

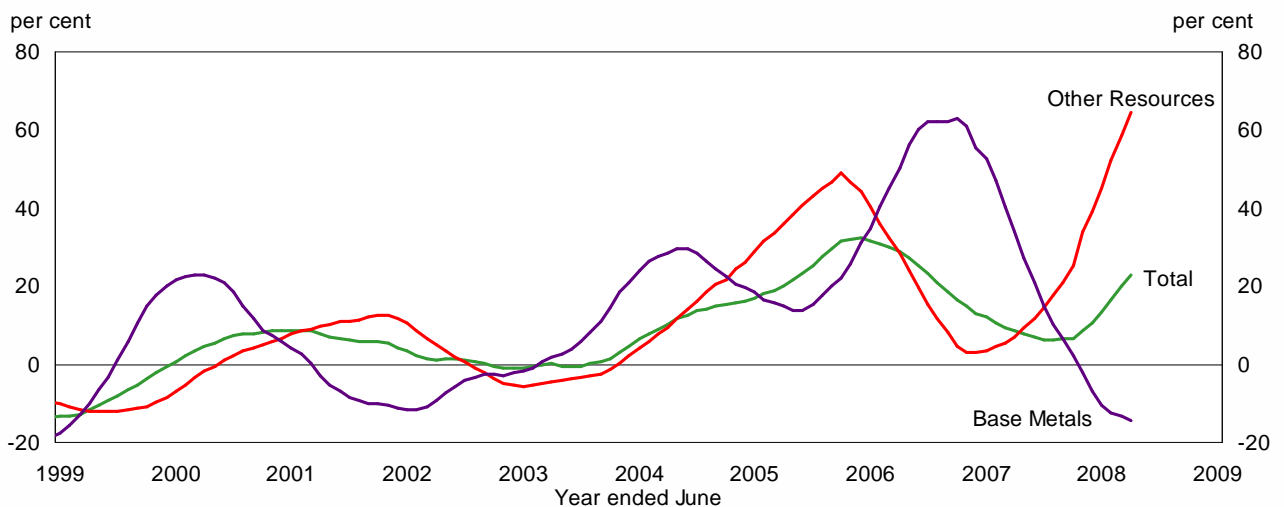
The Impact of International Financial Markets on the Territory Economy

The instability in international financial markets over 2008 and the prospects of a significant slowdown in global economic growth (including the US and China) in 2009, has the potential to impact on several key industries in the Territory including; mining and energy, construction, as well as retail trade, tourism and hospitality.

The slowdown in global growth will impact the demand for Australian and Territory exports and may contribute to weaker commodity prices. This has the potential to lead to job losses in export related industries, decreasing household incomes and consumer confidence, with flow-on effects to consumer sensitive industries such as housing, retail, hospitality and tourism. The Commonwealth Treasury, in their Mid Year Economic and Fiscal Outlook, released 3 November 2008, have revised down Australia's GDP growth from 2.75 to 2.0 per cent in 2008-09. In addition, employment growth for Australia in 2008-09 has been revised down, while the unemployment rate has been revised up. The Commonwealth Treasury note that; '*Global economic conditions have changed dramatically since the Budget was delivered in May. These difficulties are affecting global growth, with the economic outlook for advanced economies deteriorating rapidly.*'

In the Territory, exports comprise around 35 per cent of Gross State Product (GSP). Mining accounts for about 25 per cent of Territory production and contributes 4.5 per cent of total employment. With tighter credit markets and commodity prices forecast to weaken, Territory mining and energy operations face increased uncertainty as well as lower prices. Indicative of the new economic and financial environment, Territory gold miner GBS Gold recently announced they were under administration after their Canadian parent company failed to obtain financing to recapitalise.

Chart 1: Reserve Bank of Australia – Commodity Price Index, September 2008



Source: Reserve Bank of Australia

The Reserve Bank of Australia's Commodity Price Index shows a significant divergence in the components of the index, despite the overall index trending upwards to September 2008. Prices for base metals (including lead, zinc, nickel, copper and aluminium) have fallen sharply since mid-2007, reporting negative growth over the past 6 months, while conversely, prices for other resources (including coal, gold, iron ore, alumina and LNG) have risen sharply since mid-2007 (see Chart 1).

However, following a reported slowdown in China's construction sector and in world growth generally, Macquarie Bank expects commodity prices to fall by around 5 to 15 per cent in 2009 for most commodities, including Other Resources. In addition to lower prices faced by Territory miners, a weaker exchange rate, whilst likely buoying the demand for Territory resources, is problematic for companies with US dollar denominated debt. Given these changing circumstances, the economic outlook for the Territory remains robust, but some moderation may be expected.

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 (2005-06 prices)										
Private Consumption	6.5	3.5	6.5	4.6	6.4	4.8	5.7	4.0	Jun Q 08	2.5
Public Consumption	7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	Jun Q 08	4.5
Total Consumption Expenditure	7.0	2.4	3.8	3.7	5.6	4.1	4.2	4.5	Jun Q 08	3.3
Private Investment										
<i>Dwellings</i>	-25.2	-40.1	3.4	9.8	-3.5	27.6	14.5	-4.1	Jun Q 08	12.9
<i>Other buildings and structures</i>	-59.0	-22.6	125.4	26.6	6.5	0.7	4.5	-4.0	Jun Q 08	7.5
<i>Machinery and equipment</i>	11.5	30.9	2.3	6.7	11.7	-11.7	29.1	6.9	Jun Q 08	31.8
<i>Livestock</i>	-7.1	46.2	5.3	-55.0	222.2	-6.9	11.1	-30.0	Jun Q 08	14.3
<i>Intangible fixed assets**</i>	-19.0	-16.8	50.0	-42.2	-19.0	62.1	96.7	-4.0	Jun Q 08	-12.9
<i>Ownership transfer costs</i>	-8.4	-21.1	15.1	5.1	27.9	6.8	10.6	-2.5	Jun Q 08	-13.5
Business Investment#	-40.2	-1.7	54.6	7.9	9.7	0.5	17.1	-2.6	Jun Q 08	14.7
Total Private Investment	-36.2	-11.4	45.0	8.0	8.5	3.8	16.4	-2.8	Jun Q 08	13.1
Public Investment	46.2	46.4	19.0	-33.2	1.5	25.5	2.2	-3.0	Jun Q 08	76.7
Total Investment	-29.9	-2.1	38.7	-0.5	7.5	6.6	14.2	-2.8	Jun Q 08	22.1
State Final Demand	-5.0	1.5	12.0	2.3	6.1	4.9	7.1	2.2	Jun Q 08	8.7
State Final Demand less L-C and B-U##	2.5	1.6	10.7	0.8	5.1	9.8	8.6	2.7	Jun Q 08	
International Trade - export of goods	47.3	29.9	-22.6	-11.0	-23.7	-6.2	-1.8	44.1	Jun Q 08	-6.3
International Trade - import of goods	177.7	-62.0	15.1	29.9	4.3	107.3	27.4	-0.4	Jun Q 08	-6.2
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	Jun Q 08	7.6
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	Sep 08	4.3
Tourist Accommodation Takings	0.0	1.5	-1.0	-0.1	2.8	13.6	3.4	14.8	Jun Q 08	13.1
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	Aug 08	-39.3
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	Jun Q 08	-50.4
Employment	-2.3	1.5	4.6	1.1	-2.9	-1.3	3.0	5.3	Sep 08	3.1
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	Sep 08	2.7
Darwin Consumer Price Index##	0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	Sep Q 08	4.5
AWOTE# (year average)	4.6	3.7	2.3	5.0	6.5	7.0	3.9	0.7	May Q 08	5.0
Wage Price index (year average)	0.0	2.8	3.1	3.0	3.3	3.7	4.4	3.9	May Q 08	4.3
Population, December (levels - thousands)###	194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.5	Mar Q 08	218.4
Population (annual % change)###	1.6	1.0	1.1	0.5	0.6	1.6	2.3	2.0	Mar Q 08	2.2
Net Interstate Migration (levels - number)###	-817	-1621	-1751	-2440	-2283	-482	726	-438	Mar Q 08	854.0

* Year ended, or year on year ** Quarter on corresponding quarter the previous year, or through the year per cent change # Average Weekly Ordinary Time Earnings

Denotes calendar year

Source: NT Treasury, Australian Bureau of Statistics data

Financial Indicators										
Year Ended June	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Latest	Level
Interest Rates										
90 Day Bank Bill (as at 25 July)	6.17	5.02	5.11	4.67	5.50	5.66	5.97	6.43	29 Oct 08	5.82
10 Year Govt Bond Yield (as at 25 July)	6.16	6.04	5.99	5.01	5.87	5.11	5.79	6.26	29 Oct 08	5.21
Exchange Rates										
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	29 Oct 08	0.88
US\$ per A\$ (as at 25 July)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	29 Oct 08	0.50
Special Drawing Rights [†] per A\$ (as at 25 July)	0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	29 Oct 08	0.43
Trade Weighted Index of A\$ (as at 25 July)	53.30	49.70	52.30	59.40	59.06	64.50	62.24	68.92	29 Oct 08	61.69

* A measure of the Australian dollar against an IMF determined, weighted basket of currencies consisting of the US dollar, the Euro, the yen and pound sterling
 Source: NT Treasury, Reserve Bank of Australia data

CONTENTS

Page

COVER STORY	1
TERRITORY SFD AND GSP; TABLE OF LATEST ECONOMIC AND FINANCIAL INDICATORS	2
CONTENTS	3
Economic Indicators Due for Release	
ECONOMIC INDICATORS	4
Consumer Price Index, Producer Price Index, Lending Finance	4
Retail Turnover, Sale of New Motor Vehicles, Petrol Prices	5
Housing Finance for Owner Occupation, Building Activity, Construction Activity	6
Access Economics, Exchange Rate, Mortgage Rates	7
Employment, Unemployment, International Merchandise Trade	8
GLOSSARY	9
STATE AND TERRITORY COMPARATIVE INDICATORS	10

ECONOMIC INDICATORS DUE FOR RELEASE

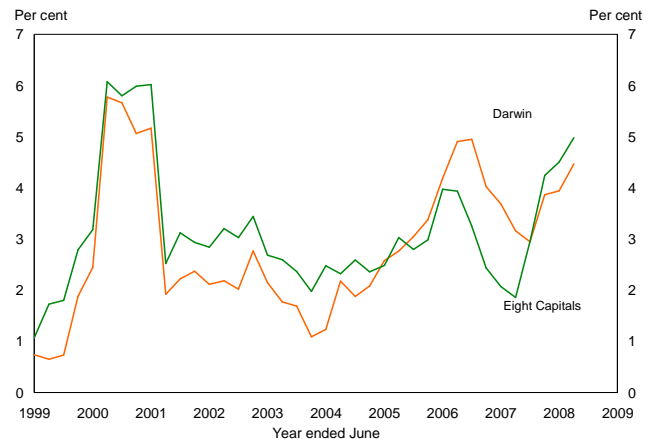
November 2008			
ABS	8501.0	Retail Trade, September 2008	03-Nov-08
ANZ		ANZ job ads series, October 2008 (<i>no brief</i>)	03-Nov-08
ABS	6416.0	House Price Indexes: Eight Capital Cities, September Quarter 2008	03-Nov-08
ABS	5368.0	International Trade in Goods & Services, September 2008	05-Nov-08
ABS	8731.0	Building Approvals, September 2008	05-Nov-08
ABS	6202.0	Labour Force, October 2008	06-Nov-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, September 2008 (<i>no brief</i>)	06-Nov-08
ABS	5609.0	Housing Finance, September 2008	10-Nov-08
ABS	6345.0	Labour Price Index (Wage Cost Index), September Quarter 2008	12-Nov-08
ABS	5671.0	Lending Finance, September 2008	12-Nov-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	12-Nov-08
ABS	6291.0.55.001	Labour Force by Industry, October 2008 (<i>no brief</i>)	13-Nov-08
ABS	6302.0	Average Weekly Earnings, August Quarter 2008	13-Nov-08
AAA		Petrol Prices, October 2008	Mid-Nov-08
ABS	9314.0.55.001	Sales of New Motor Vehicles, October 2008	19-Nov-08
Westpac-MI		Leading Index (<i>no brief</i>)	19-Nov-08
ABS	8755.0	Construction Work Done, September Quarter 2008	26-Nov-08
ABS	5625.0	Private New Capital Expenditure, September Quarter 2008 (<i>no brief</i>)	27-Nov-08
December 2008			
ABS	5676.0	Business Indicators, September quarter 2008 (<i>no brief</i>)	01-Dec-08
ABS	3101.0	Population, June quarter 2008	02-Dec-08
ABS	5302.0	Balance of Payments, September quarter 2008	02-Dec-08
ABS	8501.0	Retail Trade, October 2008	02-Dec-08
ABS	5206.0	National Accounts - State Final Demand, September quarter 2008	03-Dec-08
ABS	5368.0	International Trade in Goods & Services, October 2008	04-Dec-08
ABS	8731.0	Building Approvals, October 2008	04-Dec-08
ABS	3401.0	Overseas Arrivals and Departures, Australia, October 2008 (<i>no brief</i>)	08-Dec-08
ANZ		ANZ job ads series, November 2008 (<i>no brief</i>)	08-Dec-08
ABS	5609.0	Housing Finance, October 2008	10-Dec-08
ABS	8412.0	Mineral and Petroleum Exploration, Australia, September quarter 2008	10-Dec-08
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	10-Dec-08
ABS	6202.0	Labour Force, November 2008	11-Dec-08
ABS	5671.0	Lending Finance, October 2008	15-Dec-08
AAA		Petrol Prices, November 2008	Mid-Dec-08
ABS	8750.0	Dwelling Commencements, September quarter 2008	16-Dec-08
Westpac-MI		Leading Index (<i>no brief</i>)	17-Dec-08
ABS	6291.0.55.001	Labour Force by Industry, November 2008 (<i>no brief</i>)	18-Dec-08
ABS	9314.0.55.001	Sales of New Motor Vehicles, November 2008	22-Dec-08

Consumer Price Index

In the September quarter 2008, Darwin's Consumer Price Index (CPI) increased by 1.7 per cent, compared to 1.2 per cent nationally. In annual terms, Darwin's CPI increased by 4.5 per cent. Nationally, the annual inflation rate increased to 5.0 per cent, up from 4.5 per cent recorded in the June quarter 2008 and the highest annual 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 Reserve Bank of Australia, 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 4.6 per cent in annual terms, the highest increase in 17 years.

Consumer Price Index (latest data – September quarter 2008)



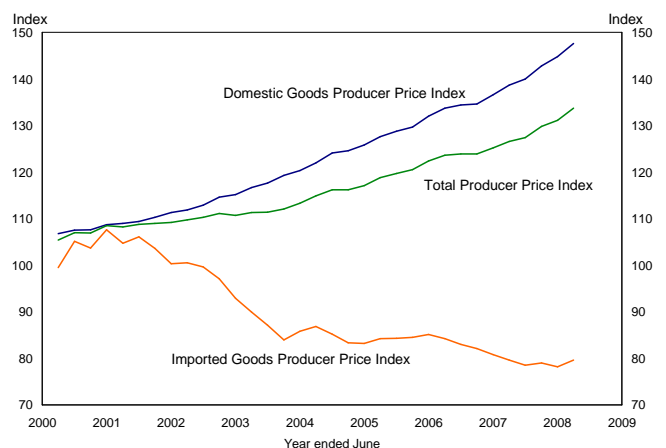
Source: Westpac-Melbourne Institute

Producer Price Index

The producer price index (PPI) measures changes in input prices paid by producers. The PPI for final goods has a domestic and imported goods component. In the September quarter 2008 the PPI increased by 2.0 per cent from the previous quarter influenced by an increasing domestic goods component (increasing by 1.9 per cent) and an increase in the imported goods component (increasing by 1.8 per cent).

In year on year terms, the PPI increased by 4.5 per cent, which is the highest level since March 2001, with the prices of domestic goods increasing by 5.7 per cent while imported goods prices decreased by 3.1 per cent. A higher Australian dollar to September 2008 is the primary reason for decreasing import prices. In the year, imported capital goods prices decreased by 3.1 per cent while prices of imported consumer goods increased by 2.4 per cent.

Producer Price Index* (latest data – September quarter 2008)



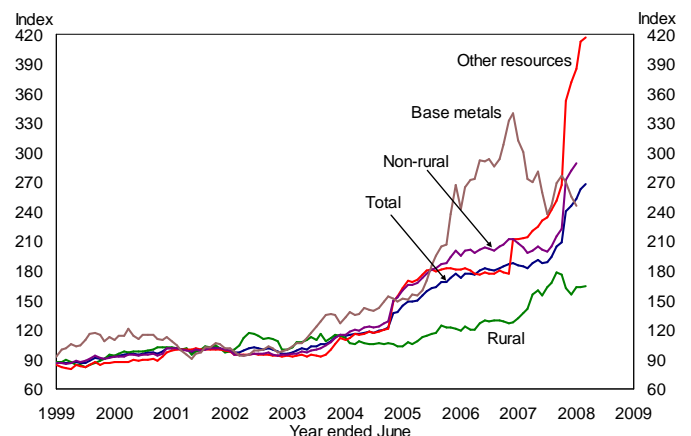
* moving annual total
Source: ABS Cat. No.6416.0

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 September 2008 the total commodity price index increased by 23.0 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' and 'base metals' categories have moderated from the peaks recorded between 2005 and 2007. Growth in the 'other resources' category strengthened to 64.4 per cent in the year, while the 'rural' category reported growth of 23.3 per cent for the year.

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 – September 2008)



Source: NT Treasury

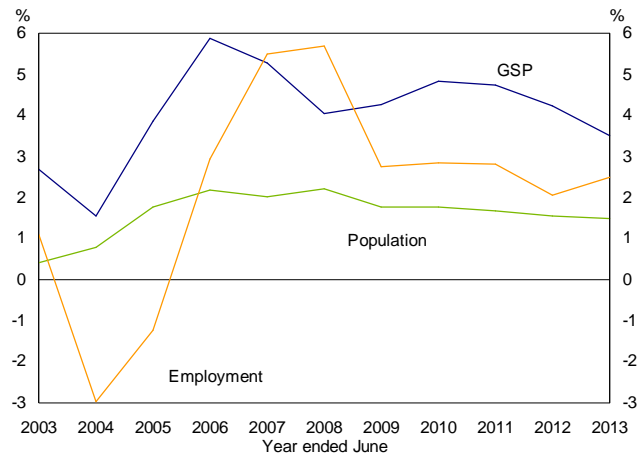
Access Economics

Access Economics, in its September quarter 2008 *Five Year Business Outlook*, forecasts Territory Gross State Product (GSP) to grow at an annual average rate of 4.3 per cent in the five years to 2012-13, the second highest growth rate of the jurisdictions.

Access Economics suggests that “the Northern Territory outlook is reasonably robust, not merely in the next year but also in the next five years”, supported by “continuing gains in government spending in response to the Federal intervention to indigenous affairs” and high relative investment spending in the Territory.

Access Economics also reports a positive outlook for Territory employment, forecasting average annual growth of 2.6 per cent in the five years to 2012-13, the strongest of the jurisdictions (see chart). In the five years to 2012-13 Access is forecasting annual average Territory population growth of 1.6 per cent, the third highest of the jurisdictions, behind Western Australia and Queensland.

Territory Economic Indicators*
(latest data – September quarter 2008)



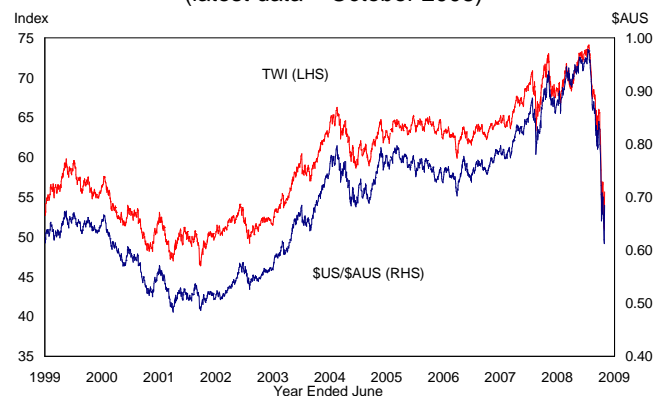
*year on year percentage change
Source: Access Economics

Exchange Rate and TWI

In July 2008, the Australian dollar reached \$0.9786US, a historic peak since the floating of the dollar on 18 March 1984. Since July 2008, the Australian dollar has depreciated sharply against an uncertain global backdrop, falling to \$0.6122US in October 2008, the lowest level since April 2003.

The Trade Weighted Index (TWI) is a weighted measure of a basket of currencies. The TWI essentially reflects the average price of national goods relative to the weighted average price of goods of Australia’s trading partners. Weightings are determined by using the share of trade with each country as the weight for that country. Since reaching a peak of 74.11 in July 2008, the Index has fallen over 30 per cent to October 2008. In October 2008 alone, the TWI fell 15.9 per cent, largely reflecting the strong depreciation of the \$AUD against the \$US.

Trade Weighted Index and \$AUS/\$US Exchange Rate
(latest data – October 2008)



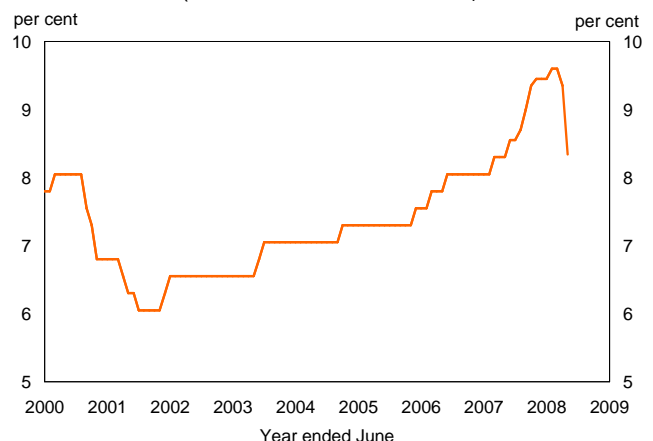
Source: Reserve Bank of Australia

Average Variable Mortgage Rates

Housing loan rates are those quoted for loans to owner-occupiers; in most cases, the same rates also apply to investment housing. Standard rates apply to housing loans with facilities such as the option to redraw or make early repayments. Standard variable loan rates had been steadily increasing from a low of 6.05 per cent at the beginning of 2002 when the official cash rate set by the RBA was at 4.25 per cent. Standard variable loan rates peaked at 9.60 per cent in July and August 2008, and have declined significantly following the RBA’s 25 basis point cut in the cash rate in September and 100 basis point cut in October 2008. The average variable mortgage rate is now 8.34 per cent.

Consensus among leading Australian economists is that standard variable loan rates are expected to continue to decline into the first half of 2009 as the RBA cuts official interest rates in response to slowing global demand.

Average Variable Mortgage Rates*
(latest data – October 2008)



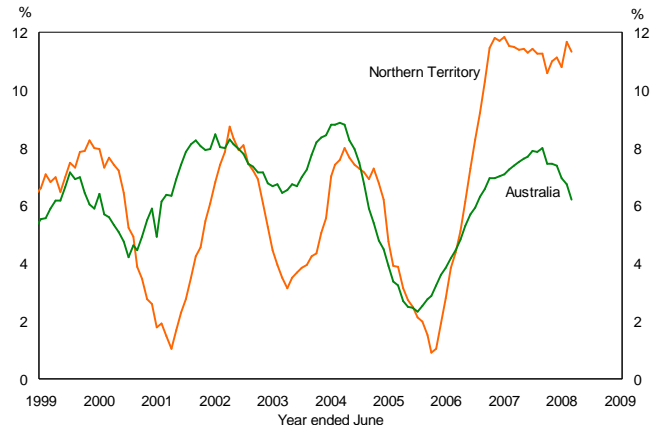
Source: Reserve Bank of Australia
*Average of major lenders

Retail Turnover

Due to tight budgetary conditions, the ABS has significantly reduced the number of businesses surveyed in the monthly Retail Business Survey, and from the July 2008 data release only trend data will be available. In August 2008, trend retail turnover increased 0.4 per cent in the Territory and increased by 0.3 per cent nationally. Over the year to August 2008, trend retail trade has increased 10.3 per cent in the Territory, while increasing 3.2 per cent nationally. In the year to August 2008, current price retail turnover in the Territory increased by 11.3 per cent, the highest of the jurisdictions and above the national average of 6.2 per cent growth (see chart).

The Territory has recorded 19 consecutive months of double digit year on year growth, despite four interest rate rises during this period and increasing fuel prices. This strong growth has been supported by strong employment and population growth in the Territory, and the strength of the Australian dollar to July 2008.

Retail Turnover*
(latest data – August 2008)



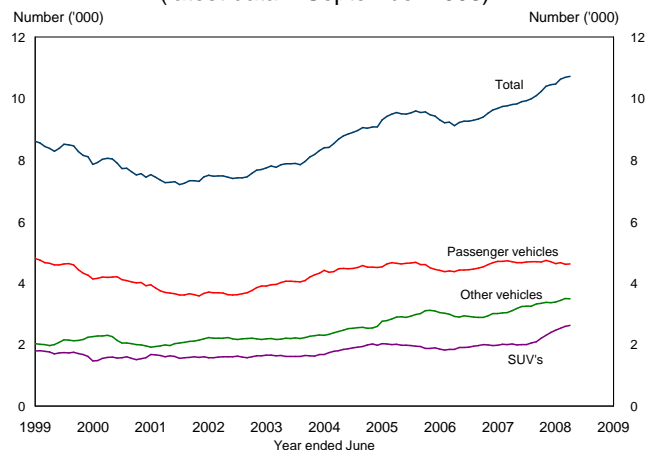
* year on year percentage change, current price
Source: ABS Cat. No. 8501.0

Sales of New Motor Vehicles

In September 2008, in seasonally adjusted terms, total Territory new motor vehicle sales decreased by 5.5 per cent to 861. By vehicle category; sales of 'passenger' vehicles decreased by 2.4 per cent in the month, sales of 'SUV's' decreased by 8.2 per cent, and sales of 'other' vehicles (such as light and heavy trucks) decreased by 7.2 per cent. Nationally, total motor vehicle sales increased by 0.4 per cent in September 2008.

In the year to September 2008, new motor vehicle sales in the Territory increased by 9.4 per cent to 10 721, the highest on record (see chart). In year on year terms, sales of 'passenger' vehicles decreased 1.5 per cent to 4 614, sales of 'other' vehicles increased 12.5 per cent to 3 488, and sales of SUV's increased 30.0 per cent to 2 619. Nationally, sales of new motor vehicles increased 2.9 per cent in the year.

Motor Vehicle Sales*
(latest data – September 2008)



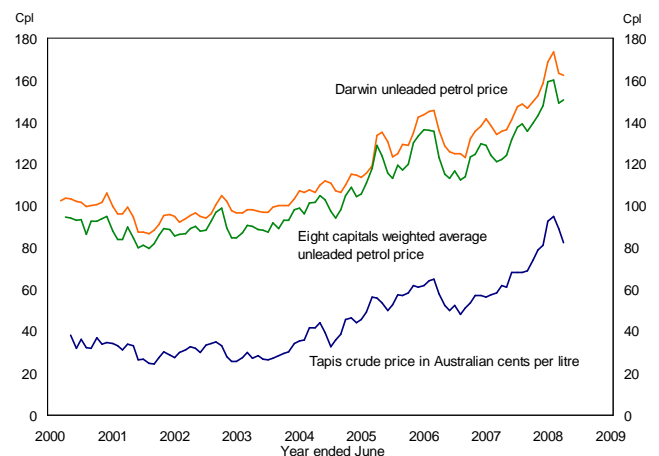
* moving annual total
Source: ABS Cat. No. 9314.0.55.001

Petrol Prices

In September 2008, Darwin fuel prices decreased by 0.8 cpl to 162.2 cpl, while nationally the eight capital cities weighted average price increased by 1.8 cpl to 150.6 cpl. This represents an 11.6 cpl price differential between Darwin and the eight capital cities weighted average. Compared to September 2007 petrol prices in Darwin have increased by 26.6 cpl, while nationally the eight capital cities weighted average price increased by 28.7 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 33 per cent in A\$ terms to \$130.91 in September 2008, while increasing by 29.4 per cent in US\$ terms. The depreciation of the A\$ against the US\$ in September 2008 has meant the effects of falling oil prices have not flowed through to petrol prices. Oil price decreases are mainly due to reduced demand as world economic growth moderates.

Petrol Prices
(latest data – September 2008)



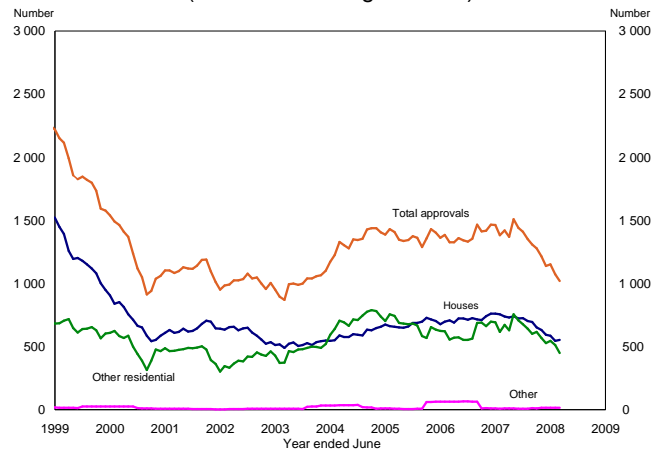
Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

Building Approvals

In annual original terms, Territory residential building approvals decreased by 55 to 67 in August 2008, with 55 private and 12 public sector approvals. For the month, 54 of the private sector approvals were for 'houses', while none were for 'other residential'. There were 12 residential approvals for public sector 'houses'.

In the year to August 2008, residential building approvals in the Territory decreased by 28.2 per cent to 1 019, the lowest growth of the jurisdictions and below the national average increase of 3.6 per cent. The decrease in the number of residential building approvals in the Territory was largely attributable to declines in approvals for private sector houses and units which subtracted 10.8 and 11.9 percentage points respectively from total growth. This trend reflects current conditions in the housing market with moderating price growth, rising material and labour costs.

Total Building Approvals*
(latest data – August 2008)



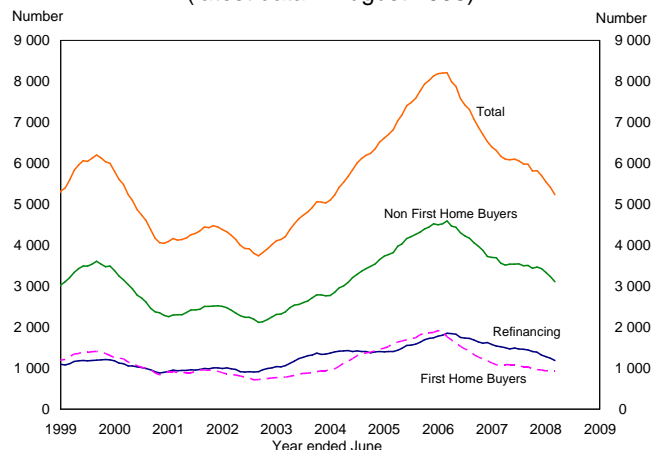
*moving annual total
Source: ABS Cat. No. 8731.0

Housing Finance for Owner Occupation

Over the year to August 2008, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 34 per cent to 349, while decreasing 25.5 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 August 2008, Territory housing finance commitments in original terms decreased by 15.2 per cent, driven by a 14.6 per cent decline in the purchase of established dwellings and a 15.4 per cent decline in the construction of new dwellings. The number of finance commitments by first home buyers decreased in the Territory by 13.4 per cent in the year. At the national level the number of first home buyer housing finance commitments decreased by 5.7 per cent in the same period.

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



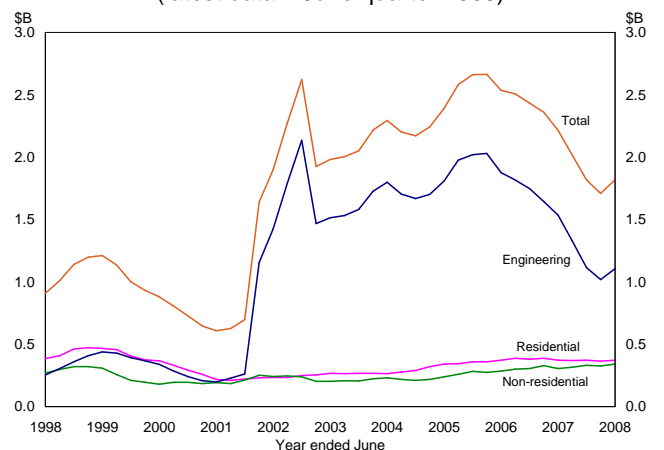
* moving annual total
Source: ABS Cat. Nos. 5609.0

Total Construction Activity

In the June quarter 2008, seasonally adjusted total construction work done increased by 20.8 per cent to \$541 million in the Territory, compared to a national decrease of 2 per cent for the quarter. The increase in the quarter in the Territory includes work on the ENI gas pipeline and the expansion at the Groote Eylandt Gemco mine. In annual terms, the value of construction activity in the Territory increased by 24.6 per cent, reversing its moderating trend over the past two years. Although, the value of total construction activity has been declining over the past two years, it remains above long-term trend levels (see chart). In year on year terms, construction activity in the Territory decreased 17.9 per cent to \$1.8 billion in 2007-08.

The decline in year on year terms in the Territory was largely driven by a 28 per cent fall in engineering construction activity (to \$1.1billion). This reflects the completion of construction at the Wickham Point LNG plant and the Alcan G3 refinery expansion.

Construction Activity*
(latest data – June quarter 2008)



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

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 111 670 in September 2008 (see chart). This is the highest resident employment level on record for the Territory. Nationally, seasonally adjusted employment increased by 2 243 in the month to over 10.7 million employed persons.

A comparison of Territory (trend) resident employment in September 2008 with resident employment in September 2007 shows an increase of 3.2 per cent, the third highest annual growth rate of the jurisdictions behind Tasmania and Western Australia. In year on year terms, a more stable measure of growth, Territory employment increased by 5.1 per cent (in original terms), compared to 2.6 per cent growth reported nationally.

Unemployment

The Territory's trend unemployment rate was 2.6 per cent in September 2008, a record low for the Territory, down from a revised 2.8 per cent reported in August 2008. Compared to September 2007, the trend unemployment rate in the Territory has decreased by 2.2 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 September 2008 the Territory reported the lowest trend unemployment rate of the jurisdictions,

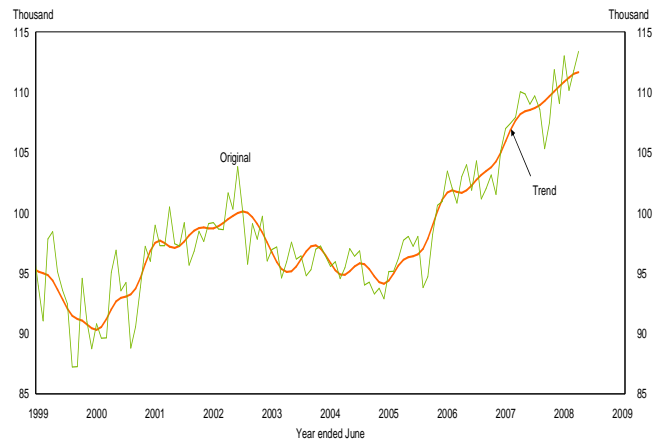
At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) was 4.3 per cent in September 2008, up from 4.1 per cent reported in August 2008 and up from the historic low of 3.9 per cent reported in February 2008.

International Merchandise Trade

In the year to August 2008 the value of Territory merchandise exports increased by 26.3 per cent to \$4.94 billion mainly due to higher production and prices for mineral ores (lead-zinc, iron-ore and manganese) exports. Over the same period, the value of merchandise imports to the Territory increased by 4.1 per cent to \$2.89 billion.

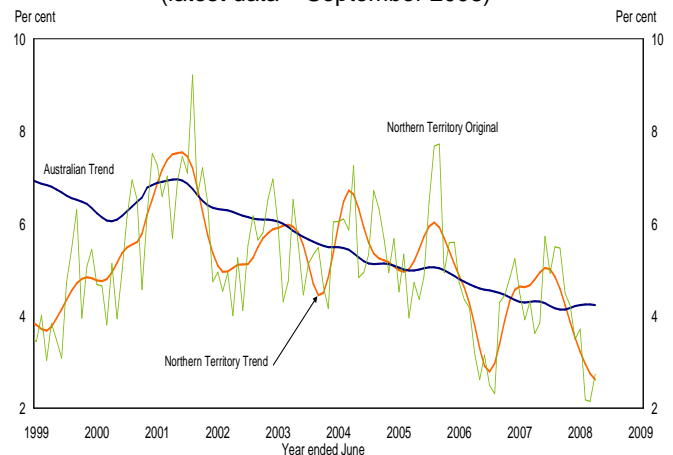
The Territory's goods trade balance increased by \$913 million in July 2008, to a surplus of \$2.05 billion (see chart). The Territory's trade surplus is expected to further improve in the upcoming year with the combined effect of increased LNG, alumina and manganese exports and reduced imports to the Territory. The relatively high value of the Australian dollar in the year to August 2008 has supported increased consumption of imports and made exports less competitive however the significant improvement in the trade deficit has been due to increased contract prices for commodities.

Territory Employment
(latest data – September 2008)



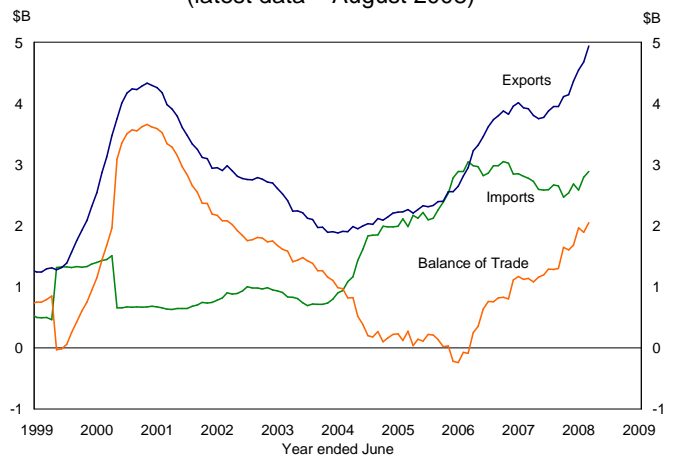
Source: ABS Cat. No. 6202.0

Territory Unemployment
(latest data – September 2008)



Source: ABS Cat. No. 6202.0

Territory Merchandise Trade Balance*
(latest data – August 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 November 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 Jun 08	% change	3.4	4.3	4.2	6.6	2.6	9.3	6.7	0.7	5.1
International Goods Exports	Year to Jul 08	% change	18.8	8.8	1.7	4.3	11.2	16.1	-2.0	14.3	11.1
International Goods Imports	Year to Jul 08	% change	-0.7	9.9	11.4	20.3	14.0	22.3	27.9	-96.6	13.3
Demography											
Population	Mar-07 Qtr to Mar-08 Qtr	% change	2.2	1.1	1.7	2.2	1.1	2.6	0.9	1.4	1.6
Labour Market											
Employment (trend)	Aug 07 to Aug 08	% change	3.7	1.4	1.5	3.1	2.3	3.8	5.2	1.8	2.2
Participation Rate (trend)	As at August 07	%	72.9	63.2	64.9	67.1	62.5	68.4	60.5	72.6	65.0
	As at August 08	%	71.9	63.4	64.7	67.4	63.0	68.9	62.4	72.6	65.2
Unemployment Rate (trend)	As at August 07	%	4.6	4.7	4.5	3.7	4.9	3.4	5.1	2.7	4.3
	As at August 08	%	2.6	4.8	4.5	3.6	4.6	3.1	4.1	2.8	4.2
ANZ Job Ads	Year to Aug 08	% change	11.6	-8.2	-4.2	-7.8	-3.3	-10.6	13.3	-10.8	-3.8
Prices and Wages											
Consumer Price Index	Jun-07 Qtr to Jun-08 Qtr	% change	3.9	4.3	4.4	5.1	4.6	4.5	3.5	4.4	4.5
	Year to Jun 08 Qtr	% change	3.5	3.0	3.6	4.1	3.3	3.6	3.0	3.6	3.4
Average Weekly Earnings (full-time adult total earnings)	As at May 08	\$	1146.10	1192.40	1162.30	1126.90	1089.10	1340.20	1053.10	1343.00	1181.60
Housing Sector											
Building Approvals (number)	Year to Jul 08	% change	-22.3	-1.7	13.8	2.9	23.3	-1.3	6.8	-3.9	5.2
Housing Finance for Owner Occupation (number)	Year to Jul 08	% change	-14.2	-5.6	-0.3	-11.2	-4.9	-12.6	3.1	-7.0	-6.5
Housing Affordability Indicator ^(b)	As at Jun 08 Qtr	Level	39.2	23.5	26.2	24.4	26.1	28.7	27.6	43.0	25.2
Consumer Spending											
Retail Trade (current \$)	Year to Jul 08	% change	11.6	5.9	5.7	9.0	9.1	6.1	5.5	4.0	6.7
New Motor Vehicle Sales (No.)	Year to Aug 08	% change	9.6	2.2	7.1	1.1	6.5	1.9	5.5	1.1	3.5
Tourist Accommodation - Takings (current \$)	Year to Mar 08	% change	10.0	8.4	8.5	8.7	8.7	16.3	8.2	5.8	9.2

*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.