ABS	5625.0	Private New Capital Expenditure, March Quarter 2009 (<i>no brief</i>)	28-May-09

State Final Demand

In seasonally adjusted terms, Territory State Final Demand (SFD) decreased by 0.7 of a percentage point in the December quarter 2008. In year on year terms, Territory SFD increased by 8.5 per cent (see chart).

In the December quarter 2008, in seasonally adjusted terms, total investment decreased by 0.5 of a percentage point, driven by a 16.7 per cent decrease in machinery and equipment. This reflects slowing demand affecting the level of investment by Territory businesses, namely resource projects. Total consumption decreased by 0.9 of a percentage point in the quarter, but increased 2.4 per cent in the year. This reflects confidence by Territory consumers in the year, which only started to wane in the December quarter 2008 as the global economic crisis worsened and began having a larger impact on Australian consumers.

Gross Domestic Product

In seasonally adjusted terms, Australia's Gross Domestic Product (GDP) decreased by 0.5 per cent in the December quarter 2008, and increased by 2 per cent in the year. The quarterly decline was driven by a decrease in inventories, subtracting 1.7 percentage points from quarterly growth. The decline in inventories indicates that businesses were running down stock in anticipation of slowing domestic demand. Offsetting some of the decline in inventories in the quarter was an increase in net exports, which added 1.5 percentage points to quarterly growth. Over 2008, GDP growth was underpinned by total investment growth, contributing 1.9 percentage points to growth, while change in inventories subtracted 2 percentage points from growth.

On the production side, the industries that detracted the most from quarterly growth were 'manufacturing' and 'property and business services', associated with slowing domestic demand.

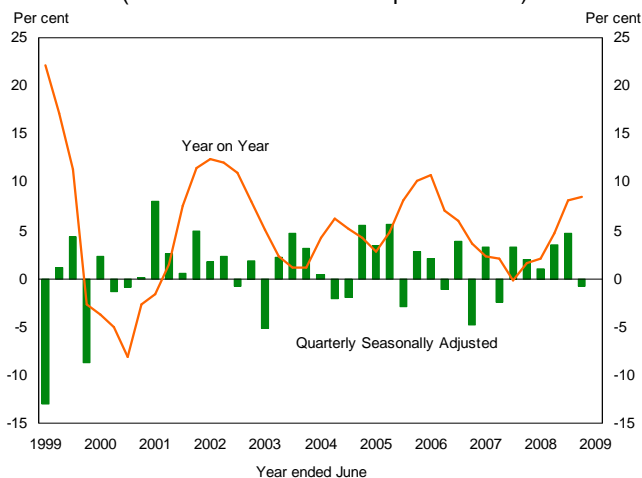
Population

In the September quarter 2008, the Northern Territory's resident population is estimated to have increased by 0.6 per cent (1237) to 221 055. In annual terms to September 2008, 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 1.8 per cent over the same period increased Australia's population to an estimated 21.5 million.

The Territory's estimated resident population increased by 1237 persons in the September quarter 2008, compared to an increase of 1523 in the September quarter 2007. In the September quarter 2008 the components of population growth were:

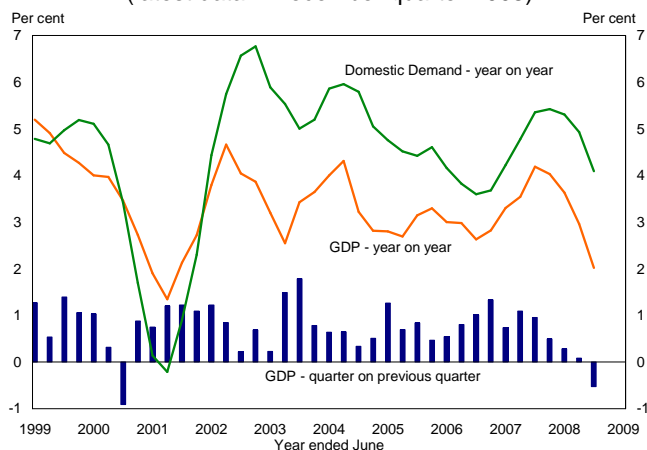
▪ Natural increase (births less deaths)	720
▪ Net overseas migration	261
▪ Net interstate migration	256
▪ Total population growth	1237

State Final Demand (latest data – December quarter 2008)



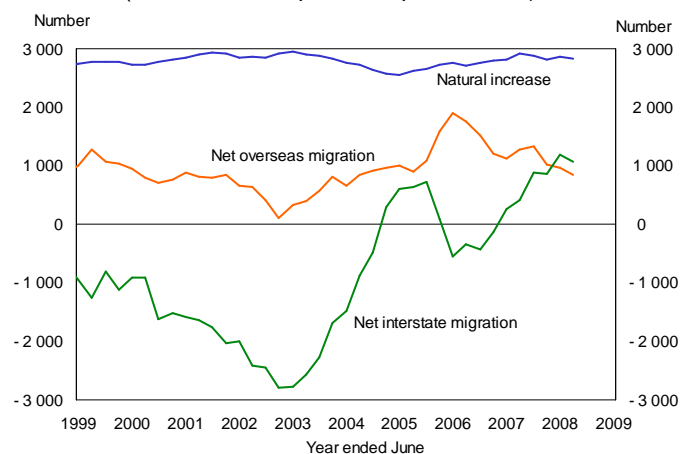
Source: ABS Cat. No. 5206.0

Gross Domestic Product (latest data – December quarter 2008)



Source: ABS Cat. No. 5206.0

Northern Territory Population Components^{*} (latest data – September quarter 2008)



^{*} moving annual total
Source: ABS Cat. No. 3101

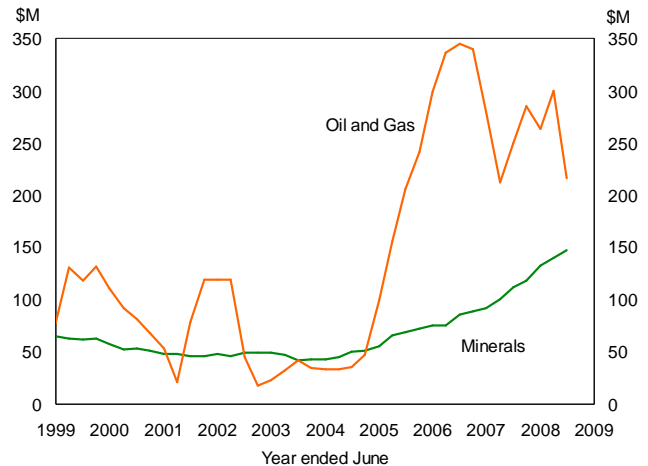
Mineral and Petroleum Exploration

Mineral exploration in the Territory has increased significantly in recent years, in response to increased commodity prices and demand, particularly from China. Private mineral exploration expenditure (including exploration for uranium) increased by 32 per cent to \$147.2 million in 2008. Expenditure on uranium exploration was the main driver, contributing 15.4 percentage points to total expenditure growth, while exploration expenditure for gold contributed 5.8 percentage points. Exploration for silver, lead, and zinc subtracted 2.6 percentage points from expenditure growth, attributable to global price declines for these commodities.

In 2008, expenditure on oil and gas exploration in the Territory decreased 13.6 per cent to \$215.8 million in response to lower prices in the second half of 2008.

Mineral and Petroleum Exploration*

(latest data – December quarter 2008)



* moving annual total
Source: ABS Cat. No.8412.0

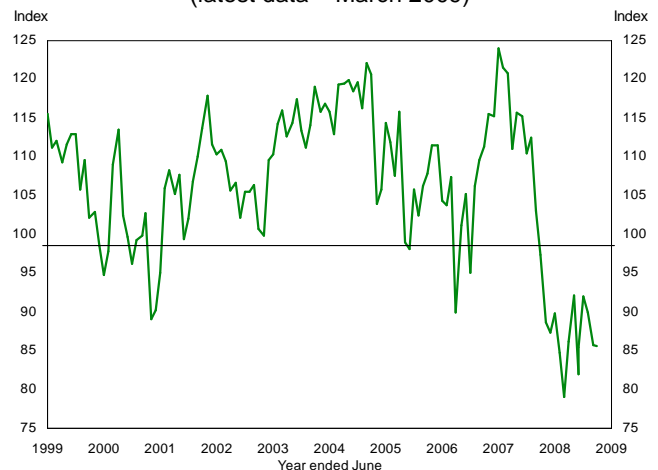
Consumer Sentiment Index

At the national level, consumer sentiment, as reported by the Westpac-Melbourne Institute, decreased from 85.8 in February 2009 to 85.6 in March 2009, a decrease of 0.2 per cent. Compared to March 2008, the index has decreased by 3.4 per cent. Despite the stream of bad economic news in the month, the index decline was less than expected. The lower than expected decline is likely to be attributed to a lagged effect of the \$42 billion stimulus package by the Commonwealth Government and 100 basis point cut in the cash rate by the RBA in February 2009.

The Westpac-Melbourne Institute reports that four of the five sub-components of the index were lower in the month of March 2009. For example, expectations for economic conditions over the next 12 months decreased 1.2 per cent and 'family finances' decreased 0.3 per cent in the month. However, the outlook for the economy over the next five years increased 15.2 per cent, indicating confidence that current policies will assist in contributing positively to long term growth.

Consumer Sentiment Index

(latest data – March 2009)



Source: Westpac-Melbourne Institute

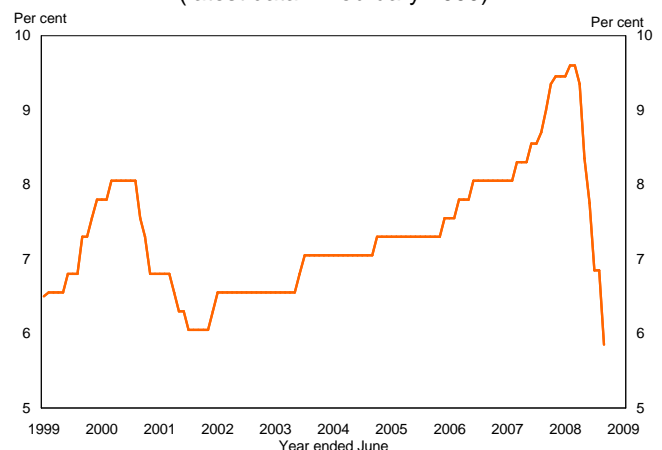
Average Variable Mortgage Rates

Standard housing loan rates are those quoted for loans to owner-occupiers and for investment housing. Standard rates apply to housing loans with facilities such as the option to redraw or make early repayments. Standard variable loan rates had been steadily increasing from a low of 6.05 per cent at the beginning of 2002 when the official cash rate set by the RBA was at 4.25 per cent. Standard variable loan rates peaked at 9.60 per cent in July and August 2008, and have declined significantly following the RBA cutting the official cash rate 400 basis points between September and February 2009. The average variable mortgage rate is now 5.85 per cent.

Consensus among leading Australian economists is that standard variable loan rates are expected to continue to decline through 2009 as the RBA cuts official interest rates in response to slowing domestic demand.

Average Variable Mortgage Rates*

(latest data – February 2009)



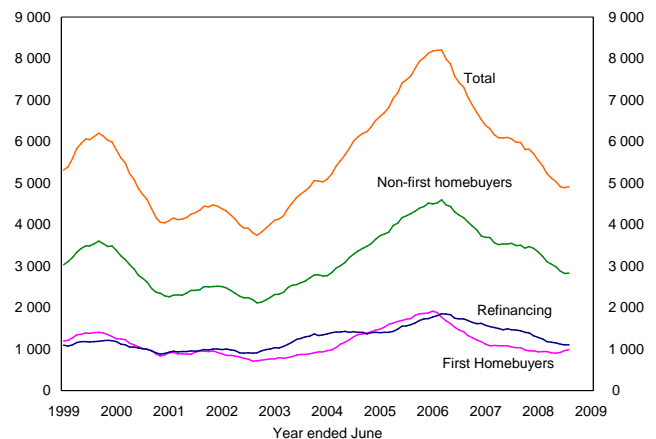
Source: Reserve Bank of Australia
*Average of major lenders

Housing Finance for Owner Occupation

Since peaking in 2005-06, the number of housing finance commitments in the Territory has been steadily declining (see chart). However the decline has been from historically high and unsustainable levels.

In the year to January 2009, Territory housing finance commitments decreased by 17.8 per cent, driven by an 17.8 per cent decline in the purchase of established dwellings and a 23.8 per cent decline in the construction of new dwellings. The number of finance commitments by first home buyers decreased in the Territory by 4.5 per cent in the year. At the national level the number of first home buyer housing finance commitments decreased by 8.7 per cent in the same period. New Commonwealth and Territory initiatives, such as the expansion to the First Home Owners Grant and Buildstart, may increase Housing Finance for Owner Occupation in the coming months.

Number of Housing Finance Commitments*
(latest data – January 2009)



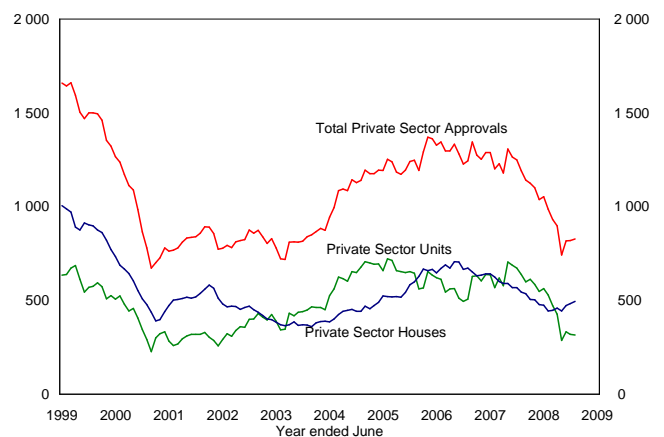
* moving annual total
Source: ABS Cat. No. 5609.0

Building Approvals

In annual original terms, Territory residential building approvals increased by 5 to 39 in January 2009, with 37 private and 2 public sector approvals. For the month, 32 of the private sector approvals were for 'houses', while 4 were for 'other residential'. There were 2 residential approvals for public sector 'houses'.

In the year to January 2009, residential building approvals in the Territory decreased by 33 per cent to 906, the lowest growth of the jurisdictions and below the national average decrease of 11.6 per cent. The decrease in the number of residential building approvals in the Territory was largely attributable to declines in approvals for private sector units and public sector houses which subtracted 23.8 and 6.3 percentage points respectively from total growth.

Total Building Approvals*
(latest data – January 2009)



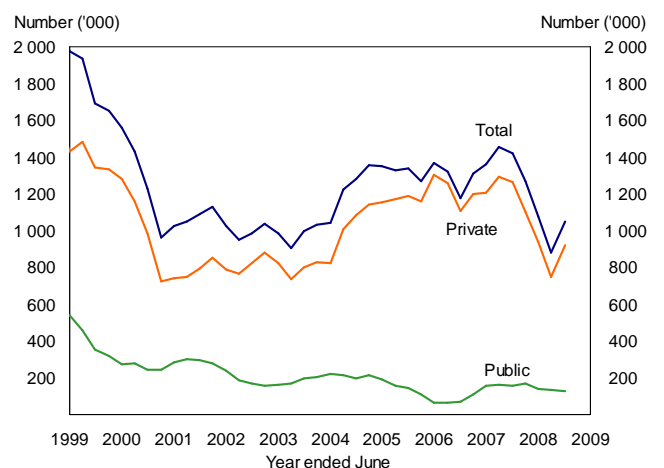
*moving annual total
Source: ABS Cat. No. 8731.0

Dwelling Commencements

In seasonally adjusted terms, Territory dwelling commencements increased by 92.5 per cent to 385 in the December quarter 2008. Nationally, seasonally adjusted commencements (the figure usually reported in the media) decreased by 9.9 per cent in the quarter. In 2008, total Territory dwelling commencements decreased by 26.4 per cent to 1 047. Of this total, 921 commencements were in the private sector and 126 were in the public sector (see chart).

Further analysis of the dwelling commencement data over this period show that 605 of the total commencements were 'houses' while 426 were for 'other' dwellings and 17 were 'conversions'. Five consecutive cuts to official interest rate since September 2008, with further cuts expected through 2009, as well as significant Government stimulus should pave the way for a moderate recovery in commencements in 2009.

Dwelling Commencements*
(latest data – December quarter 2008)



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

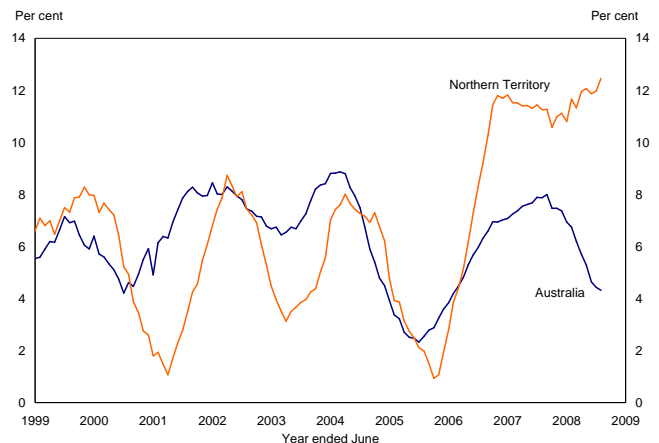
Retail Turnover

In January 2009, seasonally adjusted retail turnover decreased by 0.2 per cent in the Territory and increased by 0.2 per cent nationally. Over the year to January 2009, retail trade has increased by 17.1 per cent in the Territory, while increasing by 5.9 per cent nationally. In the year to January 2009, current price retail turnover in the Territory increased by 12.5 per cent, the highest of the jurisdictions and above the national average of 4.3 per cent growth (see chart).

The Territory has recorded 24 consecutive months of double digit year on year growth, despite interest rate rises in 2007 and the first half of 2008 and relatively high fuel prices over this period. This strong growth has been supported by employment and population growth in the Territory. Further growth may be encouraged by RBA cuts in the cash rate since September 2008 and Commonwealth Government stimulus.

Retail Turnover*

(latest data – January 2009)



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

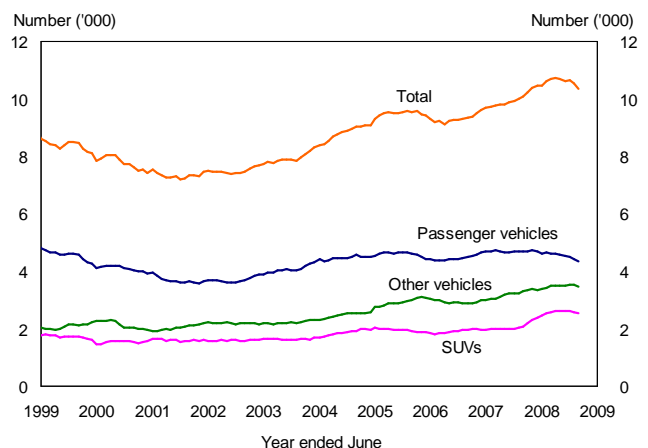
Sales of New Motor Vehicles

In February 2009, seasonally adjusted new motor vehicle sales in the Territory decreased by 1 per cent to 767. By vehicle category; sales of 'passenger' vehicles increased by 1.5 per cent in the month, sales of 'SUVs' decreased by 7.6 per cent, and sales of 'other' vehicles (such as light and heavy trucks) increased by 0.4 per cent. Nationally, total new motor vehicle sales decreased by 3.5 per cent in February 2009.

In the year to February 2009, new motor vehicle sales in the Territory increased by 2.6 per cent to 10 358 (see chart), continuing its moderating trend since peaking in August 2008. In year on year terms, sales of 'passenger' vehicles decreased 7.2 per cent to 4 355, sales of 'other' vehicles increased 4.5 per cent to 3 466, and sales of SUVs increased 21.6 per cent to 2 537. Nationally, sales of new motor vehicles decreased 7.9 per cent in the year.

Motor Vehicle Sales*

(latest data – February 2009)



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

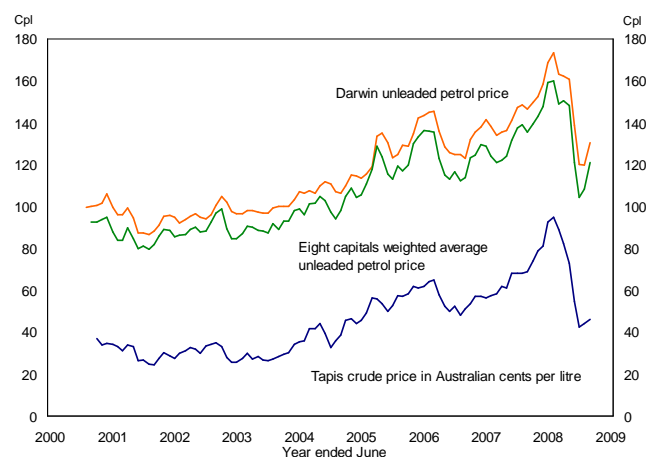
Petrol Prices

In February 2009, Darwin fuel prices increased by 10.7 cpl to 130.3 cpl, while nationally the eight capital cities weighted average price increased by 12.9 cpl to 121.0 cpl. This represents a 9.3 cpl price differential between Darwin and the eight capital cities weighted average. Compared to February 2008 petrol prices in Darwin have decreased by 16.3 cpl, while nationally the eight capital cities weighted average price decreased by 14.5 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 decreased by 33.4 per cent in A\$ terms to \$73.01 a barrel in February 2009, while decreasing by 52.5 per cent in US\$ terms. The depreciation of the A\$ against the US\$ in the second half of 2008 and early 2009 has meant the effects of falling oil prices have not entirely flowed through to petrol prices. Oil price decreases are mainly due to reduced demand as world economic growth slows.

Petrol Prices

(latest data – February 2009)



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

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 116 554 in February 2009 (see chart). Nationally, seasonally adjusted employment increased by 1769 in the month to 10.8 million employed persons.

A comparison of Territory (trend) resident employment in February 2009 with resident employment in February 2008 shows an increase of 4 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, Territory employment increased by 4 per cent, compared to 1.9 per cent growth reported nationally.

Unemployment

The Territory's trend unemployment rate was 3.9 per cent in February 2009, unchanged from the revised figure reported for January 2009. Compared to February 2008, the trend unemployment rate in the Territory has decreased by 0.7 of a percentage point. 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 2009 the Territory reported the third lowest trend unemployment rate of the jurisdictions behind Western Australia and the ACT.

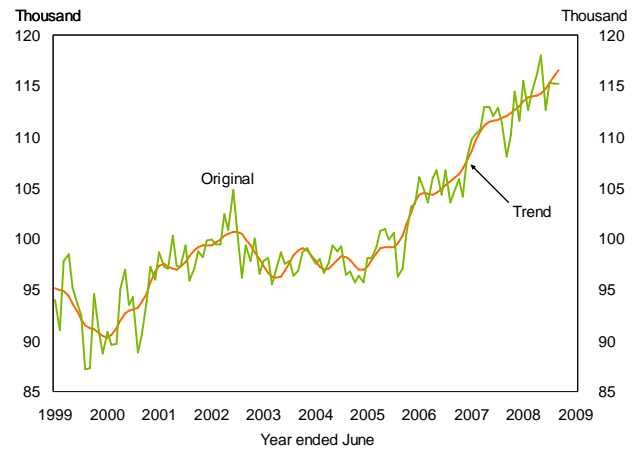
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) increased to 5.2 per cent in February 2009, up from the 4.8 per cent reported in January 2009. This seasonally adjusted rate is up from its historic low of 3.9 per cent reported in February 2008. As with employment estimates, standard errors for the Territory are high.

International Merchandise Trade

In the year to January 2009 the value of Territory merchandise exports increased by 51.2 per cent to a record \$6 billion. This is mainly due to the higher production and prices of mineral ores exports (manganese, iron ore and alumina). Over the same period, the value of merchandise imports to the Territory increased by 37.4 per cent to \$3.7 billion.

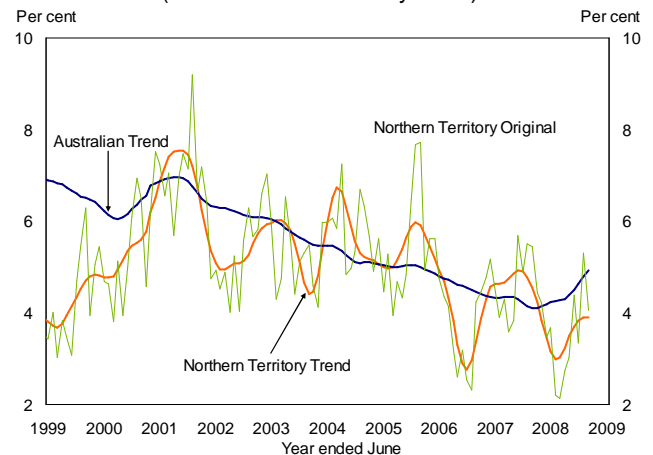
The Territory's goods trade balance increased by \$1 billion in January 2009, to a surplus of \$2.3 billion (see chart). The fall in the value of the Australian dollar over the past six months may lead to an increase in the demand for Australian exports in conjunction with a reduction in the consumption of imports. In addition, the significant improvement in the trade deficit may be attributed to favourable contract prices for commodities. Many of these contracts will be renegotiated in the first half of 2009 taking into consideration reduced demand as a result of the global economic crisis.

Territory Employment (Latest data – February 2009)



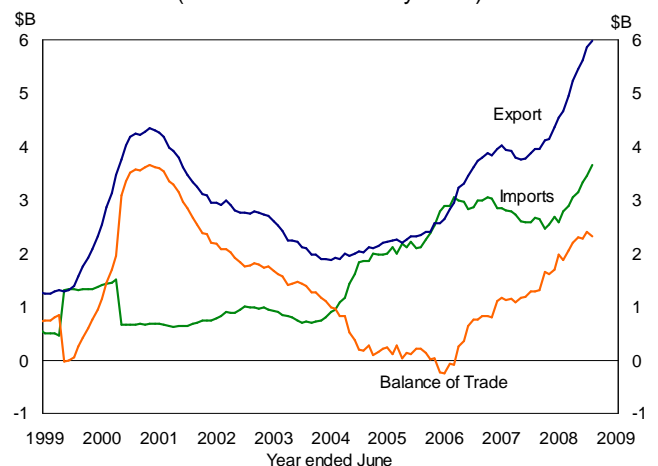
Source: ABS Cat. No. 6202.0

Territory Unemployment (Latest data – February 2009)



Source: ABS Cat. No. 6202.0

Territory Merchandise Trade Balance* (Latest data – January 2009)



* 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 2009

Indicator	Period	Measure	Comparative Economic Indicators*								
			NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2007-08	% change	3.9	2.8	3.2	5.3	3.8	5.2	3.4	2.5	3.7
State Final Demand ^(a)	Year to Dec 08	% change	8.5	2.9	3.1	5.5	3.6	7.0	5.7	0.9	4.1
International Goods Exports	Year to Jan 09	% change	51.2	33.9	7.5	61.8	6.5	35.7	3.5	40.0	35.0
International Goods Imports	Year to Jan 09	% change	37.4	11.3	13.2	27.0	10.7	33.7	57.7	10.0	19.2
Demography											
Population	Sep-07 Qtr to Sep-08 Qtr	% change	2.2	1.3	1.8	2.5	1.1	2.9	0.9	1.4	1.8
Labour Market											
Employment (trend)	Feb 08 to Feb 09	% change	4.0	-0.5	-0.1	2.6	0.6	2.7	3.4	1.2	0.8
Participation Rate (trend)	As at February 08	%	73.1	63.9	65.3	67.0	63.2	68.5	61.0	73.0	65.4
	As at February 09	%	73.7	63.6	64.5	67.7	63.5	68.9	62.3	72.6	65.4
Unemployment Rate (trend)	As at February 08	%	4.5	4.4	4.4	3.6	4.7	3.2	4.8	2.6	4.1
	As at February 09	%	3.9	5.6	5.1	4.4	5.7	3.6	4.6	2.4	4.9
ANZ Job Ads	Year to Feb 09	% change	-10.2	-28.6	-4.2	-28.7	-25.8	-10.6	13.3	-37.4	-3.8
Prices and Wages											
Consumer Price Index	Dec-07 Qtr to Dec-08 Qtr	% change	3.7	3.8	3.2	4.3	3.8	3.7	3.3	3.7	3.7
	Year to Dec 08 Qtr	% change	4.0	4.2	4.2	5.0	4.5	4.4	3.7	4.5	4.4
Average Weekly Earnings (full-time adult total earnings)	As at November 08	\$	1163.30	1229.70	1179.80	1166.70	1147.70	1393.30	1098.80	1385.80	1216.80
Housing Sector											
Building Approvals (number)	Year to Jan 09	% change	-33.0	-15.0	-1.1	-25.1	7.1	-12.4	5.0	12.9	-11.6
Housing Finance for Owner Occupation (number)	Year to Jan 09	% change	-17.8	-16.4	-14.0	-26.6	-15.4	-22.3	-11.6	-4.9	-18.6
Housing Affordability Indicator ^(b)	As at Jun 08 Qtr	Level	39.2	23.5	26.2	24.4	26.1	28.7	27.6	43.0	25.2
Consumer Spending											
Retail Trade (current \$)	Year to Jan 09	% change	12.5	1.9	4.7	5.5	9.4	4.1	6.1	2.7	4.3
New Motor Vehicle Sales (No.)	Year to Feb 09	% change	2.6	-9.1	-4.8	-12.0	-1.7	-8.0	-7.5	-9.5	-7.9
Tourist Accommodation - Takings (current \$)	Year to Sep 08	% change	13.8	5.9	8.0	5.2	8.7	15.7	5.8	8.1	7.5

*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.