

## Consumer Price Index (CPI)

In the June quarter 2009, Darwin's annual inflation rate increased by 2.5 per cent, compared to 1.5 per cent nationally. Growth in Darwin's annual inflation rate has been moderating since the September quarter 2008, when growth of 4.5 per cent was reported, but remains the highest of the capital cities followed by Canberra at 2.1 per cent and Brisbane at 2.0 per cent.

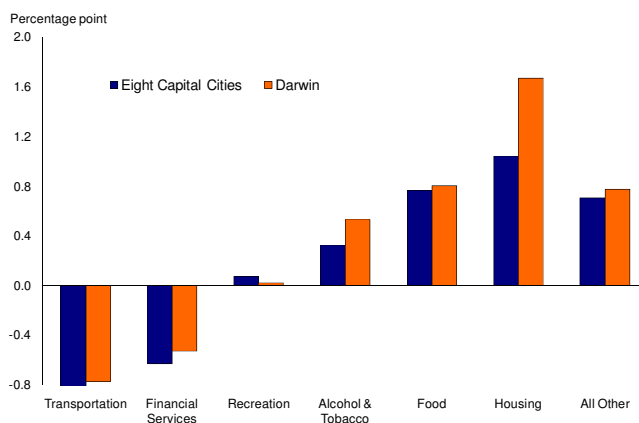
The main drivers of Darwin's annual inflation rate in the June quarter 2009 were housing, food, alcohol and tobacco (see Chart 1). Housing remains the largest contributor to Darwin's annual inflation rate contributing 1.7 percentage points, or 68 per cent, to total CPI. The increase in housing rents (49 per cent) and house prices (35 per cent) accounted for the majority of the increase in total housing costs.

According to Australian Property Monitors (APM), the median house price in Darwin increased by 11 per cent in 2008-09. Strong growth was also reported in Darwin rents, with APM reporting that the median weekly rent for a three-bedroom house increased by 11.1 per cent through the year to the June quarter 2009. Strong rental price growth has been driven by historically low vacancy rates and strong population growth.

The main detractors from growth in Darwin's annual inflation rate were transportation and financial & insurance services (see Chart 1). The fall in the transportation category largely reflects the falls in crude oil and petrol prices, compared with the June quarter 2008, when crude oil prices were around historically high levels. Lower automotive fuel costs reduced Darwin's annual inflation rate by 0.9 percentage points, with Darwin's average unleaded petrol price decreasing by 23 per cent from 168.7 to 129.3 cents per litre over this period. Falling costs in the financial services sector reduced Darwin's CPI by 0.63 percentage points. This fall in the financial services category reflects the substantial decline in interest rates since September 2008, which impacts on the price of services charged by financial institutions where prices are derived from interest-rate margins.

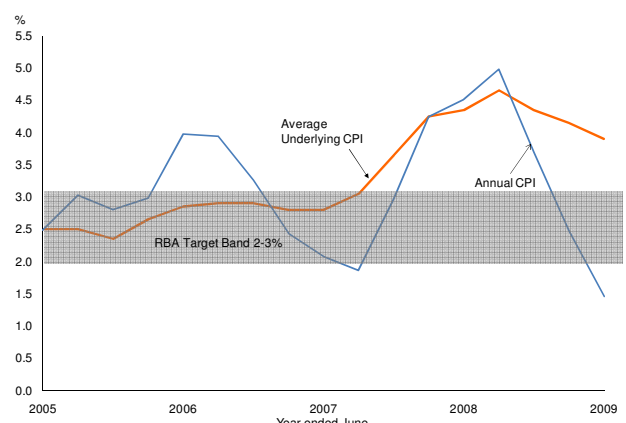
Despite annual growth in the headline CPI nationally falling below the Reserve Bank of Australia's (RBA) target band of 2 to 3 per cent, underlying inflation, the bank's preferred measure of inflation when determining monetary policy settings, remained well above the range. The RBA tracks two measures of underlying inflation, the weighted median and the trimmed mean. Both measures exclude volatile items (such as fuel and food) from the CPI series. In the June quarter 2009, annual growth in the average of the two measures moderated to 3.9 per cent (see Chart 2). Whilst annual growth in underlying inflation remains above the RBA's target range, it reduces the probability of the RBA making further cuts to interest rates.

**Chart 1 Contribution to change in Annual CPI**



Source: ABS Cat. No. 6401.0

**Chart 2: RBA Underlying CPI vs. CPI (Annual % Change)**



Source: Reserve Bank Australia, ABS Cat. No. 6401.0

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*
<b>Expenditure on GSP (2005-06 prices)</b>											
Private Consumption	6.6	3.5	6.5	4.6	6.5	4.8	5.7	3.7	5.7	Mar Q 09	1.8
Public Consumption	7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	3.6	Mar Q 09	3.4
<b>Total Consumption Expenditure</b>	<b>7.0</b>	<b>2.4</b>	<b>3.8</b>	<b>3.7</b>	<b>5.7</b>	<b>4.1</b>	<b>4.2</b>	<b>4.4</b>	<b>4.8</b>	Mar Q 09	<b>2.5</b>
<b>Private Investment</b>											
<i>Dwellings</i>	-24.7	-40.7	4.0	9.9	-4.0	27.5	14.7	-4.4	-8.4	Mar Q 09	-20.8
<i>Other buildings and structures</i>	-58.9	-22.7	125.2	26.5	6.5	0.7	4.4	-3.9	-23.4	Mar Q 09	23.7
<i>Machinery and equipment</i>	11.3	31.3	2.6	6.3	11.8	-11.6	28.7	7.1	83.5	Mar Q 09	-21.5
<i>Livestock</i>	-7.7	41.7	5.9	-55.6	225.0	-3.8	8.0	-29.6	10.5	Mar Q 09	9.5
<i>Intangible fixed assets**</i>	-18.9	-17.8	51.0	-42.0	-20.0	62.5	98.2	-3.9	1.4	Mar Q 09	-9.7
<i>Ownership transfer costs</i>	-6.3	-21.7	16.0	3.7	29.2	6.8	9.0	-1.2	-16.1	Mar Q 09	10.0
Business Investment#	-40.2	-1.7	54.4	7.9	9.7	0.4	17.0	-2.5	4.7	Mar Q 09	2.1
Total Private Investment	-36.1	-11.6	45.0	8.1	8.5	3.8	16.3	-2.8	1.8	Mar Q 09	-0.8
Public Investment	46.3	45.8	19.4	-33.3	1.9	25.6	2.1	-3.8	24.3	Mar Q 09	-13.6
<b>Total Investment</b>	<b>-29.8</b>	<b>-2.4</b>	<b>38.9</b>	<b>-0.5</b>	<b>7.6</b>	<b>6.7</b>	<b>14.2</b>	<b>-2.9</b>	<b>4.9</b>	Mar Q 09	<b>-3.0</b>
<b>State Final Demand</b>	<b>-5.0</b>	<b>1.5</b>	<b>12.0</b>	<b>2.3</b>	<b>6.2</b>	<b>4.8</b>	<b>7.1</b>	<b>2.1</b>	<b>4.8</b>	Mar Q 09	<b>1.0</b>
<b>State Final Demand less L-C and B-U##</b>	<b>2.2</b>	<b>1.6</b>	<b>10.8</b>	<b>0.9</b>	<b>5.2</b>	<b>9.5</b>	<b>8.5</b>	<b>2.5</b>		Mar Q 09	
International Trade - export of goods	47.2	30.0	-22.6	-11.0	-23.9	-6.2	-1.6	44.1	-5.9	Mar Q 09	44.1
International Trade - import of goods	178.4	-62.0	15.2	30.1	4.0	107.5	27.5	-0.4	-21.8	Mar Q 09	131.4
<b>Total Gross State Product</b>	<b>7.2</b>	<b>4.9</b>	<b>1.7</b>	<b>0.0</b>	<b>2.3</b>	<b>5.6</b>	<b>6.5</b>	<b>5.2</b>	<b>3.9</b>		
<b>Contribution to GSP Growth</b>											
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		
<b>State Final Demand</b>	<b>-5.5</b>	<b>1.5</b>	<b>11.4</b>	<b>2.4</b>	<b>6.6</b>	<b>5.4</b>	<b>7.8</b>	<b>2.4</b>	<b>4.1</b>		
<b>Net International Exports</b>	<b>4.0</b>	<b>23.7</b>	<b>-13.1</b>	<b>-7.6</b>	<b>-9.3</b>	<b>-11.7</b>	<b>-5.8</b>	<b>9.0</b>	<b>2.6</b>		
Balancing item	8.8	-20.3	3.3	5.2	5.0	12.0	4.5	-6.2	-2.8		
<b>Gross State Product</b>	<b>7.2</b>	<b>4.9</b>	<b>1.7</b>	<b>0.0</b>	<b>2.3</b>	<b>5.6</b>	<b>6.5</b>	<b>5.2</b>	<b>3.9</b>		

\* 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	Mar Q 09	11.3
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Jun 09	-12.1
Tourist Accommodation Takings	0.0	0.0	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Mar Q 09	-1.6
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	Jun 09	41.8
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	Mar Q 09	-17.7
Employment	-2.3	1.5	4.8	1.5	-2.0	-0.2	3.2	5.1	5.9	Jun 09	3.7
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Jun 09	3.8
Darwin Consumer Price Index##	0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	Jun Q 09	2.5
AWOTE# (year average)	4.3	3.4	2.1	4.7	6.0	6.6	3.8	1.5	5.2	Feb Q 09	4.8
Wage Price index (year average)	0.0	2.8	3.1	3.0	3.3	3.7	4.4	3.9	3.9	Feb Q 09	5.1
Population, December (levels - thousands)##	194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.3	217.4	Dec Q 08	221.7
Population (annual % change)##	1.6	1.0	1.1	0.5	0.6	1.6	2.3	1.9	2.4	Dec Q 08	2.0
Net Interstate Migration (levels - number)##	-817	-1621	-1751	-2440	-2283	-482	726	-428	885	Dec Q 08	691.0

\* 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
<b>Interest Rates</b>											
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 Jul 09	3.18
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 Jul 09	5.64
<b>Exchange Rates</b>											
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	30 Jul 09	0.73
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 Jul 09	0.82
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	0.59	30 Jul 09	0.53
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 Jul 09	65.2

\* 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

August 2009			
ANZ		ANZ job ads series, July 2009 ( <i>no brief</i> )	3-Aug-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, June 2009 ( <i>no brief</i> )	4-Aug-09
ABS	6416.0	House Price Indexes: Eight Capital Cities, June 2009	4-Aug-09
ABS	8501.0	Retail Trade, Australia, June 2009	4-Aug-09
ABS	5368.0	International Trade in Goods and Services, Australia, June 2009	5-Aug-09
ABS	6202.0	Labour Force, Australia, July 2009	6-Aug-09
ABS	5609.0	Housing Finance, Australia, June 2009	10-Aug-09
ABS	5671.0	Lending Finance, Australia, June 2009	11-Aug-09
Westpac-MI		Consumer Sentiment Index ( <i>no brief</i> )	12-Aug-09
ABS	6345.0	Labour Price Index (Wage Cost Index), June 2009	12-Aug-09
ABS	6302.0	Average Weekly Earnings, May Quarter 2009	13-Aug-09
ABS	6291.0.55.001	Labour Force by Industry, Australia, July 2009 ( <i>no brief</i> )	13-Aug-09
AAA		Petrol Prices, July 2009	Mid-Aug 09
Westpac-MI		Leading Index ( <i>no brief</i> )	19-Aug-09
ABS	9314.0	Sales of New Motor Vehicles, Australia, July 2009	24-Aug-09
ABS	8755.0	Construction Work Done, June 2009	26-Aug-09
ABS	5625.0	Private New Capital Expenditure, June 2009 ( <i>no brief</i> )	27-Aug-09
ABS	5625.0	Business Indicators, Australia, June 2009 ( <i>no brief</i> )	31-Aug-09
September 2009			
ABS	5302.0	Balance of Payments and International Investment Position, Australia, June 2009	1-Sep-09
ABS	8731.0	Building Approvals, Australia, July 2009	1-Sep-09
ABS	5206.0	Australian National Accounts: National Income, Expenditure and Product, June 2009	2-Sep-09
ABS	5368.0	International Trade in Goods and Services, Australia, July 2009	3-Sep-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, July 2009 ( <i>no brief</i> )	4-Sep-09
ANZ		ANZ job ads series, August 2009 ( <i>no brief</i> )	7-Sep-09
Westpac-MI		Consumer Sentiment Index ( <i>no brief</i> )	9-Sep-09
ABS	8501.0	Retail Trade, Australia, July 2009	9-Sep-09
ABS	5609.0	Housing Finance, Australia, July 2009	9-Sep-09
ABS	8412.0	Mineral and Petroleum Exploration, Australia, June 2009 ( <i>no brief</i> )	9-Sep-09
ABS	6202.0	Labour Force, Australia, August 2009	10-Sep-09
ABS	5671.0	Lending Finance, Australia, July 2009	14-Sep-09
ABS	8750.0	Dwelling Unit Commencements, Australia, Preliminary, June 2009	15-Sep-09
AAA		Petrol Prices, August 2009	Mid-Sep 09
Westpac-MI		Leading Index ( <i>no brief</i> )	16-Sep-09
ABS	6291.0.55.001	Labour Force by Industry, Australia, August 2009 ( <i>no brief</i> )	17-Sep-09
ABS	9314.0	Sales of New Motor Vehicles, Australia, August 2009	21-Sep-09
ABS	3101.0	Australian Demographic Statistics, March 2009	22-Sep-09
ABS	8501.0	Retail Trade, Australia, August 2009	30-Sep-09
ABS	8731.0	Building Approvals, Australia, August 2009	30-Sep-09

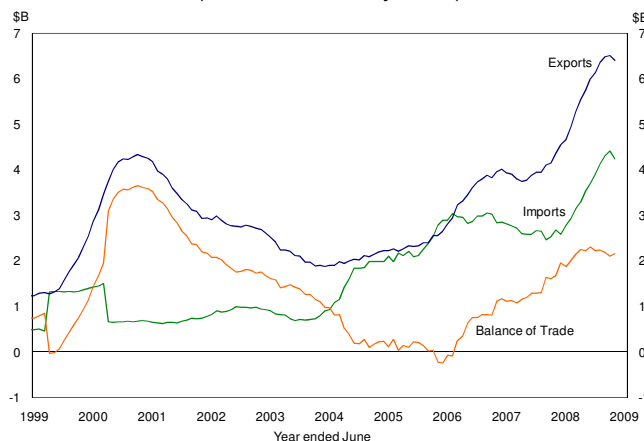
## International Merchandise Goods Trade

In the year to May 2009 the value of Territory merchandise goods exports increased by 46.6 per cent to a record \$6.4 billion. Over the same period, the value of merchandise imports to the Territory increased by 57.9 per cent to \$4.2 billion driven mostly by gas feedstock, refined petroleum products and pearl and gem imports.

The Territory's goods trade surplus increased by 28.5 per cent in the year to May 2009, to \$2.2 billion (see chart). Growth was driven by higher exports volumes (mainly due to the higher production and prices of mineral ores exports, e.g. manganese, iron ore and alumina, and liquefied natural gas), the steep depreciation of the Australian dollar over this period, high contract prices for most commodities (locked in before global demand deteriorated) and steep falls in the prices for refined petroleum products one of the Territory's primary imports.

## Territory Merchandise Trade Balance\*

(Latest data – May 2009)



\* moving annual total, current prices  
Source: ABS Cat. No. 5368.0

## Employment

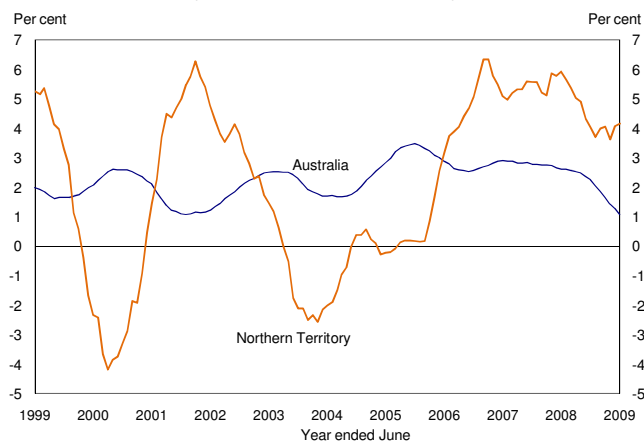
ABS labour force survey (LFS) data for the Territory are characterised by extreme volatility and as such should be interpreted with caution. While analysis of the LFS data nationally is focussed on the seasonally adjusted data, the ABS only publishes original and trend data for the Territory.

The ABS reports that trend employment in the Territory increased by 0.5 per cent to 121 244 in June 2009. Nationally, seasonally adjusted employment decreased by 0.2 per cent in June 2009 to 10.76 million persons.

Comparing June 2009 with June 2008, trend resident employment in the Territory increased by 6.9 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of annual growth, Territory employment increased by 4.2 per cent in 2008-09. Nationally employment growth continued moderating over this period, increasing by 1.1 per cent.

## Employment\*

(Latest data - June 2009)



\* original data, year on year percentage change  
Source: ABS Cat. No. 6202.0

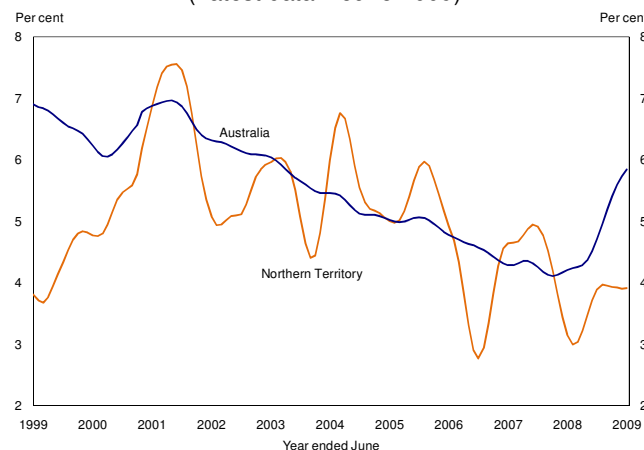
## Unemployment

The Territory's trend unemployment rate was 3.9 per cent in June 2009, unchanged from the May 2009 figure. This is the second lowest trend unemployment rate of the jurisdictions behind the Australian Capital Territory (3.6 per cent). Compared to June 2008, the trend unemployment rate in the Territory has increased by 0.8 percentage points.

Nationally, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) increased to 5.8 per cent in June 2009 from 5.7 per cent reported for May 2009. In trend terms, the unemployment rate nationally has been tracking upwards since the 30 year low reported in March 2008.

## Unemployment Rate\*

(Latest data – June 2009)



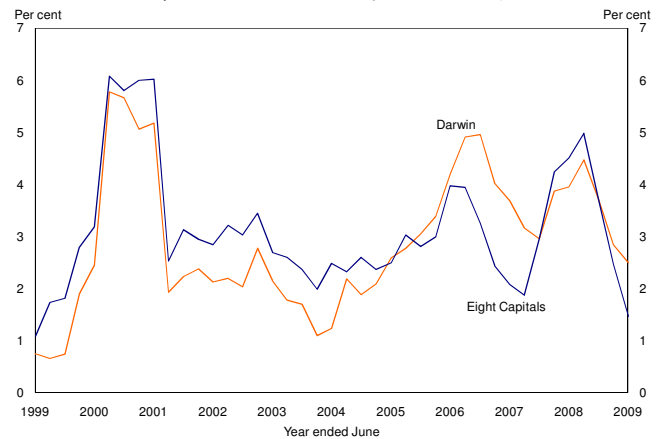
\* Trend monthly data  
Source: ABS Cat. No. 6202.0

## Consumer Price Index

In the June quarter 2009, the Consumer Price Index (CPI) increased by 1.1 per cent in Darwin and by 0.5 per cent nationally. In annual terms, growth in the inflation rate continued moderating in every capital city in the June quarter 2009. In Darwin, annual growth moderated to 2.5 per cent, while nationally it slowed to 1.5 per cent, below the Reserve Bank of Australia's (RBA) target band of 2 to 3 per cent used to guide monetary policy settings.

While annual growth in the headline inflation rate nationally has fallen below the RBA's target band, underlying inflation, CPI less volatile items, remains well above the range. In annual terms, the RBA's two preferred measures of underlying inflation, the weighted median and the trimmed mean, increased by 4.2 and 3.6 per cent respectively.

## Consumer Price Index\* (latest data – June quarter 2009)



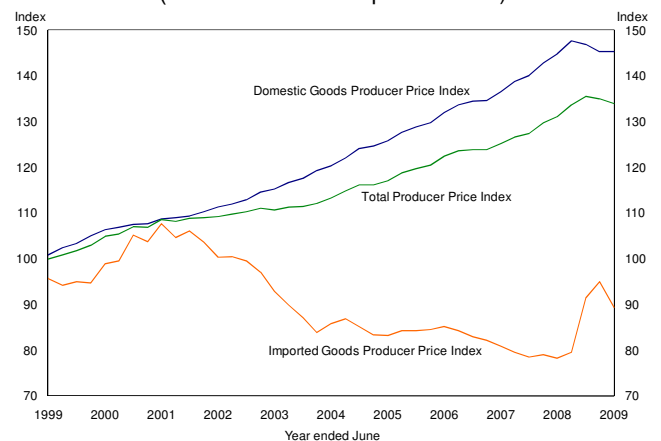
\*Annual percentage change  
Source: ABS Cat. No. 6401.0

## Producer Price Index

The producer price index (PPI) measures changes in input prices paid by producers. The PPI for final goods has a domestic and imported goods component. In the June quarter 2009 the PPI decreased by 0.8 per cent from the previous quarter driven by a decreasing import goods component (down by 5.9 per cent) while the domestic goods component remained steady.

In year on year terms, the PPI increased by 4.5 per cent, with the prices of domestic goods increased by 3.3 per cent while imported goods prices increased by 12.7 per cent. The depreciation of the Australian dollar against a range of currencies is the primary reason for the large increase in import prices over this period. In 2008-09, imported capital goods prices increased by 13.0 per cent while prices of imported consumer goods increased by 12.5 per cent.

## Producer Price Index\* (latest data – June quarter 2009)



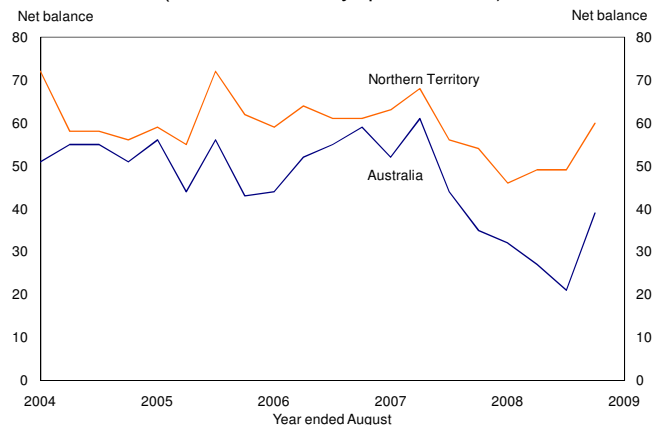
\* moving annual total  
Source: ABS Cat. No.6416.0

## Sensis Consumer Index

The net balance of consumer confidence is the proportion of people who are confident about their financial prospects for the year ahead, less those who are worried. In the May quarter 2009, consumer confidence strengthened in the Territory to a net balance of 60 per cent, an increase of 11 percentage points from the previous quarter. Nationally, the net balance was 39 per cent, an increase of 18 percentage points from the previous quarter. Consumer confidence in the Territory has exceeded the national figure since Sensis started publishing the data in 2004 (see chart).

The Territory recorded the second highest net balance (60 per cent) of all the jurisdictions behind the Australian Capital Territory (63 per cent). The remaining jurisdictions reported the following net balances; South Australia and Western Australia (45 per cent), New South Wales (37 per cent), Victoria (36 per cent), Tasmania (34 per cent) and Queensland (33 per cent).

## Consumer Confidence Index (latest data – May quarter 2009)



Source: Sensis Consumer Report

## Retail Turnover

In May 2009, seasonally adjusted nominal retail turnover remained unchanged from the previous month in the Territory and increased by 1.0 per cent nationally. In annual terms, retail trade turnover increased by 12.1 per cent in the Territory and by 7.1 per cent nationally.

In the year to the May 2009, retail turnover in the Territory increased by 13.0 per cent to \$2.5B, the highest growth rate of the jurisdictions and above the national average growth rate of 4.0 per cent (see chart).

Growth in Territory retail sales in the past year have been supported by high levels of consumer confidence, strong employment and population growth and steep falls in interest rates since September 2008. Commonwealth Government stimulus payments have also supported retail growth since December 2008.

## Sales of New Motor Vehicles

In June 2009, the number of seasonally adjusted new motor vehicle sales in the Territory decreased by 2.1 per cent to 739. By vehicle category; sales of 'passenger' vehicles increased by 6.1 per cent in the month, sales of 'SUVs' decreased by 3.7 per cent, and sales of 'other' vehicles (such as light and heavy trucks) decreased by 11.0 per cent. Nationally, total new motor vehicle sales increased by 5.7 per cent in June 2009.

In 2008-09, new motor vehicle sales in the Territory decreased by 10.4 per cent to 9380 (see chart). Nationally, new motor vehicle sales decreased by 13.4 per cent in the same period.

The total number of new motor vehicle sales in the Territory in 2008-09 has continued to decline from the peak reported in the year to August 2008 (see chart). This may reflect tighter credit market conditions and Territory households and businesses becoming more cautious in their spending and delaying major purchasing decisions during uncertain economic times.

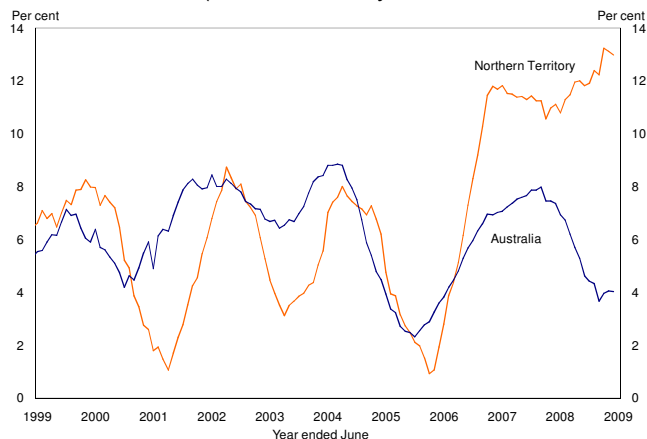
## Petrol Prices

In June 2009, Darwin unleaded petrol (ULP) prices increased by 1.3 cpl to 129.3 cpl, while nationally the eight capital cities weighted average price increased by 6.0 cpl to 123.6 cpl. This represents a 5.7 cpl price differential between Darwin and the eight capital cities weighted average. Compared to June 2008, ULP prices in Darwin have decreased by 23.4 per cent while nationally the eight capital cities weighted average price decreased by 22.4 per cent.

In annual terms, crude oil prices decreased by 39.1 per cent in A\$ terms to \$89.68 a barrel in June 2009, while decreasing by 48.6 per cent in US\$ terms. Since falling to an average monthly price of US\$45.39 in December 2008, crude oil prices have steadily risen over 2009. This can be partly attributed to increased expectations of a global economic recovery and the increases in oil consumption expected to follow.

## Retail Turnover\*

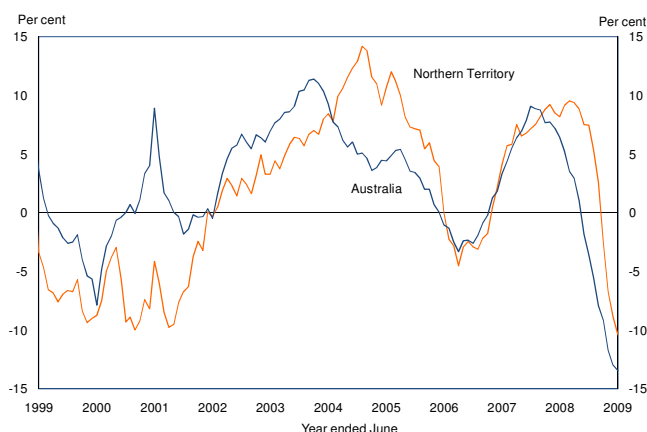
(latest data – May 2009)



\* original data, year on year percentage change  
Source: ABS Cat. No. 8501.0

## Motor Vehicle Sales\*

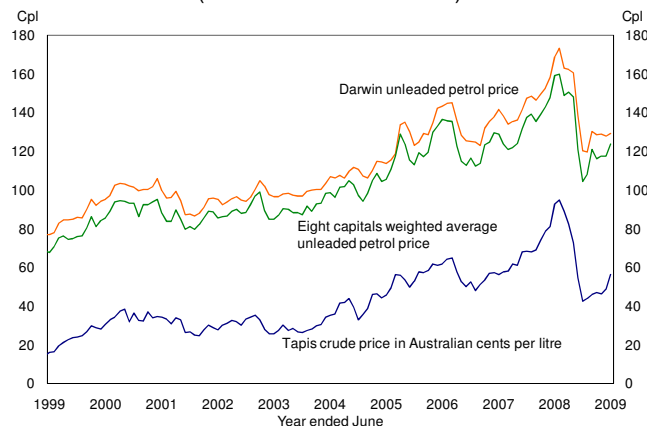
(latest data – June 2009)



\* original data, year on year percentage change  
Source: ABS Cat. No. 9314.0.55.001

## Petrol Prices\*

(latest data – June 2009)



\* original monthly data  
Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

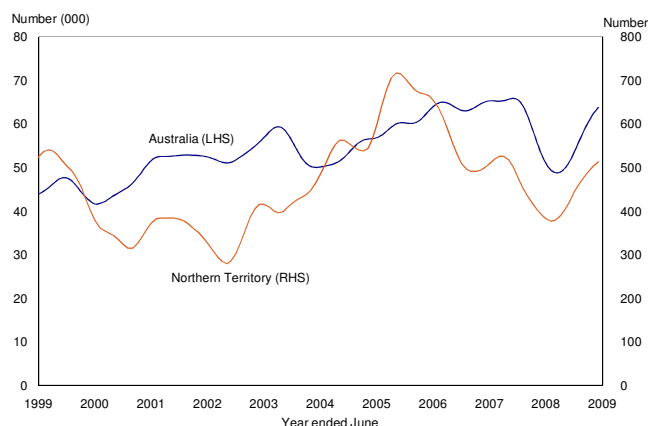
## Housing Finance for Owner Occupation

In May 2009, the number of trend housing finance commitments for owner occupation in the Territory increased by 2.0 per cent to 513. Nationally, commitments increased by 2.2 per cent to 63 808 (see chart).

Since the recent low (377) recorded in July 2008, the number of monthly trend housing finance commitments for owner occupation in the Territory has increased by 36.1 per cent to 513 in May 2009. The recovery has been primarily driven by the large decline in interest rates over this period that has significantly increased housing affordability both in the Territory and nationally. It has also been supported by increases in Commonwealth and Territory Government housing subsidies, such as the First Home Owners Boost and Buildstart program.

In the year to May 2009, there were 1179 finance commitments by first home buyers in the Territory, up 23.5 per cent from the previous year.

## Number of Housing Finance Commitments\* (latest data – May 2009)



\* trend monthly data  
Source: ABS Cat. No. 5609.0

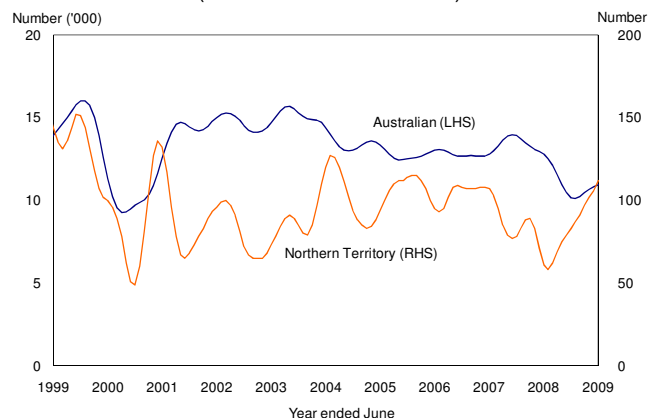
## Residential Building Approvals

In June 2009, the number of trend monthly residential building approvals in the Territory continued to increase from the recent low in July 2008. Nationally, trend residential building approvals continued to increase from the January 2009 low (see chart).

In year on year terms, the number of residential building approvals in the Territory decreased by 15.9 per cent to 986 in 2008-09. The decline is primarily due to falling private sector 'other residential' approvals which declined by 57.3 per cent to 241, the lowest annual total since February 2001. Private sector house approvals increased by 24 per cent to 589 in 2008-09 while public house approvals increased by 25.9 per cent to 141 over the period.

In the Territory, strengthening private sector house approval numbers have been supported by large declines in interest rates and Government assistance programs including the temporary First Home Owners Boost and Buildstart schemes.

## Residential Building Approvals\* (latest data – June 2009)



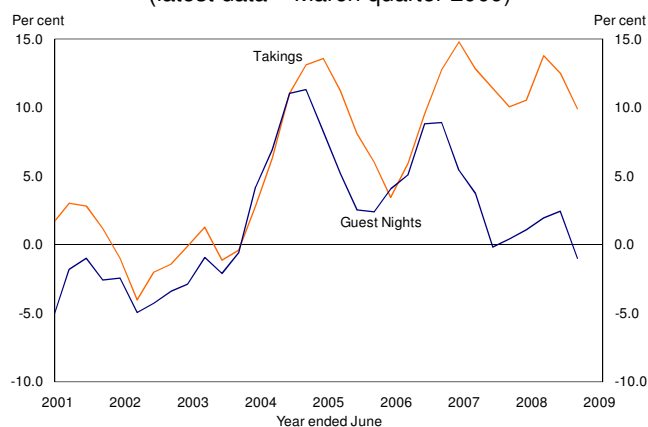
\*trend monthly data  
Source: ABS Cat. No. 8731.0

## Tourist Accommodation

Demand for tourist accommodation moderated in the Territory in the year to March 2009. In the year to March 2009, the number of guest nights in hotels, motels and serviced apartments with 15 or more rooms across the Territory declined by 1 per cent. Growth in takings moderated to 9.9 per cent over the period and the average room occupancy rate declined by 1.6 percentage points to 64.3 per cent.

The Darwin region continued to perform strongly over this period with guest nights up by 6 per cent and takings up by 19.3 per cent. Guest nights declined by 7.6 per cent in the year to March 2009 in Alice Springs and growth in takings moderated to 6.4 per cent. Guest nights increased marginally in Katherine (up by 0.3 per cent) in the year while takings increased by 17.6 per cent.

## Tourist Accommodation\* (latest data – March quarter 2009)



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

## Total Construction Activity

In the March quarter 2009, seasonally adjusted construction activity in the Territory decreased by 19.8 per cent to \$722 million primarily driven by the completion of the Bonaparte gas pipeline in December 2008 (see chart). Nevertheless, quarterly activity remained near historically high levels supported by ongoing work for major projects. Nationally, seasonally adjusted construction activity declined by 4 per cent in the March quarter 2009.

In the year to March 2009, the value of construction activity in the Territory increased by 52.8 per cent to \$2.86 billion. The increase was primarily driven by an 89.0 per cent increase in engineering construction to \$2.10 billion. Also in the year, non-residential building work done increased by 6.7 per cent to \$379 million, while residential work done decreased by 5.6 per cent to \$384 million.

## Building Activity

In the March quarter 2009 seasonally adjusted total building work done decreased by 13.6 per cent in the Territory, while decreasing by 4.7 per cent nationally. In year on year terms, the Territory recorded an increase of 0.1 per cent to \$763 million. Nationally, total building work done increased by 4.0 per cent.

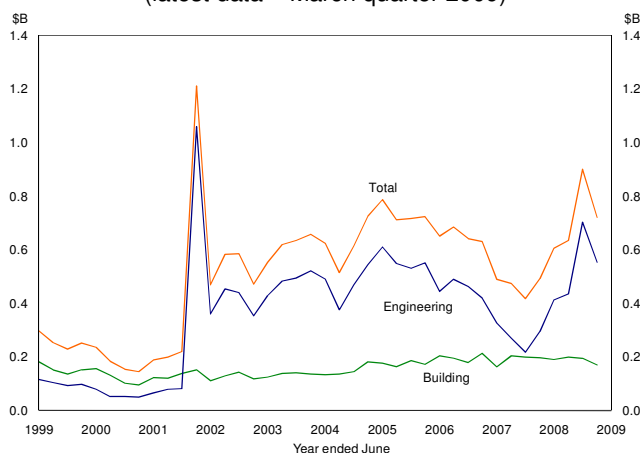
In the year to March 2009, the value of residential building work done represented 50.3 per cent of total building activity, with 49.7 per cent attributable to non-residential activity. Of the \$384 million worth of activity in the residential market (see chart), 42.7 per cent (\$164 million) was for new houses, 40.9 per cent (\$157 million) for new 'other residential' buildings and the remaining 16.4 per cent (\$63 million) was for alterations and additions. Building activity in the non-residential market was valued at \$379 million, reflecting in part ongoing work on the middle schools program, office developments in the Darwin CBD and hotels at the Waterfront.

## Engineering Construction Activity

In the March quarter 2009, seasonally adjusted engineering construction work done in the Territory decreased by 21.5 per cent to \$552 million. In the year to March 2009 work done increased by 89.0 per cent to \$2.10 billion, near historically high levels (see chart).

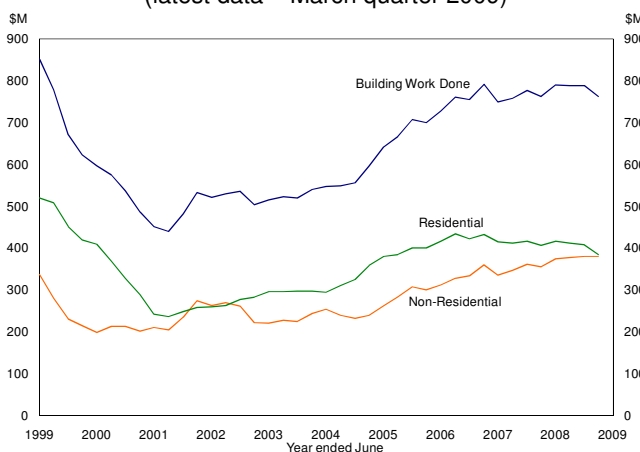
Engineering construction work done in the Territory has been dominated by the private sector over the past six years. In the year to March 2009, the private sector accounted for 93.4 per cent, or \$1.96 billion of total work done. 'Heavy industry' was the dominant engineering subcategory with work done valued at \$1.59 billion. Private sector engineering projects in the year included the ENI Bonaparte gas project including the associated Bonaparte Gas pipeline and the expansion of the GEMCO manganese refinery. The value of engineering work done for the public sector was \$142 million in the year, with 52.6 per cent on 'roads, highways and subdivisions'.

## Total Construction Activity\* (latest data – March quarter 2009)



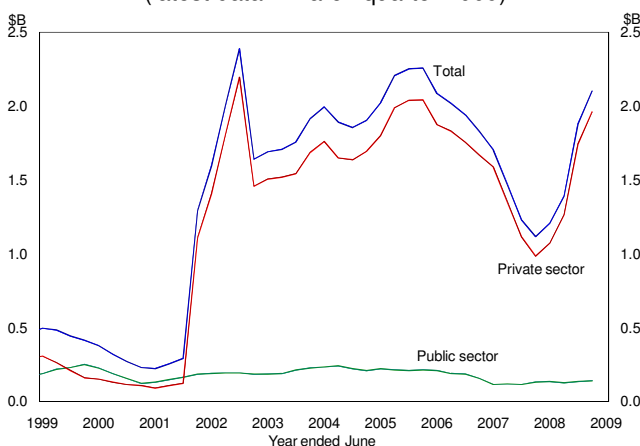
\* seasonally adjusted quarterly data  
Source: ABS Cat. No. 8782.0

## Building Activity\* (latest data – March quarter 2009)



\* moving annual total  
Source: ABS Cat. No. 8752.0

## Engineering Activity\* (latest data – March quarter 2009)



\* moving annual total  
Source: ABS Cat. No.6416.0

## 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 August 2009

## Comparative Economic Indicators\*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
<b>Economic Growth</b>											
Gross Domestic Product <sup>(a)</sup>	2007-08	% change	3.9	2.8	3.2	5.3	3.8	5.2	3.4	2.5	3.7
State Final Demand <sup>(a)</sup>	Year to Mar 09	% change	9.4	2.2	3.1	3.7	4.5	6.2	5.3	0.3	3.3
International Goods Exports	Year to May 09	% change	46.6	32.6	2.0	69.9	-4.8	30.5	-2.1	175.0	31.8
International Goods Imports	Year to May 09	% change	57.9	5.6	3.5	8.6	-4.3	28.3	48.4	-18.2	11.3
<b>Demography</b>											
Population	Dec-07 Qtr to Dec-08 Qtr	% change	2.0	1.4	1.9	2.5	1.2	3.1	1.0	1.7	1.9
<b>Labour Market</b>											
Employment (trend)	Jun 08 to Jun 09	% change	6.9	-0.8	-0.6	0.6	0.8	1.1	-1.6	-1.4	-0.1
Participation Rate (trend)	As at June 08	%	72.2	63.9	64.9	67.3	63.3	68.7	62.0	73.2	65.5
	As at June 09	%	76.1	63.7	64.4	67.5	63.6	69.1	61.1	71.9	65.4
Unemployment Rate (trend)	As at June 08	%	3.2	4.7	4.5	3.7	4.8	3.1	4.2	2.7	4.2
	As at June 09	%	3.9	6.6	6.0	5.4	5.5	5.2	5.3	3.6	5.8
ANZ Job Ads	Year to Jun 09	% change	-21.6	-41.6	-4.2	-41.0	-1.2	-10.6	13.3	-51.3	-3.8
<b>Prices and Wages</b>											
Consumer Price Index	Jun-08 Qtr to Jun-09 Qtr	% change	2.5	1.3	1.2	2.0	1.6	1.4	1.7	2.1	1.5
	Year to Jun 09 Qtr	% change	3.4	3.1	2.8	3.7	3.2	3.0	2.9	3.4	3.1
Average Weekly Earnings (full-time adult total earnings)	As at February 09	\$	1173.40	1238.20	1197.20	1181.30	1146.90	1405.60	1106.00	1401.30	1229.20
<b>Housing Sector</b>											
Building Approvals (number)	Year to Jun 09	% change	-15.9	-25.1	-3.0	-36.2	-10.2	-18.2	7.2	19.7	-18.8
Housing Finance for Owner Occupation (number)	Year to May 09	% change	-8.4	-9.6	-12.6	-18.7	-8.7	-16.8	-12.6	9.7	-13.0
Housing Affordability Indicator <sup>(b)</sup>	As at Mar 09 Qtr	Level	46.0	33.0	36.1	33.2	35.1	38.6	36.0	59.4	35.0
<b>Consumer Spending</b>											
Retail Trade (current \$)	Year to May 09	% change	13.0	1.7	5.2	4.8	7.5	3.3	7.3	2.6	4.0
New Motor Vehicle Sales (No.)	Year to Jun 09	% change	-10.4	-13.3	-12.1	-16.9	-8.0	-14.0	-11.5	-10.1	-13.4
Tourist Accommodation - Takings (current \$)	Year to Mar 09	% change	9.9	0.3	3.9	0.3	5.3	10.1	3.4	12.8	2.8

\*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 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.