

Economic Growth for 2007-08 and Mid Year Report Revisions to Economic Outlook

On 14 November 2008 the Australian Bureau of Statistics (ABS) reported that the Territory's Gross State Product (GSP), a measure of economic growth, increased by 3.9 per cent in 2007-08. This is 1.1 percentage points higher than the GSP forecast of 2.8 per cent provided at the time of the May Budget (see Table 1). The Territory's reported economic growth for 2007-08 was the third highest of the jurisdictions, behind Queensland and Western Australia and above the national GDP growth rate of 3.7 per cent. The major variation between the Treasury estimate at budget time and the actual outcome for 2007-08 was a larger than estimated contribution from net exports, and a smaller than estimated contraction in private investment.

Table 1
Summary of Economic Parameters

	Actual	Actual	Actual	2008-09 Budget Estimate	ABS Latest Estimate	2008-09 Budget Forecast	Mid Year Report Revised Forecast
% Change	2004-05	2005-06	2006-07	2007-08	2007-08	2008-09	2008-09
GSP	5.6	6.5	5.2	2.8	3.9	6.6	4.5
SFD	4.9	7.1	2.2	2.1	3.8	-0.4	-0.4
Employment	-1.3	3.0	5.3	4.8	5.9	2.5	2.5
Population¹	2.1	2.1	2.0	2.2	2.1	1.9	2.0
CPI²	2.2	2.6	4.4	3.4	3.4	3.1	4.1

¹ Based on middle of the financial year, December estimates

² Year on year ended December percentage change

Source: Northern Territory Treasury, Australian Bureau of Statistics

In the Mid Year Report tabled in Parliament on 25 November 2008, Territory economic growth is forecast to increase by 4.5 per cent in 2008-09, revised down from the budget forecast of 6.6 per cent. There have been significant revisions to Australian and global economic growth forecasts for 2008-09 as a result of the global financial crisis. Despite the expectation of further interest rate cuts by the Reserve Bank of Australia, credit markets in Australia are expected to tighten further, impacting on the ability of consumers and businesses to fund consumption and investment spending throughout 2008-09. The global slowdown may impact on the Territory's economy as a whole and in particular the tourism, construction and mining industries. However, while the prices of many of the Territory's resource commodities are expected to decrease in 2008-09 due to reduced demand, the competitive Australian dollar along with increased production capacity should soften the impact on the Territory's net exports.

Nevertheless, the Territory's economic growth will be supported by public sector investment and consumer spending. Strong forecast growth in public sector investment reflects a large increase in the Territory Government capital works infrastructure projects throughout the Territory as well as increased spending on public housing. While growth in retail trade turnover is expected to moderate in 2008-09 it will be supported in the Territory by an expanding population, strong wages growth and low unemployment.

Mid year revisions to other economic indicators confirm that the Territory economy remains fundamentally strong. Employment growth is forecast to remain at 2.5 per cent in 2008-09, unchanged from the time of the budget. The outlook for State Final Demand is unchanged from the time of the budget. The forecast for inflation for 2008 has been revised upward from 3.1 per cent at the time of the budget to 4.1 per cent, reflecting higher than forecast oil prices for three of the four quarters of 2008, significantly stronger growth in rents as well as the impact of the lower Australian dollar on import prices. Population growth for 2008 is revised up in the Mid Year Report to 2.0 per cent, from 1.9 per cent estimated at the time of the budget. This is due to continued momentum in the economy, especially in the residential and non-residential construction 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	2007-08	Latest available	Annual % change
Expenditure on GSP (2005-06 prices)											
Private Consumption	6.5	3.5	6.5	4.6	6.4	4.8	5.7	4.0	4.4	Jun Q 08	2.5
Public Consumption	7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	3.6	Jun Q 08	4.5
Total Consumption Expenditure	7.0	2.4	3.8	3.7	5.6	4.1	4.2	4.5	4.1	Jun Q 08	3.3
Private Investment											
<i>Dwellings</i>	-25.2	-40.1	3.4	9.8	-3.5	27.6	14.5	-4.1	-8.6	Jun Q 08	12.9
<i>Other buildings and structures</i>	-59.0	-22.6	125.4	26.6	6.5	0.7	4.5	-4.0	-26.2	Jun Q 08	7.5
<i>Machinery and equipment</i>	11.5	30.9	2.3	6.7	11.7	-11.7	29.1	6.9	74.9	Jun Q 08	31.8
<i>Livestock</i>	-7.1	46.2	5.3	-55.0	222.2	-6.9	11.1	-30.0	14.3	Jun Q 08	14.3
<i>Intangible fixed assets**</i>	-19.0	-16.8	50.0	-42.2	-19.0	62.1	96.7	-4.0	1.0	Jun Q 08	-12.9
<i>Ownership transfer costs</i>	-8.4	-21.1	15.1	5.1	27.9	6.8	10.6	-2.5	-16.3	Jun Q 08	-13.5
Business Investment#	-40.2	-1.7	54.6	7.9	9.7	0.5	17.1	-2.6	2.2	Jun Q 08	14.7
Total Private Investment	-36.2	-11.4	45.0	8.0	8.5	3.8	16.4	-2.8	-0.2	Jun Q 08	13.1
Public Investment	46.2	46.4	19.0	-33.2	1.5	25.5	2.2	-3.0	13.7	Jun Q 08	76.7
Total Investment	-29.9	-2.1	38.7	-0.5	7.5	6.6	14.2	-2.8	1.7	Jun Q 08	22.1
State Final Demand***	-5.0	1.5	12.0	2.3	6.1	4.9	7.1	2.2	3.4	Jun Q 08	8.7
State Final Demand less L-C and B-U##	2.5	1.6	10.7	0.8	5.1	9.8	8.6	2.7		Jun Q 08	
International Trade - export of goods	47.3	29.9	-22.6	-11.0	-23.7	-6.2	-1.8	44.1	-8.2	Jun Q 08	-6.3
International Trade - import of goods	177.7	-62.0	15.1	29.9	4.3	107.3	27.4	-0.4	-21.9	Jun Q 08	-6.2
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		

* Quarter on corresponding quarter the previous year, or through the year annual per cent change ** Predominantly computer software and mineral exploration ***Source ABS Quarterly 5206.0
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	5.7	-0.8	4.1	1.7	4.9	5.1	2.4	7.9	7.5	Jun Q 08	7.6
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Oct 08	-4.0
Tourist Accommodation Takings	0.0	1.5	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Jun Q 08	13.1
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-21.4	Sep 08	-53.9
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-21.1	Jun Q 08	-50.4
Employment	-2.3	1.5	4.6	1.1	-2.9	-1.3	3.0	5.3	5.9	Oct 08	3.8
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Oct 08	3.0
Darwin Consumer Price Index##	0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	Sep Q 08	4.5
AWOTE# (year average)	4.3	3.4	2.1	4.7	6.0	6.6	3.8	1.5	5.2	Aug Q 08	5.7
Wage Price index (year average)	0.0	2.7	3.0	3.1	3.1	3.6	4.4	3.9	3.8	Aug Q 08	4.3
Population, December (levels - thousands)##	194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.5	217.6	Mar Q 08	218.4
Population (annual % change)##	1.6	1.0	1.1	0.5	0.6	1.6	2.3	2.0	2.4	Mar Q 08	2.2
Net Interstate Migration (levels - number)##	-817	-1621	-1751	-2440	-2283	-482	726	-438	859	Mar Q 08	854.0

* 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 25 July)	6.17	5.02	5.11	4.67	5.50	5.66	5.97	6.43	28 Nov 08	4.51
10 Year Govt Bond Yield (as at 25 July)	6.16	6.04	5.99	5.01	5.87	5.11	5.79	6.26	28 Nov 08	3.97
Exchange Rates										
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	28 Nov 08	0.87
US\$ per A\$ (as at 25 July)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	28 Nov 08	0.66
Special Drawing Rights per A\$ (as at 25 July)	0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	28 Nov 08	0.44
Trade Weighted Index of A\$ (as at 25 July)	53.30	49.70	52.30	59.40	59.06	64.50	62.24	68.92	28 Nov 08	54.63

* 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

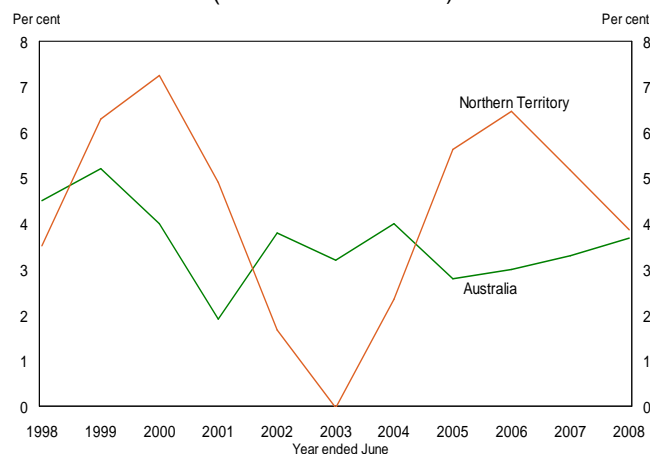
December 2008			
ABS	5676.0	Business Indicators, September quarter 2008 (<i>no brief</i>)	01-Dec-08
ABS	3101.0	Population, June quarter 2008	02-Dec-08
ABS	5302.0	Balance of Payments, September quarter 2008	02-Dec-08
ABS	8501.0	Retail Trade, October 2008	02-Dec-08
ABS	5206.0	National Accounts - State Final Demand, September quarter 2008	03-Dec-08
ABS	5368.0	International Trade in Goods & Services, October 2008	04-Dec-08
ABS	8731.0	Building Approvals, October 2008	04-Dec-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, October 2008 (<i>no brief</i>)	08-Dec-08
ANZ		ANZ job ads series, November 2008 (<i>no brief</i>)	08-Dec-08
ABS	5609.0	Housing Finance, October 2008	10-Dec-08
ABS	8412.0	Mineral and Petroleum Exploration, Australia, September quarter 2008 (<i>no brief</i>)	10-Dec-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	10-Dec-08
ABS	6202.0	Labour Force, November 2008	11-Dec-08
ABS	5671.0	Lending Finance, October 2008 (<i>no brief</i>)	15-Dec-08
AAA		Petrol Prices, November 2008	Mid-Dec 08
ABS	8750.0	Dwelling Commencements, September quarter 2008	16-Dec-08
Westpac-MI		Leading Index (<i>no brief</i>)	17-Dec-08
ABS	6291.0.55.001	Labour Force by Industry, November 2008 (<i>no brief</i>)	18-Dec-08
ABS	9314.0.55.001	Sales of New Motor Vehicles, November 2008	22-Dec-08
January 2009			
ABS	8635	Tourist Accommodation, September Quarter 2008	06-Jan-09
ABS	8501.0	Retail Trade, November 2008	07-Jan-09
ABS	5368.0	International Trade in Goods & Services, November 2008	08-Jan-09
ABS	8731.0	Building Approvals, November 2008	08-Jan-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, November 2008 (<i>no brief</i>)	12-Jan-09
ANZ		ANZ job ads series, December 2008 (<i>no brief</i>)	12-Jan-09
ABS	8635.7.55.0001	Tourist Accommodation, September Quarter 2008	13-Jan-09
ABS	5609.0	Housing Finance, November 2008	14-Jan-09
ABS	8762.0	Engineering Activity, September Quarter 2008	14-Jan-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	14-Jan-09
ABS	6202.0	Labour Force, December 2008	15-Jan-09
AAA		Petrol Prices, December 2008	Mid Jan 09
ABS	5671.0	Lending Finance, November 2008 (<i>no brief</i>)	19-Jan-09
ABS	8752.0	Building Activity, Australia, September Quarter 2008	21-Jan-09
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, Australia, September Quarter 2008	21-Jan-09
Westpac-MI		Leading Index (<i>no brief</i>)	21-Jan-09
ABS	9314.0.55.001	Sales of New Motor Vehicles, December 2008	22-Jan-09
ABS	6291.0.55.001	Labour Force by Industry, November 2008 (<i>no brief</i>)	22-Jan-09
ABS	6457.0	International Trade Price Indexes, Australia, December 2008	23-Jan-09
ABS	6427.0	Producer Price Indexes, Australia, December 2008 (<i>no brief</i>)	27-Jan-09
ABS	6401.0	Consumer Price Index, Australia, December Quarter 2008	28-Jan-09

Gross State Product

Northern Territory Gross State Product (GSP) increased by 3.9 per cent in 2007-08, the third highest growth rate of the jurisdictions, behind Queensland (5.3 per cent) and Western Australia (5.2 per cent). ABS reports that the headline measure of Northern Territory Gross State Product, GSP (Average) increased to \$14.6B (original chain volume measure) in 2007-08. Nationally, Gross Domestic Product (GDP) increased by 3.7%.

In 2007-08 Territory private consumption increased by 4.7 per cent, while public consumption increased by 3.6 per cent. The driver of private investment in the Territory was machinery and equipment purchases, increasing by 83.3 per cent in the year. In 2007-08 net exports of goods and services increased by 22.8 per cent, contributing 2.6 percentage points to Territory economic growth.

Gross State Product* (latest data – 2007-08)



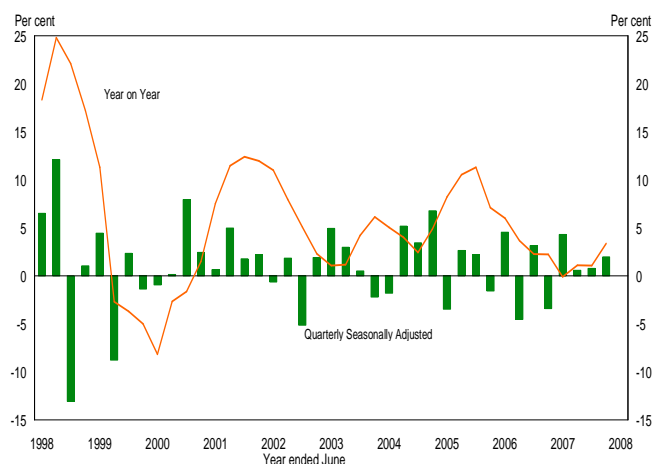
*annual percentage change
Source: ABS Cat. No. 5220.0

State Final Demand

State Final Demand (SFD) is the sum of consumption and investment expenditures by both the public and private sectors. In Territory 2007-08 SFD increased by 3.8 per cent to \$15.7B. The largest component of Territory SFD is private consumption expenditure which increased to \$6.5B in the year, contributing 1.9 percentage points to growth. Increased private consumption was supported by strong employment, population growth and low unemployment. Public consumption increased to \$4.6B in the year, contributing 1.1 percentage points to growth.

Total investment expenditure in the Territory increased to \$4.6B in 2007-08, contributing 0.9 percentage points to growth. Total private investment in 2007-08 was \$3.8B. Business investment in the Territory accounted for 68.4 per cent of the total investment. Public investment increased by 24.5 per cent over the year to \$756M, contributing 1.0 percentage point to growth.

State Final Demand (latest data – June quarter 2008)



Source: ABS Cat. No. 5206.0

Average Weekly Earnings / Wage Price Index

In the September quarter 2008, seasonally adjusted average weekly full time adult earnings (AWE) was \$1 153.10 in the Territory, the sixth highest of the jurisdictions, and below the national level of \$1 200.80. In original year on year terms, AWE (which includes overtime and bonus payments) increased by 5.0 per cent in the Territory, compared to an increase of 4.9 per cent nationally. Average weekly ordinary time earnings (AWOTE) (which excludes overtime and bonus payments), increased by 5.4 per cent in the Territory and by 4.8 per cent nationally.

In original year on year terms the Northern Territory wage price index (WPI) increased by 4.0 per cent, slightly below the national increase of 4.1 per cent. The WPI measures the change in the cost of employing a constant quantity and quality of jobs. Through the year to September 2008, the Territory WPI increased by 4.3 per cent in the September quarter 2008 in the Territory and 4.1 per cent nationally.

Northern Territory Average Weekly Earnings* and Wage Price Index* (latest data – September quarter 2008)



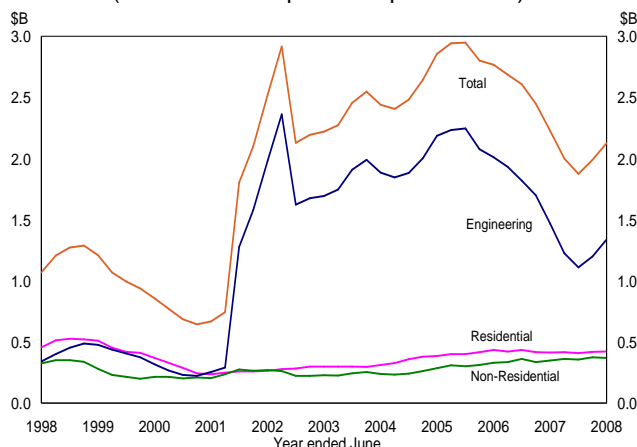
*year on year percentage change #full time adult total earnings
Source: ABS Cat. Nos. 6302.0 and 6345.0

Construction Work Done (Preliminary)

Total construction work done in the Territory, in seasonally adjusted annual terms, increased by 25.5 per cent to \$598M in the September quarter 2008. This is based on preliminary ABS construction activity data. The value of construction work done in the last two quarters has reversed the moderating trend seen in the Territory since the June quarter 2006, this is largely due to work on the GEMCO manganese refinery expansion on Groote Eylandt and ENI's Bonaparte Gas Pipeline project.

In original terms, construction activity in the Territory decreased by 4.5 per cent to \$2.1 billion in the year to the September quarter 2008. The decline in the Territory was largely driven by an 8.8 per cent fall in engineering construction activity to \$1.3B. The completion of work on the Alcan refinery expansion has decreased the level of engineering construction activity.

Construction Work Done (Preliminary)* (latest data – September quarter 2008)



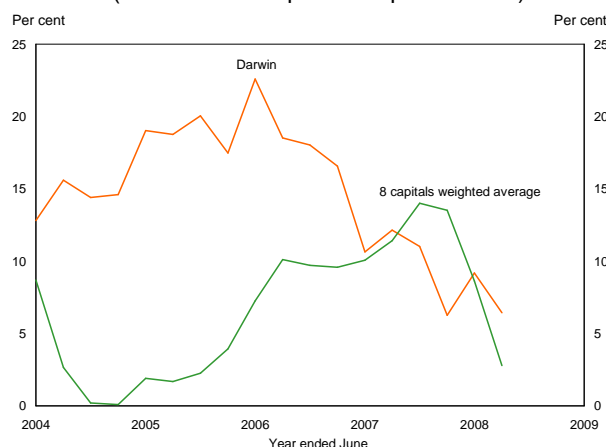
* moving annual total
Source: ABS Cat. No. 8755.0

House Price Index

The House Price Index (HPI) reports on the growth in the average cost of established homes and project homes (new homes under construction on existing land) in each of the capital cities in Australia. In the September quarter 2008, Darwin established house prices increased by 0.1 per cent, compared to a national decrease of 1.8 per cent.

Annually, growth in the Darwin HPI for established house prices increased by 6.4 per cent in the September quarter 2008 (see chart), whilst the HPI for project homes has increased by 4.6 per cent. The eight capitals reports 2.8 per cent growth annually in the September quarter 2008, down from 14 per cent growth recorded in the December quarter 2007. House price growth has eased in Darwin from the peak of 22.6 per cent reported in the June quarter 2006. Nationally, price growth has also continued to moderate.

Established House Price Index* (latest data – September quarter 2008)



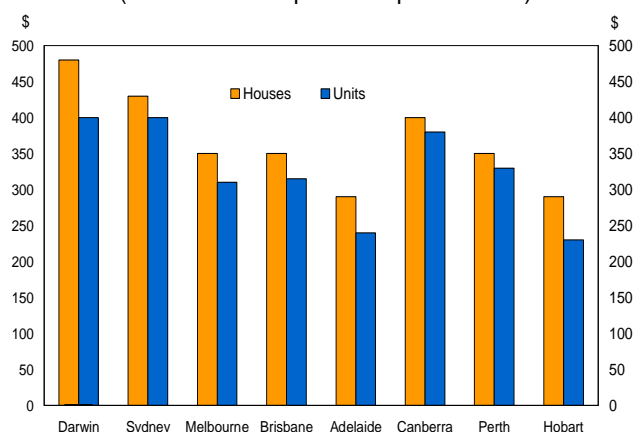
*annual percentage change
Source: ABS Cat. No. 6416.0

Australian Property Monitors

In the September quarter 2008, Australian Property Monitors (APM) reports that Darwin's median weekly rent for a house increased by 6.7 per cent to \$480. Darwin is the most expensive Australian capital city to rent a house, followed by Sydney at \$430 per week, while Adelaide and Hobart are the cheapest capital cities to rent a house at \$290 per week. Over the past 12 months median rent for a Darwin house increased by 20 per cent, according to APM.

In the September quarter 2008, APM reports that Darwin's median weekly rent for units increased by 14.3 per cent to \$400. Median weekly rents for units in Darwin are equal highest with Sydney, while Hobart is the cheapest capital city to rent a unit at \$230 per week. Over the past 12 months median rent for a Darwin unit increased by 17.6 per cent. APM reports that strong increases in median rents are attributable to landlords passing on higher mortgage costs to tenants, Generation Y leaving home and strong migration levels all contributing to demand, while a weaker building sector has meant a slow down in housing supply.

Median Weekly Rents for Houses and Units (latest data – September quarter 2008)



Source: Australian Property Monitors

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 in finance commitments since 2005-06 has been from historically high and unsustainable levels.

In the year to September 2008, Territory housing finance commitments in original terms decreased by 15.8 per cent, driven by a 15.0 per cent decline in the purchase of established dwellings and a 20.7 per cent decline in the construction of new dwellings. The number of finance commitments by first home buyers decreased in the Territory by 16.1 per cent in the year. At the national level the number of first home buyer housing finance commitments decreased by 6.5 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.

Building Approvals

In annual original terms, Territory residential building approvals decreased by 43 to 53 in September 2008, with 50 private and 3 public sector approvals. For the month, 48 of the private sector approvals were for 'houses', while 2 were for 'other residential'. There were 3 residential approvals for public sector 'houses'.

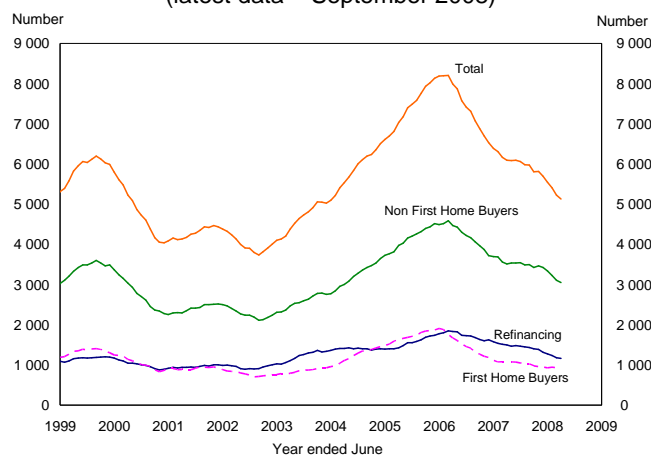
In the year to September 2008, residential building approvals in the Territory decreased by 28.8 per cent to 976, the lowest growth of the jurisdictions and below the national average increase of 2.4 per cent. The decrease in the number of residential building approvals in the Territory was largely attributable to declines in approvals for private sector houses and units which subtracted 9.6 and 13.6 percentage points respectively from total growth.

REINT Regional House Prices

Median house prices in the September quarter 2008, as reported by the Real Estate Institute of the Northern Territory (REINT), are at historic highs in Darwin, while remaining close to historic highs in Palmerston, Alice Springs, Katherine and Tennant Creek (see chart). REINT report the median house price in Darwin is \$426 000, representing annual growth of 6.5 per cent. In Palmerston median prices have increased to \$386 200 at an annual growth rate of 4.1 per cent. In Alice Springs median prices have increased to \$314 500, an annual rate of growth of 2.4 per cent. Annual growth of 4.2 per cent has been experienced in Tennant Creek and no growth was recorded in Katherine.

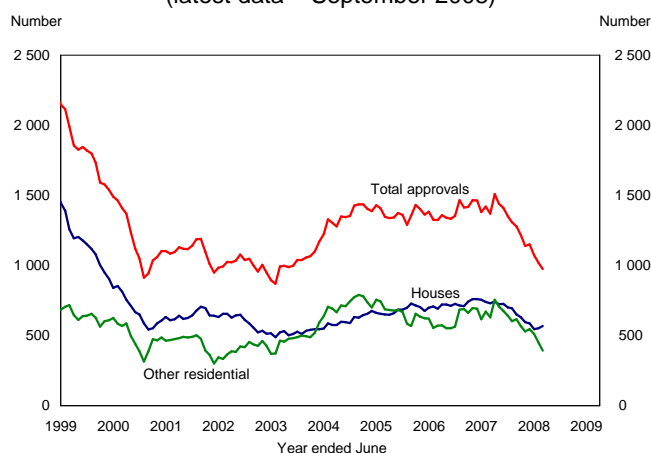
The reported increases in median house prices tend to mirror changes in population growth, employment opportunities and reported land shortages in the major centres. The Territory Government land release strategy, including bringing forward the release of land in Palmerston East may alleviate this aspect of affordability.

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



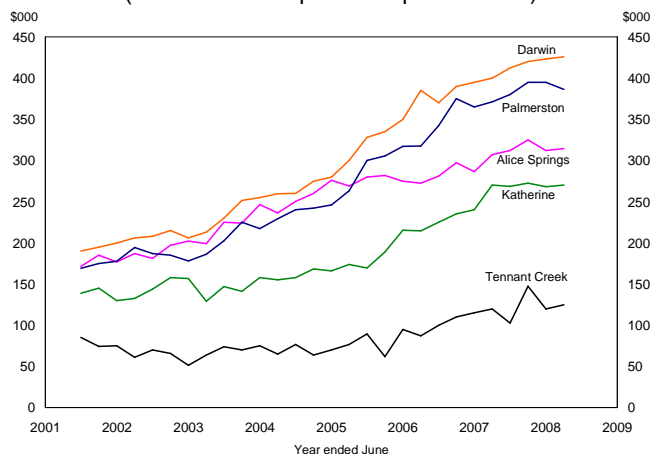
* moving annual total
Source: ABS Cat. No. 5609.0

Total Building Approvals* (latest data – September 2008)



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

Regional House Prices (latest data – September quarter 2008)



Source: REINT

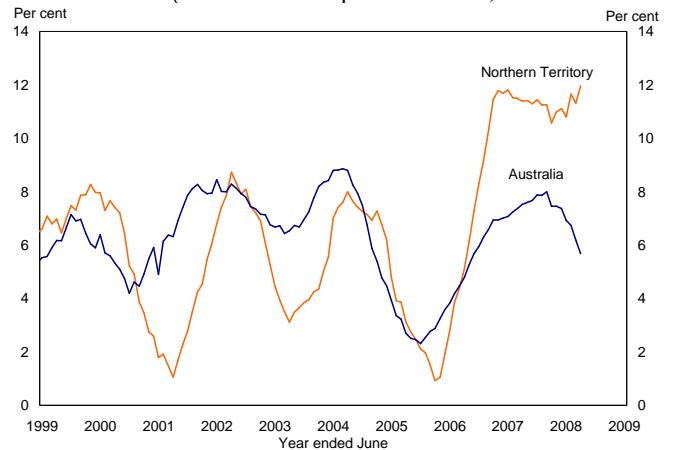
Retail Turnover

In September 2008, seasonally adjusted retail turnover increased 6.7 per cent in the Territory and decreased by 1.1 per cent nationally. Over the year to September 2008, retail trade has increased 14.9 per cent in the Territory, while increasing 1.6 per cent nationally. In the year to September 2008, current price retail turnover in the Territory increased by 12 per cent, the highest of the jurisdictions and above the national average of 5.7 per cent growth (see chart).

The Territory has recorded 20 consecutive months of double digit year on year growth, despite four interest rate rises up to September 2008 and relatively high fuel prices. This strong growth has been supported by employment and population growth in the Territory, and the strength of the Australian dollar to July 2008. Further growth may be encouraged by RBA cuts in the cash rate since September 2008.

Retail Turnover*

(latest data – September 2008)



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

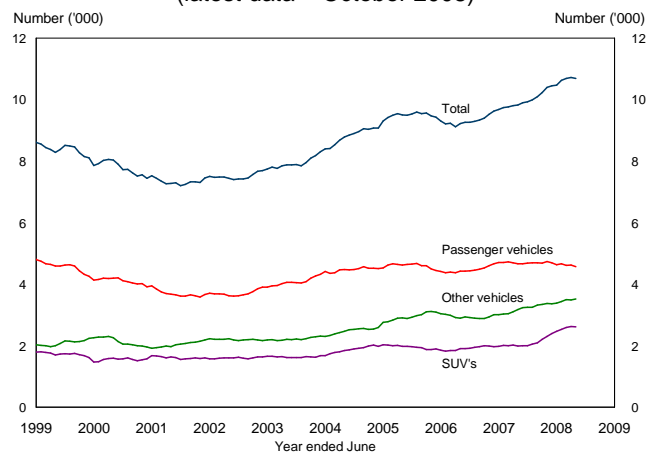
Sales of New Motor Vehicles

In October 2008, in seasonally adjusted terms, total Territory new motor vehicle sales decreased by 6.0 per cent to 801. By vehicle category; sales of 'passenger' vehicles decreased by 9.3 per cent in the month, sales of 'SUV's' decreased by 16.0 per cent, and sales of 'other' vehicles (such as light and heavy trucks) increased by 5.6 per cent. Nationally, total new motor vehicle sales decreased by 0.5 per cent in October 2008.

In the year to October 2008, new motor vehicle sales in the Territory increased by 8.9 per cent to 10 690 (see chart). In year on year terms, sales of 'passenger' vehicles decreased 1.9 per cent to 4 567, sales of 'other' vehicles increased 10.6 per cent to 3 510, and sales of SUV's increased 31.5 per cent to 2 613. Nationally, sales of new motor vehicles increased 1.0 per cent in the year.

Motor Vehicle Sales*

(latest data – October 2008)



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

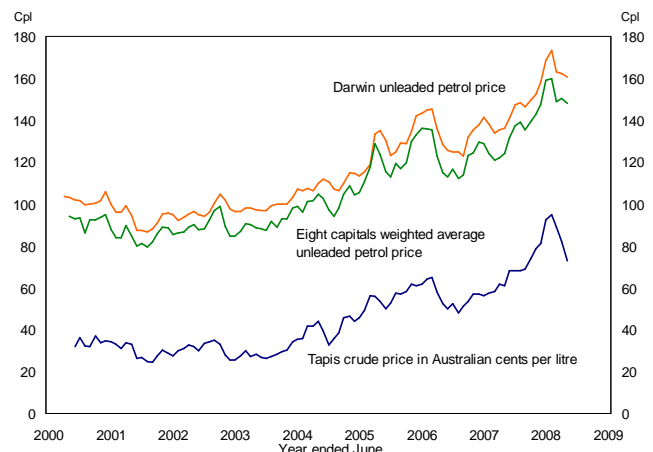
Petrol Prices

In October 2008, Darwin fuel prices decreased by 1.5 cpl to 160.7 cpl, while nationally the eight capital cities weighted average price decreased by 2.6 cpl to 148.1 cpl. This represents a 12.6 cpl price differential between Darwin and the eight capital cities weighted average. Compared to October 2007 petrol prices in Darwin have increased by 24.6 cpl, while nationally the eight capital cities weighted average price increased by 23.8 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 19.4 per cent in A\$ terms to \$115.73 in October 2008, while decreasing by 8.1 per cent in US\$ terms. The depreciation of the A\$ against the US\$ in September 2008 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 moderates.

Petrol Prices

(latest data – October 2008)



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 112 280 in October 2008 (see chart). This is the highest resident employment level on record for the Territory. Nationally, seasonally adjusted employment increased by 34 307 in the month to 10.8 million employed persons.

A comparison of Territory (trend) resident employment in October 2008 with resident employment in October 2007 shows an increase of 3.6 per cent, the third highest annual growth rate of the jurisdictions behind Tasmania and Western Australia. In year on year terms, a more stable measure of growth, Territory employment increased by 5.0 per cent (in original terms), compared to 2.6 per cent growth reported nationally.

Unemployment

The Territory's trend unemployment rate was 3.0 per cent in October 2008, an increase from the 2.9 per cent reported for September 2008. Compared to October 2007, the trend unemployment rate in the Territory has decreased by 1.9 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 October 2008 the Territory reported the third lowest trend unemployment rate of the jurisdictions, behind both Western Australia and the ACT.

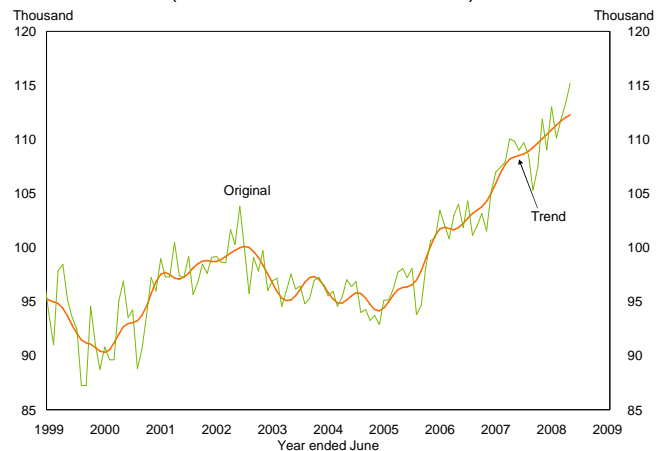
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) remained at 4.3 per cent in October 2008, unchanged from the 4.3 per cent reported in September 2008. This seasonally adjusted rate is up from its historic low of 3.9 per cent reported in February 2008.

International Merchandise Trade

In the year to September 2008 the value of Territory merchandise exports increased by 38.2 per cent to \$5.3 billion. This is mainly due to the higher production and prices of mineral ores exports (lead-zinc, iron-ore and alumina). Over the same period, the value of merchandise imports to the Territory increased by 11.9 per cent to \$3.05 billion.

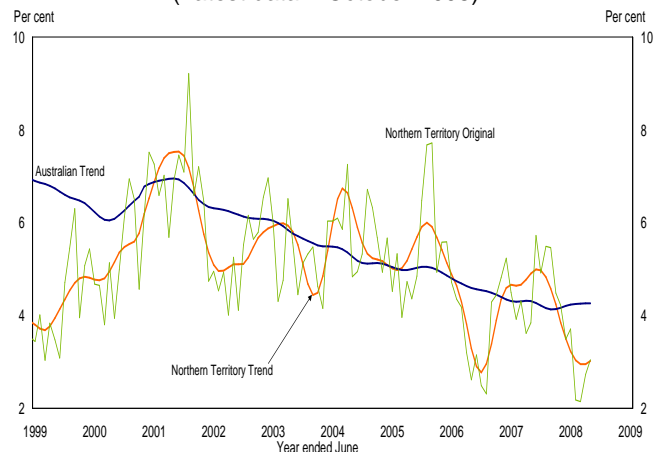
The Territory's goods trade balance increased by \$1.13 billion in September 2008, to a surplus of \$2.2 billion (see chart). The recent fall in the value of the Australian dollar in the year to September 2008 may lead to an increase in the demand for Australian exports in conjunction with a reduction 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.

Territory Employment (Latest data – October 2008)



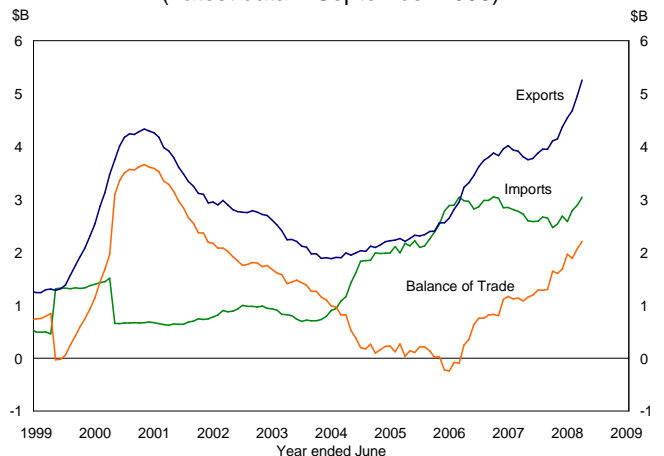
Source: ABS Cat. No. 6202.0

Territory Unemployment (Latest data – October 2008)



Source: ABS Cat. No. 6202.0

Territory Merchandise Trade Balance* (Latest data – September 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 December 2008

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)#}	2007-08	% change	3.4	4.3	4.2	6.6	2.6	9.3	6.7	0.7	5.1
International Goods Exports	Year to Sep 08	% change	38.2	13.6	3.9	22.3	10.7	24.5	-0.6	-22.2	18.6
International Goods Imports	Year to Sep 08	% change	11.9	10.1	13.9	26.4	14.5	26.2	35.2	-96.9	15.6
Demography											
Population	Mar-07 Qtr to Mar-08 Qtr	% change	2.2	1.1	1.7	2.2	1.1	2.6	0.9	1.4	1.6
Labour Market											
Employment (trend)	Oct 07 to Oct 08	% change	3.6	0.7	0.9	3.0	2.0	4.9	5.7	2.0	1.9
Participation Rate (trend)	As at October 07	%	73.3	63.3	65.1	67.1	62.8	68.4	60.9	72.1	65.1
	As at October 08	%	72.4	63.1	64.4	67.5	63.5	69.2	62.6	72.6	65.2
Unemployment Rate (trend)	As at October 07	%	4.9	4.6	4.5	3.7	4.9	3.4	5.3	2.5	4.3
	As at October 08	%	3.0	5.0	4.3	3.6	5.2	2.5	3.7	2.7	4.3
ANZ Job Ads	Year to Oct 08	% change	7.8	-14.3	-4.2	-14.8	-11.9	-10.6	13.3	-20.2	-3.8
Prices and Wages											
Consumer Price Index	Sep-07 Qtr to Sep-08 Qtr	% change	4.5	4.9	4.8	5.6	5.1	4.9	4.3	5.2	5.0
	Year to Sep 08 Qtr	% change	3.8	3.9	4.2	4.9	4.2	4.2	3.6	4.4	4.2
Average Weekly Earnings (full-time adult total earnings)	As at August 08	\$	1156.10	1209.10	1173.80	1159.60	1109.80	1361.10	1065.30	1361.50	1200.80
Housing Sector											
Building Approvals (number)	Year to Sep 08	% change	-28.8	-2.4	9.4	-2.5	17.8	-1.1	6.8	12.2	2.4
Housing Finance for Owner Occupation (number)	Year to Sep 08	% change	-15.8	-9.0	-4.0	-18.0	-8.5	-15.2	-1.3	-10.9	-10.7
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 Sep 08	% change	11.3	5.1	5.3	8.8	9.2	5.2	5.4	3.2	5.7
New Motor Vehicle Sales (No.)	Year to Oct 08	% change	8.9	-0.5	4.9	-2.2	6.0	-0.2	4.1	-3.5	1.0
Tourist Accommodation - Takings (current \$)	2007-08	% change	10.5	8.4	10.0	7.9	8.5	17.1	8.3	9.9	9.5

*original data unless otherwise stated #Source ABS Quarterly 5206. (a) in real, inflation adjusted terms (b) the higher the number, the more affordable the housing

#Source ABS Quarterly 5206.0

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.