

## Grocery Prices in the Territory

The Northern Territory Treasury undertakes a twice yearly Grocery Price Survey, which was developed in response to a recommendation by the Legislative Assembly Select Committee on Territory Food Prices in 1999. The survey measures the cost of purchasing a fixed basket of goods from supermarkets across the Territory and north Queensland.

The basket comprises eight subgroups that include 'dairy & related products', 'bread & cereal products', 'meat & seafood', 'fruit & vegetables', 'non-alcoholic drinks & snacks', 'other food', 'household supplies' and 'pet foods'.

In June 2009, of the surveyed centres in the Territory, the cheapest average cost of the survey basket of goods was recorded in Alice Springs (\$180.58), while the most expensive basket was recorded in Yulara (\$224.32). In Darwin, the average cost of the basket of goods was \$187.23.

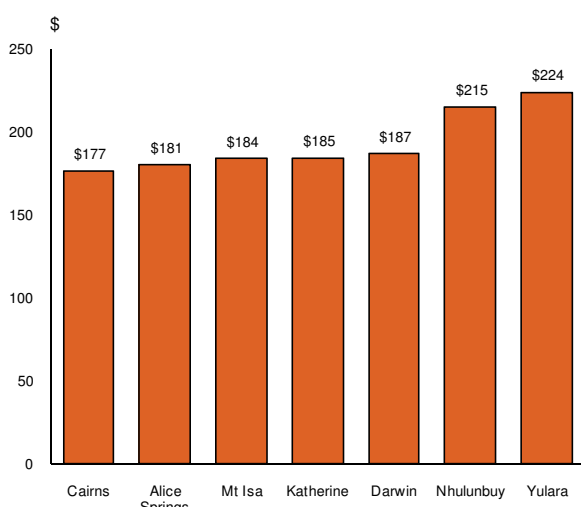
Results from the June 2009 survey showed that the cost of the basket of goods had risen across all surveyed centres. The average cost of the survey basket in Darwin increased by 5.5 per cent when compared with a year earlier. This is consistent with the increase recorded in the recent Darwin CPI 'food' category (5.1 per cent). Yulara recorded the highest annual increase of 10.0 per cent, while Katherine recorded the lowest annual increase of 1.6 per cent.

The price of the survey basket of goods in Darwin was \$10.27 or 5.8 per cent higher than Cairns, which has a similar population to Darwin. The price disparity is due to the relative proximity to major grocery supplies and the difference in transportation costs, including petrol.

Alice Springs and Mount Isa are comparable in terms of population size and remoteness. The cost of the survey basket of goods in Alice Springs was \$3.50 less than Mount Isa. This reflects Alice Springs' closer proximity to southern supply centres.

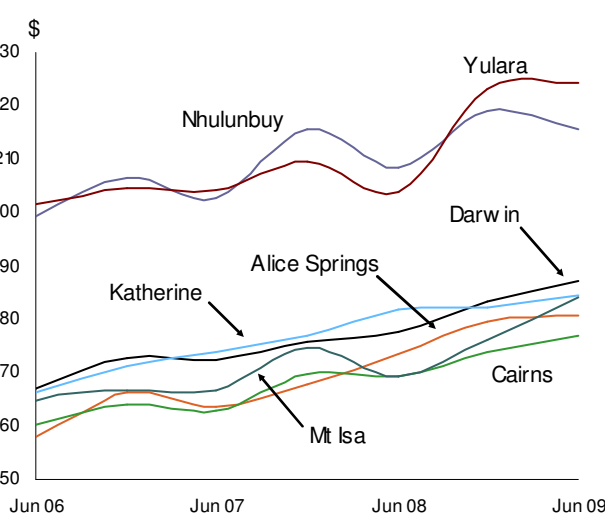
Yulara and Nhulunbuy recorded the highest prices for the basket of goods for the surveyed areas, which reflects the high freight costs, the smaller markets and reduced competition.

**Chart 1: Cost of Grocery Basket (June 2009)**



Source: NT Treasury

**Chart 2: Growth in Cost of Grocery Basket**



Source: NT Treasury

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*
<b>Expenditure on GSP (2005-06 prices)</b>											
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
<b>Total Consumption Expenditure</b>	<b>7.0</b>	<b>2.4</b>	<b>3.8</b>	<b>3.7</b>	<b>5.7</b>	<b>4.1</b>	<b>4.2</b>	<b>4.4</b>	<b>5.0</b>	Jun Q 09	<b>2.7</b>
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
<b>Total Investment</b>	<b>-29.8</b>	<b>-2.4</b>	<b>38.9</b>	<b>-0.5</b>	<b>7.6</b>	<b>6.7</b>	<b>14.2</b>	<b>-2.9</b>	<b>4.9</b>	Jun Q 09	<b>-16.3</b>
<b>State Final Demand</b>	<b>-5.0</b>	<b>1.5</b>	<b>12.0</b>	<b>2.3</b>	<b>6.2</b>	<b>4.8</b>	<b>7.1</b>	<b>2.1</b>	<b>5.0</b>	Jun Q 09	<b>-3.6</b>
<b>State Final Demand less L-C and B-U##</b>	<b>2.1</b>	<b>1.6</b>	<b>10.8</b>	<b>0.9</b>	<b>5.2</b>	<b>9.5</b>	<b>8.5</b>	<b>2.5</b>		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
<b>Total Gross State Product</b>	<b>7.2</b>	<b>4.9</b>	<b>1.7</b>	<b>0.0</b>	<b>2.3</b>	<b>5.6</b>	<b>6.5</b>	<b>5.2</b>	<b>3.9</b>		
<b>Contribution to GSP Growth</b>											
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		
<b>State Final Demand</b>	<b>-5.5</b>	<b>1.5</b>	<b>11.4</b>	<b>2.4</b>	<b>6.6</b>	<b>5.4</b>	<b>7.8</b>	<b>2.4</b>	<b>4.1</b>		
<b>Net International Exports</b>	<b>4.0</b>	<b>23.7</b>	<b>-13.1</b>	<b>-7.6</b>	<b>-9.3</b>	<b>-11.7</b>	<b>-5.8</b>	<b>9.0</b>	<b>2.6</b>		
Balancing item	8.8	-20.3	3.3	5.2	5.0	12.0	4.5	-6.2	-2.8		
<b>Gross State Product</b>	<b>7.2</b>	<b>4.9</b>	<b>1.7</b>	<b>0.0</b>	<b>2.3</b>	<b>5.6</b>	<b>6.5</b>	<b>5.2</b>	<b>3.9</b>		

\* 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	7.6	-2.2	4.8	3.1	6.0	4.0	0.7	8.5	8.0	Jun Q 09	7.1
New Motor Vehicle Sales	-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Aug 09	-15.4
Tourist Accommodation Takings	0.0	0.0	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Mar Q 09	-1.6
Number of Dwellings Approved	-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	Jul 09	83.5
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	Aug 09	3.7
Unemployment rate	4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Aug 09	3.2
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)	0.0	0.0	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
<b>Interest Rates</b>											
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	25 Sep 09	3.33
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	25 Sep 09	5.37
<b>Exchange Rates</b>											
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	25 Sep 09	0.73
US\$ per A\$ (as at 30 June)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	0.96	25 Sep 09	0.84
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	25 Sep 09	0.54
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	25 Sep 09	66.1

\* 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

October 2009			
ABS	8762.0	Engineering Construction Activity, Australia, June 2009	1-Oct-09
ANZ		ANZ job ads series, September 2009 ( <i>no brief</i> )	5-Oct-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, August 2009 ( <i>no brief</i> )	6-Oct-09
ABS	5368.0	International Trade in Goods and Services, Australia, August 2009	6-Oct-09
ABS	5609.0	Housing Finance, Australia, August 2009	7-Oct-09
ABS	6202.0	Labour Force, Australia, September 2009	8-Oct-09
ABS	8635.0	Tourist Accommodation, June 2009	8-Oct-09
ABS	5671.0	Lending Finance, Australia, August 2009 ( <i>no brief</i> )	12-Oct-09
ABS	8752.0	Building Activity, Australia, June 2009	14-Oct-09
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, Australia, June 2009	14-Oct-09
Westpac-MI		Consumer Sentiment Index ( <i>no brief</i> )	14-Oct-09
ABS	6291.0.55.001	Labour Force by Industry, Australia, September 2009 ( <i>no brief</i> )	15-Oct-09
AAA		Petrol Prices, September 2009	Mid-Oct 09
ABS	9314.0	Sales of New Motor Vehicles, Australia, September 2009	21-Oct-09
Westpac-MI		Leading Index ( <i>no brief</i> )	21-Oct-09
ABS	6457.0	International Trade Price Indexes, Australia, September 2009 ( <i>no brief</i> )	23-Oct-09
ABS	6427.0	Producer Price Index, Australia, September 2009 ( <i>no brief</i> )	26-Oct-09
ABS	6401.0	Consumer Price Index, Australia, September 2009	28-Oct-09
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

## International Merchandise Goods Trade

In the year to July 2009, the value of Territory merchandise good exports increased by 34.7 per cent to \$6.3 billion. This was mainly due to the 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 53.0 per cent to \$4.26B, driven mostly by gas feedstock for the ConocoPhillips LNG plant.

The Territory's goods trade surplus increased by 7.6 per cent in the year to July 2009, to \$2.03B (see chart). Growth was driven by higher export volumes, the depreciation of the Australian dollar over this period, high contract prices for most commodities (locked in before global demand deteriorated) and falls in prices for refined petroleum, a primary import for the Territory.

## State Final Demand

State Final Demand (SFD) is the sum of consumption and investment expenditures by both the public and private sectors and is not a complete measure of economic growth. In 2008-09, the Territory's SFD increased by 6.2 per cent to \$16.8B, the strongest growth rate of all states.

The largest component of Territory SFD is private consumption expenditure which increased by 1.9 per cent to \$6.7B in the year. The increased private consumption was mainly driven by strong population growth and the Government's stimulus package. Over the same period, public consumption increased by 5.3 per cent to \$4.8B.

Total investment expenditure in the Territory increased by 13.3 per cent to \$5.3B in 2008-09. Total private investment in the Territory increased by 14.9 per cent to \$4.5B, while public investment increased by 4.9 per cent to \$794M respectively in 2008-09.

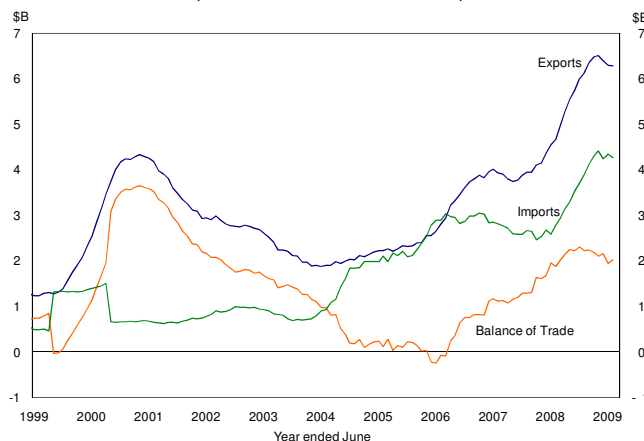
## Gross Domestic Product

Australia's Gross Domestic Product (GDP) continued to increase in the June 2009 quarter by 0.6 per cent in seasonally adjusted terms following the 0.4 per cent increase in the March 2009 quarter and increased by 1.0 per cent through the year. Consumption increases in households and general government of 0.5 and 0.1 percentage points respectively as well as an increase in investment from the private sector of 0.2 percentage points contributed to the growth of GDP in the June quarter. Over the year to June 2009, GDP growth was underpinned by household consumption and business investment, contributing 0.8 percentage points each to total GDP growth.

On the production side, the 'government administration and defence' industry was the largest contributor to growth in the year, contributing 0.3 of a percentage point. 'Manufacturing' and 'property & business services' detracted 0.8 and 0.4 percentage points from growth respectively.

## Territory Merchandise Trade Balance\*

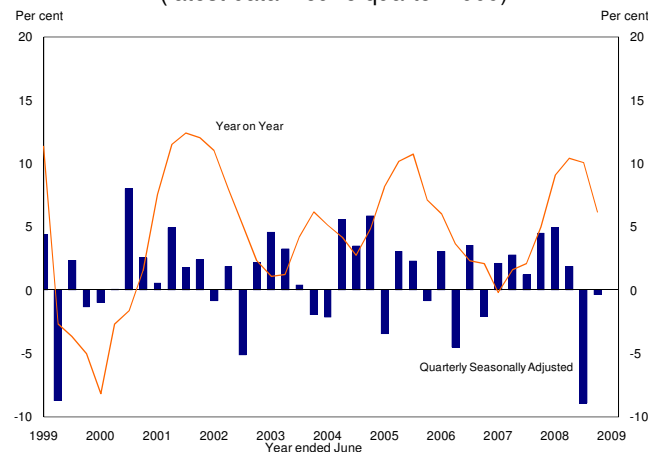
(Latest data – June 2009)



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

## State Final Demand

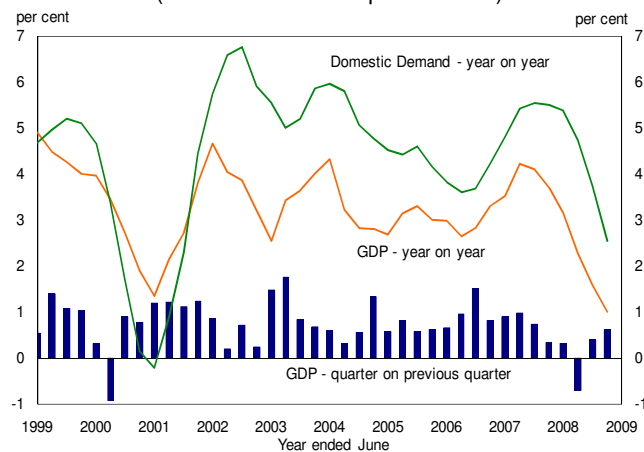
(latest data – June quarter 2009)



Source: ABS Cat. No. 5206.0

## Gross Domestic Product

(latest data – June quarter 2009)



Source: ABS Cat. No. 5206.0

## Employment

ABS labour force survey (LFS) data for the Territory is characterised by extreme 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.

The ABS reports that in August 2009 the trend employment in the Territory decreased by 0.2 per cent to 118 940 from July 2009. Nationally, trend employment remained flat in August 2009 at 10.77 million persons.

In year on year terms, a more stable measure of annual growth, Territory employment increased by 4.3 per cent in the year to August 2009. Nationally, employment growth continued moderating over this period, increasing by 0.7 per cent. This growth in Territory employment was accompanied by a strong labour force participation rate of 74.5 per cent, the highest of all jurisdictions. The national participation rate remained steady at 65.2 per cent.

## Unemployment

The Territory's trend unemployment rate has remained at 4.2 per cent in August 2009, unchanged from the previous two months but higher than the August 2008 rate of 3.0 per cent. The Territory recorded the second lowest rate, behind the Australian Capital Territory (3.6 per cent).

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).

Nationally, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) remained unchanged at 5.8 per cent in August 2009. In trend terms, the national unemployment rate has been tracking upwards since the 30-year low reported in March 2008.

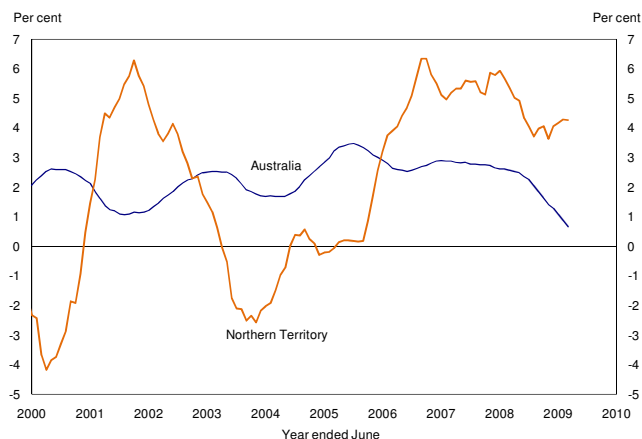
## Retail Turnover

Between June 2009 and July 2009, seasonally adjusted nominal retail turnover in the Territory increased by 2.0 per cent compared to a 1.0 per cent decrease nationally. In annual terms, retail trade turnover increased by 9.5 per cent in the Territory and by 5.2 per cent nationally.

In the year to July 2009, retail trade turnover in the Territory increased by 13.0 per cent to \$2.6B, the highest growth rate of the jurisdictions and above the national average growth rate of 4.9 per cent (see chart).

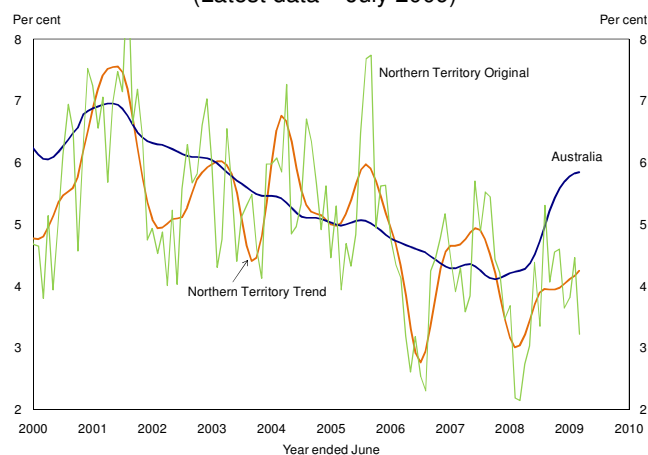
Growth in Territory retail sales in the past year has been supported by high levels of consumer confidence, strong employment and population growth and steep falls in interest rates since September 2008. Commonwealth Government stimulus payments have also supported retail growth since December 2008.

## Employment\* (Latest data - July 2009)



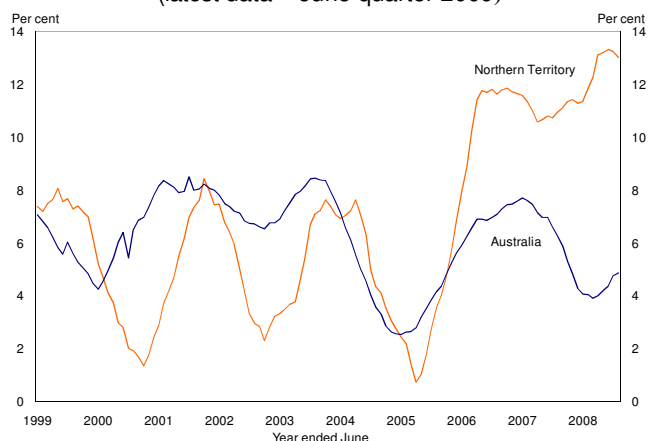
\* original data, year on year percentage change  
Source: ABS Cat. No. 6202.0

## Unemployment Rate\* (Latest data – July 2009)



\* Trend monthly data  
Source: ABS Cat. No. 6202.0

## Retail Turnover\* (latest data – June quarter 2009)



\* year on year percentage change, chain volume measure  
Source: ABS Cat. No. 8501.0

## ANZ Job Ads

In August 2009, newspaper job advertisements in the Territory and in Australia increased by 9.2 per cent and 5.5 per cent respectively from the previous month. In annual terms, newspaper job advertisements increased by 14.4 per cent in the Territory and decreased by 43.1 per cent nationally.

In the year to August 2009, job advertisements in the Territory decreased by 24.3 per cent compared to a decrease of 45.5 per cent nationally (see chart). The Territory reported the lowest decline in job advertisements of any of the jurisdictions. 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.

## Sales of New Motor Vehicles

In August 2009, the number of seasonally adjusted new motor vehicle sales in the Territory decreased by 1.8 per cent to 777. By vehicle category, sales of 'passenger' vehicles decreased by 2.2 per cent in the month, 'SUVs' decreased by 2.6 per cent and 'other' vehicles decreased by 0.4 per cent. Nationally, total new motor vehicle sales increased by 0.3 per cent.

In the year to August 2009, new motor vehicle sales in the Territory decreased by 14.1 per cent to 9 182 (see chart). Nationally, new motor vehicle sales also decreased by 14.1 per cent over the same period.

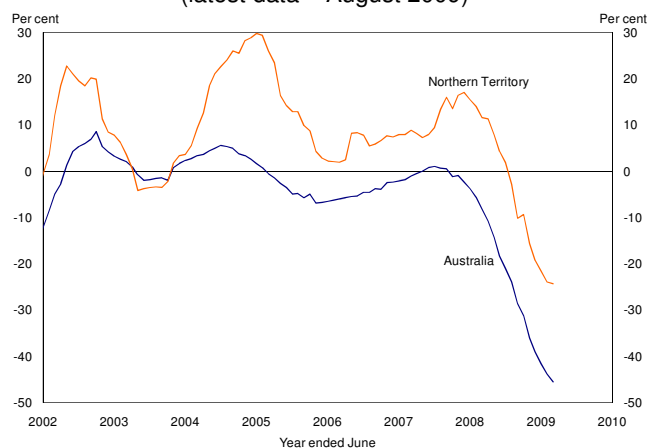
The total number of new motor vehicle sales in the Territory in the year to August 2009 has continued to decline from the peak reported in the year to September 2008 (see chart). The termination of the Commonwealth's business tax incentives has seen the sale of new motor vehicles, especially passenger vehicles, slow considerably.

## Petrol Prices

Average Darwin unleaded petrol (ULP) prices in August 2009 decreased by 0.4 cents per litre (cpl) to 133.8 cpl from the previous month. In comparison, the other capital cities weighted average ULP price increased by 2.9 cpl to 126.5 cpl. This represents a 7.3 cpl price differential between Darwin and national average. Over the long term, petrol prices in Darwin track with the other capital cities, but at a higher amount due to distance from refineries and other competitive factors (see chart).

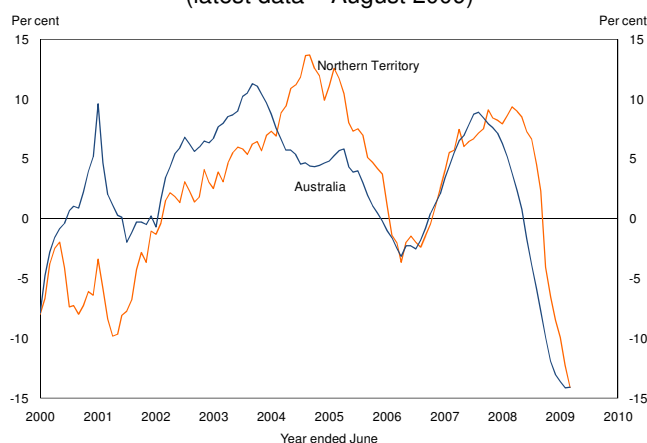
In annual terms, crude oil prices decreased by 35.5 per cent in \$A terms to A\$91.22 a barrel in August 2009, while decreasing by 39.0 per cent to \$76.20 a barrel in \$US terms. Since falling to an average monthly price of US\$45.39 a barrel in December 2008, crude oil prices had steadily increased. This can be partly attributed to renewed expectations of global economic recovery and the increases in oil consumption that will follow. The strength of the A\$ against the US \$ has mitigated some of the effects of rising oil prices.

## ANZ Job Advertisements\* (latest data – August 2009)



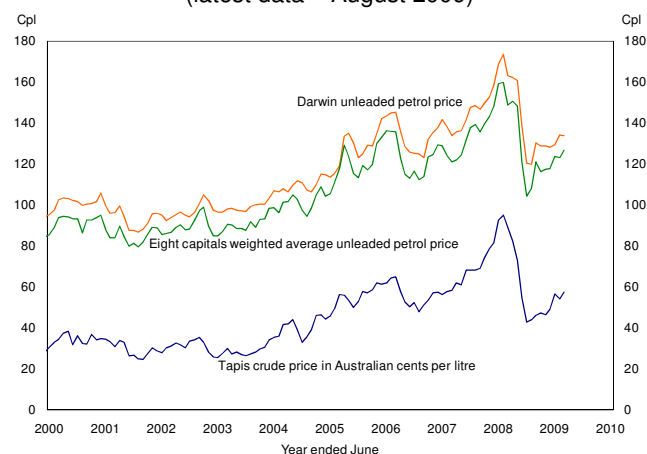
\* year on year percentage change  
Source: ANZ Job Advertisements series

## Motor Vehicle Sales\* (latest data – August 2009)



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

## Petrol Prices\* (latest data – August 2009)



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

## Building Approvals

In annual trend terms, the Territory experienced a marginal decrease of 1.9 per cent in building approval between June and July 2009. This follows the two year high recorded in June 2009. Nationally, trend residential building approvals increased by 1.7 per cent and continue to recover from the low in January 2009 (see chart 1).

In the year to July 2009, residential building approvals in the Territory decreased by 3.4 per cent compared to the year to July 2008. Over this period:

- 'house' approvals increased by 45.1 per cent to 791;
- 'unit' approvals decreased by 59.9 per cent to 251; and
- 'other' approvals (including alterations, additions and conversions) decreased by 5.9 per cent to 16.

The decline in unit approvals is due to a large number of unit approvals in the previous year and a tighter credit market.

## Housing Finance for Owner Occupation

In July 2009, the number of trend housing finance commitments for owner occupation in the Territory increased by 4.9 per cent to 535. Nationally, commitments decreased by 2.0 per cent (see chart).

Since the recent low recorded in August 2008 (354), the number of monthly housing finance commitments for owner occupation in the Territory has increased by 51 per cent to July 2009. The recovery was primarily driven by historically low interest rates, which has significantly increased housing affordability both in the Territory and nationally. The recovery can also be attributed to increases in Commonwealth and Territory Government housing subsidies, such as the First Home Owner Boost and Buildstart program.

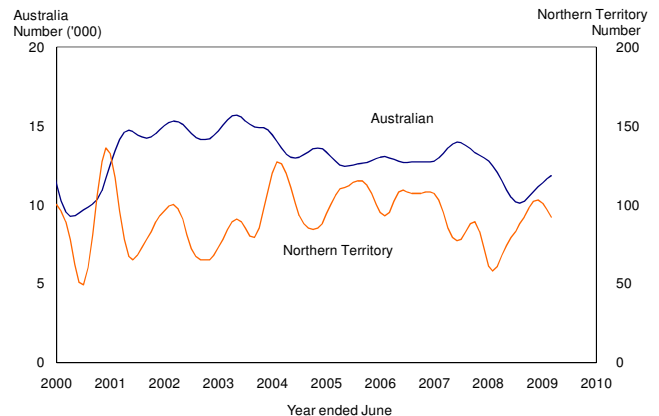
## Dwelling Commencements

In seasonally adjusted terms, Territory dwelling commencements increased by 64.9 per cent to 343 in the June 2009 quarter. This was primarily driven by increased numbers of 'new houses' commencements. Nationally, seasonally adjusted commencements decreased by 3.7 per cent in the quarter.

In 2008-09, the number of dwelling commencements in the Territory increased by 9.8 per cent to 1150, compared to 2007-08. In original terms, there were 1 033 private sector dwelling commencements and 124 public sector dwelling commencements in 2008-09 (see chart).

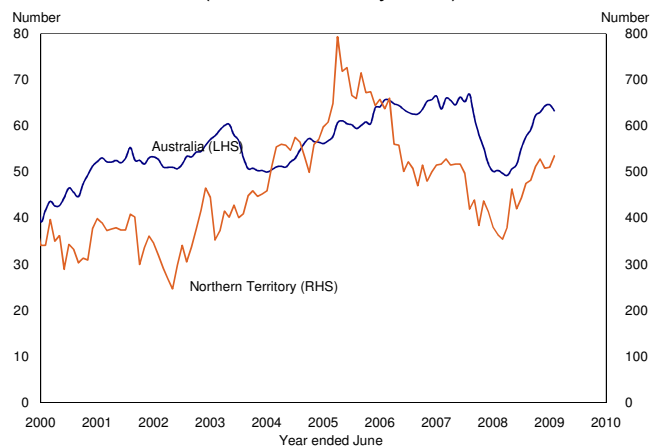
Further analysis of the dwelling commencement data over this period show that 569 of the total commencements were 'houses' while 451 were for 'other' dwellings and 13 were 'conversions'. The release of land in the northern suburbs and Palmerston, as well as the historically low interest rates should support dwelling commencements in 2009-10

## Residential Building Approvals\* (latest data – July 2009)



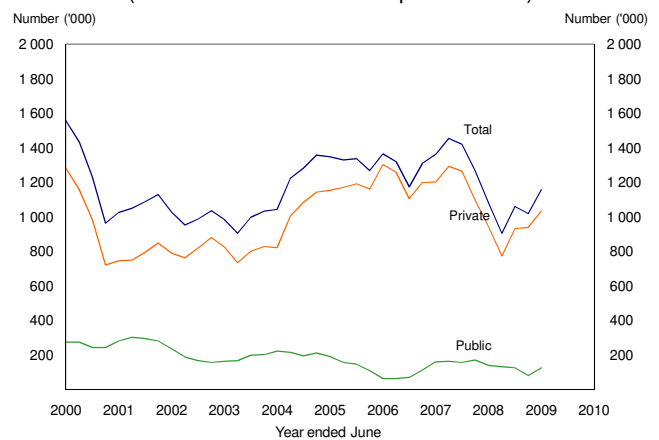
\*trend monthly data  
Source: ABS Cat. No. 8731.0

## Number of Housing Finance Commitments\* (latest data – July 2009)



\* Seasonally Adjusted monthly data  
Source: ABS Cat. No. 5609.0

## Dwelling Commencements\* (latest data – December quarter 2008)



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

## Population

In the March 2009 quarter, the Territory's resident population was estimated to have increased by 0.6 per cent or 1397 to 223 079. Natural increase (645), net overseas migration (641) and net interstate migration (111) all contributed to the population growth.

In annual terms, the Territory population increased by 2.2 per cent, the third highest growth rate of the jurisdictions. Nationally, the population increased by 2.1 per cent to 21.8 million between March 2008 and March 2009.

## Sensis Business Index

According to Sensis, business confidence in the Territory increased in the August 2009 quarter. Sensis measures business confidence for the next twelve months in terms of net balance. Net balance is defined as the difference between the percentage of positive and negative responses. The Territory recorded a net balance of 60 per cent (72 per cent positive, 12 per cent negative and 16 per cent indifference) for small and medium enterprises. That is, a higher proportion of small and medium businesses in the Territory are confident about the economy in the next 12 months.

Business confidence in the Territory has exceeded or equalled that reported nationally since the November quarter 2004 (see chart). The Territory and Tasmania recorded the highest net balance in business confidence (60 per cent). The remaining jurisdictions reported the net balances between 46 per cent in New South Wales and 54 per cent in the Australian Capital Territory. Nationally, the net balance of business confidence for the next twelve months was 50 per cent.

In the August 2009 quarter, the Territory's net balance increased by 12 percentage points from the May 2009 quarter. Nationally, the net balance increased by 20 percentage points in the quarter.

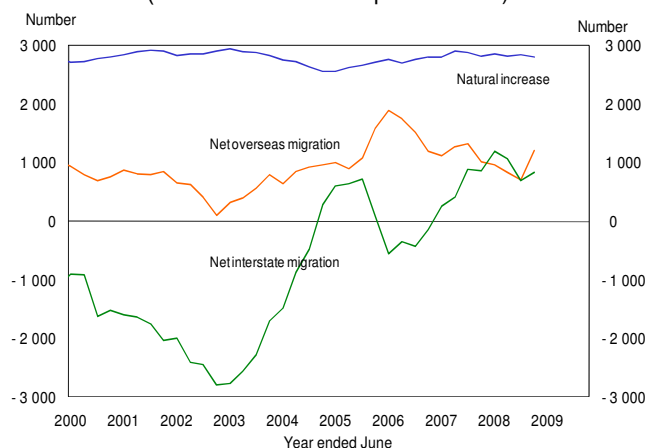
## Mineral and Petroleum Exploration

Mineral exploration in the Territory has increased significantly in recent years, in response to increased commodity prices and demand.

Private mineral exploration expenditure (including exploration for uranium) increased by 10.17 per cent to \$146.2M in 2008-09. Expenditure on other minerals (includes tin, tungsten and other construction materials) exploration was the main driver, which grew by 203.6 per cent, while exploration expenditure for gold grew by 73.4 per cent and uranium grew by 11.9 per cent.

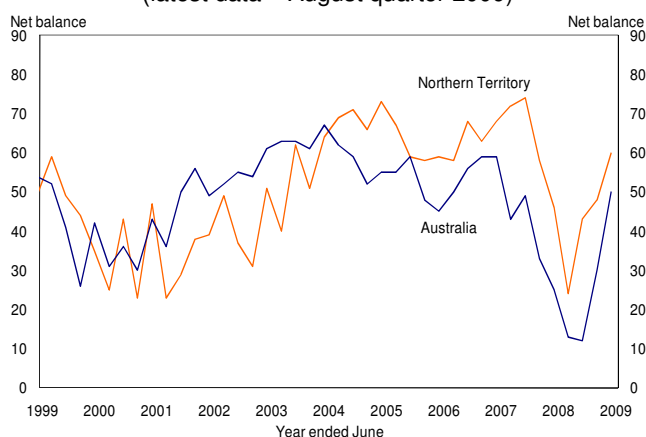
Expenditure on oil and gas exploration has increased more than 7-fold in the past 5 years, driven by strong global economic growth and significant increases in oil and gas prices. However, in 2008-09, expenditure in the Territory on oil and gas exploration decreased 6.5 per cent to \$246.7M due to investors becoming more risk adverse.

## Northern Territory Population Components (latest data – March quarter 2009)



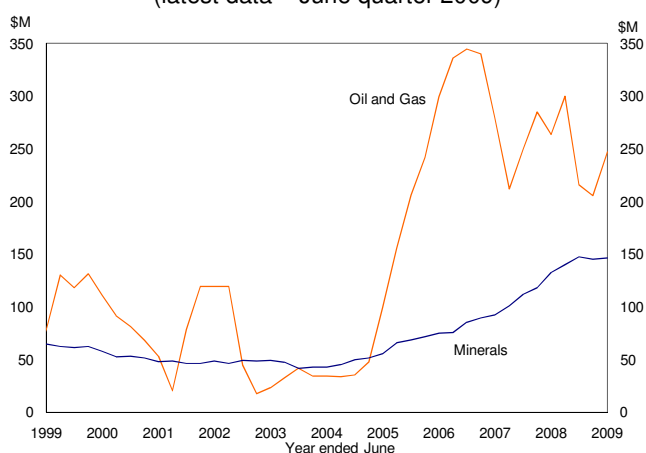
\* moving annual total  
Source: ABS Cat. No. 3101

## Business Confidence Index\* (latest data – August quarter 2009)



\* quarterly data  
Source: Sensis Business Index, August quarter 2009

## Mineral and Petroleum Exploration\* (latest data – June quarter 2009)



\* moving annual total  
Source: ABS Cat. No.8412.0

## Consumer Price Index

A general indicator of 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 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 October 2009

## Comparative Economic Indicators\*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
<b>Economic Growth</b>											
Gross Domestic Product <sup>(a)</sup>	2007-08	% change	3.9	2.8	3.2	5.3	3.8	5.2	3.4	2.5	3.7
State Final Demand <sup>(a)</sup>	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 Jul 09	% change	34.7	26.1	-2.5	49.3	-9.7	20.8	-4.8	0.0	21.9
International Goods Imports	Year to Jul 09	% change	53.0	1.9	-2.7	-0.1	-11.4	14.8	23.5	-27.3	5.4
<b>Demography</b>											
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
<b>Labour Market</b>											
Employment (trend)	Aug 08 to Aug 09	% change	4.4	0.2	0.0	-0.2	-0.4	-1.0	-3.2	-1.8	-0.2
Participation Rate (trend)	As at August 08	%	72.1	63.6	64.8	67.5	63.6	69.1	62.5	73.1	65.4
	As at August 09	%	74.5	63.7	64.7	67.3	63.0	68.5	60.2	71.6	65.2
Unemployment Rate (trend)	As at August 08	%	3.0	4.9	4.4	3.7	5.0	2.8	4.0	2.7	4.2
	As at August 09	%	4.2	6.2	6.1	5.7	5.6	5.5	4.8	3.6	5.8
ANZ Job Ads	Year to Aug 09	% change	#N/A	#N/A	-4.2	#N/A	#N/A	-10.6	13.3	#N/A	-3.8
<b>Prices and Wages</b>											
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
<b>Housing Sector</b>											
Building Approvals (number)	Year to Jul 09	% change	-3.4	-24.8	-1.9	-36.9	-15.2	-19.3	-3.2	30.9	-19.1
Housing Finance for Owner Occupation (number)	Year to Jul 09	% change	3.7	0.0	-5.9	-8.2	-0.3	-9.1	-4.8	19.8	-4.2
Housing Affordability Indicator <sup>(b)</sup>	As at Mar 09 Qtr	Level	46.0	33.0	36.1	33.2	35.1	38.6	36.0	59.4	35.0
<b>Consumer Spending</b>											
New Motor Vehicle Sales (No.)	Year to Aug 09	% change	-14.8	-12.4	-13.0	-15.8	-9.8	-16.0	-14.8	-9.1	-13.6
Tourist Accommodation - Takings (current \$)	Year to Mar 09	% change	9.9	0.3	3.9	0.3	5.3	10.1	3.4	12.8	2.8

\*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.