

Territory Economic Review

July 2007

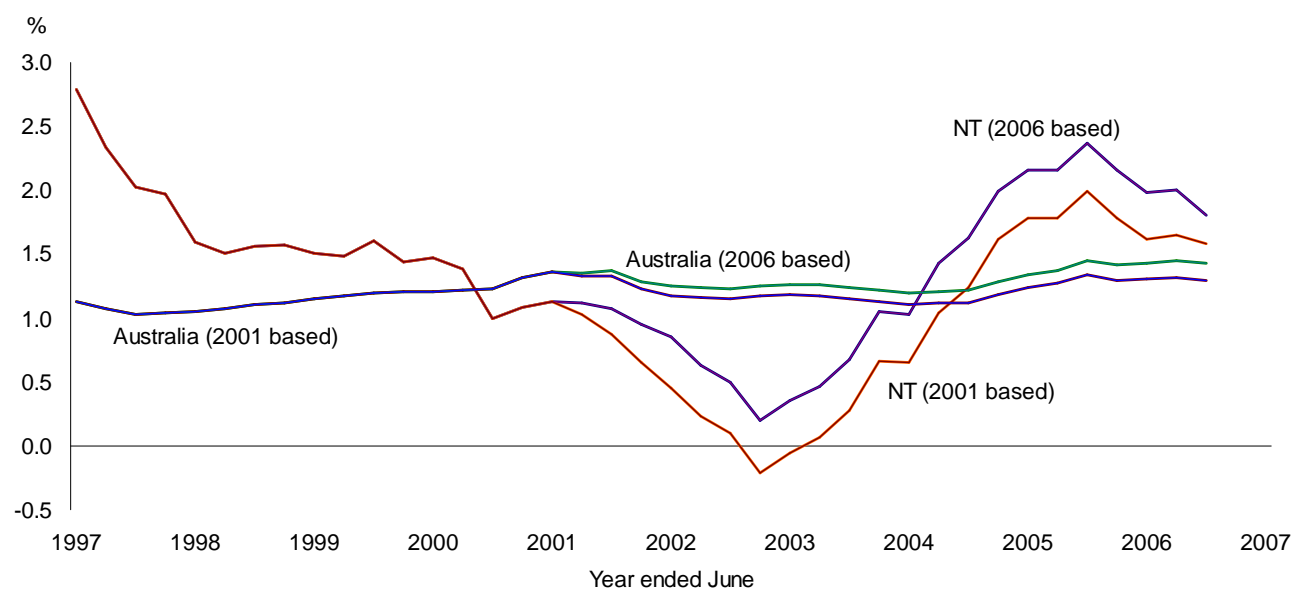
First Estimated Resident Population figures based on the 2006 Census

The ABS recently released the June, September and December quarter 2006 Estimated Resident Population (ERP) based on the 2006 Census. ERP figures incorporate the actual Census count plus other adjustments such as those for usual residence and Census undercount. The ABS also backdated the ERP series to 2001 so that earlier figures reflected the 2006 Census base. In addition to the new base, the latest ERP figures also incorporate some other important changes. The estimate of Census undercount was based on an improved survey methodology that was for the first time extended to remote areas of Australia, and an improved estimation methodology.

ABS has advised that this Census was more difficult to conduct than previous Censuses, and the Census undercount estimate across the nation was also much higher than in 2001. In the Territory, it increased more than in other jurisdictions. The undercount rate for the Territory was 7.6 per cent, representing 15 909 people, more than double the 2001 figure. For Greater Darwin the rate was 5.5 per cent compared with 10.1 per cent for the rest of the Territory. Both the size of the undercount and the urban/rest of Territory differences create significant problems for users of Census counts as these data are not adjusted for undercount.

The final ERP for 30 June 2006 was nearly 4000 higher than the ERP for the same date based on the 2001 Census. This difference is known as intercensal discrepancy. The reasons for intercensal discrepancy may include failure of the ABS Medicare model to completely and accurately estimate interstate migration figures in intercensal years. For the Territory, it is probable that the improved methodology for estimating undercount has resulted in a better estimate of this undercount and hence a more accurate ERP. The ABS deals with intercensal discrepancy by distributing it equally across the 20 quarters back to September 2001. The effect of this for the Territory is to increase growth by approximately 0.4 per cent each year from the 2001 Census based figure. Chart 1 compares growth for the Territory and Australia using both the 2001 and 2006 Census bases. It can be seen that, based on the 2006 Census base, the Territory's growth rate did not fall below zero at any time in the five year period. For more information on any of the above, see Treasury's Technical Paper (Estimated Resident Population figures and the 2006 Census) on the web at <http://www.uluru.nt.gov.au/ntt/>

Chart 1: Population Growth, Northern Territory and Australia ¹



¹ Year ended June, annual percentage change

Source: Australian Demographics Statistics, ABS Cat. No. 3101.0



Territory Economic Review - July 2007

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	Latest available	Annual % change
Expenditure on GSP (2003-04 prices)									
Private Consumption	6.6	3.5	6.5	4.6	7.6	4.9	5.0	Mar Q 07	3.7
Public Consumption	7.9	1.2	0.4	2.5	3.6	3.4	2.4	Mar Q 07	1.9
Total Consumption Expenditure	7.2	2.5	3.8	3.7	5.9	4.3	3.9	Mar Q 07	3.0
Private Investment									
<i>Dwellings</i>	-25.2	-40.4	3.8	9.3	-1.9	38.5	3.0	Mar Q 07	1.0
<i>Other buildings and structures</i>	-58.8	-22.8	125.6	26.5	8.6	0.8	6.1	Mar Q 07	2.0
<i>Machinery and equipment</i>	11.9	31.1	2.5	6.3	8.8	-10.9	32.7	Mar Q 07	-38.4
<i>Livestock</i>	-11.1	43.8	8.7	-56.0	163.6	-3.4	3.6	Mar Q 07	-44.8
<i>Intangible fixed assets</i> **	-17.5	-17.1	50.0	-42.2	-19.2	60.3	98.0	Mar Q 07	-4.0
<i>Ownership transfer costs</i>	-7.3	-20.2	15.5	4.9	24.4	7.5	8.7	Mar Q 07	17.9
Business Investment [#]	-39.9	-1.6	54.2	7.8	9.3	0.7	18.6	Mar Q 07	-10.3
Total Private Investment	-36.1	-11.7	45.4	8.0	7.7	5.4	15.8	Mar Q 07	-8.1
Public Investment	41.8	46.6	18.8	-33.2	1.4	25.9	-4.7	Mar Q 07	21.3
Total Investment	-30.0	-2.5	39.1	-0.3	6.9	8.1	12.7	Mar Q 07	-4.3
State Final Demand	-5.0	1.6	12.1	2.3	6.2	5.4	6.5	Mar Q 07	0.8
State Final Demand less L-C and B-U^{##}	2.8	1.7	10.8	0.7	5.0	10.5	8.0	Mar Q 07	0.8
International Trade - export of goods	47.2	30.0	-22.6	-11.0	-23.7	-6.2	-1.7	Mar Q 07	43.4
International Trade - import of goods	178.2	-62.0	15.1	29.9	4.1	107.5	27.4	Mar Q 07	33.6
Total Gross State Product	1.1	5.5	1.6	0.2	0.2	6.0	7.5		
Contribution to GSP Growth									
Private Consumption	2.7	1.6	2.7	2.0	3.6	2.4	2.8		
Public Consumption	2.6	0.4	0.1	0.9	1.2	1.2	0.8		
Private Investment	-12.2	-2.5	8.1	2.1	2.1	1.6	4.4		
Public Investment	1.2	1.8	1.0	-2.1	0.0	1.1	-0.2		
State Final Demand	-5.6	1.7	12.1	2.6	7.0	6.4	7.7		
Net International Exports	2.8	23.4	-12.4	-7.5	-8.9	-12.1	-5.9		
Balancing item	3.9	-19.6	1.9	5.2	2.0	11.7	5.7		
Gross State Product	1.1	5.5	1.6	0.2	0.2	6.0	7.5		

* 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	Latest	Annual % change**
Real Retail Turnover	5.8	-0.7	4.1	2.2	5.1	5.3	2.8	Mar Q 07	10.7
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	May 07	11.6
Tourist Accommodation Takings	16.8	1.5	-1.0	-0.1	2.8	13.6	3.4	Dec Q 06	17.6
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	Apr 07	17.7
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	Mar Q 07	47.9
Employment	-2.3	1.5	4.6	1.1	-2.9	-1.3	3.0	May 07	3.3
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	May 07	-6.3
Darwin Consumer Price Index (year average) ^{##}	1.4	5.4	2.2	2.3	1.4	2.2	3.4	Mar Q 07	4.0
AWOTE [#] (year average)	4.5	3.0	3.4	6.3	6.2	7.0	0.8	Feb Q 07	2.1
Wage Price index (year average)	2.6	2.9	3.1	3.1	3.3	4.5	3.9	Feb Q 07	3.9
Population, December (levels - thousands) ^{##}	194.3	196.3	198.4	199.3	200.7	204.0	208.8	Dec Q 06	212.6
Population (annual % change) ^{##}	1.6	1.0	1.1	0.5	0.7	1.6	2.4	Dec Q 06	1.8
Net Interstate Migration (levels - number) ^{##}	-817	-1621	-2049	-3069	-2895	-1097	520	Dec Q 06	-110.0

* 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	Latest	Level
Interest Rates									
90 Day Bank Bill (as at 30 June)	6.17	5.02	5.11	4.67	5.50	5.66	5.97	29 Jun 07	6.43
10 Year Govt Bond Yield (as at 30 June)	6.16	6.04	5.99	5.01	5.87	5.11	5.79	29 Jun 07	6.26
Exchange Rates									
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	29 Jun 07	0.79
US\$ per A\$ (as at 30 June)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	29 Jun 07	0.85
Special Drawing Rights [†] per A\$ (as at 30 June)	0.45	0.41	0.43	0.48	0.47	0.52	0.51	29 Jun 07	0.56
Trade Weighted Index of A\$ (as at 30 June)	53.60	49.80	52.30	59.40	59.06	64.50	62.24	29 Jun 07	68.92

[†] 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

July 2007			
ABS	8501.0	Retail Trade, Australia, May 2007	03-Jul-07
ABS	8731.0	Building Approvals, Australia, May 2007	03-Jul-07
ABS	5368.0	International Trade in Goods and Services, Australia, May 2007	04-Jul-07
ABS	3401.0	Overseas Arrivals and Departures, Australia, May 2007 (<i>no brief</i>)	06-Jul-07
ABS	8635.0	Tourist Accommodation (8635.7.55.001) March Quarter 2007	06-Jul-07
ANZ		ANZ job ads series (<i>no brief</i>), June 2007	09-Jul-07
ABS	5609.0	Housing Finance, Australia, May 2007	10-Jul-07
ABS	5671.0	Lending Finance, Australia, May 2007	11-Jul-07
Access		Access Economics Five Year Business Outlook, June 2007	11-Jul-07
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	11-Jul-07
ABS	6202.0	Labour Force, Australia, June 2007	12-Jul-07
AAA		Petrol Prices, June 2007	Mid-July
ABS	8762.0	Engineering Activity, March Quarter 2007	17-Jul-07
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures (<i>no brief</i>)	18-Jul-07
ABS	8752.0	Building Activity, March Quarter 2007	18-Jul-07
Westpac-MI		Leading Index (<i>no brief</i>)	18-Jul-07
ABS	6291.0.55.001	Labour Force by Industry (<i>no brief</i>)	19-Jul-07
ABS	6457.0	International Trade Price Indexes, Australia, June Quarter 2007	20-Jul-07
ABS	9314.0	Sales of New Motor Vehicles, Australia, June 2007	20-Jul-07
ABS	6427.0	Producer Price Indexes, Australia, June Quarter 2007	23-Jul-07
ABS	6401.0	Consumer Price Index, Australia, June Quarter 2007	25-Jul-07
DEWRBSB		Skilled Vacancy Survey	25-Jul-07
ABS	8731.0	Building Approvals, Australia, June 2007	31-Jul-07
August 2007			
ABS	5368.0	International Trade in Goods & Services, June 2007	01-Aug-07
ABS	8501.0	Retail Trade, June 2007	01-Aug-07
ABS	3401.0	Overseas Arrivals and Departures, Australia (<i>no brief</i>), June 2007	03-Aug-07
ANZ		ANZ job ads series (<i>no brief</i>), July 2007	06-Aug-07
ABS	5609.0	Housing Finance, June 2007	08-Aug-07
ABS	6416.0	House Price Indexes: Eight Capital Cities, June Quarter 2007	08-Aug-07
ABS	6202.0.55.001	Labour Force, July 2007	09-Aug-07
ABS	5671.0	Lending Finance, June 2007	10-Aug-07
AAA		Petrol Prices, July 2007	Mid Aug-07
ABS	6345.0	Labour Price Index (Wage Cost Index), June Quarter 2007	15-Aug-07
ABS	6291.0.55.001	Labour Force by Industry (<i>no brief</i>), July 2007	16-Aug-07
ABS	6302.0	Average Weekly Earnings, May Quarter 2007	16-Aug-07
ABS	9314.0.55.001	Sales of New Motor Vehicles, July 2007	22-Aug-07
DEWRBSB		Skilled Vacancy Survey	22-Aug-07
Sensis		Sensis Business Index	28-Aug-07
ABS	8755.0	Construction Work Done, June Quarter 2007	29-Aug-07
ABS	5302.0	Balance of Payments, June Quarter 2007	30-Aug-07
ABS	5625.0	Private New Capital Expenditure (<i>no brief</i>), June Quarter 2007	30-Aug-07
ABS	5368.0	International Trade in Goods & Services, July 2007	31-Aug-07
ABS	8501.0	Retail Trade, July 2007	31-Aug-07

Gross Domestic Product

Australia's Gross Domestic Product (GDP) in seasonally adjusted terms increased by 1.6 per cent in the March quarter 2007, and increased by 2.7 per cent in year on year terms (see chart). Growth in the March quarter 2007 was driven by increases in gross fixed private capital formation (investment) which contributed 1.3 percentage points to the quarterly growth rate. In year on year terms, GDP growth was underpinned by solid domestic demand (consumption and investment), which increased by 4.0 percent.

On the production side, the construction industry continued to be the driver of growth in 2007, and was supported by growth in the 'cultural and recreational services' industry. The 'agriculture, forestry and fishing', 'electricity, gas and water supply' and 'manufacturing' industries subtracted from the overall growth rate in the year.

State Final Demand

Territory State Final Demand (SFD) increased by 2.6 per cent in seasonally adjusted terms in the March quarter 2007. In year on year terms, Territory SFD increased by 1.5 per cent (see chart).

Year on year, total investment decreased by 3.0 per cent taking 0.9 percentage points from SFD growth. The largest component of total investment is private investment, subtracting 1.0 percentage point of SFD growth. Public investment increased in the year, adding 0.04 percentage points to growth. Total consumption increased by 3.6 per cent in the year, contributing 2.4 percentage points to SFD growth. Household consumption expenditure was the main contributor to the increase in total consumption, adding 1.5 percentage points, with a modest increase in government consumption expenditure, of 1.0 percentage point.

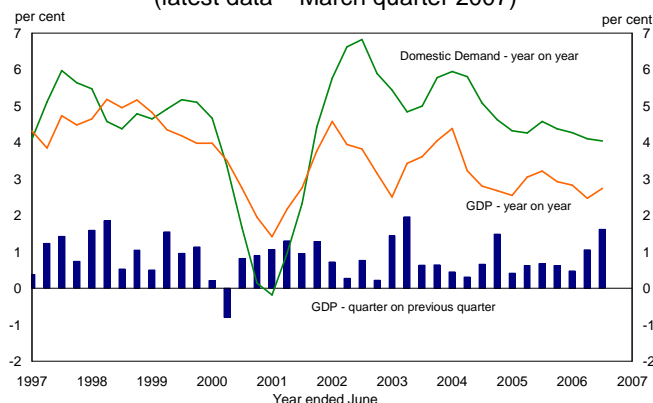
Population

Northern Territory resident population is estimated to have increased by 0.3 per cent in the December quarter 2006, to 212 551. This is the fifteenth consecutive quarterly population increase. In annual terms, Territory population growth is estimated to have increased by 1.8 per cent. This was the third highest growth of the jurisdictions and above national growth of 1.4 per cent through the year, to an estimated 20.9 million Australian residents.

The Territory's estimated resident population increased by 642 persons in the December quarter 2006, compared to an increase of 1024 in the December quarter 2005. Natural increase (births less deaths), and net overseas migration made positive contributions to growth in the quarter.

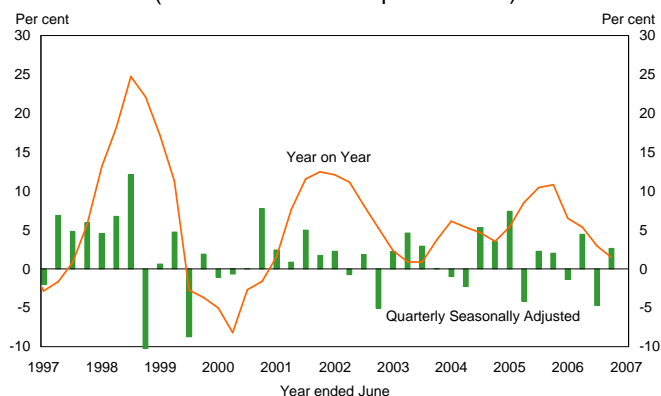
- Natural increase (births less deaths) 645
- Net overseas migration 107
- Net interstate migration -110
- Total population growth 642

Gross Domestic Product (latest data – March quarter 2007)



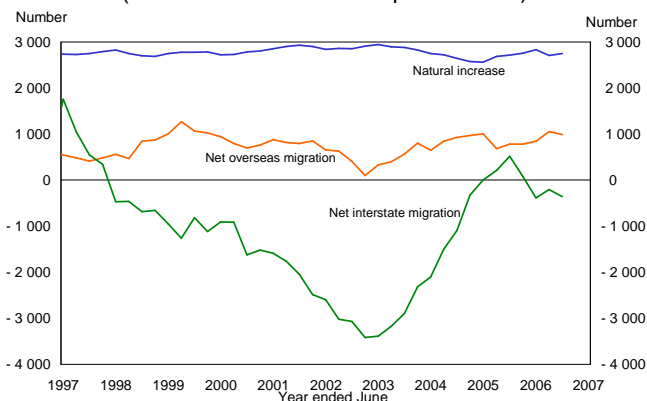
Source: ABS Cat. No. 5206.0

State Final Demand (latest data – March quarter 2007)



Source: ABS Cat. No. 5206.0

Northern Territory Population Components* (latest data – December quarter 2006)



* moving annual total
Source: ABS Cat. No. 3101.0

Retail Turnover

Seasonally adjusted retail turnover in the Territory increased by 0.4 per cent in April 2007 and by 0.1 per cent nationally. In year on year terms, retail turnover in current prices increased by 11.8 per cent in the Territory, the highest growth of the jurisdictions and well above the national level (see chart).

Total retail expenditure is divided, by the Australian Bureau of Statistics (ABS), into six broad categories. In the month of April 2007 (in original terms) current price retail turnover in the Territory totalled \$186 million. Of this total expenditure, 47.7 per cent (or \$89 million) was on 'food', 17.4 per cent (\$32 million) was on 'hospitality and services', 13.9 per cent (\$26 million) was on 'household goods', 12.9 per cent (\$24 million) was on 'department stores and other retailing', 4.3 per cent (\$8 million) was on 'clothing and soft goods', leaving the remaining 3.8 per cent (\$7 million) expenditure on recreation related goods.

Sales of New Motor Vehicles

Territory trend new motor vehicle sales increased by 0.4 per cent in May 2007 to 837 (see chart). Sales of passenger vehicles decreased in the month by 0.3 per cent, while sales of SUV's increased 0.6 per cent and sales of 'other' vehicles increased by 1.8 per cent. Nationally, the total level of motor vehicle sales increased 0.2 per cent in the month of May 2007.

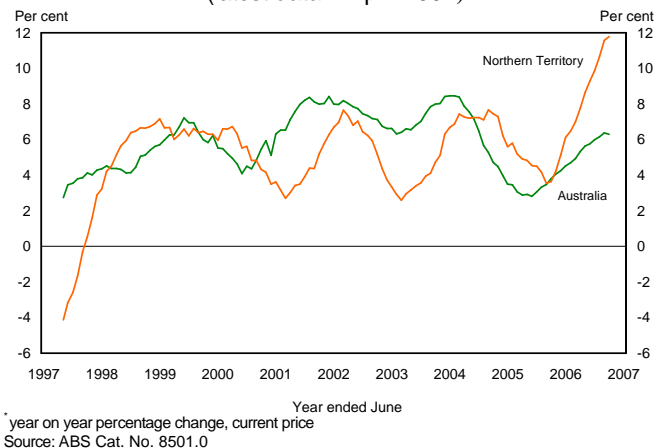
In the year to May 2007, Territory new motor vehicle sales increased by 2.2 per cent to 9 626, the highest year on year growth rate since May 2006. Passenger and SUV vehicle sales contributed 2.3 and 0.8 percentage points to the total increase in sales, respectively, while a decrease in the sale of 'other' vehicles subtracted 0.9 percentage points from this improvement. Nationally, sales of new motor vehicles increased 1.9 per cent in the year to May 2007.

Petrol Prices

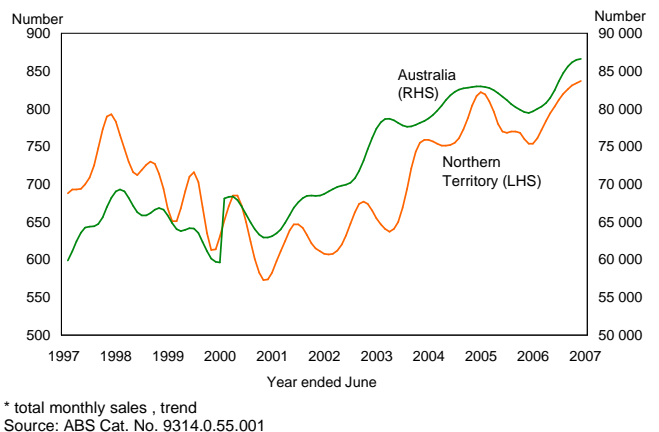
In May 2007, fuel prices increased by 2.5 cpl in Darwin to 137.8 cpl while the eight capital cities weighted average price increased by 4.9 cpl to 129.5 cpl. This represents a 8.3 cpl price differential between Darwin and the eight capital cities weighted average. Compared to May 2006 petrol prices in Darwin have decreased by 4.4 cpl, while nationally the eight capital cities weighted average price decreased by 3.6 cpl. Over the long term, petrol prices in Darwin track other capital cities, though tend to remain higher due to distance from refineries and other competitive factors (see chart).

In A\$ terms, crude oil prices increased by 0.5 per cent in May 2007, averaging A\$91.04 a barrel. Crude oil prices have decreased significantly from the peak reported in mid 2006, as growth in world oil consumption has eased despite world demand for 2007 being revised up 2 per cent to 1.7 million barrels per day. The sustained uncertainty in Nigeria will continue to place upward pressure on crude oil prices.

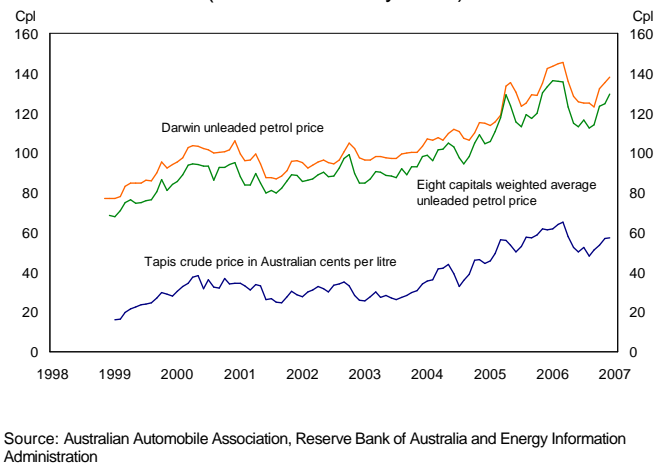
Retail Turnover* (latest data – April 2007)



Motor Vehicle Sales* (latest data – May 2007)



Petrol Prices (latest data – May 2007)



Sensis Business index

In the May quarter 2007, Sensis reports Territory business confidence, regarding prospects for the next twelve months, decreased by 5 percentage points to a net balance of 63 per cent, the fourth highest of the jurisdictions. Business confidence in the Territory has remained equal to or above national business confidence for the past eleven quarters (see chart). The net balance is defined as the difference between the percentage of positive and negative responses.

The May 2007 survey reports on actual outcomes from the previous February quarter, as well as expectations for the upcoming quarter and year. The Northern Territory reported positive net balances for all indicators except capital expenditure which decreased by 2 per cent. Territory SME's reported the size of the workforce was lower than expected in the May quarter 2007, possibly reflecting skills shortages in the Territory and difficulty in recruiting. Nationally, 'actual' experience was below 'expectations' for all performance indicators in the May quarter 2007.

Dwelling Commencements

In original terms, Territory dwelling commencements increased by 18.9 per cent (to 346) in the March quarter 2007. Nationally, seasonally adjusted quarterly commencements (the figure usually reported in the media) increased by 1.3 per cent in the quarter.

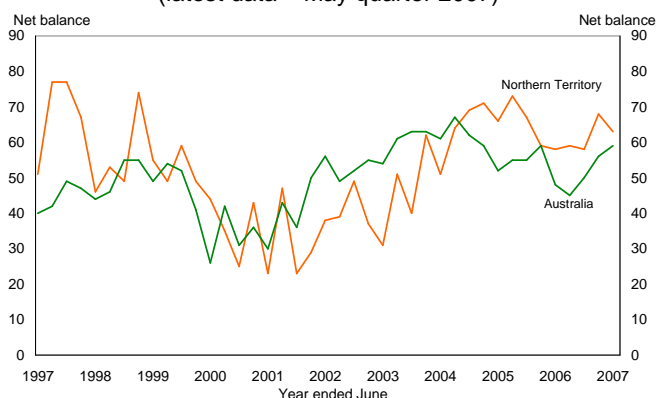
In year on year terms, total Territory dwelling commencements increased by 1.5 per cent to 1 288. Of this total, 1 178 commencements were in the private sector and 111 were in the public sector (see chart). Further analysis of the dwelling commencement data over this period show that 721 of the total commencements were 'houses' while 505 were for 'other' dwellings and 63 were 'conversions'. Prospects remain positive for house and unit commencements, however potential exists for consumer and investor confidence to be influenced by recent interest rate increases and declining housing affordability.

Mineral and Petroleum Exploration

Mineral exploration in the Territory has increased significantly in recent years, in response to increased commodity prices and demand, particularly from China. Private mineral exploration expenditure (including exploration for uranium) increased by 36.9 per cent to \$89 million in the year to March 2007. Expenditure on uranium exploration was the main driver, increasing by 428 per cent to \$26 million. Expenditure on exploration for other minerals (including base metals and mineral sands) increased by 297 per cent to \$23 million over the same period.

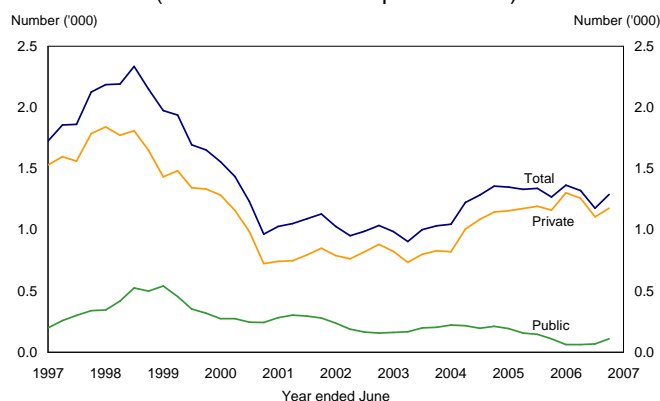
Expenditure on oil and gas exploration has increased 10-fold in the past 3 years, driven by strong global economic growth and significant increases in oil and gas prices. Expenditure in the Territory on oil and gas exploration has increased from \$34.3 million in the year to March 2004, to \$340 million in the year to March 2007.

Sensis Business Index (latest data – May quarter 2007)



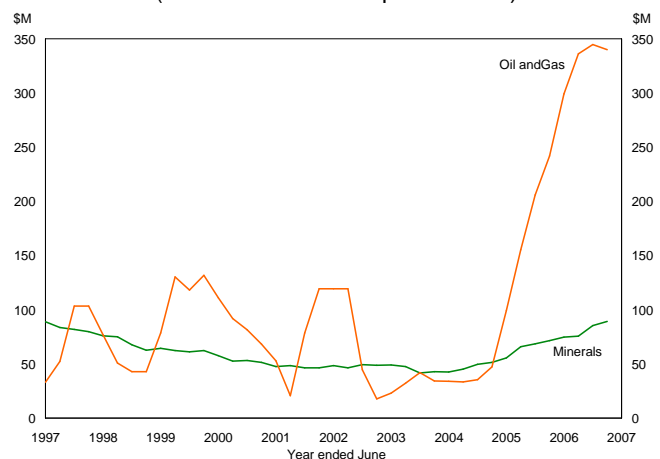
Source: Sensis Business Report, February quarter 2007

Dwelling Commencements* (latest data – March quarter 2006)



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

Mineral and Petroleum Exploration* (latest data – March quarter 2007)



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

Building Approvals

In the Territory, residential building approvals increased by 20 to 131 (in original terms) in April 2007. Of these 131 approvals, there were 107 private and 24 public sector approvals in the month. Of the private sector approvals in the month, 64 were for 'other residential' and 41 for 'houses'. There was 1 approval each for 'alterations and additions' and 'conversions', while 'residential building in a non-residential facility' (such as a care-taker or park-ranger dwelling) had no approvals in April. In the public sector there were 24 approvals for 'houses' and zero approvals in all other categories.

In the year to April 2007, residential building approvals in the Territory decreased by 0.7 per cent to 1 421 (see chart). Of the 1 421 residential building, 1 263 were in the private sector, with the remaining 158 approvals in the public sector.

Housing Finance for Owner Occupation

In April 2007, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 5.3 per cent to 484, while nationally, commitments increased 2.2 per cent. In annual terms, the number of Territory finance commitments decreased by 28.6 per cent, compared to an 8.6 per cent increase nationally.

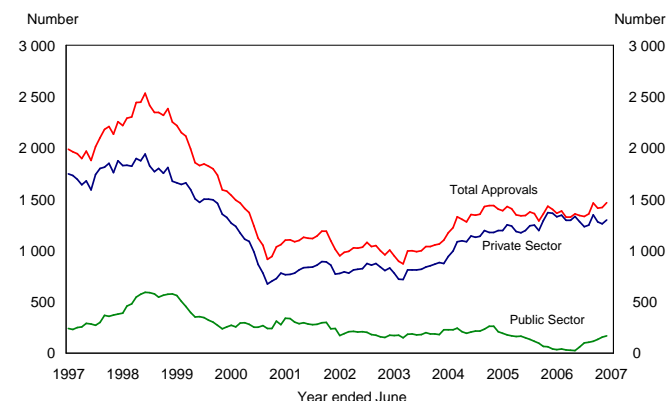
The components of housing finance are only available in original terms. Housing finance commitments in original terms decreased by 21.2 per cent in the month of April, largely due to a decrease in finance for the purchase of an established dwelling (down by 102 or 19.6 per cent) and refinancing (down by 23 or 16.8 per cent). Since peaking in May 2005 the number of first homebuyer commitments in the Territory has been moderating. In the year to April 2007, there has been a decline of 34.6 per cent (see chart), compared to an increased of 4.9 per cent nationally.

Housing Affordability

Territory housing remains considerably more affordable than nationally, and as the chart shows, is the second most affordable of the jurisdictions (behind the Australian Capital Territory). This is despite a decrease of affordability in the Territory, (by 6.0 per cent) in the March quarter 2007, compared to a 1.4 per cent increase in affordability at the national level. When compared to the March quarter 2006, housing affordability in the Territory has declined by 16.3 per cent, larger than the deterioration of 8.0 per cent at the national level.

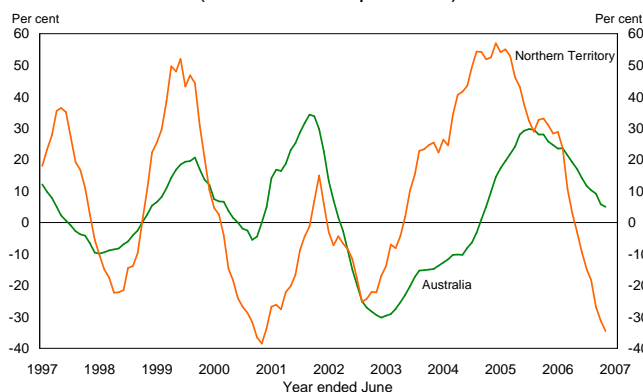
The decrease in Territory housing affordability in the quarter was associated with an increase in the average housing loan size (by 5.7 per cent) to \$217 018, coinciding with a modest decrease in median family income (down by 1.2 per cent in the quarter). In the March quarter 2007 Darwin's median house price increased by 5.4 per cent to \$390 000, 16.4 per cent higher than the median house price in March 2006.

Building Approvals* (latest data – April 2007)



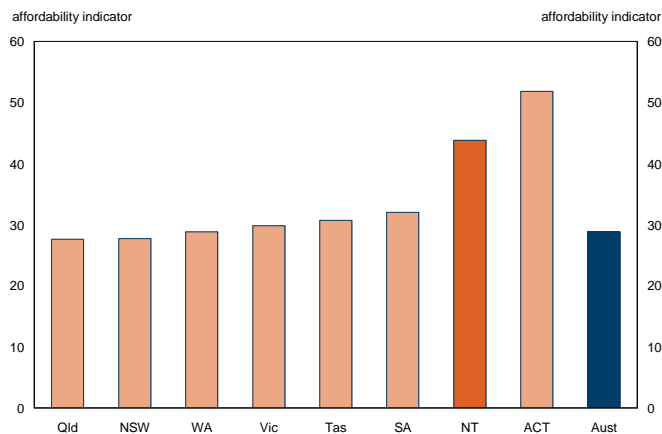
* moving annual total
Source: ABS Cat. Nos. 8731.0

Growth in number of first homebuyer commitments* (latest data – April 2007)



* year on year percentage change
Source: ABS Cat. Nos. 5609.0

Housing Affordability Indicator (latest data – March quarter 2007)



Source: AMP, REIA

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 by 121 to 103 753 in May 2007. Nationally, seasonally adjusted employment increased by 39 384 in the month to about 10.5 million employed persons.

A comparison of Territory (trend) resident employment in May 2007 with resident employment in May 2006 shows an increase of 2.8 per cent, the third highest annual growth rate of the jurisdictions (behind Queensland and Victoria). In year on year terms, a more stable measure of growth, employment has increased by 5.7 per cent (in original terms).

Unemployment

The Territory's trend unemployment rate was 4.6 per cent in May 2007 up from (a revised) 4.3 per cent reported in April 2007. Compared to May 2006, the unemployment rate has decreased by 0.4 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 May 2007 the Territory reported the fourth lowest trend unemployment rate of the jurisdictions (behind Western Australia, the ACT and Queensland).

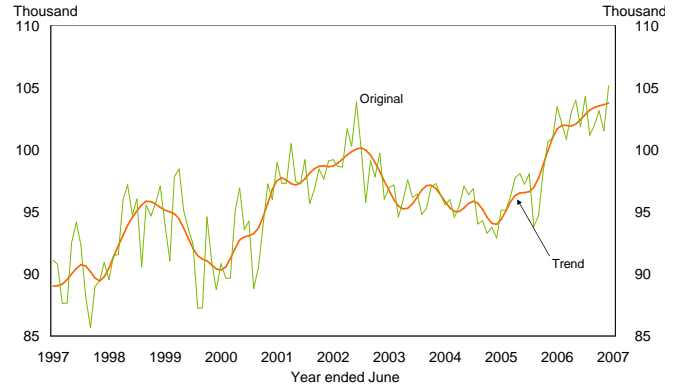
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased to 4.2 per cent in May 2007, down slightly from 4.4 per cent reported in the previous month. This represents a new year 30 year low.

International Merchandise Trade

Territory merchandise exports increased by 49.3 per cent in the year to April 2007. Over the same period, the value of merchandise imports to the Territory increased by 19.7 per cent, mainly attributable to aircraft imports to Australia where the Territory was recorded as the 'port of entry' for customs purposes. This is primarily a fleet of 20 new Airbus A-320's imported from France, by Jetstar. Higher fuel prices and the importation of machinery and equipment for major projects, have also contributed to the increasing value of imports into the Territory in the year.

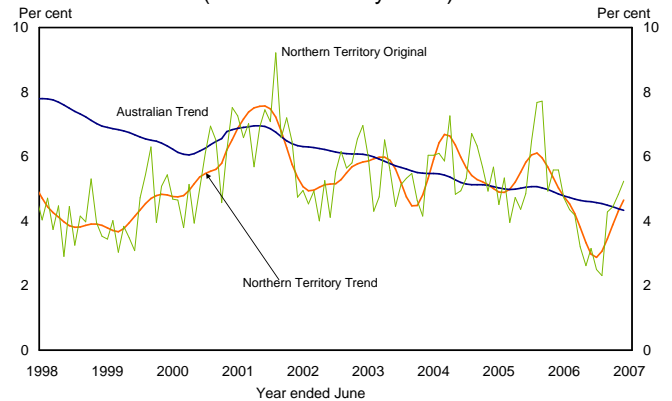
The Territory's goods trade balance increased by \$763 million in the year to April 2007, to a surplus of \$794 million (see chart). The Territory's trade surplus is expected to further improve in 2006-07 with the combined effect of increased LNG, alumina and manganese exports and reduced imports to the Territory.

Territory Employment (latest data – May 2007)



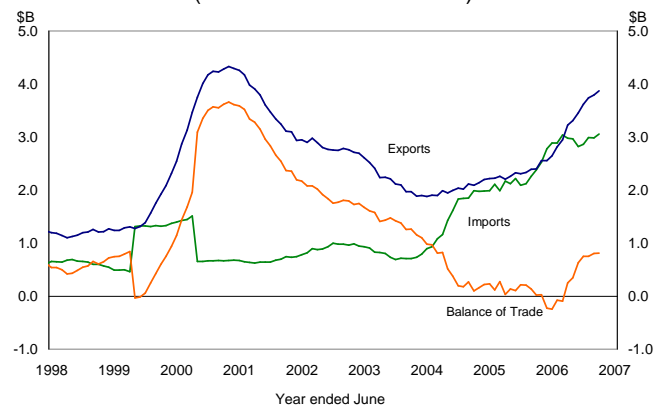
Source: ABS Cat. No. 6202.0

Territory Unemployment (latest data – May 2007)



Source: ABS Cat. No. 6202.0

Territory Merchandise Trade Balance* (latest data – March 2007)



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

GLOSSARY

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.

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross State/Domestic Product ^(a)	2005-06	% change	7.5	1.4	2.7	4.9	2.2	4.9	3.1	3.4	2.8
State Final Demand ^(a)	Year to March 07	% change	1.5	1.9	2.6	7.0	2.3	10.5	-1.8	6.6	4.0
International Goods Exports	Year to April 07	% change	49.3	6.8	8.2	4.2	5.7	27.9	28.2	0.0	13.0
International Goods Imports	Year to April 07	% change	19.7	10.1	5.2	12.3	7.6	24.7	20.5	4400.0	11.2
Demography											
Population	Dec-05 Qtr to Dec-06 Qtr	% change	1.8	0.9	1.5	2.0	1.0	2.1	0.6	1.2	1.4
Labour Market											
Employment (trend)	May 06 to May 07	% change	2.8	1.7	3.2	5.1	0.7	2.5	0.8	2.3	2.8
Participation Rate (trend)	As at May 06	%	70.8	62.9	64.4	66.4	62.1	67.7	61.3	72.7	64.6
	As at May 07	%	70.8	63.1	65.1	67.4	61.8	67.5	60.1	73.1	64.9
Unemployment Rate (trend)	As at May 06	%	5.0	5.2	5.1	4.6	4.9	3.5	6.5	3.1	4.8
	As at May 07	%	4.6	5.0	4.7	3.5	4.9	2.9	4.8	3.0	4.3
ANZ Job Ads	Year to May 07	% change	7.5	-11.3	-6.1	-2.1	2.0	11.2	-2.3	9.9	-2.3
Prices and Wages											
Consumer Price Index	Mar 06 Q to Mar 07 Q	% change	4.0	2.2	2.2	2.9	1.8	3.5	2.1	2.4	2.4
	Year to Mar 07 Q	% change	4.5	3.2	3.1	3.7	3.1	4.3	2.8	3.6	3.4
Average Weekly Earnings (full-time adult total earnings)	As at February 07	\$	1082.4	1156.9	1097.9	1061.5	1060.0	1191.4	1025.6	1291.8	1119.4
Housing Sector											
Building Approvals (number)	Year to April 07	% change	-0.7	-4.5	-1.3	3.8	-4.3	0.1	14.0	26.7	-0.1
Housing Finance for Owner Occupation (number)	Year to April 07	% change	-16.5	9.4	7.4	12.0	9.5	4.3	4.1	18.9	8.5
Housing Affordability Indicator ^(b)	As at March quarter 07	Level	43.8	27.7	29.8	27.6	32.0	28.8	30.7	51.8	28.8
Consumer Spending											
Retail Trade (current \$)	Year to April 07	% change	11.8	4.8	6.0	6.6	6.3	11.2	3.6	7.9	6.3
New Motor Vehicle Sales (No.)	Year to May 07	% change	2.2	1.1	-1.0	3.3	-3.3	11.6	-3.5	4.8	1.9
Tourist Accommodation - Takings (current \$)	Year to December 06	% change	9.5	7.1	12.2	8.8	11.3	15.6	6.2	12.6	9.6

* 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 Bank job advertisement series, AMP Home Loan 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.