

PORT DARWIN CONTRIBUTING TO THE TERRITORY'S GROWTH

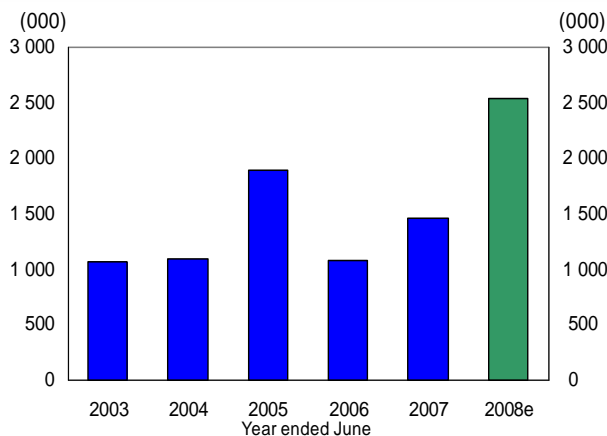
Port of Darwin

A naturally occurring deep water port, the Port of Darwin is Australia's northern gateway port and the closest to the Asian markets. Port facilities are connected to the national rail network to allow seamless movement of goods including bulk mineral and bulk liquid trade. Port of Darwin's strategic geographic location is fundamental to the high volume of trade in recent times and will play a significant role in growth into the future. Total trade through the Port of Darwin facilities in 2006-07 increased by 35 per cent compared to 2005-06 (see Chart 1). Trade volumes are expected to increase by a further 74 per cent in 2007-08. In 2006-07 trade through the Port of Darwin included live cattle, container and general cargo, natural fuels, new motor vehicles and domestic petroleum imports. Increased dry bulk exports which included manganese, uranium, thorium and other minerals were the major contributor to export cargo from the Port of Darwin in 2006-07 (see Chart 2).

Contributing to the Territory economy

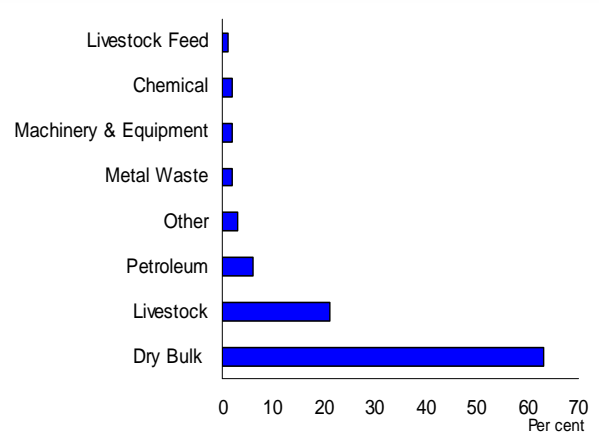
The mining industry is the largest contributor to the Territory economy accounting for 25 per cent of Gross State Product (GSP) in 2006-07. With potentially large rises in bulk commodity prices forecast for mid-2008 expenditure on mineral and energy exploration may contribute further to business investment in the Territory. A number of infrastructure projects at the Darwin Port are also expected to contribute to future trade, including installation of the \$24 million bulk ore loading facility at East Arm Wharf. Total cargo trade through the port facilities in 2007-08 is estimated to be 2.5 million tonnes.

Chart 1
Port of Darwin Total Cargo Trade (Tonnes)



Source: Darwin Port Corporation
2006-07 Annual Report

Chart 2
Port of Darwin Export Cargo 2006-07



Source: Darwin Port Corporation
2006-07 Annual Report

Continued prosperity

While concerns about an economic slowdown in the United States persist with potential spill-over effects in other countries, the macroeconomic situation in Australia differs substantially from many other developed countries. Australia is a direct beneficiary of China's economic expansion with Australian growth being driven by China's demand for our resources. The Territory's abundant resources combined with a modern, efficient transport system comprising rail and port facilities mean that it is well placed to benefit from the current global demand for resources.

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		6.6	3.5	6.5	4.6	6.4	4.8	5.7	4.6	Dec Q 07	9.8
Public Consumption		7.6	1.1	0.4	2.5	4.6	3.2	2.2	4.7	Dec Q 07	4.8
Total Consumption Expenditure		7.0	2.4	3.8	3.7	5.6	4.1	4.2	4.6	Dec Q 07	7.8
Private Investment											
<i>Dwellings</i>		-25.2	-40.1	3.4	9.8	-3.5	27.6	14.5	2.3	Dec Q 07	-13.4
<i>Other buildings and structures</i>		-59.0	-22.6	125.4	26.6	6.5	0.7	4.5	-3.6	Dec Q 07	-45.4
<i>Machinery and equipment</i>		11.5	30.9	2.3	6.7	11.7	-11.5	28.6	6.0	Dec Q 07	205.1
<i>Livestock</i>		-7.1	46.2	5.3	-55.0	222.2	-6.9	11.1	-53.3	Dec Q 07	42.9
<i>Intangible fixed assets</i> **		-18.5	-17.9	51.1	-41.5	-19.9	60.9	96.7	-4.0	Dec Q 07	35.1
<i>Ownership transfer costs</i>		-8.4	-21.1	15.1	5.1	27.9	6.8	10.6	-2.5	Dec Q 07	-5.3
Business Investment [#]		-40.2	-1.6	54.4	7.9	9.7	0.5	16.9	-3.5	Dec Q 07	5.1
Total Private Investment		-36.2	-11.7	45.7	8.0	8.6	3.6	16.1	-2.6	Dec Q 07	1.4
Public Investment		46.2	46.4	19.0	-33.2	1.5	25.5	2.2	-9.8	Dec Q 07	-9.4
Total Investment		-29.9	-2.3	39.3	-0.4	7.6	6.4	14.0	-3.6	Dec Q 07	-0.3
State Final Demand		-5.0	1.5	12.1	2.3	6.2	4.8	7.0	2.1	Dec Q 07	5.4
State Final Demand less L-C and B-U^{##}		2.5	1.6	10.8	0.8	5.1	9.7	8.5	2.5	Dec Q 07	
International Trade - export of goods		47.3	29.9	-22.6	-11.0	-23.7	-6.2	-1.8	44.1	Dec Q 07	-5.1
International Trade - import of goods		177.7	-62.0	15.1	29.9	4.3	107.3	27.4	-0.4	Dec Q 07	-30.9
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-Coralina 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	Dec Q 07	8.6
New Motor Vehicle Sales		-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	Feb 08	13.6
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	Feb 08	-33.4
Number of Dwellings Commenced		-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	Dec Q 07	-12.0
Employment		-2.3	1.5	4.6	1.1	-2.9	-1.3	3.0	5.3	Feb 08	5.2
Unemployment rate		4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	Feb 08	5.5
Darwin Consumer Price Index ^{###}		0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	Dec Q 07	2.9
AWOTE [#] (year average)		4.6	3.7	2.3	5.0	6.5	7.0	3.9	0.7	Nov Q 07	2.2
Wage Price index (year average)		2.5	2.8	3.1	3.0	3.3	3.7	4.4	3.9	Nov Q 07	3.9
Population, December (levels - thousands) ^{###}		194.3	196.3	198.4	199.4	200.7	203.9	208.5	212.6	Sep Q 07	216.5
Population (annual % change) ^{###}		1.6	1.0	1.1	0.5	0.7	1.6	2.3	2.0	Sep Q 07	2.2
Net Interstate Migration (levels - number) ^{###}		-817	-1621	-1730	-2397	-2241	-439	693	-489	Sep Q 07	381.0

* 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	29 Apr 08	7.80
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	29 Apr 08	6.35
Exchange Rates											
US\$ per A\$ (year average)		0.63	0.52	0.52	0.58	0.71	0.75	0.75	0.79	29 Apr 08	0.88
US\$ per A\$ (as at 30 June)		0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	29 Apr 08	0.94
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	29 Apr 08	0.57
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	29 Apr 08	70.77

* 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

May 2008			
ABS	8731.0	Building Approvals, Australia, March 2008	01-May-08
ABS	8501.0	Retail Trade, Australia, March 2008	02-May-08
ABS	6416.0	House Price Indexes: Eight Capital Cities, March Quarter 2008	05-May-08
ANZ		ANZ job ads series, April 2008 (<i>no brief</i>)	05-May-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, March 2008 (<i>no brief</i>)	06-May-08
ABS	5368.0	International Trade in Goods and Services, Australia, March 2008	06-May-08
ABS	6202.0	Labour Force, Australia, April 2008	08-May-08
ABS	5609.0	Housing Finance, Australia, March 2008	12-May-08
ABS	5671.0	Lending Finance, March 2008, (<i>no brief</i>)	13-May-08
ABS	6345.0	Labour Price Index, Australia, March Quarter 2008	14-May-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	14-May-08
ABS	6302.0	Average Weekly Earnings, February Quarter 2008	15-May-08
ABS	6291.0.55.001	Labour Force by Industry, April 2008 (<i>no brief</i>)	15-May-08
AAA		Petrol Prices, April 2008	Mid-May 08
ABS	9314.0	Sales of New Motor Vehicles, Australia, April 2008	21-May-08
Westpac-MI		Leading Index (<i>no brief</i>)	21-May-08
ABS	8755.0	Construction Work Done, March Quarter 2008	28-May-08
ABS	5625.0	Private New Capital Expenditure, March Quarter 2008 (<i>no brief</i>)	29-May-08
June 2008			
ABS	5676.0	Business Indicators, March Quarter 2008, (<i>no brief</i>)	02-Jun-08
ABS	8501.0	Retail Trade, April 2008	02-Jun-08
ABS	5302.0	Balance of Payments, March Quarter 2008	03-Jun-08
ABS	8731.0	Building Approvals, April Quarter 2008	03-Jun-08
Sensis		Sensis Business Index, May Quarter 2008	03-Jun-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, April 2008 (<i>no brief</i>)	04-Jun-08
ABS	5206.0	National Accounts - State Final Demand, March Quarter 2008	04-Jun-08
ABS	3101.0	Population	05-Jun-08
ABS	5368.0	International Trade in Goods & Services, April 2008	05-Jun-08
ANZ		ANZ job ads series, May 2008 (<i>no brief</i>)	10-Jun-08
ABS	5609.0	Housing Finance, April 2008	10-Jun-08
ABS	5671.0	Lending Finance, April 2008	11-Jun-08
ABS	8412.0	Mineral and Petroleum Exploration, Australia, March Quarter 2008	11-Jun-08
ABS	6202.0	Labour Force, May 2008	12-Jun-08
AAA		Petrol Prices, May 2008	Mid-Jun 08
ABS	6291.0.55.001	Labour Force by Industry, May 2008 (<i>no brief</i>)	19-Jun-08
ABS	8750.0	Dwelling Commencements, March Quarter 2008	17-Jun-08
ABS	9314.0.55.001	Sales of New Motor Vehicles, May 2008	23-Jun-08
ABS	6354.0	Job Vacancies, Australia, May Quarter 2008	26-Jun-08
ABS	8635.0	Tourist Accommodation, March Quarter 2008	30-Jun-08

Consumer Price Index

In the March quarter 2008, Darwin's Consumer Price Index (CPI) increased by 0.9 per cent compared to an increase of 1.3 per cent nationally. In annual terms, Darwin's CPI increased by 3.9 per cent. Nationally, the annual inflation rate increased to 4.2 per cent, up from 3.0 per cent recorded in the December quarter 2007 and the highest quarterly increase since June 2001.

Headline inflation often reflects short-term price volatility and can be largely affected by items that have only a small weighting in the overall CPI basket. For this reason the RBA when reviewing the cash rate as part of monetary policy, prefer to use other measures such as 'Trimmed Mean' to examine core inflation and underlying reasons for CPI growth before adjusting the cash rate. Using this measure the national CPI increased by 4.1 per cent in the year to March 2008, the highest increase in 17 years.

Consumer Price Index* (latest data - March quarter 2008)



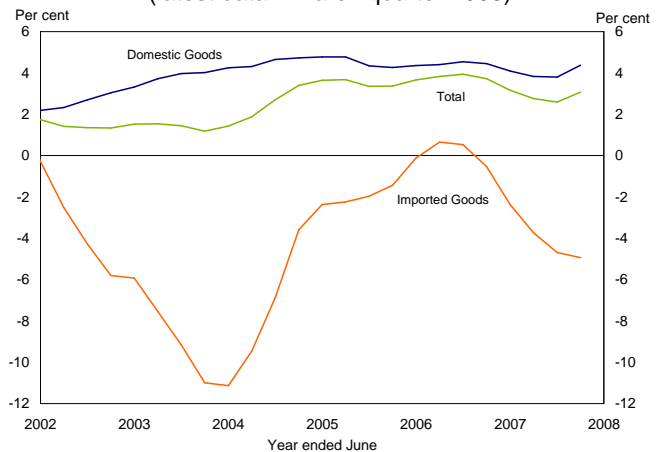
* annual percentage change
Source: ABS Cat. No. 6401.0

Producer Price Index

The producer price index (PPI) measures changes in input prices paid by producers of commodities and providers of services. The PPI for final goods has a domestic and imported goods component. In the March quarter 2008 the PPI increased by 1.9 per cent from the previous quarter influenced by an increasing domestic goods component (increasing by 2.0 per cent) and a smaller contribution from the imported goods component (increasing by 0.6 per cent).

In the year to March 2008, the PPI increased by 3.1 per cent, with the prices of domestic goods increasing by 4.4 per cent while imported goods prices decreased by 4.9 per cent. The appreciating Australian dollar is the primary reason for decreasing import prices. In the year, imported capital goods prices decreased by 5.5 per cent while prices of imported consumer goods decreased by 4.4 per cent. Domestically produced consumer and capital goods prices increased by 4.1 and 4.6 per cent respectively, over the same period.

Producer Price Index* (latest data - March quarter 2008)



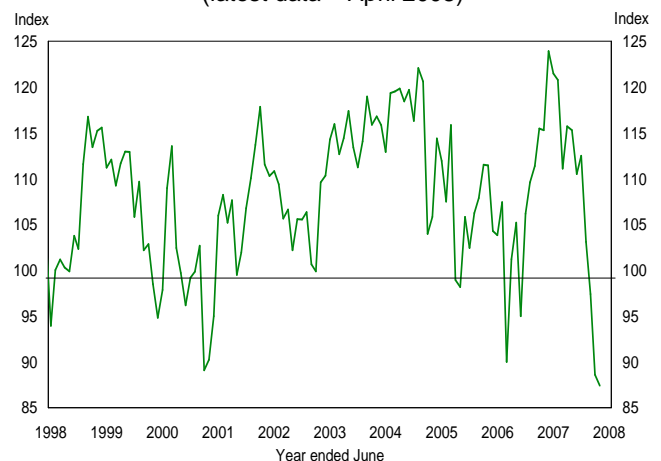
* year on year percentage change
Source: ABS Cat. No. 6345.0

Consumer Sentiment Index

At the national level, consumer sentiment, as reported by the Westpac-Melbourne Institute, decreased by 1.4 per cent from 88.6 in March 2008 to 87.4 in April 2008, the lowest level in nearly 15 years. Compared to April 2007, the index has decreased by 24.2 per cent. Factors that contributed to the negative result include; the flow-on effects of the interest rate hikes from the Reserve Bank of Australia in February and March 2008, and the possibility of a recession in the US.

The Westpac-Melbourne Institute reports that three of the five consumer sentiment index sub-components were down for the month. Compared to a year ago; the 'economic conditions for the next 12 months' decreased by 6.4 per cent, the 'economic conditions over the next 5 years' decreased by 0.3 per cent, while family finances increased by 8.1 per cent.

Consumer Sentiment Index (latest data - April 2008)



Source: Westpac-Melbourne Institute

Retail Turnover

In February 2008, seasonally adjusted retail turnover increased by 1.2 per cent in the Territory, while decreasing 0.1 per cent nationally. In the year to February 2008, current price retail turnover in the Territory increased by 10.6 per cent, the highest of the jurisdictions and well above the national average of 7.6 per cent growth (see chart).

In the month of February 2008, in original terms, current price retail turnover in the Territory totalled \$183 million. The ABS classifies retail expenditure into six broad categories. 'Food' was the largest category, contributing 48.0 per cent (\$88 million), followed by 'hospitality and services' 16.2 per cent (\$30 million), 'household goods' 14.8 per cent (\$27 million), 'department stores and other retailing' 14.1 per cent (\$26 million), 'clothing and soft goods' 4.0 per cent (\$7 million) while 'recreation related goods' accounted for the remaining 2.9 per cent (\$5 million).

Sales of New Motor Vehicles

In March 2008, total Territory new motor vehicle sales increased by 2.8 per cent to 948 in trend terms. By vehicle category, sales of passenger vehicles increased by 1.5 per cent in the month, sales of 'SUV's' increased by 6.7 per cent, and sales of 'other' vehicles (such as light and heavy trucks) increased by 1.7 per cent. Nationally, total motor vehicle sales decreased by 0.1 per cent in March 2008.

In the year to March 2008, new motor vehicle sales in the Territory increased by 8.8 per cent to 10 226, the highest level recorded for the Territory (see chart). In year on year terms, sales of passenger vehicles increased 3.5 per cent to 4 682, sales of 'other' vehicles increased 16.0 per cent to 3 342, and sales of SUV's increased 10.6 per cent to 2 202. Nationally, sales of new motor vehicles increased 7.7 per cent in the year to March 2008.

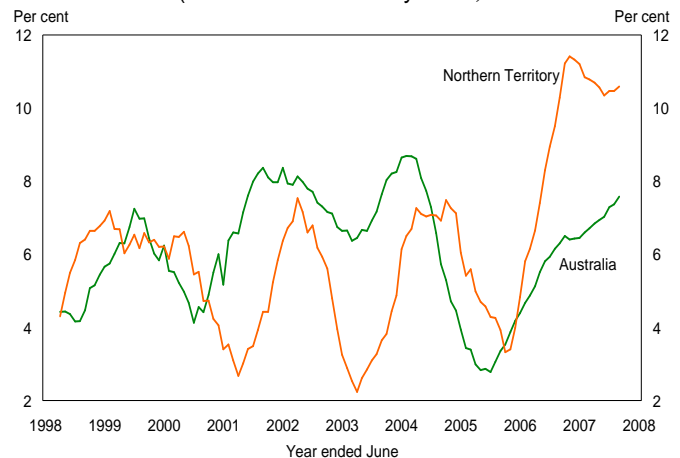
Petrol Prices

In March 2008, fuel prices increased by 3.0 cpl in Darwin to 149.6 cpl while the eight capital cities weighted average price increased by 3.9 cpl to 139.4 cpl. This represents a 10.2 cpl price differential between Darwin and the eight capital cities weighted average. Compared to March 2007 petrol prices in Darwin have increased by 17.6 cpl, while nationally the eight capital cities weighted average price increased by 16.2 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 38.2 per cent in A\$ terms in March 2008, while increasing by 61.6 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 decreased oil supply as a result of tightness in global refining inventories and worldwide refining bottlenecks.

Retail Turnover*

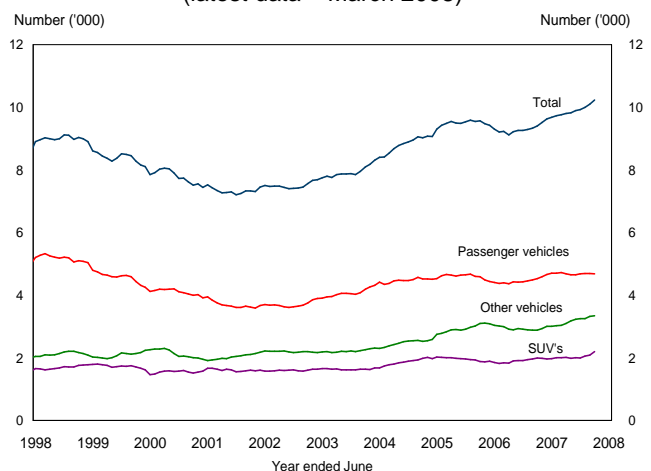
(latest data – February 2008)



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

Motor Vehicle Sales*

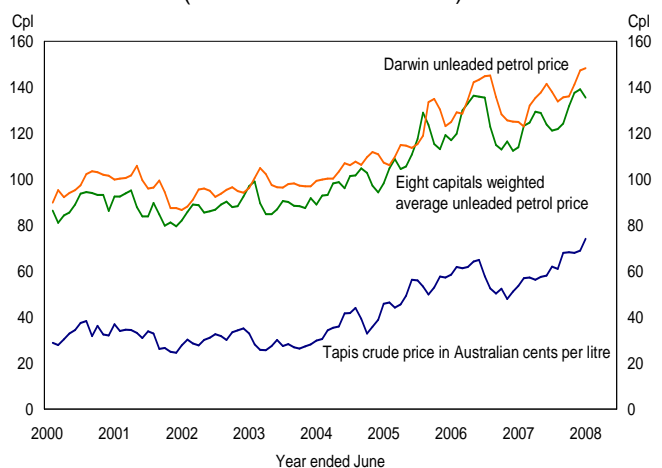
(latest data – March 2008)



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

Petrol Prices

(latest data – March 2008)



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

Building Approvals

In the Territory, residential building approvals decreased by 43 to 151 in February 2008. Of these 151 approvals, 136 were in the private sector and 15 were in the public sector. For the month, 48 of the private sector approvals were for 'houses', while 88 were for 'other residential'. In the public sector, 11 approvals were for 'houses' and 4 were for other 'non-residential' dwellings.

In the year to February 2008, residential building approvals in the Territory decreased by 10.7 per cent to 1308, the lowest growth of the jurisdictions and below the national average increase of 2.2 per cent. In year on year terms, new public housing, mainly in Lyons, increased 166.7 per cent in February 2008, while private sector house approvals decreased by 17.9 per cent (see chart). Over the year total private sector building approvals decreased by 15.9 per cent.

Housing Finance for Owner Occupation

In February 2008, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 8.0 per cent to 439 annually, while decreasing 0.2 per cent nationally.

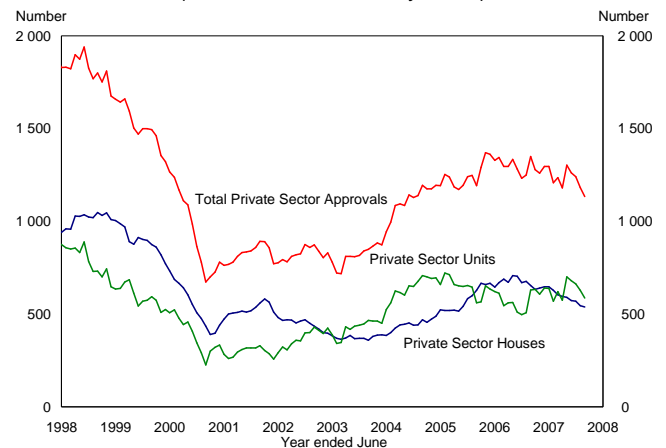
Since peaking in 2005-06 the number of housing finance commitments in the Territory has been steadily declining (see chart). However the decline in finance commitments since 2005-06 has been from historically high and unsustainable levels. In the year to February 2008, Territory housing finance commitments in original terms decreased by 15.6 per cent, driven by a 15.8 per cent decline in the purchase of established dwellings and a 17.8 per cent decline in the construction of new dwellings. The number of first home buyer finance commitments decreased in the Territory by 22.0 per cent in the year to February 2008. At the national level the number of first home buyer housing finance commitments increased by 4.2 per cent in the same period

Tourist Accommodation

In 2007, tourist accommodation figures indicate an increase in the level of tourism activity in the Territory. Takings in the Northern Territory increased by 11.4 per cent in 2007, while room occupancy rates increased by 2.8 percentage points over the same period. In annual terms, growth in accommodation takings increased by 11.1 per cent in the Territory, with substantial variation across major centres. Takings grew by 19.2 per cent in Darwin, 6.7 per cent in Alice Springs and 23.3 per cent in Katherine. The 'rest of the Territory' increasing by 3.0 per cent.

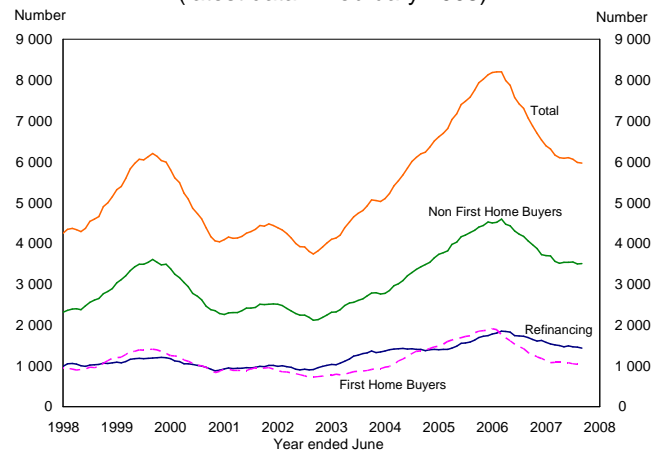
Room occupancy rates, increased by; 6.6 percentage points in Darwin, 0.2 percentage points in Alice Springs, 3.2 percentage points in Katherine and by 1.0 percentage point in the 'rest of the Territory' in 2007. The number of 'guest nights' reported increased in Darwin and Katherine, while Alice Springs and the 'rest of the Territory' reported decreases in 2007.

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



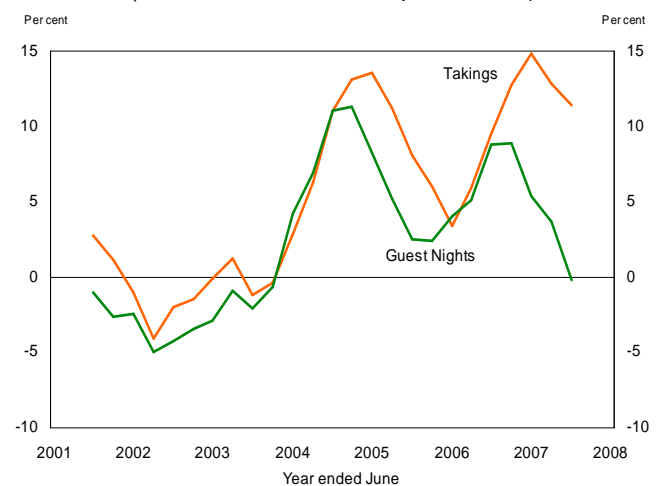
*moving annual total
Source: ABS Cat. No. 8731.0

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



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

Tourist Accommodation* (latest data – December quarter 2007)



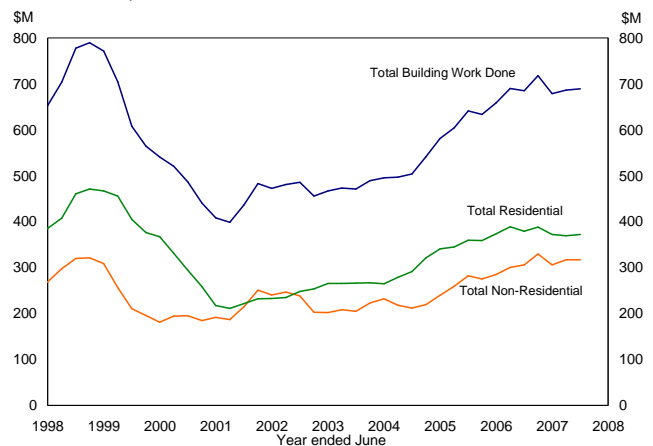
*year on year percentage change
Source: ABS Cat. No. 8635.0

Building Activity

In the December quarter 2007, seasonally adjusted total building work done increased 3.0 per cent in the Territory, while decreasing 1.8 per cent nationally. In year on year terms the Territory recorded an increase of 0.6 per cent, the third lowest growth of the jurisdictions. Nationally, total building work done increased by 3.6 per cent.

In 2007, the value of residential building work done represented 54 per cent of total building activity, with the remaining 46 per cent attributable to non-residential activity. Of the \$372 million in the residential market (see chart), 48.2 per cent (\$179 million) was for new houses, 37.6 per cent (\$140 million) for new 'other residential' and the remaining 14.3 per cent (\$53 million) was for alterations and additions. The value of building activity in the non-residential market was \$317 million, primarily reflecting work done on the Darwin Waterfront Development.

Building Activity*
(latest data – December quarter 2007)



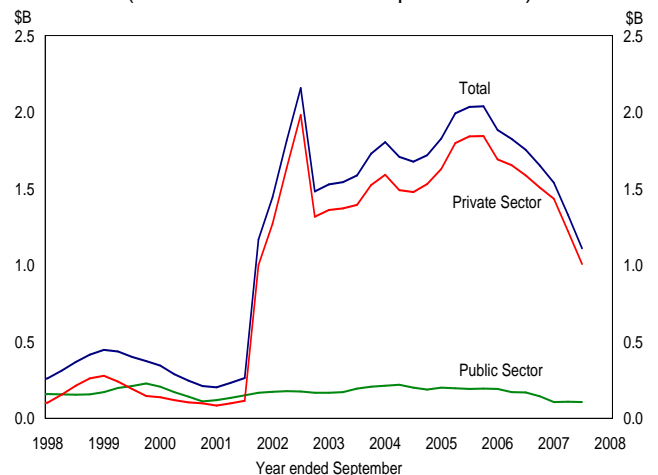
* moving annual total
Source: ABS Cat. No. 8752.0

Engineering Construction Activity

In seasonally adjusted real terms, engineering construction work done in the Territory decreased by 19.8 per cent in the December quarter 2007 and decreased by 51.4 per cent (to \$1.1 billion) over the year (see chart). While still at relatively high levels, the current value of engineering construction work done has declined from the historically high levels achieved in 2002 and 2005-06.

Engineering construction has been dominated by the private sector over the past five years, with the private sector accounting for 90.6 per cent, or \$1.0 billion of total work done 2007. With work valued at \$716M, 'heavy industry' was by far the dominant engineering category in the private sector. The value of engineering work done for the public sector was \$105 million in 2007, with 67.0 per cent on 'roads, highways and subdivisions'; 19.9 per cent on 'electricity generation, transmission and pipelines'; and 4.3 per cent on 'water storage and supply, sewerage and drainage'.

Engineering Activity*
(latest data – December quarter 2007)



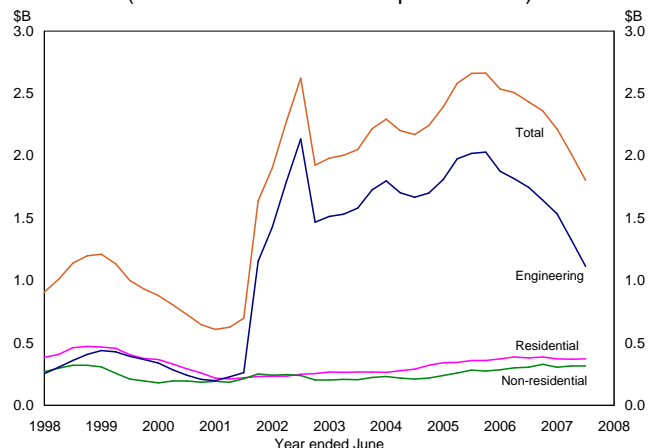
* moving annual total
Source: ABS Cat. No. 8762.0

Total Construction Activity

In the December quarter 2007, seasonally adjusted total construction work done decreased by 15.2 per cent to \$373 million in the Territory, compared to a national decrease of 2.0 per cent. In annual terms, the value of construction activity in the Territory decreased by 36.0 per cent, continuing its moderating trend over the past two years. Although, the value of total construction activity has declined in 2007, it remains above long-term trend levels (see chart). In year on year terms, construction activity decreased by 25.9 per cent to \$1.8 billion in the Territory in 2007, while increasing by 6.1 per cent nationally.

The decline in year on year terms in the Territory was largely driven by a 36.3 per cent fall in engineering construction activity (to \$1.1 billion). This reflects the completion of construction at the Wickham Point LNG plant and the Alcan G3 expansion nearing completion.

Total Construction Activity*
(latest data – December quarter 2007)



* moving annual total
Source: ABS Cat. Nos. 8752.0, 8762.0 and 8782.0.65.

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 108 817 in March 2008 (see chart). This is the highest resident employment level on record for the Territory. Nationally, seasonally adjusted employment increased by 14 818 in the month to about 10.7 million employed persons.

A comparison of Territory (trend) resident employment in March 2008 with resident employment in March 2007 shows an increase of 4.9 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 5.0 per cent (in original terms) in the year to March 2008, compared to 2.8 per cent growth reported nationally.

Unemployment

The Territory's trend unemployment rate was 4.7 per cent in March 2008, down from (a revised) 4.8 per cent reported in February 2008. Compared to March 2007, the unemployment rate in the Territory has increased by 0.8 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 March 2008 the Territory reported the second highest trend unemployment rate of the jurisdictions, behind Tasmania.

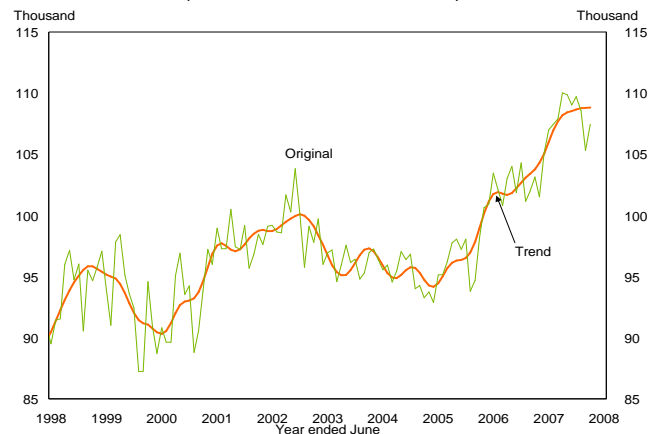
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) increased to 4.1 per cent in March 2008, up from 4.0 per cent reported for February 2008, the lowest reported figure on record.

International Merchandise Trade

In the year to February 2008 the value of Territory merchandise exports increased by 3.7 per cent to \$3.9 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 11.0 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.

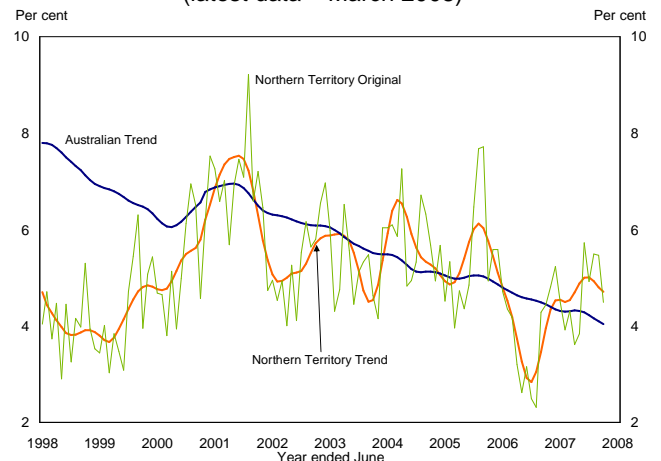
The Territory's goods trade balance increased by \$469 million in the year to February 2008, to a surplus of \$1.3 billion (see chart). The Territory's trade surplus is expected to further improve in the upcoming year with the combined effect of increased LNG, alumina and manganese exports and reduced imports to the Territory. Lower imports of machinery and equipment reflect the completion of major projects.

Territory Employment (latest data – March 2008)



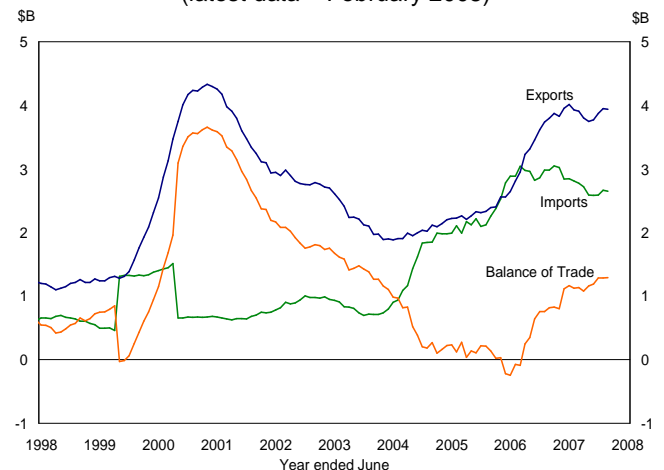
Source: ABS Cat. No. 6202.0

Territory Unemployment (latest data – March 2008)



Source: ABS Cat. No. 6202.0

Territory Merchandise Trade Balance* (latest data – February 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 May 2008

Indicator	Period	Comparative Economic Indicators*									
		Measure	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 Dec 07	% change	1.5	4.1	3.6	7.4	2.5	10.3	5.0	3.6	5.2
International Goods Exports	Year to Feb 08	% change	3.7	0.4	1.3	-9.6	7.3	10.3	-3.4	-37.5	1.3
International Goods Imports	Year to Feb 08	% change	-11.0	6.2	7.8	13.2	6.3	11.5	1.8	-97.1	7.9
Demography											
Population	Sep-06 Qtr to Sep-07 Qtr	% change	2.2	1.0	1.5	2.2	1.0	2.4	0.8	1.5	1.5
Labour Market											
Employment (trend)	Mar 07 to Mar 08	% change	4.9	3.2	2.4	1.9	3.2	3.7	1.8	1.5	2.7
Participation Rate (trend)	As at March 07	%	70.5	63.1	64.9	67.4	62.1	67.6	60.1	73.3	64.9
	As at March 08	%	72.7	63.8	65.0	66.8	62.9	68.4	60.5	72.5	65.2
Unemployment Rate (trend)	As at March 07	%	3.9	5.0	4.8	3.8	5.1	3.0	5.3	3.0	4.4
	As at March 08	%	4.7	4.3	4.3	3.5	4.5	3.1	5.0	2.7	4.0
ANZ Job Ads	Year to Mar 08	% change	13.6	-1.3	-4.8	0.4	6.4	-5.2	9.8	8.1	-1.1
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 November 07	\$	1115.90	1194.80	1132.80	1090.10	1085.70	1278.20	1058.50	1332.50	1160.00
Housing Sector											
Building Approvals (number)	Year to Feb 08	% change	-10.7	-3.8	8.2	8.4	4.1	-10.3	2.5	17.5	2.2
Housing Finance for Owner Occupation (number)	Year to Feb 08	% change	-15.6	2.8	6.0	5.0	4.2	-6.4	8.9	13.1	2.9
Housing Affordability Indicator ^(b)	As at Sep 07 Qtr	Level	44.5	26.1	28.7	26.3	28.8	28.7	30.5	48.3	27.3
Consumer Spending											
Retail Trade (current \$)	Year to Feb 08	% change	10.6	6.9	5.5	10.3	8.4	9.1	6.4	5.9	7.6
New Motor Vehicle Sales (No.)	Year to Mar 08	% change	8.8	7.9	9.1	7.4	2.9	6.8	3.8	11.0	7.7
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.