

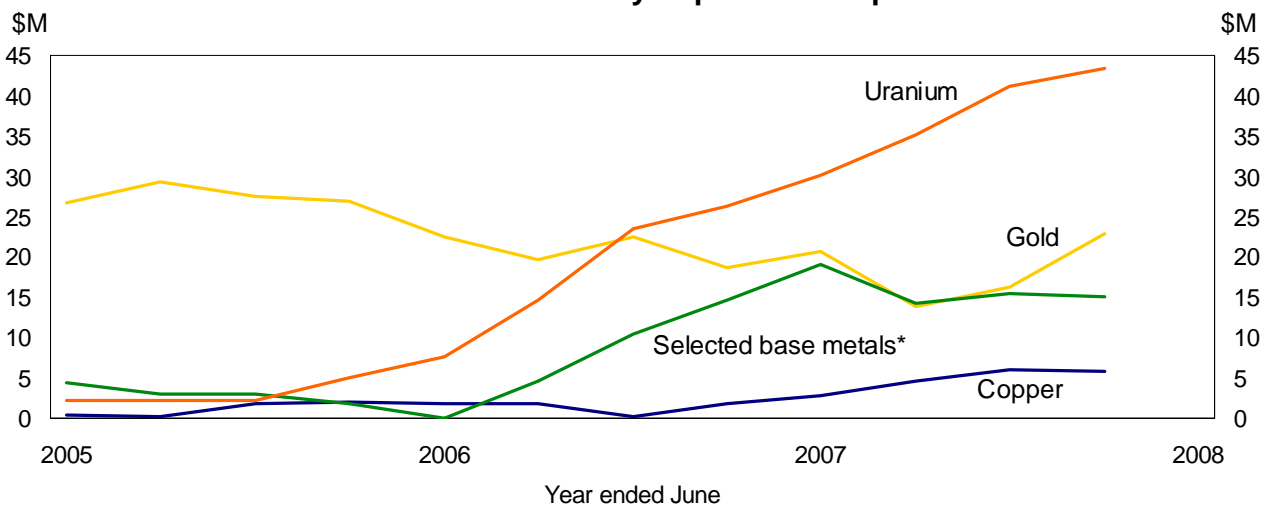
THE NORTHERN TERRITORY'S BOOMING RESOURCES SECTOR

17th century American humorist and lecturer Josh Billings once said; "An Economy is a savings-bank, into which men drop pennies, and get dollars in return." This could well apply to the Territory economy, where past and current investment into resource and infrastructure projects, such as the \$35 million investment by the Territory Government to construct an overland conveyor at East Arm Wharf, is expected to produce generous dividends for Territorians. Territory merchandise exports continue to report solid growth, particularly in mineral ores exports, pumping money back into the pockets of Territorians in the form of higher salaries and employment while also providing a stimulus to our strong economy through robust consumer spending. Although global financial markets have suffered some negative shocks associated with the credit crunch and the US sub-prime lending crisis, the commodities boom appears to be in no mood to slow down.

As Reserve Bank Governor Glenn Stevens stated in a June 13 2008 speech, the positive impact of high contract prices, for a number of commodities, are currently taking effect, and as such mining companies are looking to invest significant amounts into mineral exploration. Expenditure for mineral exploration in the Territory has grown significantly, especially for uranium which at \$43.4 million, now represents 37 per cent of total exploration expenditure (see Chart 1), and contributed 19.1 percentage points to total growth of 32.3 per cent in the year to March 2008. The contribution of gold and copper exploration were also strong in the year, contributing 4.7 and 4.6 percentage points to growth respectively, while selected base metals (which includes silver, lead-zinc, nickel and cobalt) grew 3.4 per cent in the year, contributing 0.6 of a percentage point to total growth.

Even though the fallout from the sub-prime mortgage crisis has brought the US to the brink of recession and high oil prices are dampening global economic growth, the ongoing economic expansion in China and India appears to be withstanding these threats relatively well. According to Consensus Forecasts, economic growth for China is forecast to be 10.1 per cent in 2008 and 8.1 per cent for India in 2008-09, indicating that the current turmoil playing out in global markets is not expected to have a significant affect on Chinese and Indian economic growth. If Consensus Forecasts are correct, demand for Territory resources should remain strong over the next 12 months, insulating the Territory economy from much of the economic slowdown in the United States.

Chart 1: Northern Territory Exploration Expenditure



* Selected base metals includes silver, lead-zinc, nickel and cobalt
Source: ABS Cat. No. 8412.0

Northern Territory State Final Demand and Gross State Product											
Year ended June	Percentage Change	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Latest available	Annual % change
Expenditure on GSP (2003-04 prices)											
Private Consumption		6.5	3.5	6.5	4.6	6.4	4.8	5.7	4.8	Mar Q 08	12.3
Public Consumption		7.6	1.1	0.4	2.5	4.6	3.2	2.2	4.5	Mar Q 08	3.6
Total Consumption Expenditure		7.0	2.4	3.8	3.7	5.6	4.1	4.2	4.7	Mar Q 08	8.6
Private Investment											
<i>Dwellings</i>		-25.2	-40.1	3.4	9.8	-3.5	27.6	14.5	-3.9	Mar Q 08	-17.6
<i>Other buildings and structures</i>		-59.0	-22.6	125.4	26.6	6.5	0.7	4.5	-4.0	Mar Q 08	-37.8
<i>Machinery and equipment</i>		11.5	30.9	2.3	6.7	11.7	-11.7	28.9	5.7	Mar Q 08	111.2
<i>Livestock</i>		-7.1	46.2	5.3	-55.0	222.2	-6.9	11.1	-26.7	Mar Q 08	9.1
<i>Intangible fixed assets**</i>		-19.0	-16.8	50.0	-42.2	-19.0	62.1	96.7	-4.0	Mar Q 08	44.0
<i>Ownership transfer costs</i>		-8.4	-21.1	15.1	5.1	27.9	6.8	10.6	-2.5	Mar Q 08	-34.1
Business Investment#		-40.2	-1.7	54.6	7.9	9.7	0.5	17.0	-2.7	Mar Q 08	-1.1
Total Private Investment		-36.2	-11.4	45.0	8.0	8.5	3.8	16.4	-2.9	Mar Q 08	-5.1
Public Investment		46.2	46.4	19.0	-33.2	1.5	25.7	1.9	-3.3	Mar Q 08	-6.3
Total Investment		-29.9	-2.1	38.7	-0.5	7.5	6.7	14.2	-2.9	Mar Q 08	-5.3
State Final Demand		-5.0	1.5	12.0	2.3	6.2	4.8	7.1	2.3	Mar Q 08	4.7
State Final Demand less L-C and B-U##		2.5	1.6	10.8	0.8	5.1	9.8	8.6	2.7	Mar Q 08	
International Trade - export of goods		47.3	29.9	-22.6	-11.0	-23.7	-6.2	-1.8	44.1	Mar 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	Mar Q 08	-33.3
Total Gross State Product		7.3	5.6	1.7	0.6	2.0	5.5	5.5	5.6		
Contribution to GSP Growth											
Private Consumption		2.7	1.4	2.6	1.9	2.8	2.1	2.6	1.5		
Public Consumption		2.5	0.4	0.1	0.8	1.5	1.0	0.7	1.4		
Private Investment		-12.3	-2.3	7.7	1.9	2.2	1.0	4.4	-0.9		
Public Investment		1.3	1.8	1.0	-2.1	0.1	1.1	0.1	-0.4		
State Final Demand		-5.5	1.5	11.4	2.4	6.5	5.3	7.7	1.6		
Net International Exports		3.5	24.4	-13.2	-7.8	-9.3	-12.2	-6.1	9.1		
Balancing item		9.4	-20.4	3.5	6.0	4.8	12.4	3.9	-5.1		
Gross State Product		7.3	5.6	1.7	0.6	2.0	5.5	5.5	5.6		

* Quarter on corresponding quarter the previous year, or through the year annual per cent change ** Predominantly computer software and mineral exploration
Private investment less dwellings investment and ownership transfer costs ## Investment for the Laminaria-Corallina oilfields and Bayu-Undan Stage 1 and Stage 2 pipeline
Source: NT Treasury, Australian Bureau of Statistics data

Latest Northern Territory Economic Indicators											
Year ended June	Percentage Change*	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Latest	Annual % change**
Real Retail Turnover		5.7	-0.8	4.1	1.7	4.9	5.1	2.4	7.9	Mar Q 08	7.6
New Motor Vehicle Sales		-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	May 08	5.3
Tourist Accommodation Takings		0.0	1.5	-1.0	-0.1	2.8	13.6	3.4	14.8	Dec Q 07	11.1
Number of Dwellings Approved		-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	Apr 08	-31.3
Number of Dwellings Commenced		-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	Mar Q 08	-33.1
Employment		-2.3	1.5	4.6	1.1	-2.9	-1.3	3.0	5.3	May 08	6.0
Unemployment rate		4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	May 08	3.5
Darwin Consumer Price Index##		0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	Mar Q 08	3.9
AWOTE# (year average)		4.6	3.7	2.3	5.0	6.5	7.0	3.9	0.7	Feb Q 08	4.4
Wage Price index (year average)		2.5	2.8	3.1	3.0	3.3	3.7	4.4	3.9	Feb Q 08	3.6
Population, December (levels - thousands)###		194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.5	Dec Q 07	217.6
Population (annual % change)###		1.6	1.0	1.1	0.5	0.6	1.6	2.3	2.0	Dec Q 07	2.4
Net Interstate Migration (levels - number)###		-817	-1621	-1751	-2440	-2283	-482	726	-438	Dec Q 07	859.0

* 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 30 June)		6.17	5.02	5.11	4.67	5.50	5.66	5.97	6.43	27 Jun 08	7.82
10 Year Govt Bond Yield (as at 30 June)		6.16	6.04	5.99	5.01	5.87	5.11	5.79	6.26	27 Jun 08	6.46
Exchange Rates											
US\$ per A\$ (year average)		0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	27 Jun 08	0.90
US\$ per A\$ (as at 30 June)		0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	27 Jun 08	0.96
Special Drawing Rights per A\$ (as at 30 June)		0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	27 Jun 08	0.59
Trade Weighted Index of A\$ (as at 30 June)		53.30	49.70	52.30	59.40	59.06	64.50	62.24	68.92	27 Jun 08	73.37

* 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

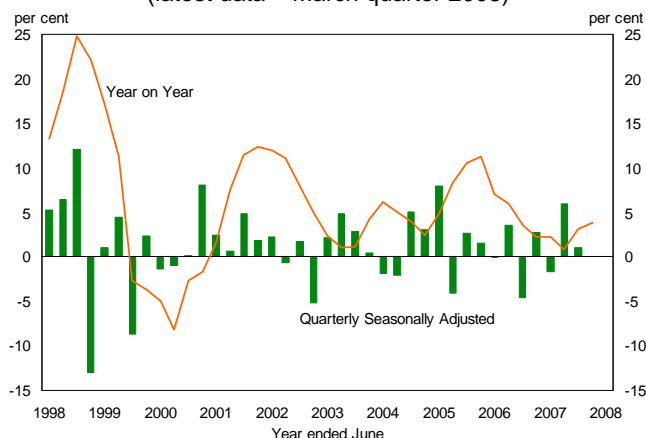
July 2008			
ABS	8762.0	Engineering Construction Activity, Australia, March Quarter 2008	01-Jul-08
ABS	8501.0	Retail Trade, Australia, May 2008	02-Jul-08
ABS	8731.0	Building Approvals, Australia, May 2008	02-Jul-08
ABS	5368.0	International Trade in Goods and Services, Australia, May 2008	03-Jul-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, May 2008 (<i>no brief</i>)	07-Jul-08
ANZ		ANZ job ads series, June 2008 (<i>no brief</i>)	07-Jul-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	09-Jul-08
ABS	5609.0	Housing Finance, Australia, May 2008	09-Jul-08
ABS	6202.0	Labour Force, Australia, June 2008	10-Jul-08
ABS	8752.0	Building Activity, Australia, March Quarter 2008	15-Jul-08
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, Australia, March Quarter 2008	15-Jul-08
AAA		Petrol Prices, June 2008	Mid-July 08
Westpac-MI		Leading Index (<i>no brief</i>)	16-Jul-08
ABS	6457.0	International Trade Price Indexes, Australia, June Quarter 2008 (<i>no brief</i>)	18-Jul-08
ABS	9314.0	Sales of New Motor Vehicles, Australia, June 2008	21-Jul-08
ABS	6401.0	Consumer Price Index, Australia, June Quarter 2008	23-Jul-08
ABS	6403.0.55.001	Average Retail Prices of Selected Items, Eight Capital Cities, June Quarter 2008	30-Jul-08
ABS	8731.0	Building Approvals, Australia, June 2008	30-Jul-08
ABS	5368.0	International Trade in Goods and Services, Australia, June 2008	31-Jul-08
ABS	8501.0	Retail Trade, Australia, June 2008	31-Jul-08
August 2008			
ABS	6416.0	House Price Indexes: Eight Capital Cities, June Quarter 2008	04-Aug-08
ANZ		ANZ job ads series, July 2008 (<i>no brief</i>)	04-Aug-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, June 2008 (<i>no brief</i>)	05-Aug-08
ABS	5609.0	Housing Finance, Australia, June 2008	06-Aug-08
ABS	6202.0	Labour Force, Australia, July 2008	07-Aug-08
ABS	5671.0	Lending Finance, Australia, June 2008	11-Aug-08
ABS	6345.0	Labour Price Index (Wage Cost Index), Australia, June Quarter 2008	13-Aug-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	13-Aug-08
ABS	6291.0.55.001	Labour Force by Industry, Australia, July 2008 (<i>no brief</i>)	14-Aug-08
ABS	6302.0	Average Weekly Earnings, Australia, May Quarter 2008	14-Aug-08
Westpac-MI		Leading Index (<i>no brief</i>)	20-Aug-08
ABS	9314.0.55.001	Sales of New Motor Vehicles, Australia, July 2008	21-Aug-08
ABS	8755.0	Construction Work Done, Australia, June Quarter 2008	27-Aug-08
ABS	5625.0	Private New Capital Expenditure, Australia, June Quarter 2008 (<i>no brief</i>)	28-Aug-08

State Final Demand

Territory State Final Demand (SFD) increased by 5.4 per cent in seasonally adjusted annual terms in March 2008. In the year to March 2008, Territory SFD increased by 3.8 per cent (see chart).

In March 2008, in seasonally adjusted terms, total investment decreased by 2.6 per cent subtracting 0.8 percentage points from annual SFD growth. The largest component of total investment that detracted from SFD growth was non-dwelling construction which subtracted 4.8 percentage points. Public investment decreased over the year, subtracting 0.3 percentage points from growth. Total consumption increased by 8.7 per cent over the year, contributing 6.1 percentage points to SFD growth. Household consumption expenditure was the main contributor to the increase in total consumption, adding 5.1 percentage points, while an increase in government consumption expenditure contributed 1.0 percentage point to total SFD growth over the year to March 2008.

State Final Demand (latest data – March quarter 2008)



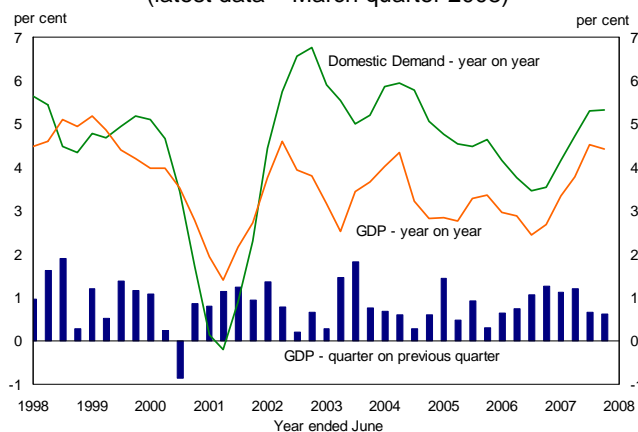
Source: ABS Cat. No. 5206.0

Gross Domestic Product

Australia's Gross Domestic Product (GDP) in seasonally adjusted terms increased by 0.6 per cent in the March quarter 2008, and increased by 3.6 per cent through the year. Growth in the March quarter 2008 was driven by increases in household consumption and public gross fixed capital formation (investment) which contributed 0.4 and 0.3 percentage points respectively to the quarterly growth rate. Over the year to March 2008, GDP growth was underpinned by solid household consumption and business investment, contributing 2.4 and 1.1 percentage points respectively to total GDP growth.

On the production side, the 'finance and insurance services' industry was the largest contributor to growth to March 2008, and was supported by growth in the 'property and business services' and 'manufacturing industries'.

Gross Domestic Product (latest data – March quarter 2008)



Source: ABS Cat. No. 5206.0

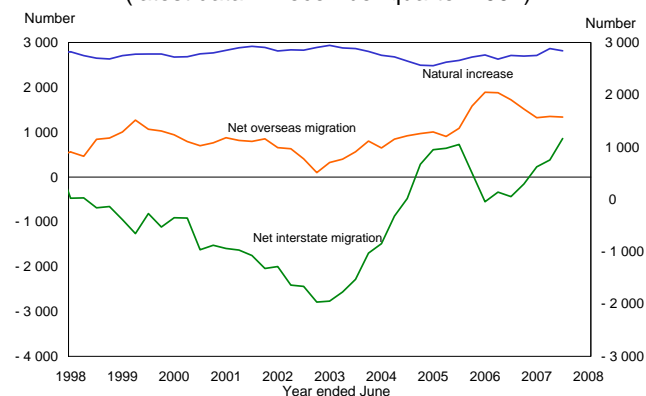
Population

In the December quarter 2007, the Northern Territory's resident population is estimated to have increased by 0.5 per cent (1 102) to 217 559. In annual terms to December 2007, Territory population growth is estimated to have increased by 2.4 per cent, the second highest growth rate of the jurisdictions. National population growth of 1.6 per cent over the same period increased Australia's population to an estimated 21.2 million.

The Territory's estimated resident population increased by 1 102 persons in the December quarter 2007, compared to an increase of 679 in the December quarter 2006. In the December quarter 2007 the components of population growth were:

- Natural increase (births less deaths) 639
- Net overseas migration 95
- Net interstate migration 368
- Total population growth 1 102

Northern Territory Population Components* (latest data – December quarter 2007)



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

Retail Turnover

In April 2008, seasonally adjusted retail turnover increased by 0.9 per cent in the Territory while decreasing 0.2 per cent nationally. In the year to April 2008, current price retail turnover in the Territory increased by 10.3 per cent, the highest of the jurisdictions and well above the national average of 7.2 per cent growth (see chart).

In the month of April 2008, in original terms, current price retail turnover in the Territory totalled \$202 million. The ABS classifies retail expenditure into six broad categories. 'Food' was the largest category, contributing 48.1 per cent (\$97 million), followed by 'household goods' 15.2 per cent (\$31 million), 'hospitality and services' 14.4 per cent (\$29 million), 'department stores and other retailing' 14.4 per cent (\$29 million), 'clothing and soft goods' 4.0 per cent (\$8 million) while 'recreation related goods' accounted for the remaining 3.8 per cent (\$8 million).

Sales of New Motor Vehicles

In May 2008, in seasonally adjusted terms, total Territory new motor vehicle sales decreased by 3.9 per cent to 893. By vehicle category; sales of passenger vehicles decreased by 8.4 per cent in the month, sales of 'SUV's' decreased by 0.4 per cent, and sales of 'other' vehicles (such as light and heavy trucks) decreased by 0.3 per cent. Nationally, total motor vehicle sales decreased by 1.6 per cent in May 2008.

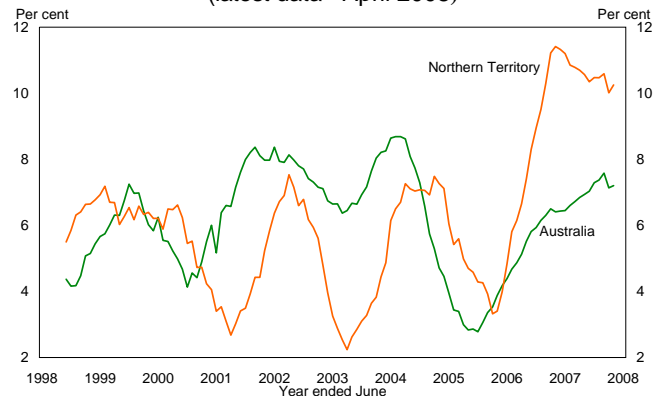
In the year to May 2008, new motor vehicle sales in the Territory increased by 8.5 per cent to 10 444, the highest level recorded for the Territory (see chart). In year on year terms, sales of passenger vehicles increased 0.6 per cent to 4 689, sales of 'other' vehicles increased 12.1 per cent to 3 364, and sales of SUV's increased 21.6 per cent to 2 391. Nationally, sales of new motor vehicles increased 7.2 per cent in the year to May 2008.

Petrol Prices

In May 2008, fuel prices increased by 5.7 cpl in Darwin to 158.3 cpl while the eight capital cities weighted average price increased by 4.8 cpl to 147.8 cpl. This represents a 10.5 cpl price differential between Darwin and the eight capital cities weighted average. Compared to May 2007 petrol prices in Darwin have increased by 20.5 cpl, while nationally the eight capital cities weighted average price increased by 18.4 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).

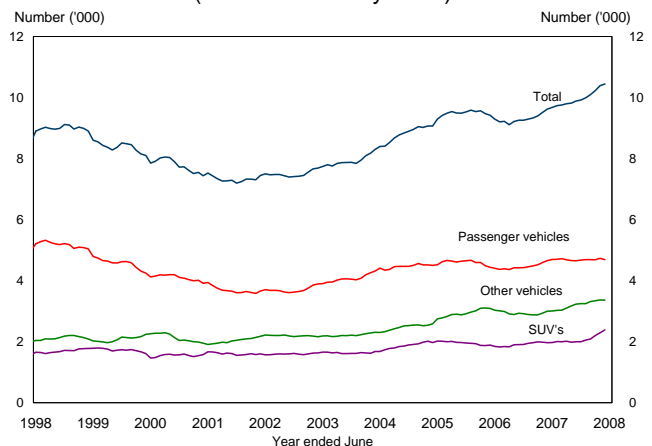
In annual terms, crude oil prices increased by 41.7 per cent in A\$ terms in May 2008, while increasing by 61.1 per cent in US\$ terms. The current strength of the A\$ against the US\$ has offset some of the effects of rising oil prices. Price increases are due to increased global demand with strong economic growth in Asia, particularly from China and stagnant growth in oil supply as a result of tightness in global refining inventories and worldwide refining bottlenecks.

Retail Turnover*
(latest data – April 2008)



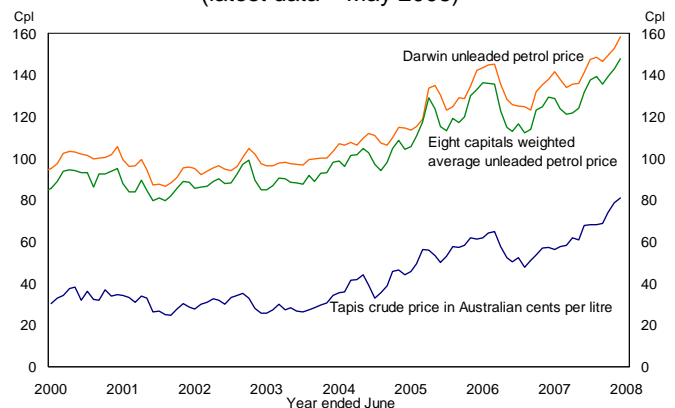
* year on year percentage change, current price
Source: ABS Cat. No. 8501.0

Motor Vehicle Sales*
(latest data – May 2008)



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

Petrol Prices
(latest data – May 2008)



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

Building Approvals

In annual original terms, Territory residential building approvals decreased by 64 to 67 in April 2008. Of these 67 approvals, 59 were in the private sector and 8 were in the public sector. For the month, 36 of the private sector approvals were for 'houses', while 15 were for 'other residential'. In the public sector, all 8 approvals were for 'houses'.

In the year to April 2008, residential building approvals in the Territory decreased by 14.2 per cent to 1 216, the lowest growth of the jurisdictions and below the national average increase of 3.8 per cent. The decrease in the number of residential building approvals was largely due to declines for approvals in the private sector housing market, which subtracted 10 percentage points from total growth. This trend reflects current conditions in the housing market with moderating price growth as well as higher interest rates.

Housing Finance for Owner Occupation

Over the year to April 2008, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 9.1 per cent to 448, while decreasing 14.2 per cent nationally.

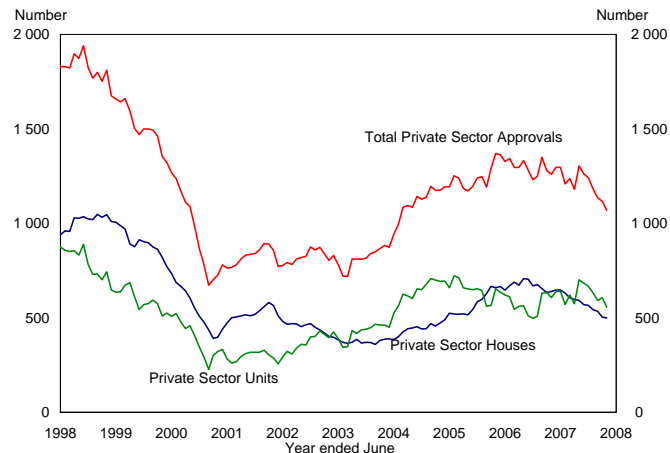
Since peaking in 2005-06 the number of housing finance commitments in the Territory has been steadily declining (see chart). However the decline in finance commitments since 2005-06 has been from historically high and unsustainable levels. In the year to April 2008, Territory housing finance commitments in original terms decreased by 13.2 per cent, driven by a 13.1 per cent decline in the purchase of established dwellings and a 13.5 per cent decline in the construction of new dwellings. The number of finance commitments by first home buyers decreased in the Territory by 21.2 per cent in the year to April 2008. At the national level the number of first home buyer housing finance commitments increased by 2.8 per cent in the same period.

Dwelling Commencements

In original terms, Territory dwelling commencements decreased by 1.6 per cent to 247 in the March quarter 2008. Nationally, seasonally adjusted commencements (the figure usually reported in the media) decreased by 3.3 per cent in the quarter. In the year to March 2008, total Territory dwelling commencements decreased by 1.2 per cent to 1 295. Of this total, 1 126 commencements were in the private sector and 169 were in the public sector (see chart).

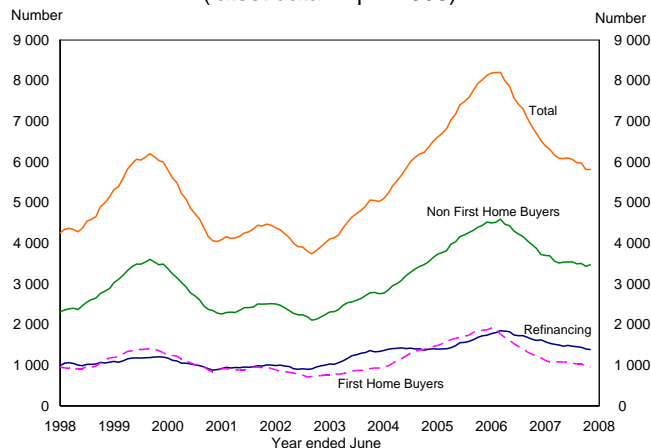
Further analysis of the dwelling commencement data over this period show that 688 of the total commencements were 'houses' while 601 were for 'other' dwellings and 8 were 'conversions'. Recent interest rate increases, as well as a decline in overall housing affordability in the Territory, are expected to weigh on the number of dwelling commencements for the remainder of 2008.

Private Sector Building Approvals* (latest data – April 2008)



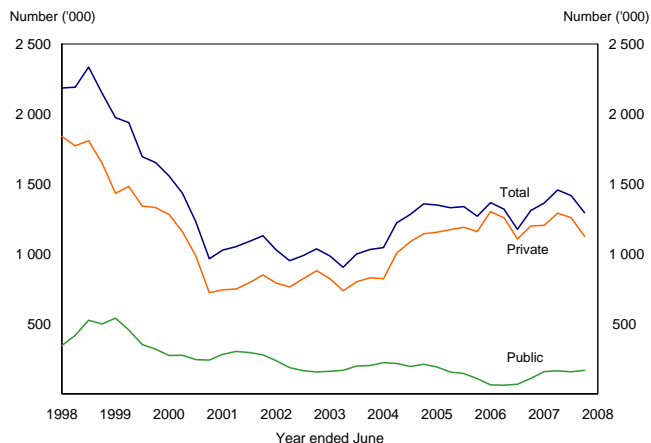
*moving annual total
Source: ABS Cat. No. 8731.0

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



* moving annual total
Source: ABS Cat. Nos. 5609.0

Dwelling Commencements* (latest data – March quarter 2008)



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

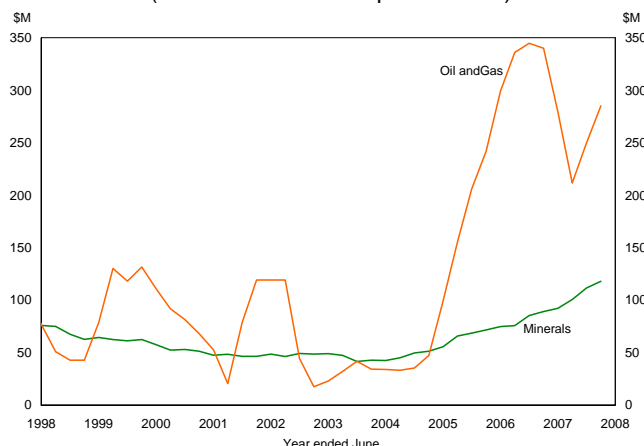
Mineral and Petroleum Exploration

Mineral exploration in the Territory has increased significantly in recent years, in response to increased commodity prices and demand, particularly from China. Private mineral exploration expenditure (including exploration for uranium) increased by 32.3 per cent to \$118 million in the year to March 2008. Expenditure on uranium exploration was the main driver, contributing 19.1 percentage points to total expenditure growth, while exploration expenditure for gold and copper contributed 4.7 and 4.6 percentage points respectively to total exploration expenditure growth.

Expenditure on oil and gas exploration has increased 6-fold in the past 3 years, driven by strong global economic growth and significant increases in oil and gas prices. However, in the year to March 2008, expenditure in the Territory on oil and gas exploration decreased 16.2 per cent to \$285 million.

Mineral and Petroleum Exploration*

(latest data – March quarter 2008)



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

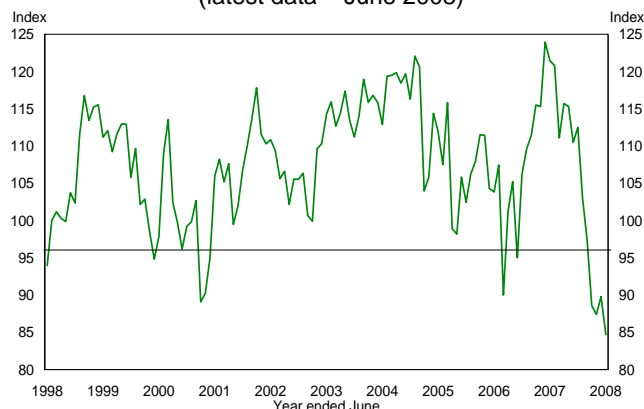
Consumer Sentiment Index

At the national level, consumer sentiment, as reported by the Westpac-Melbourne Institute, fell from 89.8 in May 2008 to 84.7 in June 2008, a decrease of 5.6 per cent. Compared to June 2007, the index has decreased by 30.3 per cent. Factors that contributed to the decline in the month include; higher petrol prices, which have increased 7.6 per cent since the last survey, as well as higher mortgage rates and food prices.

The Westpac-Melbourne Institute reports that four of the five sub-components of the index were lower in the month of June 2008. For example, expectations for economic conditions over the next 12 months fell 14.5 per cent and 'family finances' decreased 11.8 per cent compared to a year ago. Opinions on 'where to save' increased for 'bank deposits' up 5 percentage points to 29.7 per cent, while 14.7 per cent assessed real estate as the wisest investment and 11.3 per cent listed shares.

Consumer Sentiment Index

(latest data – June 2008)



Source: Westpac-Melbourne Institute

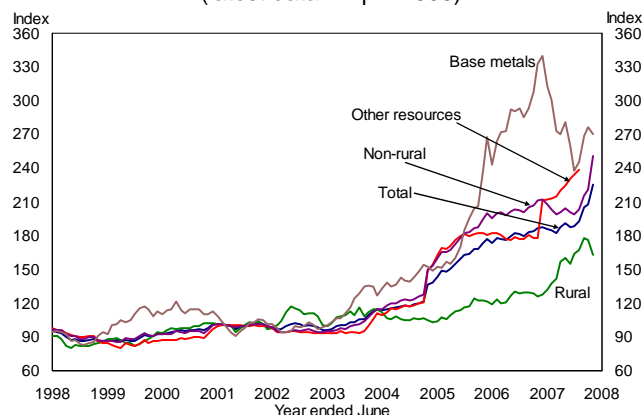
Commodity Price Index

The Reserve Bank of Australia (RBA) reports monthly on Australia's commodity price index. The index is measured in units of 'special drawing rights' (SDR), which is an international reserve asset, created by the International Monetary Fund (IMF), the value of which is based on a basket of international currencies. In the year to April 2008 the total commodity price index has increased by 7.8 per cent, moderating from the historic growth of 32.5 per cent reported in the year to May 2006. In the commodity price index, year on year growth for the 'non-rural', 'base metals' and 'other resources' categories have all moderated from the peaks recorded between 2005 and 2007, while the 'rural' category has reported its strongest growth since June 1989.

The non-rural category of the index is split about four-fifths 'other resources' and one-fifth 'base metals'. Of significance to the Northern Territory economy are the prices of aluminium, copper, nickel, zinc and lead (each included in 'base metals').

Commodity Price Index*

(latest data – April 2008)



* year on year percentage change
Source: Reserve Bank of Australia

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 110 127 in May 2008 (see chart). This is the highest resident employment level on record for the Territory. Nationally, seasonally adjusted employment decreased by 19 709 in the month to just under 10.7 million employed persons.

A comparison of Territory (trend) resident employment in May 2008 with resident employment in May 2007 shows an increase of 4.8 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of growth, Territory employment increased by 5.7 per cent (in original terms) in the year to May 2008, compared to 2.7 per cent growth reported nationally.

Unemployment

The Territory's trend unemployment rate was 3.6 per cent in May 2008, down from 4 per cent reported in April 2008. Compared to May 2007, the unemployment rate in the Territory has decreased by 1 percentage point. Volatility in the Territory's trend unemployment rate has been quite extreme over the past few years, relative to the national trend unemployment rate (see chart). In May 2008 the Territory reported the third lowest trend unemployment rate of the jurisdictions, lower than New South Wales, Victoria, Queensland, South Australia and Tasmania.

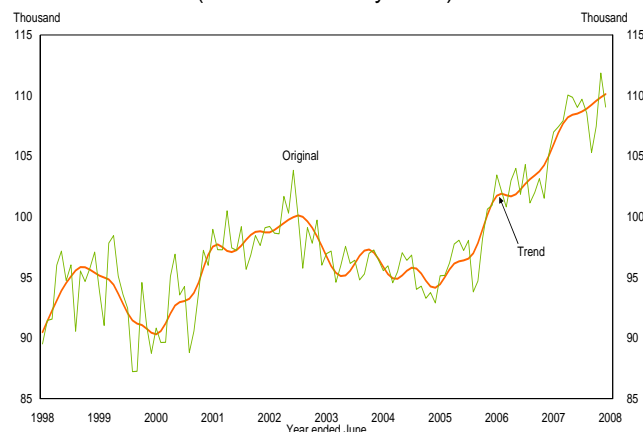
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) remained unchanged at 4.3 per cent in May 2008, from April 2008 and near the historical low of 4 per cent reported in February 2008.

International Merchandise Trade

In the year to April 2008 the value of Territory merchandise exports increased by 8.1 per cent to \$4.1 billion mainly due to higher LNG exports as well as higher crude oil and commodity prices. Over the same period, the value of merchandise imports to the Territory decreased by 17.9 per cent. The decline in imports reflects the completion of Jetstar's fleet purchase (where Darwin was the port of entry for customs reporting purposes). Partially offsetting this decline was increased gas feedstock imports for the LNG plant at Wickham Point and the importation of Abrams Tanks for Defence.

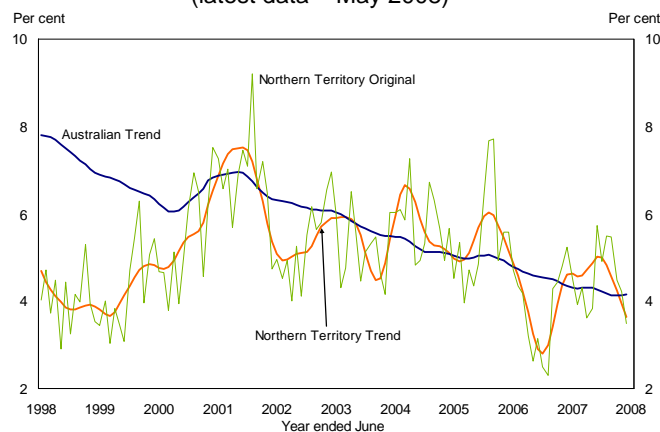
The Territory's goods trade balance increased by \$850 million in the year to April 2008, to a surplus of \$1.7 billion (see chart). The Territory's trade surplus is expected to further improve in the upcoming year with the combined effect of increased LNG, alumina and manganese exports and reduced imports to the Territory. Lower imports of machinery and equipment reflect the completion of major projects.

Territory Employment (latest data – May 2008)



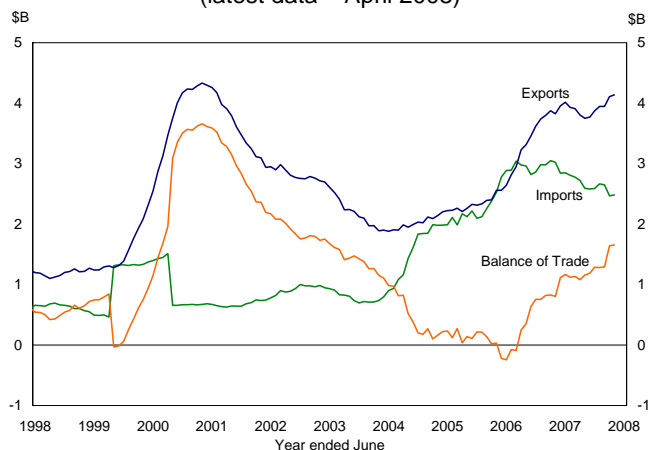
Source: ABS Cat. No. 6202.0

Territory Unemployment (latest data – May 2008)



Source: ABS Cat. No. 6202.0

Territory Merchandise Trade Balance* (latest data – April 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 July 2008

Indicator	Period	Measure	Comparative Economic Indicators*								
			NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2006-07	% change	5.6	1.8	2.7	4.9	0.8	6.3	2.1	5.0	3.2
State Final Demand ^(a)	Year to Mar 08	% change	3.8	4.2	4.0	7.8	2.7	9.3	7.0	2.2	5.3
International Goods Exports	Year to Apr 08	% change	8.1	3.1	1.3	-8.6	8.0	10.9	-5.5	-42.9	2.9
International Goods Imports	Year to Apr 08	% change	-17.9	7.0	8.1	15.4	9.2	17.2	3.6	-96.8	9.1
Demography											
Population	Dec-06 Qtr to Dec-07 Qtr	% change	2.4	1.1	1.6	2.3	1.0	2.4	0.8	1.3	1.6
Labour Market											
Employment (trend)	May 07 to May 08	% change	4.8	3.0	1.8	2.2	2.9	2.6	3.3	2.5	2.5
Participation Rate (trend)	As at May 07	%	71.6	63.1	64.9	67.2	62.0	67.9	60.2	73.1	64.9
	As at May 08	%	72.3	63.9	64.8	67.1	63.0	68.1	61.1	73.1	65.3
Unemployment Rate (trend)	As at May 07	%	4.6	4.9	4.7	3.6	4.9	3.2	5.1	3.0	4.3
	As at May 08	%	3.6	4.5	4.3	3.8	4.8	3.4	4.4	2.7	4.2
ANZ Job Ads	Year to May 08	% change	17.0	-0.6	-4.2	0.1	7.5	-6.1	10.4	6.8	-0.9
Prices and Wages											
Consumer Price Index	Mar-07 Qtr to Mar-08 Qtr	% change	3.9	3.9	4.4	4.8	4.5	4.3	3.8	4.6	4.2
	Year to Mar 08 Qtr	% change	3.4	2.3	2.9	3.5	2.6	3.3	2.7	3.0	2.8
Average Weekly Earnings (full-time adult total earnings)	As at February 08	\$	1129.80	1204.10	1150.00	1098.30	1083.30	1325.70	1071.00	1320.50	1174.80
Housing Sector											
Building Approvals (number)	Year to Apr 08	% change	-14.2	-4.5	10.5	9.3	14.8	-8.2	1.0	7.6	3.8
Housing Finance for Owner Occupation (number)	Year to Apr 08	% change	-13.2	0.2	4.0	-0.9	0.5	-8.2	11.2	5.8	-0.2
Housing Affordability Indicator ^(b)	As at Dec 07 Qtr	Level	42.9	25.1	27.6	25.8	28.0	29.8	29.9	47.3	26.7
Consumer Spending											
Retail Trade (current \$)	Year to Apr 08	% change	10.3	6.7	5.2	10.0	8.8	7.3	6.8	4.9	7.2
New Motor Vehicle Sales (No.)	Year to May 08	% change	8.5	7.0	9.9	5.8	5.6	5.7	5.0	8.3	7.2
Tourist Accommodation - Takings (current \$)	Year to Dec 07	% change	11.4	9.3	8.2	9.0	8.8	16.9	6.6	10.6	9.7

*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, 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.