

International Monetary Fund World Economic Outlook Update October 2009

In October 2009, the International Monetary Fund (IMF) released its latest World Economic Outlook update. The update included revised economic growth forecasts, showing a more positive global outlook than in the previous update in April 2009. The IMF highlighted that strong policy actions by governments have stabilised the global economy and are supporting a tentative recovery. Australia is expected to significantly outperform global growth forecasts.

The IMF is now forecasting the global economy to contract by 1.1 per cent in 2009, up from the 1.4 per cent decline forecast in April 2009. The global economy is expected to recover more strongly in 2010 than originally thought with growth of 3.1 per cent forecast (up from 1.9 per cent). Australia is forecast to be the only advanced economy to record positive growth in 2009, with gross domestic product (GDP) expected to expand by 0.7 per cent. This is a significant turnaround from the 1.4 per cent contraction forecast in the April 2009 update. Growth in Australia's GDP in 2010 has also been revised upwards with the economy now expected to grow by 2.0 per cent (up from 0.6 per cent forecast in April 2009) (see Table 1). The upward revisions reflect the relative strength of the Australian economy.

In line with the more positive outlook, Australia's unemployment rate is now forecast to peak at 7 per cent in 2010, substantially lower than the 9.4 per cent rate forecast for major advanced economies, and below the 7.8 per cent rate forecast in the April 2009 update (see Table 1).

Table 1 – IMF World Economic Update April 2009 and October 2009, Australia

	April 2009 IMF World Economic Update				October 2009 IMF World Economic Update			
	2007	2008	2009	2010	2007	2008	2009	2010
Real GDP (% change)	4.0	2.1	-1.4	0.6	4.0	2.4	0.7	2.0
Consumer Prices (% char	2.3	4.4	1.6	1.3	2.3	4.4	1.6	1.5
Unemployment Rate (%)	4.4	4.3	6.8	7.8	4.4	4.2	6.0	7.0

Source: International Monetary Fund World Economic Updates April 2009 and October 2009

Despite the more positive outlook, the IMF highlighted potential challenges for the future. While the collective policy actions of governments throughout the world have been heralded as the keystone of the recovery, the IMF warns that as this policy support is gradually phased out and inventory rebuilding progressively loses its momentum, "private demand will need to strengthen to sustain the recovery".

Private demand is highly influenced by interest rates. On 7 October 2009, the Reserve Bank of Australia (RBA) increased the cash rate by 25 basis points to 3.25 per cent, the first increase in nineteen months. This was followed on 3 November 2009 with another 25 basis point increase. This is in line with recent statements by the Governor of the RBA, Mr Glenn Stevens, who has intimated that the bank is prepared to increase interest rates as quickly as they were cut. Mr Stevens noted that "the very low interest rate settings were designed for a weaker economy than we are in fact facing" and that "the downside risks to which the Board was responding earlier have not materialised".

Although slowing, the outlook for the Territory economy is also looking more positive. In its September 2009 *Business Outlook* publication, independent forecaster, Access Economics made substantial upward revisions to their economic growth forecasts for the Territory in 2008-09 (up from 4.1 per cent to 5.2 per cent) and 2009-10 (up from 1.3 per cent to 3.6 per cent). This primarily reflects a more optimistic outlook for growth in Territory exports driven by the stronger than expected economic recovery in a number of the Territory's major trading partners such as China.

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	2007-08	Latest available	Annual % change*
Expenditure on GSP (2005-06 prices)											
Private Consumption	6.6	3.5	6.5	4.6	6.4	4.8	5.7	3.7	6.0	Jun Q 09	2.1
Public Consumption	7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	3.6	Jun Q 09	3.6
Total Consumption Expenditure	7.0	2.4	3.8	3.7	5.7	4.1	4.2	4.4	5.0	Jun Q 09	2.7
Private Investment											
<i>Dwellings</i>	-24.7	-40.7	4.0	9.9	-4.0	27.5	14.7	-4.4	-8.4	Jun Q 09	-13.5
<i>Other buildings and structures</i>	-58.9	-22.7	125.2	26.5	6.5	0.7	4.4	-3.9	-23.4	Jun Q 09	-6.1
<i>Machinery and equipment</i>	11.3	31.3	2.6	6.3	11.8	-11.6	28.7	7.1	83.5	Jun Q 09	-52.2
<i>Livestock</i>	-7.7	41.7	5.9	-55.6	225.0	-3.8	8.0	-29.6	10.5	Jun Q 09	9.5
<i>Intangible fixed assets**</i>	-18.9	-17.8	51.0	-42.0	-20.0	62.5	98.2	-3.9	1.4	Jun Q 09	53.8
<i>Ownership transfer costs</i>	-6.3	-21.7	16.0	3.7	29.2	6.8	9.0	-1.2	-16.1	Jun Q 09	0.0
Business Investment**	-40.2	-1.7	54.4	7.9	9.7	0.4	17.0	-2.5	4.7	Jun Q 09	-20.1
Total Private Investment	-36.1	-11.6	45.0	8.1	8.5	3.8	16.3	-2.8	1.8	Jun Q 09	-18.6
Public Investment	46.3	45.8	19.4	-33.3	1.9	25.6	2.1	-3.8	24.2	Jun Q 09	-5.8
Total Investment	-29.8	-2.4	38.9	-0.5	7.6	6.7	14.2	-2.9	4.9	Jun Q 09	-16.3
State Final Demand	-5.0	1.5	12.0	2.3	6.2	4.8	7.1	2.1	5.0	Jun Q 09	-3.6
State Final Demand less L-C and B-U###	2.1	1.6	10.8	0.9	5.2	9.5	8.5	2.5		Jun Q 09	
International Trade - export of goods	47.2	30.0	-22.6	-11.0	-23.9	-6.2	-1.6	44.1	-5.9	Jun Q 09	46.7
International Trade - import of goods	178.4	-62.0	15.2	30.1	4.0	107.5	27.5	-0.4	-21.8	Jun Q 09	34.3
Total Gross State Product	7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		
Contribution to GSP Growth											
Private Consumption	2.7	1.4	2.6	1.9	2.8	2.2	2.6	1.8	2.1		
Public Consumption	2.5	0.4	0.1	0.8	1.5	1.1	0.7	1.7	1.1		
Private Investment	-12.3	-2.3	7.6	1.9	2.2	1.1	4.5	-0.8	-0.2		
Public Investment	1.3	1.8	1.0	-2.1	0.1	1.1	0.1	-0.2	1.1		
State Final Demand	-5.5	1.5	11.4	2.4	6.6	5.4	7.8	2.4	4.1		
Net International Exports	4.0	23.7	-13.1	-7.6	-9.3	-11.7	-5.8	9.0	2.6		
Balancing item	8.8	-20.3	3.3	5.2	5.0	12.0	4.5	-6.2	-2.8		
Gross State Product	7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		

* Quarter on corresponding quarter of 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	2007-08	Latest	Annual change**
Real Retail Turnover	8.5	-1.6	4.7	2.3	6.6	4.2	0.8	8.7	8.4	Jun Q 09	6.9
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Sep 09	-7.5
Tourist Accommodation Takings	16.8	1.5	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Jun Q 09	16.3
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	Aug 09	69.7
Number of Dwellings Commenced	-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	Jun Q 09	70.3
Employment	-2.3	1.5	4.8	1.5	-2.0	-0.2	3.2	5.1	5.9	Sep 09	3.7
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Sep 09	3.6
Darwin Consumer Price Index###	0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	Jun Q 09	2.5
AWOTE# (year average)	4.3	3.4	2.1	4.7	6.0	6.6	3.8	1.5	5.2	May Q 09	4.2
Wage Price index (year average)	2.5	2.8	3.1	3.0	3.3	3.7	4.4	3.9	3.9	May Q 09	3.8
Population, December (levels - thousands)###	194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.3	217.4	Mar Q 09	223.1
Population (annual % change)###	1.6	1.0	1.1	0.5	0.6	1.6	2.3	1.9	2.4	Mar Q 09	2.2
Net Interstate Migration (levels - number)###	-817	-1621	-1751	-2440	-2283	-482	726	-428	885	Mar Q 09	832.0

* 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	2007-08	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	7.80	21 Oct 09	3.87
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	6.45	21 Oct 09	5.56
Exchange Rates											
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	21 Oct 09	0.74
US\$ per A\$ (as at 21 October)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	0.96	21 Oct 09	0.92
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	0.59	21 Oct 09	0.58
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	73.40	21 Oct 09	71.0

* 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

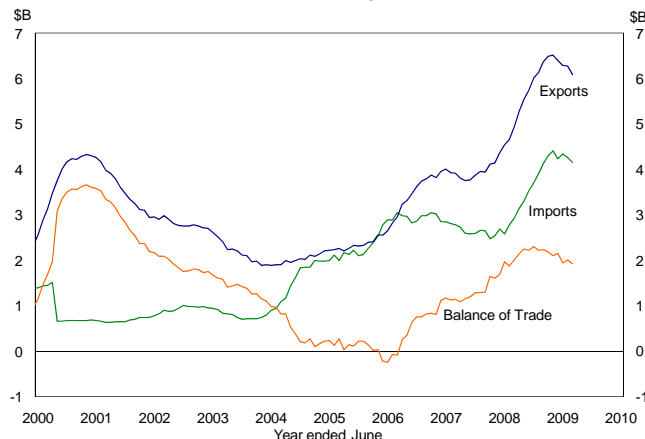
November			
ABS	6416.0	House Price Indexes: Eight Capital Cities, September 2009	2-Nov-09
ABS	8501.0	Retail Trade, Australia, September 2009	4-Nov-09
ABS	6403.0.55.001	Average Retail Prices of Selected Items, Eight Capital Cities, September Quarter 2009	4-Nov-09
ABS	8731.0	Building Approvals, Australia, September 2009	4-Nov-09
ABS	5368.0	International Trade in Goods and Services, Australia, September 2009	5-Nov-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, September 2009 (<i>no brief</i>)	6-Nov-09
ANZ		ANZ job ads series, October 2009 (<i>no brief</i>)	9-Nov-09
ABS	5609.0	Housing Finance, Australia, September 2009	9-Nov-09
ABS	5671.0	Lending Finance, Australia, September 2009 (<i>no brief</i>)	11-Nov-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	11-Nov-09
ABS	6202.0	Labour Force, Australia, October 2009	12-Nov-09
AAA		Petrol Prices, October 2009	Mid-Nov-09
Westpac-MI		Leading Index (<i>no brief</i>)	18-Nov-09
ABS	6345.0	Labour Price Index (Wage Cost Index), September 2009	18-Nov-09
ABS	6302.0	Average Weekly Earnings, August Quarter 2009	19-Nov-09
ABS	8755.0	Construction Work Done, September 2009	25-Nov-09
ABS	5625.0	Private New Capital Expenditure, September 2009 (<i>no brief</i>)	26-Nov-09
ABS	5676.0	Business Indicators, Australia, September 2009 (<i>no brief</i>)	30-Nov-09
December			
ABS	8731.0	Building Approvals, Australia, October 2009	1-Dec-09
ABS	8501.0	Retail Trade, Australia, October 2009	3-Dec-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, October 2009 (<i>no brief</i>)	7-Dec-09
ANZ		ANZ job ads series, November 2009 (<i>no brief</i>)	7-Dec-09
ABS	5302.0	Balance of Payments and International Investment Position, Australia, September 2009.	8-Dec-09
ABS	5368.0	International Trade in Goods and Services, Australia, October 2009.	9-Dec-09
ABS	5609.0	Housing Finance, Australia, October 2009.	9-Dec-09
ABS	8412.0	Mineral and Petroleum Exploration, Australia, September 2009.	9-Dec-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	9-Dec-09
ABS	6202.0	Labour Force, Australia, November 2009.	10-Dec-09
ABS	5220.0	Australian National Accounts: State Accounts, 2008-09.	11-Dec-09
ABS	5671.0	Lending Finance, Australia, October 2009.	14-Dec-09
AAA		Petrol Prices, November 2009	Mid-Dec-09
ABS	8750.0	Dwelling Unit Commencements, Australia, Preliminary, September 2009.	15-Dec-09
ABS	5206.0	Australian National Accounts: National Income, Expenditure and Product, September	16-Dec-09
Westpac-MI		Leading Index (<i>no brief</i>)	16-Dec-09
ABS	9314.0	Sales of New Motor Vehicles, Australia, November	14-Dec-09
ABS	6291.0.55.001	Labour Force by Industry (<i>no brief</i>)	17-Dec-09

International Merchandise Goods Trade

In the year to August 2009, the value of Territory merchandise good exports increased by 23.2 per cent to \$6.08 billion. This was driven by higher prices and production of Liquefied Natural Gas (LNG) from the ConocoPhillips Wickham Point LNG plant. Over the same period, the value of merchandise imports to the Territory increased by 41.8 per cent to \$4.16 billion, driven mostly by higher prices and volumes and gas feedstock for the ConocoPhillips LNG plant.

The Territory's goods trade surplus decreased by 4.0 per cent in the year to August 2009, to \$1.93 billion (see chart). The decline over this period was driven by lower contract prices for resource commodities such as iron ore and manganese. The appreciation of the Australian dollar versus the US dollar also contributed to the fall in export and import prices.

Territory Merchandise Trade Balance* (Latest data – August 2009)



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

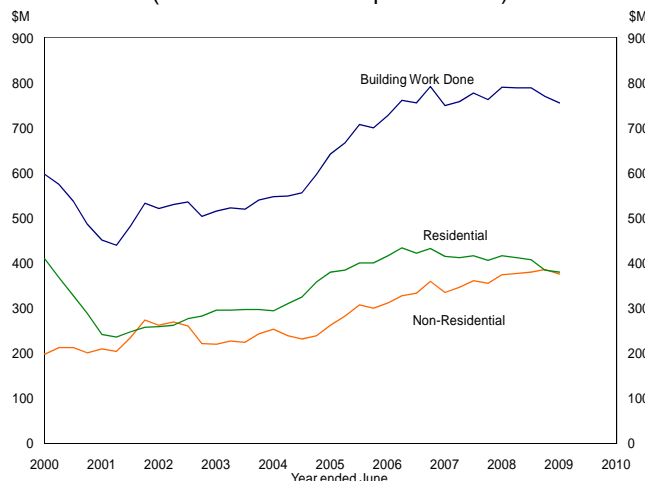
Building Activity (Inflation adjusted)

In 2008-09, construction work done for residential and non-residential buildings in the Territory decreased by 4.5 per cent to \$756 million. This reflects declining construction activity for new houses across the Territory and high-rise unit developments in the Darwin CBD.

Residential construction work done in the Territory decreased by 8.6 per cent to \$380 million in the year. New house construction decreased by 13.9 per cent to \$177 million and 'other residential buildings' decreased by 5.9 per cent to \$146 million. The decline was partly offset by a 2.9 per cent increase in 'alterations & additions' to \$58 million.

Non-residential building work done in the Territory increased by 0.2 per cent to \$375 million in 2008-09, driven by a 15.2 per cent increase in 'public-sector' investment to \$131 million. Growth was almost offset by a 6.4 per cent reduction in 'private-sector' investment to \$244 million over same period.

Building Activity* (Latest data – June quarter 2009)



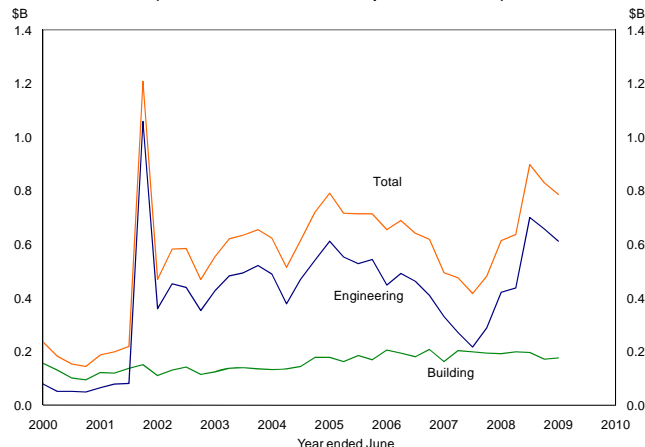
* moving annual total
Source: ABS Cat. No. 8752.0

Total Construction Activity (Inflation adjusted)

In the June quarter 2009, seasonally adjusted construction work done in the Territory decreased by 5.1 per cent to \$788 million, compared to a national increase of 1.9 per cent. Nevertheless, quarterly activity in the Territory remained near historically high levels supported by ongoing work for major projects such as ENI's Blacktip project, the expansion of the GEMCO manganese refinery and the Montara oilfield development.

In 2008-09, the value of construction activity in the Territory increased by 59.0 per cent to \$3.16 billion, a record level. The increase was primarily driven by a 100.9 per cent increase in engineering construction to \$2.4 billion. Non-residential building work done increased by 0.2 per cent to \$375 million in 2008-09, while residential work done decreased by 8.6 per cent to \$380 million.

Total Construction Activity* (Latest data – June quarter 2009)



* seasonally adjusted quarterly data
Source: ABS Cat. No. 8782.0

Engineering Construction Activity (Inflat. adj.)

In 2008-09, engineering construction work done in the Territory increased by 100.9 per cent to \$2.4 billion, a record level (see chart).

Engineering construction work done in the Territory has been dominated by the private sector over the past seven years. In 2008-09, the private sector accounted for 93.2 per cent, or \$2.25 billion of total work done. 'Heavy industry' was by far the dominant engineering category with construction work done valued at \$1.9 billion. This reflects construction activity related to the ENI Blacktip, the expansion of the GEMCO manganese refinery and the Montara oilfield development.

NT Treasury estimates that in the June quarter 2009, engineering work yet to be done in the Territory, in real terms, increased by 32.4 per cent to \$452M. Private engineering work yet to be done increased by 33.6 per cent in the quarter, while public work yet to be done increased by 29.0 per cent in the quarter.

Residential Building Approvals (number)

In August 2009, the Territory experienced a 5.2 per cent decrease in the trend number of residential building approvals. Nationally approvals increased by 1.6 per cent over the same period.

In the year to August 2009, a more stable measure of annual growth, residential building approvals in the Territory increased by 4.6 per cent to 1090 (see chart).

- 'House' approvals increased by 47.0 per cent to 810;
- 'other residential' (units, townhouses etc) approvals decreased by 44.1 per cent to 265; and
- 'Alts and additions' approvals (including alterations, additions and conversions) decreased by 11.8 per cent to 15.

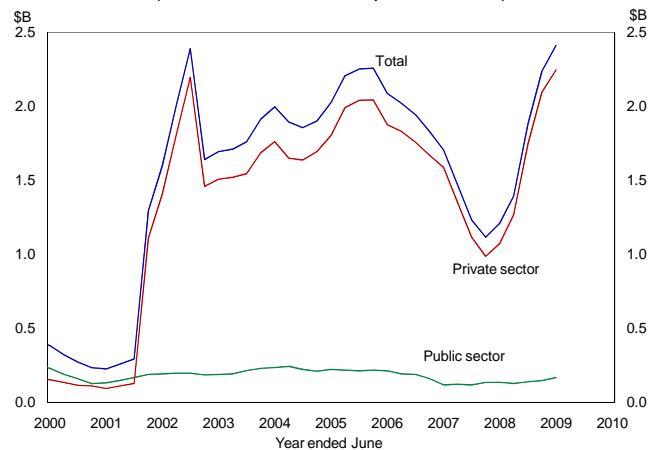
The decline in unit approvals reflects tighter credit market conditions and increased risk aversion by financial institutions towards the high rise unit market in Darwin.

Housing Finance Commitments for Owner Occupation (excluding refinancing)

In the year to August 2009, the number of commitments for owner occupied housing finance (excluding refinancing) in the Territory increased by 8.6 per cent to 4395. Growth was primarily driven by the first home buyer market which experienced growth of 31.9 per cent in the year (see chart). Commitments by non-first home buyers (excluding refinancing) increased by 1.5 per cent over this period. The strong growth in first home buyer commitments reflects the impact on demand of low interest rates (near historical lows), temporary housing initiatives such as the First Home Owners Boost and strong growth in housing rental prices across the Territory.

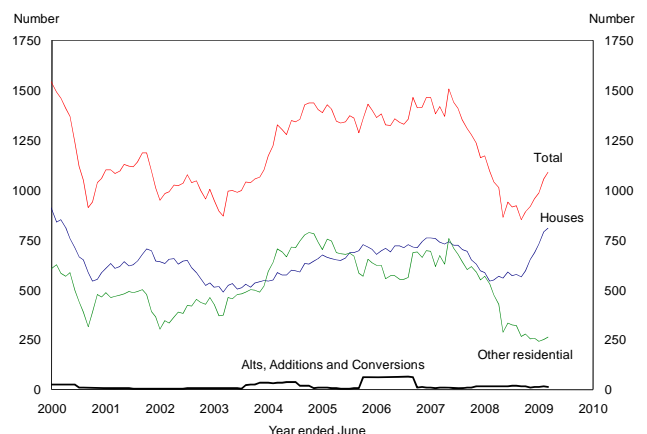
In the year to August 2009 the average loan size in the Territory increased by 30.2 per cent to \$288 850 (year average) for first home buyers and by 22.0 per cent to \$262 842 (year average) for non-first home buyers.

Engineering Activity* (Latest data – June quarter 2009)



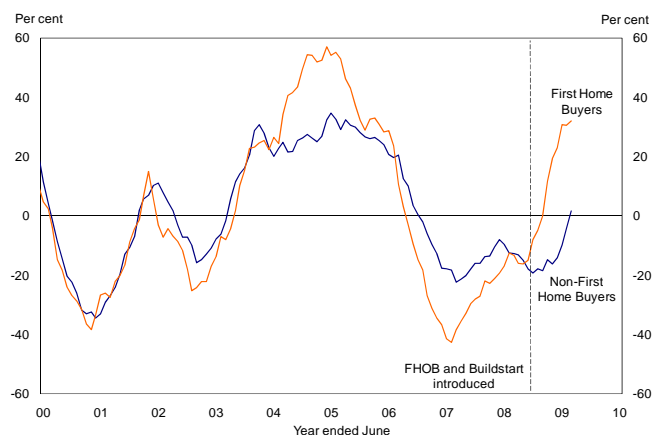
* moving annual total
Source: ABS Cat. No.6416.0

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



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

Number of Housing Finance Commitments (NT)* (Latest data – August 2009)



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

Employment

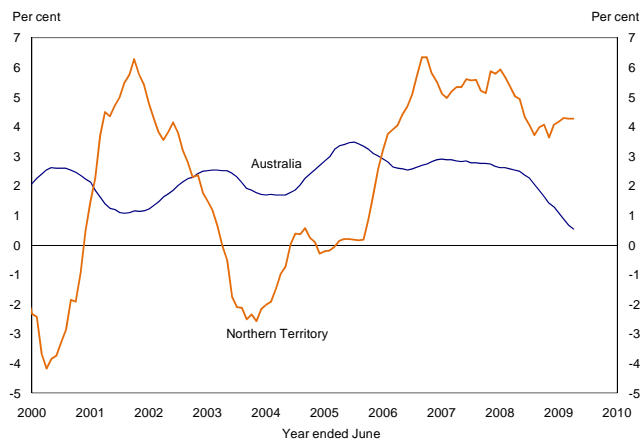
ABS labour force survey (LFS) data for the Territory is characterised by extreme levels of volatility and as such should be interpreted with caution. While analysis of the LFS data nationally is focussed on seasonally adjusted data, the ABS only publishes original and trend data for the Territory.

In September 2009, the trend number of resident employees in the Territory decreased by 0.3 per cent to 118 144 from August 2009. Nationally, the trend level of employment was unchanged at 10.79 million persons.

In year on year terms, a more stable measure of annual growth, the number of residents employed in the Territory increased by 4.3 per cent in September 2009. Nationally, employment growth moderated to 0.5 per cent.

Employment*

(Latest data - September 2009)



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

Unemployment Rate

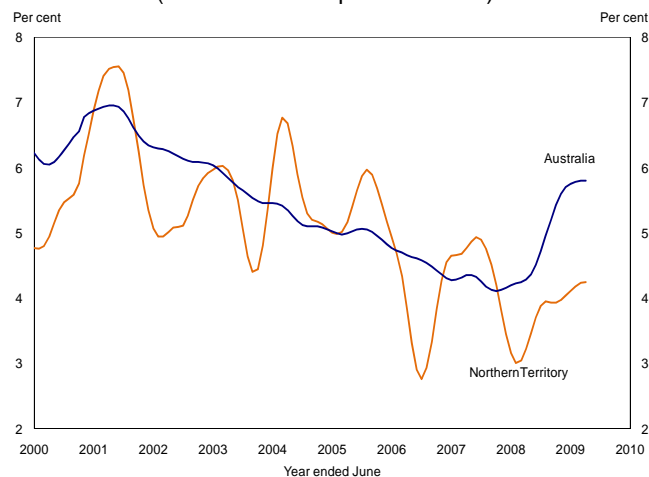
The Territory's trend unemployment rate remained at 4.2 per cent in September 2009, for the third consecutive month. Compared to September 2008, the trend unemployment rate in September 2009 has increased by 1.0 percentage point. The Territory reported the second lowest trend unemployment rate of the jurisdictions, behind the ACT, in September 2009.

Nationally, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) decreased to 5.7 per cent in September 2009, from 5.8 per cent reported in August 2009. This is the first decline in the national unemployment rate since April 2009.

The Manpower Employment Outlook Survey for the December quarter 2009 reports that despite general optimistic hiring intentions by Territory employers, the quarterly net employment outlook has declined by 5 percentage points to +16%.

Unemployment Rate*

(Latest data - September 2009)



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

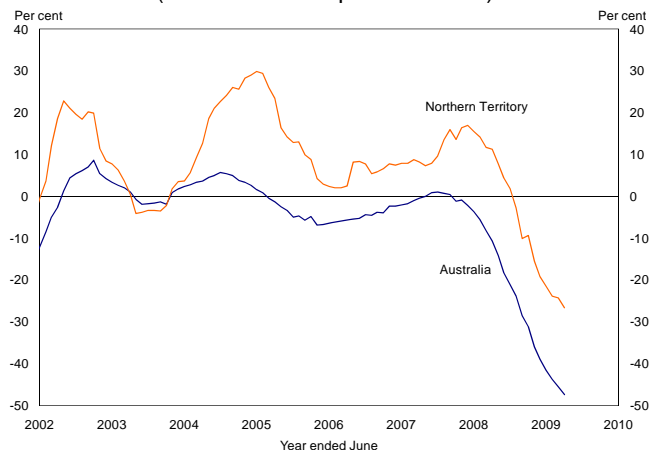
ANZ Job Advertisements

The ANZ bank reports that in September 2009 the number of seasonally adjusted job advertisements in the Territory decreased by 0.5 per cent (to 287) compared to the previous month. Nationally job ads increased by 3.7 per cent. In annual terms, newspaper job advertisements decreased by 24.4 per cent in the Territory and by 41.3 per cent nationally.

In the year to September 2009, job advertisements in the Territory decreased by 26.6 per cent compared to a decrease of 47.4 per cent nationally (see chart). The Territory reported the second lowest decline in job advertisements of the jurisdictions with only Tasmania experiencing a smaller decline. The ANZ reports that there has been strong resilience to the global slowdown in some of the larger employment industries, including retail trade, health services, government and construction.

Number of ANZ Job Advertisements*

(Latest data - September 2009)



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

Consumer Price Index

Compared to the June quarter 2009 the Darwin Consumer Price Index (CPI) increased by 1.9% in the September quarter 2009, the highest growth rate of the 8 capital cities.

Housing contributed 0.9 percentage points to quarterly growth, reflecting increased electricity, water and sewerage costs and higher rent prices. The recreation and transportation categories also contributed significantly to growth in the quarter, contributing 0.5 and 0.3 percentage points respectively. Increasing transportation prices reflect increases in automotive fuel prices due to higher crude oil prices in the quarter. The increase in the recreation category was due to increasing prices for domestic holiday travel and accommodation in Darwin.

In annual terms, growth in Darwin's CPI strengthened to 2.7 per cent in the September quarter 2009. Nationally growth in the CPI moderated to 1.3 per cent.

Petrol Prices

In September 2009, the average Darwin unleaded petrol (ULP) price decreased by 1.3 cents per litre (cpl) to 132.5 cpl. Nationally, average retail unleaded petrol decreased by 2.8 cpl. Generally, petrol prices in Darwin track other capital cities, though tend to remain higher due to distance from refineries and other competitive factors (see chart).

In annual terms, crude oil prices decreased by 41.7 per cent in \$A terms to \$76.33 a barrel in September 2009, while decreasing by 34.4 per cent to \$70.39 a barrel in \$US terms. Since falling to an average monthly price of US\$45.39 a barrel in December 2008, crude oil prices have steadily increased. This may be partly attributed to increasing expectations of a global economic recovery and an expected increase in oil consumption. The appreciation of the A\$ versus the US\$ has offset some of the increases in the US\$ traded oil price.

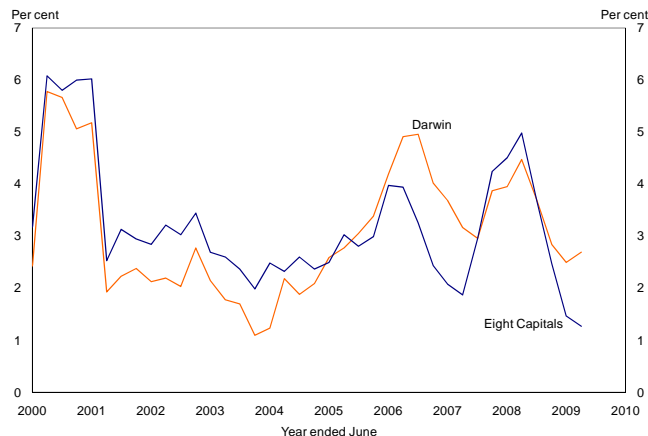
Tourist Accommodation

In line with contracting global economic growth, demand for tourist accommodation in the Territory moderated in 2008-09.

The number of guest nights in hotels, motels and serviced apartments with 15 or more rooms across the Territory increased by 0.4 per cent to 2.72 million in the year. Growth in takings strengthened by 10.9 per cent over the period. However the average room occupancy rate declined by 2.7 percentage points to 63.6 per cent.

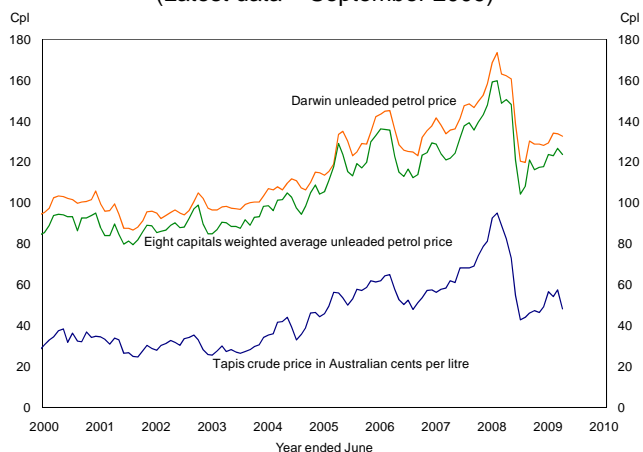
The Darwin region continued to perform strongly in 2008-09 with guest nights up by 10.5 per cent and takings up by 24.4 per cent. In Alice Springs, guest nights declined by 9.8 per cent and growth in takings moderated to 2.8 per cent. Guest nights in Katherine decreased by 4.8 per cent in the year while takings increased by 12.8 per cent.

Consumer Price Index (Latest data – September quarter 2009)



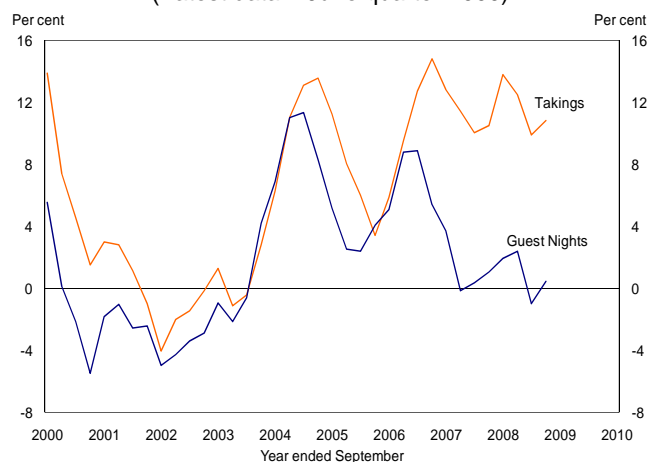
Source: ABS Cat. No. 6401.0

Petrol Prices* (Latest data – September 2009)



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

Tourist Accommodation* (Latest data – June quarter 2009)



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

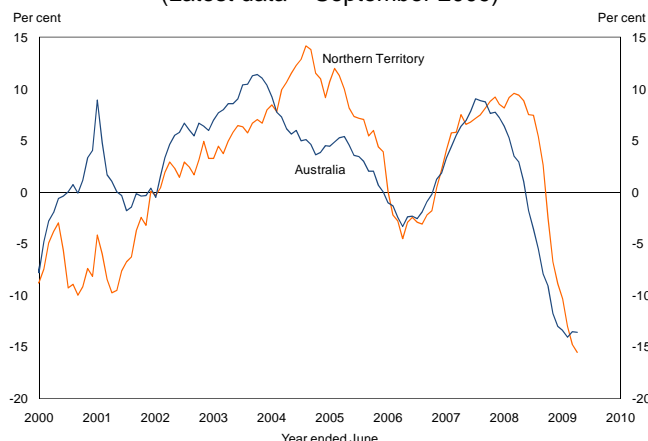
Sales of New Motor Vehicles

Compared to August 2009, the number of seasonally adjusted new motor vehicle sales in the Territory in September 2009 decreased by 2.1 per cent to 758. By vehicle category, sales of 'passenger' vehicles decreased by 12.3 per cent, 'SUV's' increased by 11.8 per cent and 'other' vehicle sales increased by 6.5 per cent. Nationally, new motor vehicle sales increased by 2.9 per cent in September 2009.

In the year to September 2009, new motor vehicle sales in the Territory decreased by 15.6 per cent, to 9 052 (see chart). Nationally, they decreased by 13.6 per cent in the same period. This reflects households and businesses becoming more cautious in their spending, especially for big ticket items such as new motor vehicles, during uncertain economic times.

Motor Vehicle Sales*

(Latest data – September 2009)



* original data, year on year percentage change
Source: ABS Cat. No. 9314.0.55.001

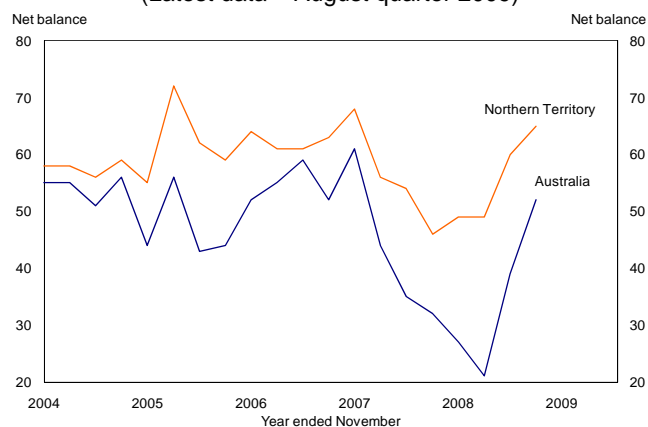
Sensis Consumer Report

The September 2009 *Sensis Consumer Report* found that a net balance of 65 per cent of Territorians were confident about their financial prospects for the year ahead, an increase of 5 percentage points compared to the previous quarter. Nationally, the net balance increased by 13 percentage points to 52 per cent. Consumer confidence in the Territory has exceeded the national figure since Sensis started publishing the data in 2004 (see chart).

At 65 per cent, Territorians were the most confident consumers of the jurisdictions. The remaining jurisdictions reported the following net balances: Australian Capital Territory (58 per cent); Tasmania and Victoria (56 per cent); Queensland (52 per cent); Western Australia (51 per cent); New South Wales (50 per cent); and South Australia (48 per cent).

Consumer Confidence

(Latest data – August quarter 2009)



Source: Sensis Consumer Report

Retail Turnover

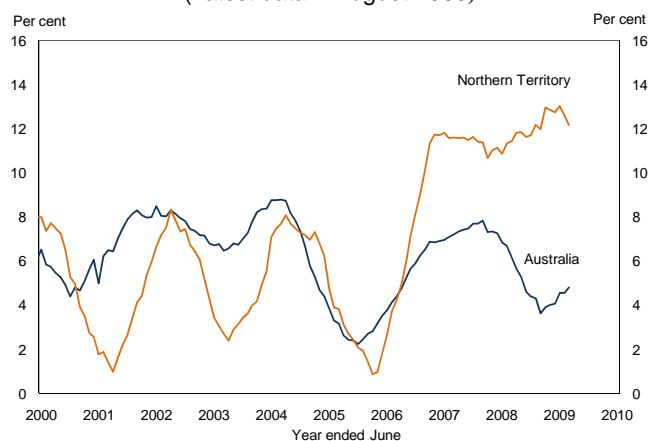
In August 2009, seasonally adjusted nominal retail turnover in the Territory decreased by 0.7 per cent compared to a 0.9 per cent increase nationally. In annual terms, retail trade turnover increased by 7.5 per cent in the Territory and by 5.8 per cent nationally.

In the year to August 2009, retail trade turnover in the Territory increased by 12.2 per cent to \$2.58B, the highest growth rate of the jurisdictions and above the national average growth rate of 4.8 per cent (see chart).

Growth in Territory retail sales in the past year has been supported by high levels of consumer confidence (see above), strong employment and population growth and steep falls in interest rates since September 2008. Commonwealth Government stimulus payments have also supported retail growth since December 2008.

Retail Turnover*

(Latest data – August 2009)



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

Consumer Price Index

A general indicator of prices paid by households for a specific basket of goods and services in one period relative to the cost of the same basket in a base period.

Current Dollars

Nominal. A measure that is not adjusted for inflation or changes in the purchasing power of money. Current dollars specify the value at a certain point in time and are not used to compare value over a series of time periods. Also referred to as nominal dollars.

Dwelling Unit

A self-contained suite of rooms, including cooking and bathing facilities, intended for long-term residential use.

Employed

Persons 15 years and older who worked for one hour or more in the week of the labour force survey.

Final Consumption Expenditure

The value of purchases of goods and services for consumption. Excludes purchases of fixed assets, intermediate goods or additions to inventories. Intermediate goods are those used as inputs for making other goods.

Fixed Capital Formation

Additions to the stock of real capital. Real capital represents assets, except land and natural resources, which are capable of producing income. For example, new and second-hand buildings, plant and equipment and roads.

Goods and Services Tax

From 1 July 2000 the Australian Government introduced a 10 per cent tax on goods and services replacing the previous wholesale sales tax regime. Some items like basic food, health, education and exports are GST free.

Gross Domestic Product

The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. GDP can be calculated by either summing total expenditure, total income, or total production. GDP is the headline measure of economic growth for Australia

Gross State Product

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

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

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

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

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

Labour Force

All persons 15 years and over, who are available for work. That is, employed plus unemployed persons actively seeking work. Excludes defence force personnel and non-residents.

Original Terms

Data in original terms is basic, raw data as collected in a survey or a census. It is not adjusted for seasonality or smoothed to remove irregularities to form a trend series.

Participation Rate

The proportion of the population over 15 years of age who are working or looking for work.

Business Investment

Private fixed capital formation for non-residential buildings and structures, machinery and equipment, livestock, intangible fixed assets before depreciation.

Real Dollars

Used to remove the impact of price changes (inflation) in time series data. In the base year current prices equal constant prices. To convert current dollar values to constant dollar values it is necessary to deflate/inflate by the appropriate inflation index number. Also referred to as constant dollars or values in chain volume terms.

Seasonally Adjusted Terms

The seasonally adjusted series is a time series of estimates with the effects of normal seasonal variation removed (that is those fluctuations that exhibit a regular pattern at a particular time of year). Seasonally adjusted terms allow the effects of other non-seasonal influences on the series to be more clearly recognised.

State Final Demand

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

Trend Terms

The trend series is used to analyse the underlying behaviour of the series over time. Trend terms are derived by smoothing the seasonally adjusted series to reduce the impact of any irregular components of that series.

Unemployed

Persons 15 years and older who were not employed during the week of the labour force survey and were actively seeking work in the past four weeks.

Unemployment rate

The number of unemployed persons expressed as a percentage of the labour force.

Territory Economic Review November 2009

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2007-08	% change	3.9	2.8	3.2	5.3	3.8	5.2	3.4	2.5	3.7
State Final Demand ^(a)	Year to Jun 09	% change	6.2	1.8	3.1	1.9	5.4	5.2	4.4	0.3	2.5
International Goods Exports	Year to Aug 09	% change	23.2	22.0	-2.9	33.7	-15.5	14.5	-5.8	0.0	14.9
International Goods Imports	Year to Aug 09	% change	41.8	1.3	-5.1	-4.3	-12.8	10.5	8.5	-20.0	2.9
Demography											
Population	Mar-08 Qtr to Mar-09 Qtr	% change	2.2	1.6	2.1	2.6	1.2	3.1	1.0	1.8	2.1
Labour Market											
Employment (trend)	Sep 08 to Sep 09	% change	3.5	0.3	0.3	-0.3	-0.1	-1.8	-2.8	-1.6	-0.2
Participation Rate (trend)	As at September 08	%	72.2	63.5	64.6	67.5	63.7	69.3	62.5	73.1	65.4
	As at September 09	%	73.8	63.4	64.7	67.5	63.3	68.2	60.6	71.7	65.1
Unemployment Rate (trend)	As at September 08	%	3.2	5.0	4.4	3.7	5.1	2.7	4.1	2.7	4.3
	As at September 09	%	4.2	5.8	5.9	6.0	5.7	5.7	5.0	3.5	5.8
ANZ Job Ads	Year to Sep 09	% change	-26.6	-47.4	-4.2	-46.6	1.7	-10.6	13.3	-58.0	-3.8
Prices and Wages											
Consumer Price Index	Jun-08 Qtr to Jun-09 Qtr	% change	2.5	1.3	1.2	2.0	1.6	1.4	1.7	2.1	1.5
	Year to Jun 09 Qtr	% change	3.4	3.1	2.8	3.7	3.2	3.0	2.9	3.4	3.1
Average Weekly Earnings (full-time adult total earnings)	As at May 09	\$	1179.50	1252.10	1211.50	1183.70	1160.80	1429.80	1109.00	1391.00	1241.30
Housing Sector											
Building Approvals (number)	Year to Aug 09	% change	4.6	-22.8	0.2	-36.4	-14.6	-20.0	-1.4	33.2	-17.8
Housing Finance for Owner Occupation (number)	Year to Aug 09	% change	9.1	4.6	-1.8	-1.8	4.4	-5.8	-2.0	24.3	0.5
Housing Affordability Indicator ^(b)	As at Mar 09 Qtr	Level	46.0	33.0	36.1	33.2	35.1	38.6	36.0	59.4	35.0
Consumer Spending											
Retail Trade (current \$)	Year to Aug 09	% change	12.2	3.5	6.0	5.4	6.1	2.7	7.7	4.2	4.8
New Motor Vehicle Sales (No.)	Year to Sep 09	% change	-15.6	-12.3	-13.2	-15.5	-10.2	-16.8	-15.1	-7.9	-13.6
Tourist Accommodation - Takings (current \$)	Year to Jun 09	% change	10.9	-3.7	-0.7	-1.4	3.7	4.0	3.7	1.3	-0.7

*original data unless otherwise stated

(a) in real, inflation adjusted terms (b) the higher the number, the more affordable the housing

Source: Australian Bureau of Statistics Data, ANZ Job Advertisement Series, 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.