

Gross State Product 2008-09

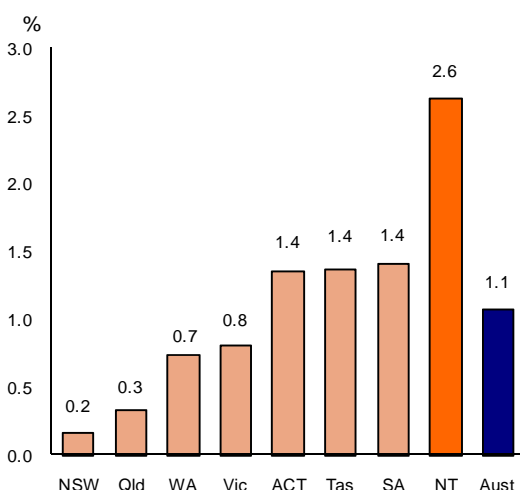
On 22 December 2009, the Australian Bureau of Statistics (ABS) released a revised annual state accounts publication that reported on the economic performance of Australian states and territories in 2008-09. The ABS reports that Territory Gross State Product (GSP) increased by 2.6 per cent to \$16 297M in 2008-09, the highest growth rate of the jurisdictions and more than double the national growth rate of 1.1 per cent (Chart 1).

Under the expenditure approach, GSP(E) is made up of: state final demand (SFD); international trade in goods and services; the balancing item; and the statistical discrepancy. The balancing item and statistical discrepancy components of GSP(E) are highly volatile residual calculations that together in 2008-09 subtracted 2.1 percentage points from the reported growth in the Territory's GSP (Chart 2).

In the state accounts publication the ABS reports Territory SFD, increased by 7.9 per cent in 2008-09, the highest growth rate of the jurisdictions. This contributed 8.2 percentage points to growth in GSP in the year. Of the key SFD components (Chart 2):

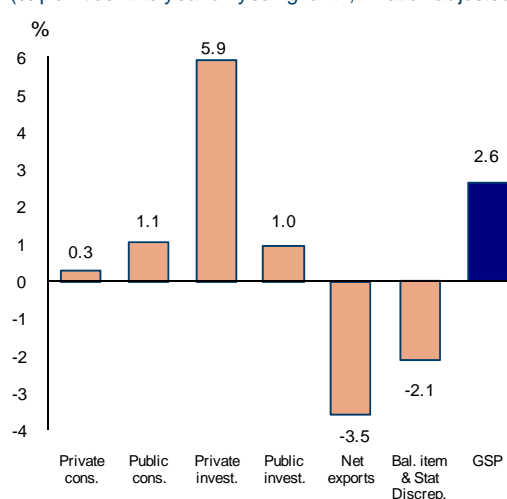
- Private household consumption expenditure increased by 0.7 per cent (contributing 0.3 percentage points to growth) and public consumption expenditure increased by 3.5 per cent (contributing 1.1 percentage points to growth);
- Private investment increased by 21.9 per cent (contributing 5.9 percentage points to growth) driven by a number of major projects in the mining and energy industry such as the GEMCO manganese refinery expansion, the Bonaparte gas pipeline and ENI Blacktip project and the development of the Montara oil field;
- Public investment increased by 19.2 per cent (contributing 1.0 percentage points to growth), driven by a record Territory Government capital works program and Commonwealth stimulus measures (infrastructure spending on schools and public housing).

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



Source: ABS Cat. No. 5220.0

Chart 2: GSP(E) major components
(% point cont. to year on year growth, inflation adjusted)



Source: ABS Cat. No. 5220.0

Net exports (exports less imports) decreased by 22.7 per cent in 2008-09 and subtracted 3.5 percentage points from the Territory's economic growth rate. The large decline reflects a \$1.42 billion increase in goods imports that more than offset a \$941 million increase in goods exports. The large increase in imports primarily reflects higher values of gas imports from the Joint Petroleum Development Area in the Timor Sea.

Northern Territory State Final Demand and Gross State Product											
Year ended June Percentage Change	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Latest available	Year on Year % change*
Expenditure on GSP (2006-07 prices)											
Private Consumption	3.5	7.0	3.6	7.1	4.8	5.3	4.1	4.5	-1.4	Sep Q 09	-1.1
Public Consumption	1.0	0.6	2.2	3.4	1.3	3.0	5.0	3.4	3.4	Sep Q 09	1.7
Total Consumption Expenditure	2.4	4.1	3.0	5.5	3.3	4.3	4.5	4.1	0.6	Sep Q 09	0.4
Private Investment											
<i>Dwellings</i>	-40.7	2.3	11.8	-3.7	27.2	14.7	-7.1	-7.6	-4.9	Sep Q 09	0.8
<i>Other buildings and structures</i>	-23.6	126.0	27.1	7.0	-0.2	5.5	-2.5	-22.0	67.1	Sep Q 09	40.1
<i>Machinery and equipment</i>	30.5	0.8	14.2	12.4	-7.0	31.3	8.3	85.6	-8.2	Sep Q 09	-37.3
<i>Livestock</i>	44.9	8.5	-54.5	197.1	-5.8	12.2	-29.1	7.7	11.9	Sep Q 09	10.5
<i>Intangible fixed assets**</i>	-23.6	126.0	27.1	7.0	-0.2	5.5	-2.5	-22.0	67.1	Sep Q 09	40.1
<i>Ownership transfer costs</i>	-20.5	17.1	3.3	29.1	6.1	9.2	-1.6	-15.0	-3.1	Sep Q 09	3.9
Business Investment#	-0.1	50.2	10.3	13.2	-0.5	20.4	-0.5	10.7	25.1	Sep Q 09	0.2
Total Private Investment	-10.1	41.7	10.3	11.6	2.8	19.2	-1.5	7.0	20.2	Sep Q 09	0.4
Public Investment	39.5	15.2	-29.4	0.2	32.6	1.1	-12.6	10.7	13.8	Sep Q 09	7.4
Total Investment	-0.4	34.4	0.9	9.7	7.3	15.8	-3.3	7.5	19.2	Sep Q 09	1.5
State Final Demand	1.7	11.8	2.4	6.8	4.4	7.9	1.9	5.1	6.5	Sep Q 09	0.8
State Final Demand less L-C and B-U##	1.8	10.6	1.0	5.8	8.8	9.3	2.3			Sep Q 09	
International Trade - export of goods	30.1	-22.5	-11.1	-23.9	-6.1	-1.6	44.1	-5.9	20.2	Sep Q 09	22.3
International Trade - import of goods	-62.1	15.4	29.9	4.2	107.3	27.5	-0.2	-21.7	72.5	Sep Q 09	57.6
Total Gross State Product	5.4	1.8	0.5	2.3	5.5	6.7	6.7	3.9	2.6		
Contribution to GSP Growth											
Private Consumption	1.3	2.6	1.4	2.7	2.3	2.4	2.6	2.7	0.3		
Public Consumption	0.4	0.1	0.7	1.2	0.4	1.0	1.6	1.0	1.1		
Private Investment	-2.0	7.0	1.9	2.6	1.0	4.8	-0.3	1.1	5.9		
Public Investment	1.4	0.9	-1.2	0.3	1.5	0.3	-0.4	0.8	1.0		
State Final Demand	1.9	10.8	2.3	6.8	5.5	8.5	3.5	5.6	8.2		
Net International Exports	25.5	-14.2	-8.6	-10.1	-12.8	-6.2	10.5	2.3	-3.5		
Balancing item	-22.0	5.1	6.7	5.7	12.8	4.4	-7.4	-4.1	-2.1		
Gross State Product	5.4	1.8	0.5	2.3	5.5	6.7	6.7	3.9	2.6		

* Compares the 4 quarters up to and including the latest quarter with the previous 4 quarter period ** 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*	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Latest	Year on Year % change*
Real Retail Turnover	-1.2	4.7	2.3	6.6	4.2	0.8	8.7	8.4	9.1	Sep Q 09	7.6
New Motor Vehicle Sales	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	-10.4	Nov 09	-14.7
Tourist Accommodation Takings	1.5	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	10.9	Jun Q 09	10.9
Number of Dwellings Approved	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	-16.0	Oct 09	35.0
Number of Dwellings Commenced	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	5.3	Sep Q 09	36.4
Employment	1.5	4.8	1.5	-2.0	-0.2	3.2	5.1	5.9	4.2	Nov 09	4.9
Unemployment rate	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	3.6	Nov 09	2.9
Darwin Consumer Price Index##	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	4.0	Sep Q 09	2.9
AWOTE# (year average)	3.4	2.1	4.7	6.0	6.6	4.0	1.7	5.6	4.8	Aug Q 09	4.1
Wage Price index (year average)	2.8	3.1	3.1	3.3	3.7	4.4	3.9	3.9	4.5	Aug Q 09	4.3
Population, December (levels - thousands)###	196.3	198.3	199.3	200.6	203.8	208.4	212.3	217.4	221.7	Jun Q 09	224.8
Population	1.0	1.1	0.5	0.6	1.6	2.3	1.9	2.4	2.0	Jun Q 09	2.2
Net Interstate Migration (levels - number)###	-1621	-1751	-2440	-2283	-482	726	-428	885	691	Jun Q 09	746.0

* 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	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Latest	Level
Interest Rates											
90 Day Bank Bill (as at 30 June)	5.02	5.11	4.67	5.50	5.66	5.97	6.43	7.80	3.20	22 Dec 09	4.08
10 Year Govt Bond Yield (as at 30 June)	6.04	5.99	5.01	5.87	5.11	5.79	6.26	6.45	5.52	22 Dec 09	5.49
Exchange Rates											
US\$ per A\$ (year average)	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	0.75	22 Dec 09	0.79
US\$ per A\$ (as at 21 October)	0.51	0.56	0.67	0.69	0.76	0.74	0.85	0.96	0.81	22 Dec 09	0.88
Special Drawing Rights per A\$ (as at 30 June)	0.41	0.43	0.48	0.47	0.52	0.51	0.56	0.59	0.52	22 Dec 09	0.56
Trade Weighted Index of A\$ (as at 30 June)	49.70	52.30	59.40	59.06	64.50	62.24	68.92	73.40	64.65	22 Dec 09	68.5

* 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

CONTENTS

Page

COVER STORY – Gross State Product 2008-09	1
TERRITORY SFD AND GSP; TABLE OF LATEST ECONOMIC AND FINANCIAL INDICATORS	2
CONTENTS	3
January 2010 and February 2010 Release Dates	
ECONOMIC INDICATORS.....	4
Gross State Product, State Final Demand, Gross Domestic Product	4
International Merchandise Goods Trade, Balance of Payments, Mineral and Petroleum Exploration	5
Dwelling Commencements, Housing Finance Commitments, Residential Building Approvals	6
Sales of New Motor Vehicles, Sensis Business Index, Housing Mortgage Rates	7
Employment, Unemployment Rate, ANZ Job Advertisements	8
Population, Petrol Prices, Retail Turnover	9
GLOSSARY	10
STATE AND TERRITORY COMPARATIVE INDICATORS	11

ECONOMIC INDICATORS DUE FOR RELEASE

January 2010			
ABS	8731.0	Building Approvals, Australia, November 2009	6-Jan-10
ABS	5368.0	International Trade in Goods and Services, Australia, November 2009	7-Jan-10
ABS	8501.0	Retail Trade, Australia, November 2009	7-Jan-10
ABS	8635.0	Tourist Accommodation, September 2009	8-Jan-10
ANZ		ANZ job ads series, December 2009 (<i>no brief</i>)	11-Jan-10
ABS	3401.0	Overseas Arrivals and Departures, Australia, November 2009 (<i>no brief</i>)	12-Jan-10
ABS	5609.0	Housing Finance, Australia, November 2009	12-Jan-10
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	13-Jan-10
ABS	5671.0	Lending Finance, Australia, November 2009	13-Jan-10
ABS	6202.0	Labour Force, Australia, December 2009	14-Jan-10
ABS	8762.0	Engineering Construction Activity, Australia, September 2009	14-Jan-10
ABS	8635.0	Tourist Accommodation, Australia, September 2009	15-Jan-10
AAA		Petrol Prices, December 2009	Mid-Jan 10
Westpac-MI		Leading Index (<i>no brief</i>)	20-Jan-10
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, Australia, September 2009	20-Jan-10
ABS	8752.0	Building Activity, Australia, September 2009	20-Jan-10
ABS	9314.0	Sales of New Motor Vehicles, Australia, December 2009	21-Jan-10
ABS	6291.0.55.001	Labour Force, Australia, Detailed, December 2009	21-Jan-10
ABS	6457.0	International Trade Price Indexes, Australia, December 2009	22-Jan-10
ABS	6427	Producer Price Indexes, Australia, December 2009 (<i>no brief</i>)	25-Jan-10
ABS	6401.0	Consumer Price Index, Australia, December 2009	27-Jan-10
February 2010			
ABS	6416.0	House Price Indexes: Eight Capital Cities, December 2009	1-Feb-10
ABS	5368.0	International Trade in Goods and Services, Australia, December 2009	3-Feb-10
ABS	6403.0.55.001	Average Retail Prices of Selected Items, Eight Capital Cities, December Quarter 2009	3-Feb-10
ABS	8501.0	Retail Trade, Australia, December 2009	4-Feb-10
ABS	8731.0	Building Approvals, Australia, December 2009	4-Feb-10
ABS	3401.0	Overseas Arrivals and Departures, Australia, December 2009 (<i>no brief</i>)	8-Feb-10
ANZ		ANZ job ads series, January 2010 (<i>no brief</i>)	8-Feb-10
ABS	5609.0	Housing Finance, Australia, December 2009	10-Feb-10
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	10-Feb-10
ABS	6202.0	Labour Force, Australia, January 2010	11-Feb-10
ABS	5671.0	Lending Finance, Australia, December 2009	15-Feb-10
AAA		Petrol Prices, December 2009	Mid-Feb 10
Westpac-MI		Leading Index (<i>no brief</i>)	17-Feb-10
ABS	6291.0.55.001	Labour Force, Australia, Detailed, January 2010	18-Feb-10
ABS	9314.0	Sales of New Motor Vehicles, Australia, January 2010	22-Feb-10
ABS	6345.0	Labour Price Index (Wage Cost Index), December 2009	24-Feb-10
ABS	8755.0	Construction Work Done, December 2009	24-Feb-10
ABS	5625.0	Private New Capital Expenditure, December 2009 (<i>no brief</i>)	25-Feb-10
ABS	6302.0	Average Weekly Earnings, November Quarter 2009	25-Feb-10

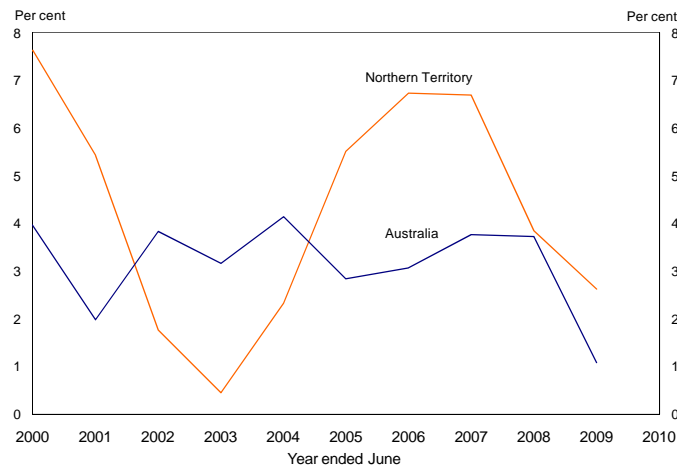
Gross State Product, 2008-09

In inflation adjusted terms, Northern Territory Gross State Product (GSP) increased by 2.6 per cent to \$16.3B in 2008-09, the highest growth rate of the jurisdictions (see cover story on page 1).

Private investment expenditure increased by 21.9 per cent, whilst public investment increased by 19.2 per cent in 2008-09. The major contributors to growth were large mining construction projects, including the GEMCO manganese refinery expansion and the Bonaparte gas pipeline project.

Net exports (exports less imports) decreased by 22.7 per cent in 2008-09, detracting 3.5 percentage points from growth in Territory GSP. This primarily reflects increased volumes of feedstock gas imports from the Joint Petroleum Development Area in the Timor Sea.

Gross State Product* (latest data – 2008-09)

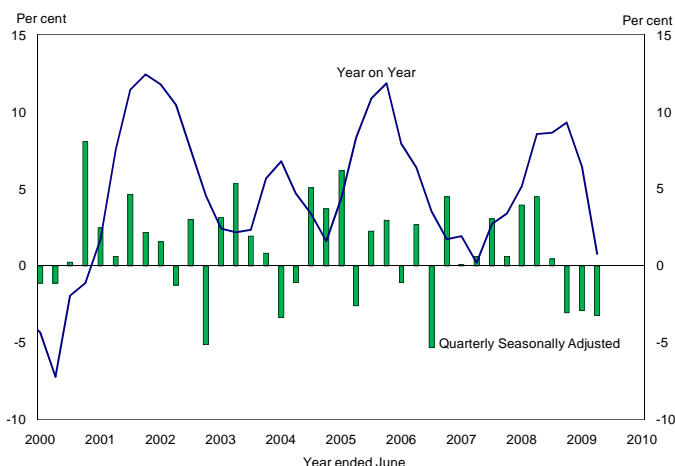


*Year on year percentage change
Source: ABS Cat. No. 5220.0

State Final Demand, September Qtr 2009

State Final Demand (SFD) is the sum of consumption and investment expenditures by both the public and private sectors and is not a complete measure of economic growth. In the September quarter 2009, the Territory's SFD (adjusted for inflation) decreased by 3.2 per cent to \$4.2B. The decline was primarily driven by 41.8 per cent decrease in private sector engineering construction reflecting the completion of a number of major projects such as the GEMCO refinery expansion, the Montara oil field development and ENI's Blacktip project. Partly offsetting the quarterly decline was a 23 per cent increase in public investment driven by the Territory Government's record capital works program. Private dwelling expenditure increased by 26.6 per cent primarily driven by strong growth in alterations and additions. Private consumption expenditure increased by 0.7% in the quarter driven by higher expenditure on food, financial services and rents.

State Final Demand (latest data – September quarter 2009)



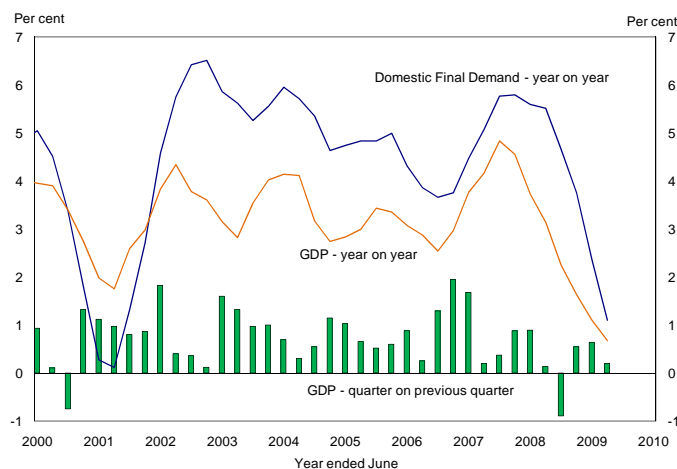
Source: ABS Cat. No. 5206.0

Gross Domestic Product, September Qtr 2009

Compared to the June quarter 2009, Australia's seasonally adjusted Gross Domestic Product (GDP) increased by 0.2 per cent in the September quarter 2009 (see chart).

Consumption expenditure increased by 0.7 per cent in the quarter with private consumption expenditure contributing 0.8 percentage points to quarterly GDP growth. Business investment declined by 3.2 per cent, detracting 0.5 percentage points from growth, and reflects the unwinding of temporary tax breaks for machinery and equipment purchases by large businesses. Public investment increased by 6.2 per cent in the quarter reflecting the impact of the Commonwealth government's fiscal stimulus measures (infrastructure spending on schools and public housing) on economic growth. Stimulus measures such as the temporary First Home Owners Boost and low interest rates also supported growth in dwellings investments which increased by 5.8 per cent in the quarter. Inventory building by businesses added 0.8 percentage points to quarterly growth while net exports (exports less imports) detracted 1.6 percentage points fuelled by the appreciating Australian dollar. In annual terms, Australia's GDP increased by 0.5 per cent in the September quarter 2009.

Gross Domestic Product (latest data – September quarter 2009)



Source: ABS Cat. No. 5206.0

International Merchandise Goods Trade

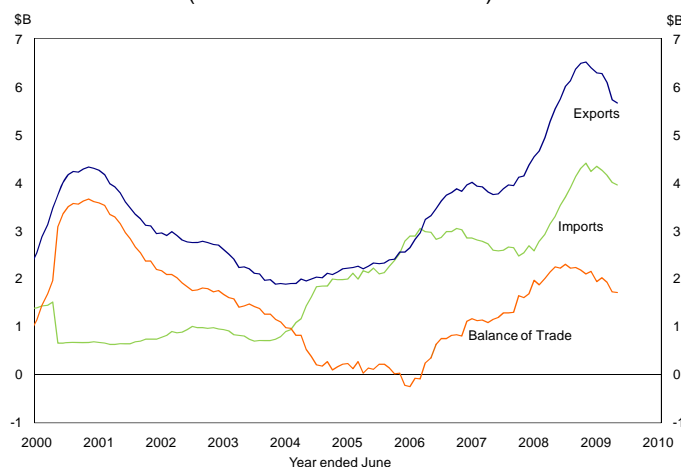
In the year to October 2009, the Territory's nominal merchandise goods trade surplus decreased by 23.9 per cent to \$1.7 billion (see chart).

The value of Territory goods exports over this period increased by 2.1 per cent to \$5.7 billion primarily driven by higher production and prices of liquefied natural gas (LNG) from the ConocoPhillips Wickham Point LNG plant. Partially offsetting growth has been falling commodity prices especially for key Territory exports such as manganese, alumina and zinc-lead concentrate.

Over the same period, the value of merchandise imports to the Territory increased by 19.9 per cent to \$4.0 billion primarily driven by higher prices and volumes for gas feedstock for the ConocoPhillips LNG plant, as well as pearls and precious stones. Partially offsetting growth was the declining value of fuel imports reflecting lower crude oil prices and the appreciation of the Australian dollar over the year.

Merchandise Goods Trade*

(Latest data – October 2009)



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

Balance of Payments

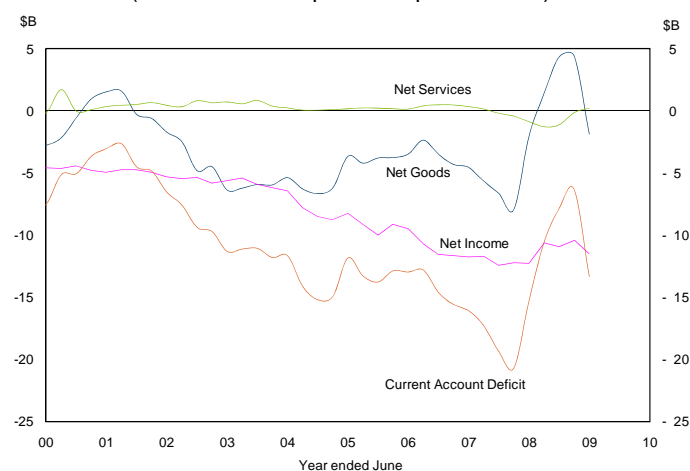
ABS balance of payments data measures the economic transactions between Australia and the rest of the world and includes exports and imports of good and services, income flows, financial flows and transfers.

In the September quarter 2009, Australia's seasonally adjusted current account deficit (CAD) increased to \$16.2B, compared to \$13.1B in the previous quarter. This detracted 1.6 percentage points from quarterly growth in Australia's Gross Domestic Product for the September quarter 2009.

The goods and services deficit increased by 356.8 per cent to \$5.4B, the primary income deficit decreased by 9.7 per cent to \$10.7B and the secondary income deficit decreased by 20.3 per cent to \$98M.

Balance on Current Account*

(Latest data – September quarter 2009)



* seasonally adjusted data
Source: ABS Cat. No. 5302

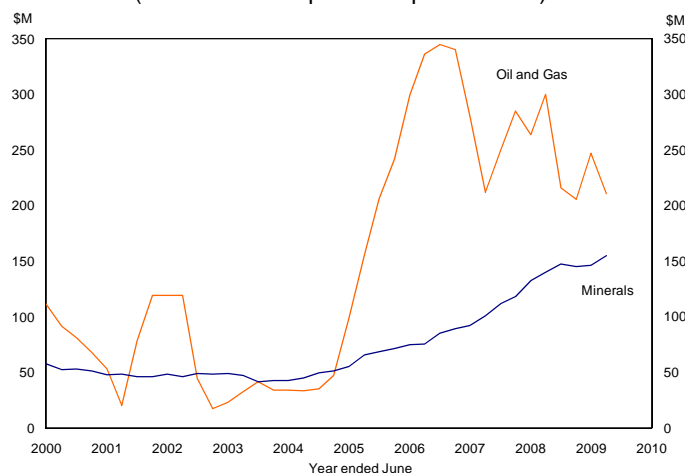
Mineral and Petroleum Exploration

Mineral exploration in the Territory has increased significantly in recent years, in response to increased commodity prices and demand, particularly from China. In the year to September 2009, private mineral exploration expenditure (including exploration for uranium) increased by 18.2 per cent to \$154.8 million. Increased expenditure on uranium exploration was the main driver of growth, contributing 6.6 percentage points to total expenditure growth, while exploration expenditure for gold contributed 4.5 percentage points. Declining exploration activity for diamonds and copper subtracted 3.2 and 1.9 percentage points respectively from growth, reflecting global price declines in these commodities over the year.

In the year to September 2009, expenditure on oil and gas exploration in the Territory decreased 20.0 per cent to \$210.6 million. Nevertheless, it remained well above long term trend levels.

Mineral and Petroleum Exploration*

(latest data – September quarter 2009)



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

Dwelling Commencements

Compared to the June quarter 2009, the number of seasonally adjusted dwelling commencements in the Territory decreased by 5.6 per cent to 302 in the September quarter 2009.

In the year to September 2009, the number of dwelling commencements in the Territory increased by 36.4 per cent to 1233. In original terms, there were 1084 private sector dwelling commencements and 149 public sector dwelling commencements over this period (see chart).

Of the total number of dwelling commencements in the year, 777 were for 'houses' while 443 were for 'other' dwellings and 13 were 'conversions'. The release of residential land across the Territory, low interest rates and government housing initiatives such as the First Home Owners Boost and Buildstart have underpinned strong growth in dwelling commencements in 2009.

Housing Finance Commitments for Owner Occupation (excluding refinancing)

In the year to October 2009, the number of commitments for owner occupied housing finance (excluding refinancing) in the Territory increased by 16.6 per cent to 4562. Growth was primarily driven by the first home buyer market which experienced growth of 45.1 per cent in the year. Commitments by non-first home buyers (excluding refinancing) increased by 8.1 per cent over this period. The strong growth in first home buyer commitments reflects the impact on demand of low interest rates (near historical lows), temporary housing initiatives such as the First Home Owners Boost and strong growth in housing rental prices across the Territory.

In the year to September 2009, the average loan size in the Territory increased by 28.5 per cent to \$294 533 (year average) for first home buyers and by 19.0 per cent to \$265 633 (year average) for non-first home buyers (see chart).

Residential Building Approvals (number)

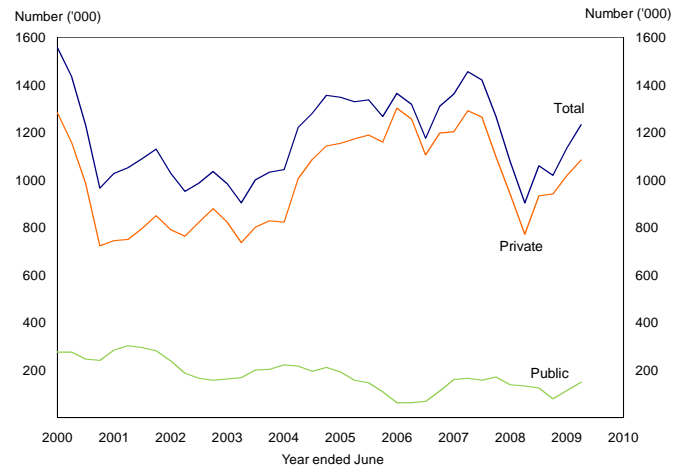
Compared to September 2009, the trend number of residential building approvals in Territory increased by 2 per cent to 101 in October 2009. Nationally, the trend number of approvals increased by 2.3 per cent in the month.

In the year to October 2009, a more stable measure of annual growth, residential building approvals in the Territory increased by 35.0 per cent to 1166 (see chart). Over this period:

- 'House' approvals increased by 47.4 per cent to 824;
- 'other residential' (units, townhouses etc) approvals increased by 11.1 per cent to 321; and
- 'Alts and additions' approvals (including alterations, additions and conversions) increased by 31.3 per cent to 21.

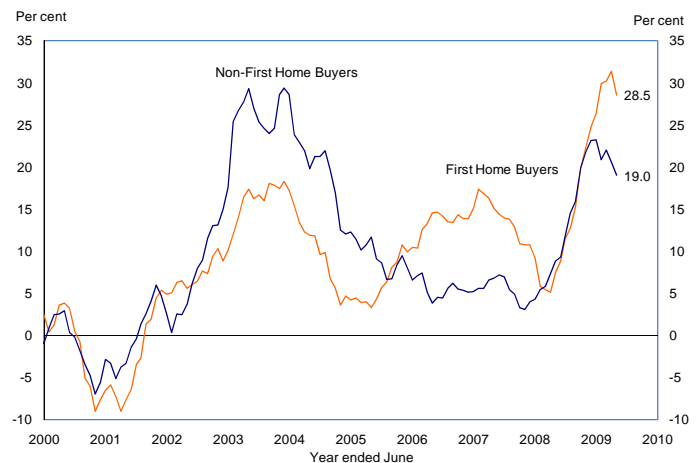
Residential building approvals in the Territory continue to be supported by low interest rates and temporary government housing initiatives, including the Commonwealth's First Home Owner Boost and the Territory Government's Buildstart program.

Dwelling Commencements* (latest data – September quarter 2009)



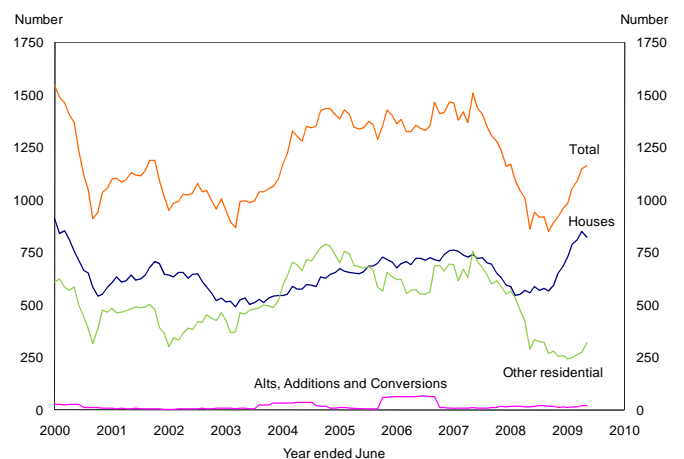
* moving annual; total
Source: ABS Cat. No. 8750.0

Average loan size* (Latest data – October 2009)



* year on year percentage change, chain volume original data
Source: ABS Cat. No. 5609.0

Residential Building Approvals (number)* (Latest data – October 2009)



*moving annual total, original data
Source: ABS Cat. No. 8731.0

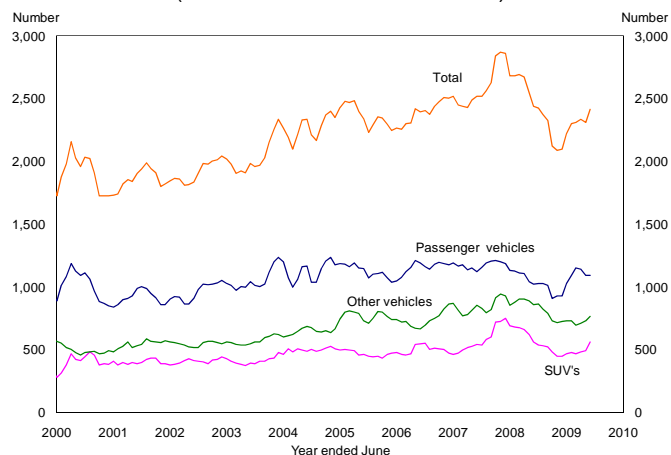
Sales of New Motor Vehicles

Compared to October 2009, the number of seasonally adjusted new motor vehicle sales in the Territory in November 2009 increased by 13.2 per cent to 875. This likely reflects businesses seeking to take advantage of the *Small Business and General Business Tax Break* before it ends on 31 December 2009.

By vehicle category, sales of 'passenger' vehicles increased by 8.7 per cent, 'SUV's' increased by 33.9 per cent and 'other' vehicle sales increased by 6.0 per cent. Nationally, new motor vehicle sales increased by 5.5 per cent in November 2009.

In the year to November 2009, new motor vehicle sales in the Territory decreased by 14.7 per cent, to 9 065. Nationally, they decreased by 9.5 per cent over this period.

New Motor Vehicle Sales* (Latest data – November 2009)



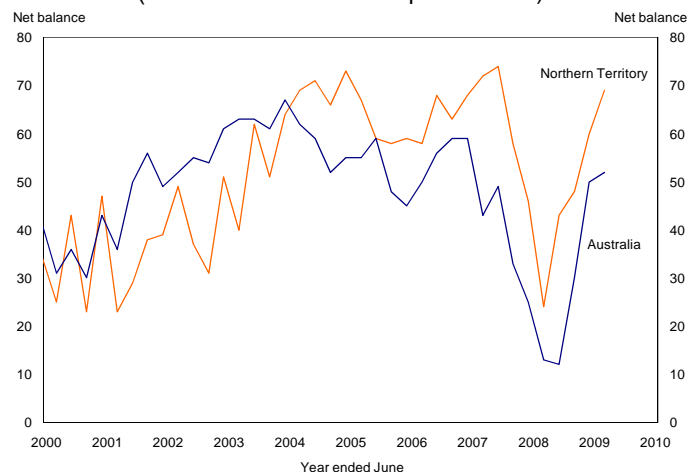
* Seasonally adjusted data, 3 month moving total
Source: ABS Cat. No. 9314.0.55.001

Sensis Business Confidence Index

Sensis measures business confidence for the next twelve months in terms of net balance. Net balance is defined as the difference between the percentage of positive and negative responses. According to Sensis, business confidence in the Territory increased in the November quarter 2009. The Territory recorded a net balance of 69 per cent (79 per cent positive, 10 per cent negative and 11 per cent indifferent) for small and medium enterprises.

Business confidence in the Territory has exceeded or equalled that reported nationally since the November quarter 2004 (see chart) and continued to do so in the November quarter 2009. Business confidence in the other jurisdictions ranged between a net balance of 48 per cent in the Australian Capital Territory and 66 per cent in Tasmania. Nationally, the net balance of business confidence for the next twelve months is 52 per cent.

Sensis Business Confidence Index* (latest data – November quarter 2009)



* quarterly data
Source: Sensis Business Index, November quarter 2009

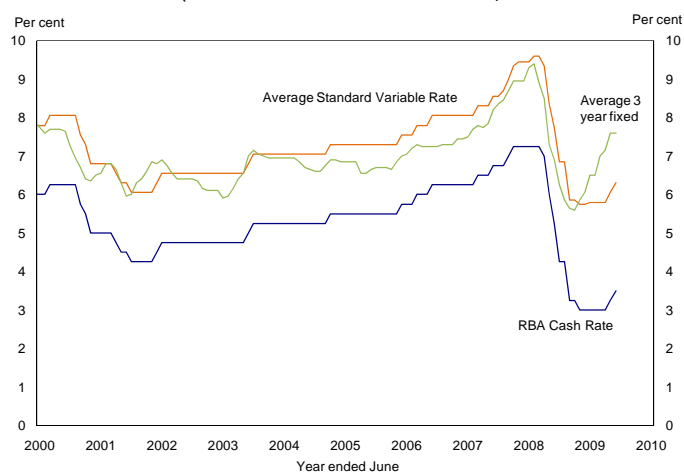
Housing Mortgage Rates

Housing mortgage rates are those quoted for loans to individuals who intend to be owner-occupiers.

The Reserve Bank of Australia (RBA) reports that the average standard variable mortgage rate in November 2009 was 6.3 per cent. This is 3.3 percentage points lower than the high of 9.6 per cent reached in July and August 2008 (see chart). The substantial reduction in the rate over this period reflects expansionary monetary policy by the RBA to help stimulate the slowing Australian economy during the global financial crisis. In response to signs of a sustained recovery in the domestic economy, the RBA has increased the cash rate by 75 basis points since October 2009.

In anticipation of increasing interest rates over 2009, the average three year fixed housing loan rate offered by the big four banks has increased steadily since April 2009 (see chart). In November 2009, the fixed housing loan rate was 130 basis points higher than that of the cash rate.

Average Housing Mortgage Rates* (latest data – November 2009)



*Average of major lenders
Source: Reserve Bank of Australia

Employment

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

Compared to October 2009, the trend number of resident employment in the Territory increased by 0.4 per cent to 119 941 in November 2009. Nationally, the trend level of employment increased by 0.2 per cent to 10.84 million persons over this period.

In year on year terms, employment growth in the Territory strengthened to 4.9 per cent in November 2009, the highest growth rate of the jurisdictions. Nationally, employment growth moderated to 0.3 per cent.

In November 2009, the Territory's trend labour force participation rate was unchanged from the previous month and remains the highest of the jurisdictions.

Unemployment Rate

The Territory's trend unemployment rate declined by 0.2 percentage point to 3.5 per cent in November 2009, the lowest rate of the jurisdictions. Nationally, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased by 0.1 percentage point to 5.7 per cent in November 2009.

Compared to November 2008, the trend unemployment rate in the Territory decreased by 0.3 percentage points. Nationally, the seasonally adjusted rate increased by 1.2 percentage points.

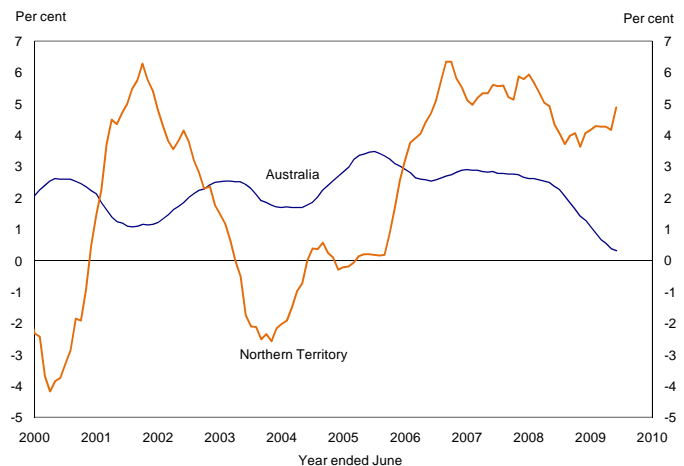
The Manpower Employment Outlook Survey for the March quarter 2010 reports that Territory quarterly net employment outlook has increased by 2 percentage points to +19 per cent.

ANZ Job Advertisements

The ANZ Bank reports that, compared to October 2009, the number of seasonally adjusted job advertisements in the Territory increased by 10.5 per cent to 321 in November 2009. Nationally job advertisements increased by 8.3 per cent. In annual terms, newspaper job advertisements increased by 4.2 per cent in the Territory but decreased by 18.7 per cent nationally.

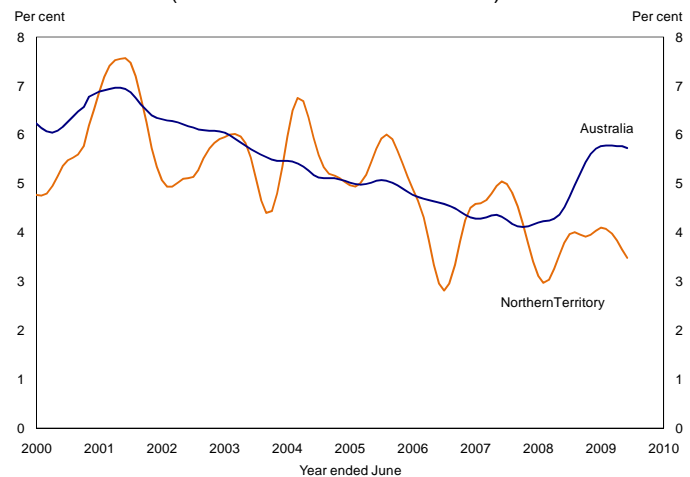
In the year to November 2009, job advertisements in the Territory decreased by 25.8 per cent compared to a decrease of 46.5 per cent nationally (see chart). The Territory reported the second lowest decline in job advertisements of the jurisdictions with only Tasmania experiencing a smaller decline. The ANZ reports that after bottoming in July 2009, the total number of job advertisements is trending upwards again. This is expected to underpin jobs growth over the remainder of 2009.

Employment* (Latest data - November 2009)



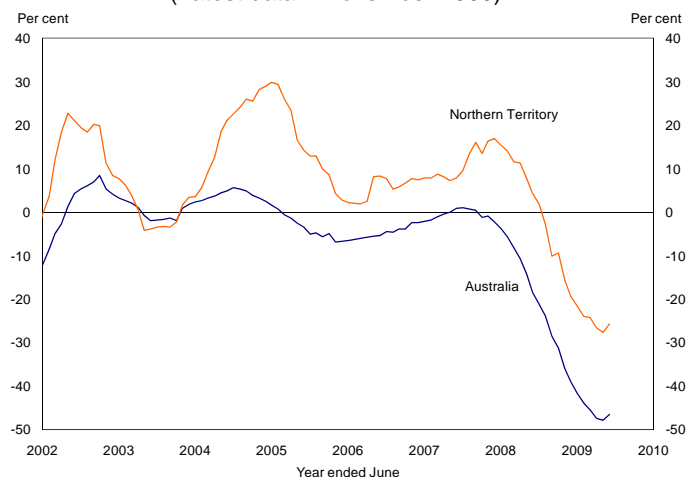
* original data, year on year percentage change
Source: ABS Cat. No. 6202.0

Unemployment Rate* (Latest data - November 2009)



* trend monthly data
Source: ABS Cat. No. 6202.0

Number of ANZ Job Advertisements* (Latest data - November 2009)



* year on year percentage change
Source: ANZ Job Advertisements series

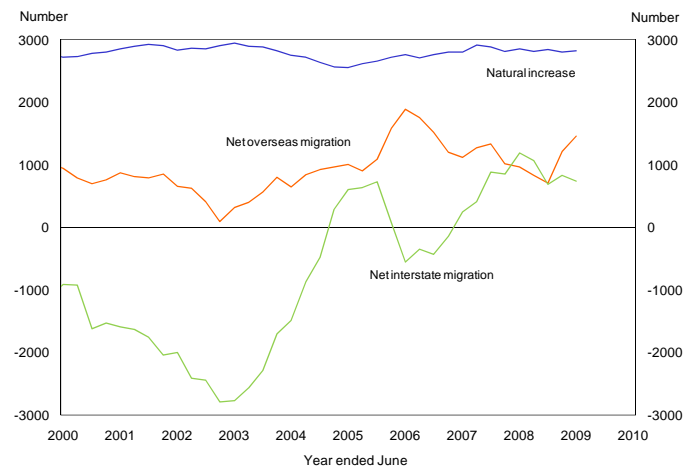
Population

In the June quarter 2009, the Territory's resident population is estimated to have increased by 0.8 per cent (1769) to 224 848. In annual terms, Territory population growth is estimated to have increased by 2.3 per cent, the third highest growth rate of the jurisdictions. Over the same period, Australia's population increased by 2.1 per cent to 21.9 million.

The Territory's estimated resident population increased by 1769 persons in the June quarter 2009, compared to an increase of 1587 in the June quarter 2008. In the June quarter 2009 the components of population growth were:

- Natural increase (births less deaths) 791
- Net overseas migration 604
- Net interstate migration 374
- Total population growth 1769

Northern Territory Population Components* (latest data – June quarter 2009)



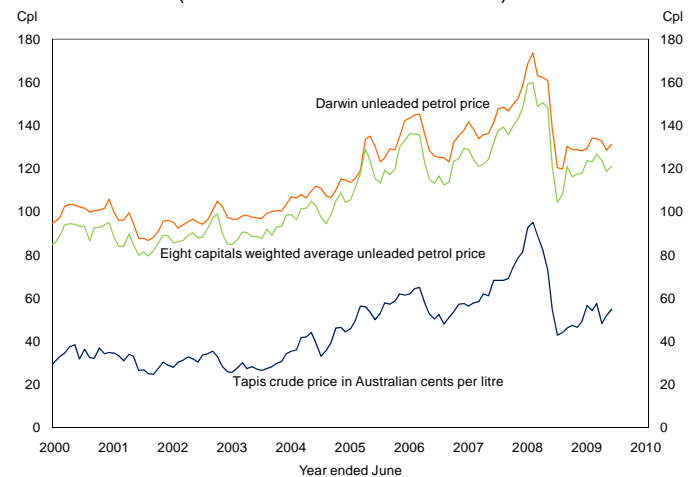
* moving annual total
Source: ABS Cat. No. 3101

Petrol Prices

In November 2009, the average Darwin unleaded petrol (ULP) price increased by 2.6 cents per litre (cpl) to 131.0 cpl. Nationally, average retail unleaded petrol price increased by 2.2 cpl. Generally, petrol prices in Darwin track other capital cities, though tend to remain higher due to distance from refineries and other competitive factors (see chart).

Comparing November 2009 with November 2008, the average monthly \$US price of Tapis crude oil increased by 40.6 per cent to US\$80.24 per barrel. This may be partly attributed to increasing expectations of a global economic recovery and an expected increase in oil consumption. In \$A terms, the average monthly price of Tapis crude oil increased by 0.2 per cent to A\$87.06 per barrel over this period and reflects the appreciation of the A\$ versus the US\$ over the past year which has offset most of the increases in the US\$ traded oil price.

Petrol Prices* (Latest data – November 2009)



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

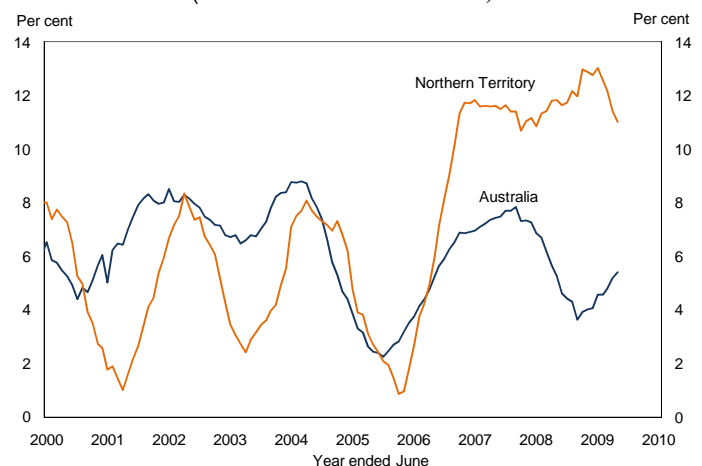
Retail Turnover

Compared to September 2009, seasonally adjusted nominal retail turnover in the Territory increased by 1.8 per cent in October 2009. Nationally retail sales turnover increased by 0.3 per cent over this period. In annual terms, retail trade turnover increased by 7.3 per cent in the Territory and by 5.6 per cent nationally.

In the year to October 2009, growth in retail trade turnover in the Territory moderated to 11.0 per cent. Nevertheless, the Territory continues to have the highest growth rate of the jurisdictions and remains substantially above national retail sales growth of 5.4 per cent (see chart).

The strong performance of retail trade in the Territory over 2009 has been driven by strong employment and population growth, relatively low interest rates and Commonwealth government stimulus payments to households in the first half of the year.

Retail Turnover* (Latest data – October 2009)



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

Consumer Price Index

A general indicator of prices paid by households 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 expenditure, total income, or total production. GDP is the headline measure of economic growth for Australia

Gross State Product

GSP is the headline measure of economic growth for each jurisdiction. Similar to GDP, the ABS produces three measures of GSP; GSP (Expenditure), GSP (Income) and GSP (Production). The main measure of GSP growth is GSP (Average), the average growth rate of the three measures.

GSP (Expenditure) approach sums all final consumption expenditures (general government and household); private and public gross fixed capital formation; net international and interstate exports (exports - imports) and changes in inventories in each jurisdiction.

GSP (Income) is the sum of: compensation of employees; gross operating surplus; gross mixed income and taxes less subsidies on production and imports in that jurisdiction.

GSP (Production) is the sum of the value of all goods and services produced by an industry less the cost of goods and services used up by the industry in producing the goods and

services (ie Gross value added (GVA) by industry). The industry GVA's and taxes less subsidies on products are then summed to form GSP.

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

SFD measures the final demand for goods and services within the state or territory borders. It encompasses personal and government expenditure on goods and services, and government and business fixed capital investment. It does not have the same coverage as GSP as it does not include international (or interstate) trade nor change in inventories. Therefore, unlike GSP, SFD is not a measure of the output or production of a state or territories economy.

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 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 January 2010

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2008-09	% change	2.6	0.2	0.8	0.3	1.4	0.7	1.4	1.4	1.1
State Final Demand ^(a)	Year to Sep 09	% change	0.8	1.0	0.9	-1.0	1.0	1.6	0.7	-0.4	1.1
International Goods Exports	Year to Oct 09	% change	2.1	5.4	-11.5	2.8	-18.0	-1.0	-11.8	42.9	-1.8
International Goods Imports	Year to Oct 09	% change	8.2	-6.7	-13.7	-18.6	-19.0	-6.1	-15.3	-50.0	-4.8
Demography											
Population	Jun-08 Qtr to Jun-09 Qtr	% change	2.3	1.7	2.1	2.6	1.2	3.0	1.0	1.6	2.1
Labour Market											
Employment (trend)	Nov 08 to Nov 09	% change	4.6	0.4	2.0	-0.3	0.4	-1.5	-3.6	-1.2	0.4
Participation Rate (trend)	As at November 08	%	72.7	63.5	64.5	67.5	63.6	69.2	62.3	73.0	65.3
	As at November 09	%	74.0	63.2	65.1	67.4	63.2	68.0	60.2	72.0	65.2
Unemployment Rate (trend)	As at November 08	%	3.8	5.3	4.6	3.9	5.4	2.9	4.2	2.6	4.5
	As at November 09	%	3.5	5.9	5.6	6.2	5.5	5.3	5.4	3.6	5.7
ANZ Job Ads	Year to Nov 09	% change	-25.8	-44.4	-47.2	-58.0	-38.8	-56.0	-14.5	-29.9	-46.5
Prices and Wages											
Consumer Price Index	Sep-08 Qtr to Sep-09 Qtr	% change	2.7	1.3	0.6	1.9	1.4	1.2	1.8	1.4	1.3
	Year to Sep 09 Qtr	% change	2.9	2.2	1.7	2.8	2.3	2.1	2.2	2.5	2.2
Average Weekly Earnings (full-time adult total earnings)	As at August 09	\$	1211.50	1265.30	1213.20	1235.50	1154.50	1378.10	1077.60	1381.00	1250.30
Housing Sector											
Building Approvals (number)	Year to Oct 09	% change	35.0	-18.7	5.8	-33.9	-16.3	-13.7	1.2	20.4	-13.7
Housing Finance for Owner Occupation (number)	Year to Oct 09	% change	15.8	12.6	4.9	7.9	11.4	1.1	4.0	27.8	8.3
Housing Affordability Indicator ^(b)	As at Sep 09 Qtr	Level	46.0	32.1	36.6	33.6	35.7	38.6	36.8	57.7	34.6
Consumer Spending											
Retail Trade (current \$)	Year to Oct 09	% change	11.0	5.3	6.4	5.6	4.8	2.8	7.7	5.3	5.4
New Motor Vehicle Sales (No.)	Year to Nov 09	% change	-14.7	-7.7	-9.0	-10.0	-7.1	-15.5	-10.8	-3.4	-9.5
Tourist Accommodation - Takings (current \$)	Year to Jun 09	% change	10.9	-3.7	-0.7	-1.4	3.7	4.0	3.7	1.3	-0.7

*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, REIA 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.